

GUNNISON COUNTY PLANNING COMMISSION
PRELIMINARY AGENDA: Friday, November 17, 2017
Planning Commission will meet in the Board of County Commissioners Meeting Room
Gunnison County Courthouse - 2nd Floor, 200 E. Virginia Avenue

- 8:45 a.m.**
- **Call to order; determine quorum**
 - **Approval of minutes**
 - **Unscheduled citizens:** A brief period in which the public is invited to make general comments or ask questions of the Commission or Planning Staff about items which are not scheduled on the day's agenda.
- 9:00 a.m.** **Scarp Ridge, LLC – Irwin Helipad**, represented by David Leinsdorf, work session, request to create a year round helipad on the west side of the existing snow cat storage barn. The helipad would be used exclusively for Eleven clients to access the recreation activities conducted on Scarp Ridge L.L.C.'s property and National Forest, including snow cat assisted skiing, under the Forest Service Special Use Permit, and summer recreation uses, located approximately 12 miles west of the Town of Crested Butte, above and north of Lake Irwin and the Irwin townsite, legally described as being located on the Lead Chief lode mining claim, U.S. survey No. 2731, Ruby Mining District, including 8 additional claims, all in the Ruby Mining District, as inholdings within the Gunnison National Forest, and generally within Sections 27, 33 and 34 T13S R87W 6th P.M. **LUC 17-00044**
- 9:30 a.m.** **Planning Commission training**, David Baumgarten, County Attorney, work session, ex parte communication, possible executive session
- 10:00 a.m.** **APT Brush Creek Road, LLC**, represented by John O'Neal, work session, focus on affordable housing component, Jennifer Kermode – GVRHA, request for the development of 240 rental units on the subject parcel. 65% (156) of the units will be deed restricted to qualifying households earning less than 180% of the Area Median Income. The remainder of the units (84) will be free market rental units, located on the southeast corner of the intersection of Brush Creek Road and Highway 135, approximately 1.5 miles south of the Town of Crested Butte. The parcel is approximately 14.29 acres and is legally described as all of land in Section 12, Township 14 South, Range 86 West, 6th p.m., lying south and east of Brush Creek Road, and west of Larkspur Subdivision
LUC-17-00034

Lunch

- 1:00 p.m.** **APT Brush Creek Road, LLC**, continued work session from morning
- 3:00 p.m. -**
Adjourn

**GUNNISON COUNTY PLANNING COMMISSION
REGULAR MEETING
November 17, 2017**

The Gunnison County Planning Commission conducted a regular meeting, in the BoCC Meeting Room in the Gunnison County Courthouse. **Present:**

Chairman- Kent Fulton Vice-Chairman- Jack Diani Commissioner- AJ Cattles Commissioner-Tom Venard Commissioner-Molly Mugglestone Alternate Commissioner- Vince Rogalski	Director of Community Development- Cathie Pagano Assistant Director- Neal Starkebaum Planner- Rachel Sabbato Manager of Administrative Services- Beth Baker Others present as listed in text
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Absent; Commissioner Sarah Coleman

With a quorum present Chairman Fulton opened the November 17, 2017, regular meeting of the Planning Commission.

Moved by Diani seconded by Fulton to approve the Planning Commission meeting minutes, dated November 3, 2017, as amended. The motion passed unanimously.

Scarp Ridge, LLC- Irwin Helipad (LUC-17-00044): The Gunnison County Planning Commission conducted a work session. They reviewed the request to create a year round helipad on the west side of the existing snow cat storage barn. The helipad would be used exclusively for Eleven clients to access the recreation activities conducted on Scarp Ridge L.L.C.'s property and National Forest, including snow cat assisted skiing, under the Forest Service Special Use Permit, and summer recreation uses, located approximately 12 miles west of the Town of Crested Butte, above and north of Lake Irwin and the Irwin townsite, legally described as being located on the Lead Chief lode mining claim, U.S. survey No. 2731, Ruby Mining District, including 8 additional claims, all in the Ruby Mining District, as inholdings within the Gunnison National Forest, and generally within Sections 27, 33 and 34 T13S R87W 6th P.M.

With a quorum present Chairman Fulton opened the work session.

Fulton stated he is taking avalanche classes from the applicant's company, Eleven. He consulted with the County Attorney and he confirmed Fulton did not need to recuse himself.

Present representing Planning Commission: Commissioners Fulton, Diani, Venard, Cattles, Mugglestone and Rogalski.

Present representing Community Development staff: Assistant Director of Community Development Neal Starkebaum and Manager of Administrative Services Beth Baker.

Present representing the application: attorney David Leinsdorf and Eleven's managing director Jake Jones.

Leinsdorf gave a brief overview of the application. He said they are not changing the fundamental use of the land, they are only asking for helicopter access. They will limit the number of flights to four per month, on an annualized basis. The noise impacts will be mitigated because there are approach points that do not require going over the Irwin town\site. He added minimal site preparation is necessary: remove a few trees to the west of the landing zone and add a wind sock. He will confirm the number of trees to be removed.

Starkebaum noted this is not FAA regulated airspace, so there will be no application for the FAA. There is an advisory circulated concerning noise sensitive areas, which include wilderness areas. This could be a potential issue from a noise standpoint.

Fulton asked where the flights will originate: Jones said Aspen & Telluride. He added they have had guests request this type of service. It does not include heli-skiing, or avalanche control. Leinsdorf said they are not applying for helicopter operations.

Mugglestone asked about the sites used for emergency training; Jones said those areas are not on the applicants' property. He added the customers could not use the Crested Butte airport.

Fulton asked if the Forest Service had any wildlife issues: Starkebaum said they had no comment.

Fulton asked if they would restrict use to daylight hours: Jones confirmed use will be restricted to daylight hours.

The consensus of the Planning Commission was they would need to do a site visit.

Jones reiterated they are proud of the operation they have in Crested Butte: this is the global headquarters.

Fulton closed the work session.

Planning Commission Training: County Attorney David Baumgarten conducted a training session with the Planning Commission.

Moved by Fulton, seconded by Venard for the Commission to go into executive session with County Attorney David Baumgarten, and Gunnison County Community Development Department staff for the purpose of discussing ex parte communication. The motion passed unanimously.

The Commission went into executive session at 9:35 a.m. *Executive sessions of the Gunnison County Planning Commission are conducted as per C.R.S. 24-6-402(4). This specific session was conducted as per C.R.S. 24-6-402(4)(b).*

Attorney Statement Regarding Executive Session

Pursuant to C.R.S. 24-6-402 (4), I attest that I am the Gunnison County Attorney; that I represent the Gunnison County Planning Commission; that I attended all of the above referenced executive session; that all of the executive session was confined to the topic authorized for discussion pursuant to C.R.S. 24-6-402(4) (e) (I) and that, because in my opinion all of the discussion during the executive session constituted a privileged attorney-client communication, no record of the executive session was required to be kept and no such record was kept.

Date: _____

David Baumgarten
Gunnison County Attorney

Moved by Venard seconded by Diani to come out of executive session. The motion passed unanimously.

The Planning Commission came out of executive session at 10:00 a.m.

Chairperson Statement Regarding Executive Session

Pursuant to C.R.S. 24-6-402(4), I attest that I am the Chairperson of the Gunnison County Planning Commission; that I attended all of the above referenced executive session; and that all of that executive session was confined to the topic authorized for discussion pursuant to C.R.S. 24-6-402(4)(e)(I).

Date: _____

Kent Fulton
Chairperson Gunnison County Planning Commission

APT Brush Creek Road, LLC (LUC-17-00034): The Gunnison County Planning Commission conducted the second work session for the APT Brush Creek Road, LLC application. They focused on the affordable housing component, Jennifer Kermode – GVRHA, request for the development of 240 rental units on the subject parcel. 65% (156) of the units will be deed restricted to qualifying households earning less than 180% of the Area Median Income. The remainder of the units (84) will be free market rental units, located on the southeast corner of the intersection of Brush Creek Road and Highway 135, approximately 1.5 miles south of the Town of Crested Butte. The parcel is approximately 14.29 acres and is legally described as all of land in Section 12, Township 14 South, Range 86 West, 6th p.m., lying south and east of Brush Creek Road, and west of Larkspur Subdivision.

Chairman Fulton has recused himself from the review of this application.

Commissioner Diani has been appointed Chairman for this review, and Commissioner Cattles has been appointed Vice-Chairman for this review.

Chairman Diani opened the work session.

Present representing the Planning Commission: Commissioners Diani, Cattles, Venard, Mugglestone, and Rogalski.

Present representing the Community Development staff; Director of Community Development Cathie Pagano and Manager of Administrative Services Beth Baker.

Present representing the Gunnison Valley Regional Housing Authority (GVRHA): Jennifer Kermode.

Present representing the application: representative John O'Neal, and attorney Kendall Burgemesiter.

Site Visit Comments:

Rogalski- It was worthwhile seeing the change of elevation from Brush Creek Rd., and to see where some of housing may be.

Mugglestone- It was great to see the surrounding areas, the trees and the elevations. It would be helpful to see a development on the ground that is close to these proposed square footages.

Cattles- The elevation change was more than anticipated.

Venard-agreed with commissioners.

Diani- Standing on the top of the knoll was helpful.

Diani acknowledged a public request for 15 minutes out of each hour for the public to speak. He noted it would not work, but there would be time set aside at the end of the work session for public comment.

Kermode reviewed workforce housing issues.

The GVRHA:

- It originated in 1996 and became multijurisdictional in 2012
- There are nine member Board of Directors and three staff members
- They oversee policy and organization development roles
- Staff administers programs, services, and runs daily operations

The GVRHA 2017 Strategic Plan Priorities:

- Define roles of the GVRHA and create a unified vision for housing in the Valley
- Develop a positive atmosphere for public/private collaboration to increase housing supply
- Establish a permanent funding stream to leverage with other sources to increase housing supply
- Work cooperatively to discover and implement solutions to provide quality, affordable housing

Terminology:

- Affordable workforce housing- homes with sale prices or rental rates where no more than 30% of the household's income is spent on housing expense (PITI +HOA or rent +utilities), and at least one member of the household meets employment requirements
- AMI- Area Median Income as published by HUD on an annual basis
- Deed Restrictions-recorded covenants that control how a property can be purchased, used and sold
- Essential Housing- targeted to workers who are vital to community sustainability
- LIHTC- Low Income Housing Tax Credits
- Resale Calcs- a variety of formulas that can be used to determine maximum resale price of a home

Why Housing is Challenging:

- Inadequate housing supply
- Low wages relative to cost of living
- Pressure from 2nd homeowners and vacationers
- High construction and labor costs
- Loss of long-term rentals
- Employees retiring "In place"
- Regulatory barriers

We want to:

- Preserve community character
- Preserve open space
- Maintain view corridors
- Provide quality experiences to our guests
- Find sustainable solutions to issues
- Integrate workforce housing throughout the valley
- Keep our locals

Gap in Housing:

- There is an affordability gap- between wages and rental rates

North Valley Rental Picture as posted in the Nov. 10, 2017 Crested Butte News:

- 39 jobs in the north Valley were posted- many seasonal but not all, many service and recreational industry jobs, but not all
- 5 1-bed/1-bath listed for rent, ranging from \$1,000 to \$1,595 per month, half 1-year terms, 50% >1 year term; condos, THs, ADUs and 1 SFD
- 4 2-bed/2+bath homes, listed for rent, ranging from \$1,250 to /\$2,400 per month, most for > 1 year lease; condos, THs, and 2 SFD
- 2 3-bed/2+bath homes listed for rent, ranging from \$2,500 to \$2,750 per month, both >7 month terms, 2 SFD
- 1 home unspecified on anything but rent at \$2,500

How to keep housing affordable:

- **Habitat for Humanity Model-** provides land, donated materials and labor, sweat equity from buyer. Resale calculations restrict appreciation
- **Community Land Trust Model-**land is leased to a homebuyer; monthly lease fee paid to C.LT. A shared equity agreement is used to hold down the resale price.
- **Deed Restriction Model-** restrictive covenants recorded against the property to control use and appreciation.

Elements of a deed restriction:

- Ownership – individual or business
- Buyer selection- First come, first served or lottery
- Occupancy-all owners must occupy a number of months per year or full time
- Income targets-AMI levels
- Resale calculations- Real estate commissions, permitted capital improvements, and appreciation caps
- Employment- percentage of income earned locally, number of hours/week/year earned locally, business in and for or just in, priority for area employees, and residents that work from home
- Income testing-All owners are included, all income reported to IRS counts, expanding the target market 10%

- Asset testing- Liquid or non-liquid, owning other real estate, and limiting assets- % of purchase price, money tied to AMI levels, and flat maximum
- Retirement- Force a sale or not, and minimum age, ownership seasoning, and years of employment
- First right of refusal-Allows deed restriction beneficiary to protect the deed restriction.
- Exceptions-Determine tolerance level, and who grants exemptions
- Enforcement/Remedies-Who has the rights; how severe do they need to be (tied to subsidies)
- Rental use-Restrict number of months and to whom
- Foreclosure-How to protect the deed restriction, and over mortgaged properties
- HOAs-Managing dues increases, deed restricted owners in mixed-income HOAs, and impact of reserves funds
- Lender requirements-Generally, DR needs to expire at foreclosure, use of a security instrument, and get the lender involved prior to drafting deed restrictions
- Property maintenance- Regular maintenance, preventative maintenance, establish minimum housing quality levels at resale/lease up and housing authority inspections at time of resale/lease up

Initial pricing:

- Tie to AMIs, mortgage affordability formula and cost of construction + profit margin

Processes:

- Qualifications, verifying who meets eligibility criteria to buy/rent, informing all parties to the transaction, collecting supporting documentation
- Deed Monitoring-preform this on a regular basis, tracking who owns/occupies, compliance with all DR terms, reporting to benefiting jurisdiction
- Enforcement- As provided for in the deed restriction

How Other Communities Have Done It:

- Telluride- Shandoka- 134 apartment, 10.25 acres, 100% income/employment restricted, 12-month leases only
- Avon/Eagle Vail-176 units, 2.13 acres, 80% are income-restricted to 50-60% AMI, 12-month leases only
- Breckenridge-Pinewood II- 45 units, 2.93 acres, 12-month leases only, 100% income-restricted to 40-50-60% AMI

Kermode said adequate affordable housing is a constant issue. Resort areas are highly desired by second homeowners and vacationers putting pressure on the amount of affordable housing available. The county and municipalities are aware this project is not going to solve all the problems. Kermode said there is a focused effort to have a pipeline of projects.

Mugglestone asked about the percentage of income issue: Kermode said the rents would be capped at 30% of household income. It will be affordable for them. She added financing projects in high cost areas without some public assistance are very difficult. They will offset some of the costs with some market rate rentals.

Venard asked if there are any examples of sale and deed restrictions; Kermode said yes there are many examples.

Diani asked about the housing assessment and any progress that has been made: Kermode said we are moving the needle now. The Town of Crested Butte owns some property they are working on. They are working on reducing regulatory barriers, and encouraging land banking. It is difficult to do without building housing. She added development takes time, and stream lining the process is beneficial. Pagano said the City of Gunnison is working with a consultant to determine if their zoning restrictions work with essential housing.

Attorney Burgemesiter addressed;

Workforce Housing Supply Shortage

- 171 additional rental units needed in the North Valley by 2020, results in unfilled jobs, overcrowding/camping-8.1% of rents in North Valley in overcrowded situations more than double the

valley-wide rate, commuting from the South Valley for work adversely affects quality of life, and has an economic cost.

- Vacancy rate <1%
- Shrinking supply has taken place in the overall rental supply

Population Growth

- In the state of Colorado in 2010 was 5,049,935 and predicted to be 8,461,295 in 2050
- In the County of Gunnison in 2001 was 15,314 and predicted to be 22,728 in 2050
- Skyland Metro District current population is 485 and full build is estimated to be 1,527
- The East River Regional Sanitation District currently serves approximately 1,000 households and it is predicated to reach 4,000

Addressing the Supply Shortage

- Rental Units Needed 432, Rental Units needed in the North Valley 171, the market will provide 78, the gap is 93. Brush Creek Phase One includes 46 non-restricted units, Brush Creek at build out includes 84 non-restricted units.

AMI Breakdown

- Actual Proposal there will be 8 units for <50% AMI, 30 units for <80% AMI, 64 units for <120% AMI and 84 units for <180% AMI, for a total of 128 units.

Deed Restricted Units at Build-Out

- There would be 16 units (6.66% of total reserved units) reserved for families making <50% of AMI. There would be 58 units (24.16% of total reserved units) reserved for families making <80% of AMI, there would be 120 units (50% of total reserved units) reserved for those making <120% of AMI, and 156 units (65% of total reserved units) reserved for those making <180% of AMI.

Ensuring Affordability

- Rent is capped at 30% of household income
- Rent includes utilities
- Example- household annual income = \$50,000 and Maximum monthly rent+ \$1,250 (\$50,000 x 30% / 12)

Gunnison County 2017 AMI

Household Size	50%	80%	100%	120%	180%
1	\$24,800	\$39,680	\$49,600	\$59,520	\$89,280
2	\$28,350	\$45,360	\$56,700	\$68,040	\$102,060
3	\$31,900	\$51,040	\$63,800	\$76,560	\$114,840
4	\$35,400	\$56,640	\$70,800	\$84,960	\$127,440
5	\$38,250	\$61,200	\$76,500	\$91,800	\$137,700
6	\$41,100	\$65,760	\$82,200	\$98,640	\$147,960

Kermode noted the way the applicant is proposing structuring the rental rates addresses the issue by capping rent and utilities at 30% of household income.

Three-person Household Examples

Household Income	AMI%	Max Rent	Median Rent (2016)	Median Asking (2016)
\$51,040	80%	\$1,276	\$1,200	\$1,500
\$114,840	180%	\$2,871	\$1,200	\$1,500

Burgemeister addressed the comment letter submitted by the Town of Crested Butte. He noted there will be several unit types, they are capping rental rates at 30% of income, and they are working with the Housing Authority in the process.

The proposed lease terms were suggested to be a minimum of six months for an essential housing unit, and three months for a free market unit. They are trying to address the VRBO issues with the free market units, but also wanted to be able to address the seasonal workers. The Housing Authority has suggested one year lease terms for the essential housing units and six month lease terms for the free market rate units.

Diani asked if seasonal workers would rent with the employers master lease agreement; Burgemesiter said they are not considering that at this time.

Rogalski asked if a renter would be required to pay the first and last month's rent and security deposit, at the signing of the lease: Burgemeister said they have not gotten to that level of detail yet. Kermode said Anthracite Place requires the first and last month's rent and security deposit to move in.

Diani asked about deed restrictions and what kind have been decided on: Burgemeister said when the property is sold it would state, "you shall only use this property for the purposes applied for," then after the land use approval is complete there would be a more detailed deed restriction including more specifics- the AMI breakdowns, lease terms, etc. Everything material would be memorialized at that time.

Rogalski asked if a deed restriction would be detrimental to financing: Burgemeister said no, as long as the deed restriction is approved by the lender.

Venard asked how we are defining seasonal employees: Burgemeister said some have several jobs throughout the year and several live in the same house.

Pagano noted there is a sensitivity to short term rentals and the consequences of those.

Mugglestone suggested one year leases for the deed restricted units and six month leases for the free market units, and several units to address seasonal workers. Diani said he agreed with the 12 month lease period for deed restricted units and six months for free market units, but no three month leases.

Cattles was concerned deed restrictions may not work in later years and asked if there would be an opportunity for adjustments. Kermode said they could be modified from time to time. Burgemeister said they have tried to handle this issue proactively. Pagano explained the BoCC has the opportunity to amend the restrictions.

Diani asked about "affordable housing" and "work force housing". Burgemeister said their vision has been to provide affordable rental rates for work force housing. It is laid out in the AMI rates, and available to local workers and their families. Pagano explained the LUR defines this type of housing as essential housing. Kermode said affordable housing and deed restricted housing are interchangeable, adding affordability is defined as not more than 30% of income. Pagano said the definition is intentionally vague because it changes over time.

Mugglestone asked if the renter would be required to work within the county for a business, or could it be a website based business: Burgemeister said they are open to discussion. Kermode said it all depends on what the intention is. The deeper the subsidy then the deeper the restriction. She explained without restricting the employee to work in the county, you are not necessarily serving the county. Pagano added there is more value for your investment when requiring the individual to work in the county. Cattles agreed. Cattles said measuring the hours worked would be more beneficial measuring hours per year rather than weekly hours.

Mugglestone asked if one must be a full time worker: Burgemeister said there are some carve outs from the general rule. He added if you had been working for at least five years before you retire, than you can stay. Diani asked if disabled people can be accommodated: Burgemeister said yes they will meet ADA requirements.

Kermode said there are a fair amount of people housing cost burdened. Burgemeister said they did not line it up specifically to the needs assessment because they used cumulative brackets.

Pagano suggested there should be more units at the lower AMI range. Mugglestone agreed.

Diani was concerned phase one should be reviewed before looking at full build out. Mugglestone agreed with Diani and suggested increasing the number of units for 50% or < AMI.

Kermode addressed commuting to work. She said 39% of the jobs in the north valley are filled by individuals living down valley. Living and working in close proximity to each other has positive impacts. Commuting to work causes negative impacts to the roads, the RTA and families. Rogalski said putting more cars on the

highway increases the risk factors. Venard asked how many accidents occur on Highway 135. How the traffic fatalities and accidents have increased over the last 20 years. We need to be able to live and work in the same area.

Mugglstone asked about the distance to town from this project. Kermode said ideally we like fewer cars, we have a transit system in place and it will be a benefit. We try to put housing and density where density already exists, but the Town of Crested Butte does not have the land to accommodate enough units.

The commissioners agreed conducting a site tour of neighborhoods could help inform their decision. They could visualize size of buildings and size of lots. They could also drive around the neighborhoods to see how this would fit in.

The commissioners agreed to review density at their next work session.

Rogalski would like comments from the water and sewer districts. Pagano noted their comments are welcome but we have not received comments from them.

Public Comment:

David O'Riley said he was impressed with the commissioners and how these meetings were being handled. He said he thought with Pagano's guidance and Kermode's input the process it is progressing well. He acknowledged Rogalski is an expert on CDOT issues. He expressed confidence this project will be done right.

Bob Pannier expressed concern the majority of the rentals are for <50% AMI and said it should be for >50% AMI.

Nancy Reimer asked why the consultant Melanie Rees had not attended the meetings. She said affordable housing is needed in the south end of the valley too.

David Leinsdorf said if there is a down turn in the economy there would be a risk to the development. He also said the amount of units for the lower AMI is very low.

George Gibson submitted density information to the commissioners. He noted concerns with government subsidies and encouraged the commissioners to look at this from the taxpayer's point of view.

John Stroop said phase one ought to be looked at sharply.

Kent Cowherd was encouraged to hear the commissioners ask for more housing for >50% AMI. He added that compatibility includes size, scale and use as considerations. He was concerned this could set a new precedent.

Grant Bremer reiterated there are downturns in economies and there have been downturns in the Brush Creek corridor. The rents proposed are not that different than market rate rent. He agreed there is a need for more units at a lower price point.

Robert McCarter agreed that Melanie Rees should have attended this meeting. He said deed restrictions and the funding for them should be considered. The density is too high.

David Leinsdorf said most of the workers in county would prefer to live in the south valley, and the residents in the south valley are having more difficulty than the residents in the north valley.

Diani adjourned the meeting at 3:00 P.M

