



# CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Community Development	Glen Van Nimwegen - Associate Planner	July 16, 2024

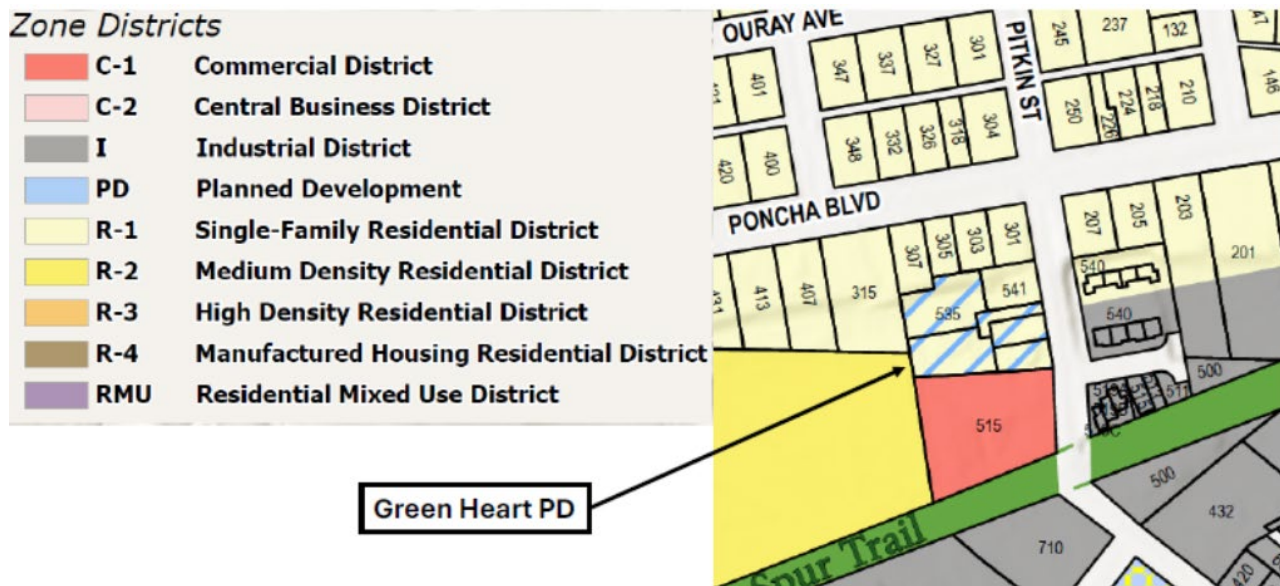
## AGENDA ITEM

- A. Ordinance 2024-08: Second Reading and Holding a Public Hearing on a Substantial Amendment to the Green Heart Planned Development and Minor Subdivision, located at 535 West Seventh Street.
- B. Consideration of request to waive zoning application fees.

## BACKGROUND

The applicant, Robin NeJame of Green Heart LLC, is requesting a major impact review for an amendment to the Green Heart Planned Development and Minor Subdivision located at 535 W. 7<sup>th</sup> Street. The amendment to the planned development is regarding the assessment of inclusionary housing fees-in-lieu (FIL). The project is a 1.23 acre site of four lots with the underlying zoning of Single Family (R-1).

The Inclusionary Housing Fee-In-Lieu (FIL) is one option of meeting the requirement that 16.7% of homes within a subdivision must be “affordable” as defined by the ordinance. A formula is used to determine the fee which is based on the difference between an affordable home price versus the current market price. The Planned Development overlay allows changes to the underlying zoning standards. More details on the Green Heart PD are described below. A home is under construction on Lot 2; and Lot 4 recently received a Certificate of Occupancy.



A substantial amendment to a Planned Development is a Major Impact Review which requires a hearing and recommendation by the Planning Commission; and adoption of an ordinance by City Council after a 1<sup>st</sup> Reading, 2<sup>nd</sup> Reading and Public Hearing. Conditions regarding the inclusionary housing FIL for the Green Heart project are addressed in Ordinance 2022-08 and are stated in Section Three under the Planned Development and Minor Subdivision (Exhibit 1).

Per Section 16-7-150 (c)(6), insubstantial modifications to a PD may be approved by the Administrator. However, one of the criteria for NOT being an administrative change states “Other significant changes which involve policy questions or issues of overriding importance to the community.” Staff believes, which has been confirmed by previous Council direction, the proposed change to the inclusionary housing requirements for this project meets this test.

Also, subparagraph (d) of the above section authorizes the Council to add new conditions “...as are necessary to ensure the new development will be compatible with the current community standards and regulations.”

### Purpose of PD for Green Heart

A Planned Development is an overlay which allows flexibility in the underlying zoning district standards to “...permit the application of more innovative site planning and design concepts than may not be possible under the application of standard zone districts.” The Green Heart Planned Development allowed the use of a private road for required street frontage (instead of a public street as required by code) and reduced R-1 lot and site standards for the two lots (#3 and #4) that are fronting Seventh Street. The result of the flexibility was the creation of additional housing on a complicated infill parcel.

As part of the PD approval process in 2022, the applicant agreed to the following condition as an additional public benefit to warrant the code deviations:

1. Applicant agrees to give a preference to current Chaffee County residents or workforce for Lots 3 and 4 on the Property, to the extent permitted by law. Such marketing and vetting shall be the Applicant’s responsibility, with guidance provided by City staff and the Chaffee Housing Authority. The applicant will need to show a good faith effort to find local residents to purchase the property.

### Applicant’s Request and Justification for PD Amendment

The applicant is requesting a reconsideration of the amount and assessment timing of the required Inclusionary Housing FIL as described in their submittal (Exhibit 1). Staff is paraphrasing the applicant’s request and justification below:

- The current fees are excessive and not in line with what similar projects were required to pay prior to Green Heart being approved (Cherry Grove is the example cited and is discussed below). This has the effect of making housing less affordable for local workers.

*Staff: Cherry Grove is a major subdivision approved in 2021. The housing agreement set the FIL at the lessor of \$7.87 per square foot or \$15,748 for a period of five years. These amounts were consistent with the Inclusionary Housing ordinance at the time. At the time the Green Heart PD was submitted, the FIL was \$20.46 per square foot.*

- They kept their project to a scale that fit the neighborhood. Therefore, they could not take advantage of the economies of scale a higher density project would provide.
- They were not aware of the ability to request a different fee-in-lieu as part of the Planned Development; so are making their arguments now.
- They have recently learned from bankers that the fee-in-lieu cannot be financed. This may be partly due to the housing fees and system development fees put the loan to value above recommended levels.
- Does the potential of approval of a county-wide sales tax for affordable housing mean they will be charged twice?
- The result of increasing the rate of fees-in-lieu as the number of units increase in a project result in higher costs for smaller developers.

### Recent History of Fee-In-Lieu Amounts

On December 21, 2021, Council adopted Resolution 2021-43 which repeated the FIL from July 6, 2021 which required \$16.51 per square foot for every unit within a major subdivision, planned development, annexation or five or more condominiums. When Council adopted Resolution 2022-04 on February 1, 2022, the FIL increased to \$20.46 per square foot for these projects. Minor subdivisions costs were reduced to \$10.23 per square foot.

The Green Heart Planned Development team had their conceptual review by the Planning Commission and City Council on November 15, 2021. From this point they worked on development plans, including civil engineering documents, to make a formal submittal to the City. The applications were signed and submitted on February 1, 2022, the same date the FIL increased to \$20.46 per square foot. But the applications were not determined to be complete until February 14, 2022.

On May 7, 2024 the City Council adopted Resolution 2024-32 to amend the schedule for the Inclusionary Housing Fee-in-Lieu amounts (Exhibit 3). The new schedule does two things:

- Reduces the overall cost per square foot of new principal homes from \$20.46 per square foot to \$13.59 per square foot.
- Instituted a graduated scale for FIL for smaller projects in response to Council's desire to level the field for project with five and fewer units. This further reduces the FIL in a 4-Lot subdivision to 80% of the above.

These two changes reduced the FIL for Green Heart from \$20.46 per square foot to \$10.87 per square foot.

### Required Findings for Approval of a Substantial Modification of a PD

Per Section 16-7-150 (2) no substantial amendment to a PD maybe granted unless the City Council determines the following findings have been met for the proposed change:

1. It is consistent with the efficient development and preservation of the entire PD;
2. Does not affect in a substantially adverse manner either the enjoyment of land abutting upon or across the street from the PD or the public interest; and
3. Is not granted solely for a special benefit upon any person.

### Staff Evaluation

The proposed cap would freeze the fee-in-lieu for any proposed principal residence above 1,449 square feet. Currently only Lot 2 is under construction. Lot 4 was recently issued a Certificate of Occupancy and their FIL was paid.

Lot #	Lot Size (square feet)	Principal Home Size (square feet)	Current FIL Total	Proposed FIL Total	Difference
1	19,117				
2	16,268	2,274	\$24,718	\$15,748	\$8,970
3	6,589				
4	7,088	1,400	\$15,218	\$15,218	PAID

Staff recommends the Council focus on the unique benefits provided and constraints that were solved by the Green Heart Planned Development for guidance on whether the FIL change should be made. For instance, it was a difficult site that required the added expense of private street infrastructure. They have agreed to give preference to local homebuyers that are a part of the community's workforce who make their home on Lots 3 and 4. The Council may consider other conditions or changes to potentially help make that happen.

The arguments about the FIL making housing less affordable and more challenging for smaller projects/developers are best made as part of a larger discussion. Staff have committed to evaluating the fees for Council adoption on a bi-annual basis.

### A. Proposed Fee-In-Lieu for Green Heart Planned Development

Keep the fee at the current rate (\$10.87 per square foot of each unit) but cap the fees at a max of \$15,748 per unit for three years. The cap is consistent with what was approved for the Cherry Grove subdivision.

### B. Proposed Application Fees for PD Amendment

The applicant is asking for consideration of a refund of the application fees for this amendment as they were not aware they could discuss alternatives to the FIL at the time the PD was approved. The fees are:

- PD Substantial Modification \$1,500
- Cost Reimbursement Deposit 3,000
- \$4,500

## **FISCAL NOTE**

- A. If approved, the initial reduction to the Housing Affordability Fund would be \$8,970. The future reductions cannot be calculated because we do not know the size of the home to be built on the two remaining lots. However, the proposed cap is for only three years, so if the remaining lots are not built on until after that date, the fee that is current at that time will be paid.
- B. The applications fee waiver would mean \$1,500 would not be added to the General Fund, plus the extraneous expenses covered by the deposit. The unused portion of the deposit is returned to the applicant.

## **PLANNING COMMISSION RECOMMENDATION**

On May 28, 2024 the Planning Commission held a public hearing and found the request met the criteria for approval of a substantial amendment to the Planned Development and made the following recommendations:

- A. Ordinance 2022-08 should be revised by amending the conditions regarding inclusionary housing FIL to generally state:
  - 1. The owner shall pay a fee-in-lieu for each principal residential unit constructed equal to the lesser of \$10.87 per habitable square feet; \$15,748; or an amount established by a subsequently adopted fee schedule; and
  - 2. The fee-in-lieu amounts shall remain at the above for three (3) years from the date of this ordinance. After the three (3) year period the fee-in-lieu shall be the amount that is in effect at the time of issuance of a building permit for a principal residence.
  - 3. The minor subdivision shall be amended to note the temporary FIL reduction; and
- B. The application fees should be refunded to the applicant.

## **MOTIONS**

- A. A City Councilmember should state "I move to \_\_\_\_\_ Ordinance 2024-08 on Second Reading", followed by a second and a roll call vote.
- B. A City Councilmember should state "I move to \_\_\_\_\_ the applicant's request to waive the Green Heart PD amendment application fees", followed by a second and a roll call vote.

### **Attachments**

Ordinance 2024-08  
Exhibit 1: Ordinance 2022-08  
Exhibit 2: Applicant Statement  
Exhibit 3: IH FIL Fee Schedule adopted May 7, 2024  
Submitted Public Comments

**CITY OF SALIDA, COLORADO**  
**ORDINANCE NO. 08**  
**(Series 2024)**

**AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO APPROVING A SUBSTANTIAL MODIFICATION OF THE GREEN HEART PLANNED DEVELOPMENT AND MINOR SUBDIVISION TO MODIFY THE REQUIREMENTS FOR INCLUSIONARY HOUSING FOR THE 1.23 ACRE SITE**

**WHEREAS**, the City Council approved the Development Plan, Planned Development and Minor Subdivision for the Green Heart Planned Development on May 17, 2022 by Ordinance 2022-08; and

**WHEREAS**, Section Three of said Ordinance includes as a condition to the Planned Development and Minor Subdivision approvals the requirements that preference be given to local Chaffee County residents or workforce to purchase lots within the subdivision and that new residential units shall meet the Inclusionary Housing requirements of Chapter 16, Article XIII of the Salida Municipal Code; and

**WHEREAS**, Section 16-7-150 of the Salida Municipal Code (SMC) states the provisions of a PD Development Plan that are significant and involving policy questions or issues of overriding importance of the community may be amended by the City Council after a public hearing and subject to certain criteria; and

**WHEREAS**, the landowner, Green Heart LLC, as represented by Robin NeJame, has made an application to amend the conditions within the Planned Development in accordance with the SMC, to allow a cap on the maximum Inclusionary Housing Fees-in-Lieu required per lot for a time period of three years; and

**WHEREAS**, the City of Salida Planning Commission held a duly noticed public hearing on May 28, 2024 to review the proposed changes and made a recommendation that the City Council approve the proposed substantial modification of the Planned Development, with conditions, as it met the criteria stated in Section 16-7-150; and

**WHEREAS**, the proposal for the subject territory is consistent with the policies and goals of the City's land use regulations and Comprehensive Plan, and will advance the public interest and welfare; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO** as follows:

**Section One**

That the Green Heart Planned Development, Development Plan and Minor Subdivision as defined in Ordinance 2022-08 be amended by amending the conditions of Section Three of said ordinance as follows:

**Conditions for the Planned Development:**

1. Applicant agrees to give a preference to current Chaffee County residents or workforce for Lots 3 and 4 on the Property, to the extent permitted by law. Such marketing and vetting shall be the Applicant's responsibility, with guidance provided by City staff and the Chaffee Housing Authority. The applicant will need to demonstrate their good faith effort in finding local residents to purchase the property(ies).
2. Access to all of the lots must be off of the private road. No access will be allowed off of Seventh Street for any of the lots.

**Conditions for the Minor Subdivision:**

1. A name for the private road be added to the plat and "out-lot" removed.
2. The applicant must meet the requirements of the Public Works Director and City Engineering Consultants.
3. A plat note shall be added that states that "Fees-in-lieu for Open Space shall be paid at the time of building permit submittal of any residential units."
4. The following plat note must be added: ~~"New residential dwelling units constructed on the Property shall meet the inclusionary housing requirements of Chapter 16, Article XIII of the Salida Municipal Code. The applicants volunteer and agree to provide an in-lieu fee at the rate in effect prior to issuance of certificate of occupancy of any new residential dwelling units on any of the lots, unless an IH unit is provided".~~  
~~of any new residential dwelling units on any of the lots, unless an IH unit is provided".~~
  1. Until August 30, 2027, THE OWNER SHALL BE PERMITTED TO PAY AN INCLUSIONARY HOUSING FEE-IN-LIEU FOR EACH PRINCIPAL RESIDENTIAL UNIT CONSTRUCTED EQUAL TO THE LESSOR OF: (1) \$10.87 PER HABITABLE SQUARE FEET; (2) \$15,748; OR (3) A LOWER AMOUNT ESTABLISHED BY A SUBSEQUENTLY ADOPTED FEE SCHEDULE; AND
  2. Until August 30, 2027, THE FEE-IN-LIEU AMOUNTS SHALL REMAIN AT THE ABOVE-STATED AMOUNTS. AFTER August 30, 2027, THE FEE-IN-LIEU SHALL BE THE AMOUNT THAT IS IN EFFECT AT THE TIME OF ISSUANCE OF A BUILDING PERMIT FOR A PRINCIPAL RESIDENCE.
5. That the applicant meet all applicable requirements of Atmos Energy.

**Section Two**

The applicant shall cause the Minor Subdivision to be amended and re-recorded with the above change to the language.

**Section Three**

This Ordinance shall not have any effect on existing litigation and shall not operate as an abatement of any action or proceeding now pending under or by virtue of any ordinance repealed or amended as herein provided, and the same shall be construed and concluded under such prior ordinances.

**Section Four**

The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause or portion of the Ordinance as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the Ordinance.

**INTRODUCED ON FIRST READING** on this 2nd day of July, 2024, **ADOPTED and ORDERED PUBLISHED IN FULL** in a newspaper of general circulation by the City Council on this 5th day of July, 2024, and set for second reading and public hearing on the 16th day of July, 2024.

**INTRODUCED ON SECOND READING, FINALLY ADOPTED and ORDERED PUBLISHED BY TITLE ONLY**, by the City Council on the 16th day of July, 2024.

City of Salida

[SEAL]

\_\_\_\_\_  
Mayor Dan Shore

ATTEST:

\_\_\_\_\_  
City Clerk/Deputy City Clerk

PUBLISHED IN FULL in the Mountain Mail after First Reading on the 5th day of July, 2024, and BY TITLE ONLY, after final adoption on the 16<sup>th</sup> day of July, 2024.



**CITY OF SALIDA, COLORADO  
ORDINANCE NO. 08  
SERIES OF 2022**

**AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF SALIDA,  
COLORADO APPROVING THE GREEN HEART LLC MAJOR IMPACT REVIEW  
FOR A PLANNED DEVELOPMENT OVERLAY AND MINOR SUBDIVISION OF THE  
1.23 ACRE PARCEL LOCATED AT 535 WEST SEVENTH STREET**

**WHEREAS**, the City of Salida Planning Commission conducted a public hearing on the Major Impact Review Application request for a Planned Development Overlay and Minor Subdivision for the property located at 535 West Seventh Street on March 28, 2022 and forwarded to the City Council its recommendation that the subject property be approved, with conditions, as a Planned Development Overlay pursuant to the attached Green Heart Planned Development Plat (Exhibit A); and

**WHEREAS**, the City of Salida Planning Commission reviewed and recommended approval, with conditions, the Green Heart Minor Subdivision a four-lot subdivision within the planned development overlay, illustrated on Exhibit B; and

**WHEREAS**, the project is consistent with the purpose, conditions and evaluation standards for planned development districts; and

**WHEREAS**, the proposal for the subject property is consistent with the policies and goals of the City's land use regulations and Comprehensive Plan, and will advance the public interest and welfare; and

**WHEREAS**, after the positive recommendation was forwarded to the City Council, a public hearing was held by the Salida City Council on May 17, 2022.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, THAT:**

**Section One**

That the entirety of the property comprising the Green Heart Planned Development, to wit, the 1.23 acres is hereby zoned Single-Family Residential (R-1) with a Planned Development Overlay as shown on the Green Heart LLC Planned Development plat and Minor Subdivision attached to this ordinance as Exhibit A and Exhibit B.

**Section Two**

Upon this approval by the City Council, the Green Heart LLC Planned Development Overlay shall be considered a site specific development plan and granted a vested property right. The City Council is approving the vested property right subject to the terms and conditions contained in the development plan and this ordinance and failure to abide by such terms and conditions may, at the option of the City Council, after a public hearing, result in the forfeiture of vested property rights.

### **Section Three**

Upon this approval by the City Council, the applicant shall submit a final Mylar of Exhibit A and Exhibit B; and incorporating the following conditions of approval for the Mayor's signature and recordation.

#### **Conditions for the Planned Development:**

1. Applicant agrees to give a preference to current Chaffee County residents or workforce for Lots 3 and 4 on the Property, to the extent permitted by law. Such marketing and vetting shall be the Applicant's responsibility, with guidance provided by City staff and the Chaffee Housing Authority. The applicant will need to show a good faith effort to find local residents to purchase the property.
2. Access to all of the lots must be off of the private road. No access will be allowed off of Seventh Street for any of the lots.

#### **Conditions for the Minor Subdivision:**

1. A name for the private road be added to the plat and "out-lot" removed.
2. The applicant must meet the requirements of the Public Works Director and City Engineering Consultants
3. A plat note shall be added that states that "Fees-in-lieu for Open Space shall be paid at the time of building permit submittal of any residential units."
4. The following plat note must be added: "New residential dwelling units constructed on the Property shall meet the inclusionary housing requirements of Chapter 16, Article XIII of the Salida Municipal Code. The applicants volunteer and agree to provide an in-lieu fee at the rate in effect prior to issuance of certificate of occupancy of any new residential dwelling units on any of the lots, unless an IH unit is provided".
5. That the applicant meet the requirements of Atmos Energy.

### **Section Four**

The City Clerk is hereby directed to undertake the following actions upon the adoption of this Ordinance:

1. Publish this Ordinance in a newspaper of general circulation in the City of Salida.
2. Following recording of the Mylar, the Clerk shall promptly amend the official city zoning district map to incorporate and reflect the planned development overlay of the subject property.

### **Section Five**

This Ordinance shall not have any effect on existing litigation and shall not operate as an abatement of any action or proceeding now pending under or by virtue of any ordinance repealed or amended as herein provided, and the same shall be construed and concluded under such prior ordinances.

**Section Six**

The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause or portion of the Ordinance as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the Ordinance.

INTRODUCED ON FIRST READING, on May 3, 2022, ADOPTED and set for second reading and public hearing on the 17<sup>th</sup> day of May, 2022.

CITY OF SALIDA, COLORADO

\_\_\_\_\_  
Dan Shore, Mayor

[SEAL]

ATTEST:

\_\_\_\_\_  
City Clerk/Deputy Clerk

**PUBLISHED IN FULL** in the Mountain Mail after First Reading on the \_\_\_\_ day of \_\_\_\_\_, 2022, and **BY TITLE ONLY**, after final adoption on the \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
City Clerk/Deputy City Clerk

## SALIDA, COLORADO



### LEGEND

[illegible]

\*484204\*

FINAL - 6/27/22



## EXHIBIT 2

As an introduction, Green Heart LLC, the applicant, consists of Andy Riemenschneider, Zack Zeiset, Annie Ruiter, and myself, Robin NeJame. We are a partnership of two families who joined forces to purchase the parcel of land at 535/541 7th Street. We are all long-time residents of Salida, each with over 20 years of residency. Zack even grew up here and attended the old LES just a half block away. With families of our own, we are excited to live on this property and grow old with our community.

We would like to formally request a renegotiation of our planned development and minor subdivision agreement. We feel the fees in lieu for Inclusionary Housing we are required to pay are excessive and not in line with what other developers have been asked to pay. These additional fees only hurt locals' ability to purchase local lots and are limiting the affordable housing opportunities in our subdivision.

Throughout the Planned Development process, simplicity had been our guiding principle. We never aspired to be developers of large condo complexes; rather, our aim has always been to foster a community of families and neighbors.

The Green Heart Planned Development doubled the number of lots compared to the Use by Right and provides access to 541 7th Street to allow for an Accessory Dwelling Unit (ADU). Including the lot at 541 7th Street, the number of additional units for these two lots can be 10 if you count the ADUs. All four new lots are accessed from Two Wheel Drive.

As per our original Planned Development we requested the following deviations from the Dimensional Standards:

- Lots 1 and 2: The minimum lot frontage to be measured from the new private road.
- Lots 3 and 4: The minimum lot frontage, lot area, lot coverage, landscape area, and setbacks to match R2. Because of the rear access across the lot, the rear setback will be 20'. Lot 2, the rear setback, was increased to 40' to allow Lot 1 to have a less obstructed view corridor.

Presently, Zack and I are building on Lot 2, while Annie and Andy are planning to build on Lot 1 soon. We recently sold Lot 3 to a couple from Chaffee County, affording their children the opportunity to walk to school and the park, starting in May. You heard from Bethany the other day. She and her partner are a family of four and make approximately \$50k per year. She works for an orthodontist and Dustin works from home. He has built their family home, working tirelessly. This family qualifies for affordable housing, but chose not to enter into the program. It made more sense for them to save, skipping birthdays and holidays, to own their house and not be limited by any deed restrictions. On our end, we waited over 440 days for a Bethany, Dustin and their family to purchase a lot. We have yet to sell Lot 3. We have been told time and time again that people have interest, but they are unable to pay the fee in lieu. Those that have shown serious interest include a non-certified school district employee, a teacher that wants to relocate here. Note, there are two positions open in the school district which she could potentially fill, two local kids who I used to teach along with their families, an emergency room doctor that considered relocating, and one of your employees, someone that works for the City of Salida.

We would like to formally request a renegotiation of our planned development and minor subdivision agreement. As we have learned very few people are willing to purchase a deed-restricted home, and with the cost of these deed-restricted units right now, it is sometimes a better investment for locals to go in a different direction.

The biggest hindrances to our situation are as follows:

1) We did not fully understand what the term negotiating meant. It wasn't until last month's meeting that we learned of the possibilities. We learned that each PD is unique, and we should have considered negotiating the Inclusionary Housing fees.

2) The banks will not loan given your terms. Assuming a lot price of \$250k, and building costs at \$375 per sq foot, a 1500 sq foot home costs \$812,500. This does not include the fee in lieu, permit fees, and tap fees. This person cannot see this potential residence at 120 percent AMI (or even 140 percent AMI). This would be a loss for anyone that did this, and the bank will not offer a loan. The math doesn't work.

We greatly care about affordable housing. For 20 years, Zack and I have had affordable housing units at 60% AMI. We just raised them to 80 % AMI with the latest property tax increase. We are now being asked to provide nearly \$40,000 in fees to build our home, our neighbors will be asked something similar. I will add that if the Chaffee Housing Authority tax initiative passes, we will not only be giving back to affordable housing through our rentals and through the fee in lieu, but also through every taxable dollar we spend in Chaffee County. It almost feels like being triple taxed. There are zero rewards to keep affordable rentals just that, and it is not something that I ever thought of considering until this fee in lieu and these tax measures kept coming up. But when those who are trying to be part of the solution, continue to be burdened, unintended consequences are inevitable. For example, I sold one of my affordable units. We have one less affordable rental in Salida because of that. We are in a financial pickle because of these unintended consequences and can no longer take on all these financial burdens.

After talking to Bill Almquist on April 19, 2024, he mentioned that he thought the fee in lieu cost could potentially be going down to \$13.76. He also let me know that there was talk of changing ordinances in the future, one of which might include lowering this fee for minor subdivisions based on how many lots are made. He said that this fee could go up based on how many lots are made, and since we created four lots, that possibly that \$13.76 could be cut by about twenty percent. His rationale for more lots costing more, I hear, but I don't necessarily agree with.

1) He claims that more lots could actually hurt the affordable housing issue because of formulas and averaging.

2) The city still has a policy that hurts locals from purchasing in Salida city limits. Tacking any more fees on to these lots does not help in any way put the working class in our community, especially since we have proven to the city that our intent is to get working class families on these lots with the sale of Lot four to the Dustin and Bethany. I also think that if you create more lots in city limits that penalizing these small developers is unfair. If we were trying to make this a business, it would be one thing, but we were actually just trying to create space for neighbors. Every time we sell a lot we

are also penalized with significant capital gains, even though we prove losses. Ask our accountant about this.

I was asked at the last P and Z meeting why we did not negotiate, and I felt like I was staring at everyone like a deer in the headlights. The concept was foreign to us. We would like to negotiate now:

Under the previous Inclusionary Housing Ordinance, the Cherry Grove subdivision had a fee in lieu of \$7.87 per sq. ft., this was for seven lots. It also reads that there is a max, not to exceed \$15,748 per unit. Furthermore, the fee at this time was \$16.51.

We are aware that the City needs funding for affordable housing, so our request is that we receive a cap equal to Cherry Grove's at \$15,748 per unit under the existing inclusionary housing fee of 80 percent of 13.56. Should this go down, this rate would also go down. And this would be for a three-year period at time that the new ordinance is effective to issuance of CO. Per current standards if an affordable unit is built the fee does not apply and all fees paid to date are returnable to payees if they are the current owner.

I am including \$4500 and would like to request one more thing...that you consider a reimbursement of this fee as we did not know when we first entered into an agreement with the City of Salida that "negotiating" was an option and that each project that came before you was "unique". Again, this could have been dealt with had we known that negotiating was an option

We encourage you to consider what we have contributed to housing in Salida and will continue to contribute through rentals and maybe even a potential sales tax increase. We honestly cannot contribute in three different ways, and it really does not feel equitable to be hit in three different ways.

In conclusion, we urge the City to reconsider the terms of the planned development and minor subdivision, recognizing the tangible benefits our project offers to the community. We are open to constructive dialogue and eager to find mutually beneficial solutions that address both the City's needs and our goals. Thank you!

Robin NeJame on behalf of Green Heart LLC

719-221-4726





### Inclusionary Housing In-Lieu Fees:

Inclusionary housing requirements apply to Annexations, Planned Developments, Minor and Major Subdivisions, Condominium Plats, Duplex Conversion Subdivisions, and Multi-Family rental projects of five (5) or more units. The in-lieu fee option is only available for the fractional portion above the number of inclusionary housing units required to be built and deed-restricted in a development, and where the total number of proposed units or lots in a development is five (5) or fewer.

If an applicant opts to pay an in-lieu fee to satisfy the inclusionary housing requirement as permitted by Sec. 16-13-30 of the Salida Municipal Code, the fees shall be calculated as described here, and based upon the date of building permit application submittal.

(a) The in-lieu fee for each for-sale unit within the applicable development shall be:

**\$13.59** per square foot of the principal unit (excluding garages), which equates to the following amounts applicable to projects or to the fractional remainder based on unit/lot count:

5 new units/lots created, or remainder of 5 = .9 FIL/SF = \$12.23 / SF for each unit  
4 new units/lots created, or remainder of 4 = .8 FIL/SF = \$10.87 / SF for each unit  
3 new units/lots created, or remainder of 3 = .7 FIL/SF = \$9.51 / SF for each unit  
2 new units/lots created, or remainder of 2 = .6 FIL/SF = \$8.15 / SF for each unit  
1 new unit/lot created, or remainder of 1 = .5 FIL/SF = \$6.80 / SF for each unit

(b) The in-lieu fee for each unit within a multi-family RENTAL project of five (5) or more units under single ownership and on the same lot (whether attached or not) shall be:

**\$3.00** per square foot of the rental unit (excluding garages)\*

\*Should such a unit be converted to a saleable unit (via subdivision, condominiumization, etc.), the applicant shall be responsible for paying the difference between the rental unit in-lieu fee originally paid and the for-sale unit in-lieu fee applicable at the time of such conversion, unless the requisite number of inclusionary housing units are then deed-restricted.

**PLEASE READ OUT LOUD AND MAKE PART OF RECORD AT 5/28 HEARING**

senate@brucecairns.org <senate@brucecairns.org>

Tue 5/28/2024 11:37 AM

To:Glen Van Nimwegen <glen.vannimwegen@cityofsalida.com>;Robin.NeJame@highcountrybank.net  
<Robin.NeJame@highcountrybank.net>

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Dear Sir and Planning Commission Members:

RE: Your notice of Public Hearing...

Three page letter by Robin NeJame.

After reading please distribute to ...Planning... Members.

I agree with Robin's letter. We appreciate that they chose to build housing commensurate with the neighborhood. Please waive fees so that they can sell the last lot to someone who can build a reasonable price home; yet, that a worker in our community can afford it and that they have no fees to pass on or that the new owner would have to pay.

If the previous ownership had existed on that property you would have likely condemned it and it still would not be cleaned up. They have done a marvelous job.

Commentary: If Salida wants more affordable housing - housing can not be taxed multiple ways. Like- property tax, sales tax increases, excessive tap fees for small development, rental taxes and Regs, Housing authority increases, etc, etc.

Please grant them full concessions so more affordable homes can be built in Salida.

Thanks, Neighbor, Bruce Cairns  
540 W. 7th St. Unit 4.  
720 936 5344

PS. Green Heart LLC did not ask me to write this, I volunteered for what they have done to improve the neighborhood and the City!!