

GUNNISON COUNTY PLANNING COMMISSION
REVISED PRELIMINARY AGENDA: Friday, January 5, 2018

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.** **APT Brush Creek Road, LLC**, joint work session with BOCC, 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
- Noon** Lunch
- 1:00 p.m.** **APT Brush Creek Road, LLC**, joint work session with BOCC, continued from the morning
- 3:00 p.m.** -
Adjourn

The applications can be viewed on gunnisoncounty.org, link to <http://204.132.78.100/citizenaccess/>

- Public access
- Projects
- Application #
- **LUC-17-00034**
- Attachments

**GUNNISON COUNTY PLANNING COMMISSION
REGULAR MEETING
January 5, 2018**

The Gunnison County Planning Commission conducted a regular meeting/ joint work session, in the BoCC Meeting Room in the Gunnison County Courthouse, 200 W. Virginia Ave., Gunnison, Co. . **Present:**

Vice-Chairperson- Jack Diani Commissioner- AJ Cattles Commissioner-Tom Venard Commissioner-Molly Mugglestone Alternate Commissioner- Sarah Coleman Alternate Commissioner- Vince Rogalski BoCC- Phil Chamberland BoCC-Jonathan Houck BoCC-John Messner	Director of Community Development- Cathie Pagano Manager of Administrative Services- Beth Baker Others present as listed in text
--	--

Recused/Absent: Chairperson Kent Fulton has recused himself from the review of this application.

With a quorum present Vice-Chairperson Diani opened the January 5, 2018 regular meeting of the Planning Commission.

APT Brush Creek Road, LLC (LUC-17-00034)- The Gunnison County Planning Commission and Board of County Commissioners conducted a joint work session. They reviewed the 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.

Chairperson Kent Fulton has recused himself from the review of this application.

Commissioner Diani has been appointed Chairperson for this review and Commissioner AJ Cattles has been appointed Vice-Chairperson.

Chairperson Diani opened the work session.

Present representing the Planning Commission: Commissioners Diani, Cattles, Venard, Mugglestone, Coleman and Rogalski. Present representing the Board of County Commissioners: Board Members Phil Chamberland, Jonathan Houck and John Messner.

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

Present representing the application: applicant Gary Gates, application representative John O’Neal, attorney Kendall Burgemesiter, designers Margaret Loperfido and Andrew Hadley, and engineer Tyler Harpel.

Gunnison County Housing Authority Director Jennifer Kermode presented a power point explaining what constitutes an affordable rental rate and how it is calculated.

She defined affordability as the extent to which enough rental housing units of different costs can provide each renter household with a unit it can afford (based on the 30 percent of income standard.) She defined affordable housing as housing occupants that are paying no more than 30 percent of their income for gross housing costs, including utilities.

Example of calculating maximum rent using the “30% Rule”, for a 2-person household:

Annual household income \$22,500
Calculate monthly income \$22,500/ 12=\$1,875
Calculate 30% of income \$1,875 x 30%=\$562.50
Affordable Rent + Utilities \$562.50
Max Allowable Rent = \$562.50

Example of calculating qualifying AMI for a 2-person household:

Annual household income \$22,500 divided by
2017 AMI @ 100% \$56,700 (for a 2-person household)
Household AMI = 39.68%

The above example household qualifies to rent an apartment restricted to <50% AMI.

O’Neal outlined the changes the applicant has made since the RFP process:

- Increased the number of deed restricted units overall
- Increased the number of deed restricted units designated for lower AMI brackets
- Increased the number of parking spaces and added designated visitor parking
- Increased the number of transit center parking spaces
- Decreased the total square footage of the buildings
- Increased the building setbacks along Brush Creek Road
- Decreased the building density along Brush Creek Road
- Reduced the total bedroom count
- Decreased the total building count

He said all the changes made have affected the applicant’s ability to build a financially viable project.

O’Neal described the challenges and barriers when developing affordable housing:

- Density is needed for a financially feasible project
- Development standards are limiting
- FAR calculation methods are limiting
- Minimum parking requirements result in less area for housing units
- Setbacks and open space requirements result in less area for housing units
- Design compatibility can increase costs
- Lengthy development review times increase costs
- Opposition from neighbors- “Not in my backyard”

Loperfido explained the changes made to the site plan:

- Increased the setbacks along Brush Creek Road from 30’ to 45”
- Decreased the building density along Brush Creek Road
- Reduced the bedroom count from 408 bedrooms to 362 bedrooms
- Increased the residential parking to 400 space including 20 designated visitor spaces
- Increased the number of covered parking spaces
- Increased transit parking from 69 parking spaces to 75 parking spaces
- Decreased the building count from 32 to 28 buildings

She said decreases in number of bedrooms should result in a decrease in the population.

Loperfido explained the parking permitting and regulations:

- Parking will be by permit only with stickers displayed on residents' windshields
- Every affordable unit will have one assigned spot per bedroom
- All vehicles will have to be current on permit stickers and be operable
- Visitor parking spaces and ADA accessible parking spaces will be provided throughout the site- current design has 20 parking spaces for visitors
- Signage will be clear and parking areas will be clearly marked
- Unauthorized vehicles will be removed
- Recreational vehicles, all-terrain vehicle, snowmobiles, heavy equipment and trailers may not be parked in open parking lot spaces. These types of vehicles may be housed in units with an attached garage only or off-site.
- Repairing cars in the parking lot will not be allowed

Venard asked about storing bikes and rafts, etc. Hadley said each unit will have a storage unit.

Loperfido addressed scale and density comparisons, using examples -Pitchfork and neighboring multi-family condo projects; including Ptichfork, Elk Ridge II Condos, Villas at MT. CB Ph. I & II (partial), Snowfall Point Condos, and Crest House Condos.

Burgemeister explained the project's revised AMI mix.

Household Income as % of AMI	Max household income (2 person family)	Max Household Income (4 person family)	Number of units reserved	% of total units reserved
<50%	\$28,350	\$35,400	40	16.66%
<80%	\$45,360	\$56,640	60 (100 cumulative)	41.16%
<120%	\$68,040	\$84,960	30 (130 cumulative)	54%
<180%	\$102,060	\$127440	20 (150 cumulative)	62.5%

Harpel explained a traffic study is not required until the preliminary plan submittal but they have started the traffic counting this summer. The existing Highway 135 intersection currently meets a CDOT level of service E, which is unacceptable in Gunnison County. This is even before the inclusion of this development. The south turn onto Highway 135 is the failing element of the intersection. Moving forward into the preliminary plan more specifics are addressed. They will be complying with the 2011 CDOT Region 3 Intersection Report, looking at all types of intersections. The Highway 135 intersection is already listed for improvements which could possibly be a roundabout or a stop light. The traffic issues are bigger than just this project. Messner noted the traffic tipping point is reached with many projects and who pays for the improvements has always been a conundrum. Rogalski said some of the roundabouts he is aware of have been a shared cost between the community and CDOT.

Gates addressed the financial feasibility of constructing 240 units. He currently owns 6,200 rental units in Houston providing him abundant experience with rental units. He would like to help resolve the valley's essential housing issues, because the north valley has more jobs than housing and there is a large migration of workers from the south to the north valley each day.

Gates explained density is required and there must be a number of free market units to offset the costs of development and management. Parking spaces can cost up to \$8,000 and they have increased the number of parking spaces. There has been a significant, not in my backyard "NIMBY" effect in the review of this project.

There is support for the project but the ones in opposition are very outspoken. The review process has cost up to \$60,000 per month to have his team at the meetings. If he is not approved for 240 units he can't do the project. There is very minimal racial diversity in the north valley partially because of the lack of affordable housing. He will bring his construction crew in and would build at his cost. He estimated he could build the project for approximately \$45 million dollars, a different developer could cost an additional 20% -over \$50 million, and the County building it could cost an additional 15%- approximately \$61 million.

Gates submitted financial information, noting his investment in this project will yield a very low return on his investment at approximately 2%. He is willing to do this because he buys and holds property for the long term. The cost per unit goes up dramatically when the number of units is reduced, because the infrastructure costs remains the same. He explained there is no home ownership in this project because workforce housing has to be taxpayer subsidized to a great extent. He added the traffic at the Highway 135 intersection is already a problem, even before this project is built.

Cattles thanked Gates for providing so much financial information. Messner said it was useful to learn about the financial issues, and the public benefit being provided. He understands why 240 units are required and appreciated the bedroom count has decreased. Gates said he has listened to the objections and responded to them as well as he could. Diani agreed it has been very useful for the applicant to present why they need 240 units. Cattles pointed out the transit center and all the parking increases the cost of the development.

Mugglestone reiterated the comments made by Cattles and Messner. She appreciated the attempt to address the affordable housing issues and the explanation of how much it costs to do this type of project. Venard appreciated the applicants' willingness to get the process started and the applicant sharing his financial breakdown.

Houck appreciated the applicants' explanation of why 240 units are needed for a financially viable project. It is important to realize and understand the number of units needed and the number of AMI units and free market units needed. Chamberland appreciates the increased number of units available for <50% AMI. Gates reiterated he needs 240 units because the math does not work with less units.

Messner addressed how this application applies to the *Gunnison County Land Use Resolution (LUR) Section 9-604: Incentives to Provide Essential Housing*. The provisions for essential housing which are not available without 40% or higher of deed restricted units. This project provides 62% of deed restricted essential housing units. Incentives allowed are: building height increases, an expedited development process, and incentives for decreases in parking spaces required. The LUR does not provide incentives that would reduce health and safety items. The only incentives the applicant is asking for is the expedited review process and fewer parking spaces.

Messner said the applicant is proposing a transit lot and center at his cost. A transit lot is needed in Brush Creek and would be a public benefit. This plan will provide 75 parking spaces at the transit center. The Gunnison Valley Strategic Transit Plan suggests building four park and ride lots, one on Brush Creek Road.

Mugglestone asked how we address the additional transit costs to RTA and Mountain Express. Neither of them have agreed to service this project yet. Messner noted the RTA does service the Brush Creek intersection on the other side of the road. Burgemeister said they will be meeting with the RTA. Coleman said this transit center is a tremendous public benefit.

Messner said he realized as a developer providing 62% essential housing units Gates is able to ask for a reduction in the amount of parking spaces required. There is a rethinking on how much parking is required, 1 to 1.5 parking spaces per unit is the industry standard for multifamily housing. This applicant with the parking spaces proposed clearly meets the number of spaces for multifamily housing. Diani noted there are a lot of things in the county and surrounding areas where cars are needed to access them.

Burgemeister said modifications to the lease terms are being discussed internally. There will not be short term rentals, but there are going to be seasonal leases and year round leases. They are trying to keep the three month leases available on the market value units. Gates will work with the Housing Authority.

Messner asked Kermode if there are concerns getting leases for one year lease terms; Kermode said the deed restricted units will be leased quickly. It depends on the goal with shorter term rental terms. Gates said this project will be filled with individuals who currently live in the valley. The long term viability of the project is dependent on having long term leases.

Diani was concerned with the Brush Creek intersection asking if there will be enough space for entering and exiting the project in the intersection and if there would be a bottleneck of people coming uphill. Harpel will be developing plans and profiles, the average grade will be 4% with a bit at 6%.

Messner pointed out the snow storage capability increased with the extra parking spaces. Loperfido added the increased space between the parking lot and the ROW creates more potential snow storage area.

Rogalski asked if the berming could be increased with the larger setbacks; Hadley said yes.

Mugglestone asked about the Town's comments on the architecture; Hadley explained the buildings along Brush Creed Road will have a Skyland vernacular, the buildings inside the project will have flat roofs for snow storage and safety from snow shedding. They will use contemporary materials.

Diani was concerned with the possibility of drawing water from the Slate River and putting back into the East River, and what the environmental impacts would be. Harpel said it is an unknown, but with their on-site waste water treatment system (OWTS) it would not have to be done. Burgemeister added tying into the East River Sanitation District was financially infeasible, and the Town of Crested Butte is not interested in extending services to this development.

Mugglestone asked about the impacts to the adjacent wells. Harpel explained the new wells will be located at least 600 ft. from any existing well and the flows will be described in the preliminary plan.

Messner addressed the Towns comments and the LUR. He sees the project evolving to maintain the financial feasibility and public benefit. He has reviewed the 2005 Corridor Comprehensive Plan and agrees with Pagano's comments that the most current comprehensive plan is really the One Valley Prosperity Project (OVPP.) There are significant parallels between the two plans including transportation, housing, clustering is recommended, and affordable housing were the most important issues in 2005 and continue to be important. The current iteration of sketch plan has addressed these issues.

Mugglestone addressed the Towns' comments regarding impacts to the school, traffic and parking. Burgemeister said he was aware of the Towns' concern with the impacts to the schools. The school district has stated they will serve who they need to serve. Once the property is developed it will generate property tax where there had been none, helping the schools. Gates estimated the number of additional students to be 40. The buses and trails will decrease the number of people driving into Town. It was noted this is an open enrollment school district and students can move back and forth to either end of the district now. The school district has not raised a lot of concerns.

Pagano requested information on lease modifications, parking comparisons with other affordable housing projects, visuals of the proposed development, and bus ridership numbers from other similar municipalities.

The commissioners discussed the LUR density standards. It was noted the applicant had submitted information describing how they adhere to the standards. The commissioners agreed this standard had been

met and it was noted the density had been mitigated by the open space provided and the percentage of affordable housing provided.

The commissioners discussed the applicant's intent to install an On-site Waste Water System rather than tie into a public wastewater district. It was noted the Town of Crested Butte has not agreed to extend service to this development and tying into the East River Sanitation District is cost prohibitive because the water is taken from one drainage and put back in another drainage.

The commissioners discussed the public transit center. They appreciated the public benefit.

The commissioners discussed neighborhood compatibility. Cattles appreciated the buildings design diversity and understood the density concerns. Diani agreed with Cattles. Messner pointed out the applicant had not requested modifications of the design standards and the applicant has proposed more open space than required, the development will be clustered and there is a public transportation element.

Mugglestone requested clarification of incompatibility in terms of social impact. Pagano explained the LUR requires a proposed land use change 8034not adversely impact nearby residences in terms of hazards such as noise and traffic, etc. She added, "To me, community development is tradeoffs, this is why we're looking at net adverse impacts. Changes in perceived character, traffic impacts, etc., are those worth the tradeoff for affordable housing? Are the impacts so great that the potential of affordable housing doesn't offset the negative impacts, or are the impacts so great that it's not worth it for more affordable housing?"

It was noted the open space requirement is 30% and it can include yard areas and right-of-ways. The proposed project provides 55% open space.

Venard explained he will not be serving on the Planning Commission after this meeting, but he added the decision boils down to the needs of the community. One must consider what is best for the majority of the community and there is give and take needed. Coleman also said she will not be serving on the Planning Commission at the time of the public hearing. There will be two new planning commissioners starting their terms in February 2018.

Hadley said the engineers will provide illustrations of the project, with the accurate building sizes, building locations and parking configuration at the February 16, 2018 meeting.

Public Comment

Eileen Whitley said everyone in the room supports affordable housing. She was concerned with the compatibility of scale and density, the reduced parking requirements, and the steep road grade and ice at the Highway 135 3intersection. She disagreed that there are many supporters of this project and thanked the commissioners for their hard work and consideration.

Suzanne Pierson thanked the commissioners for their diligence. She was concerned with the two commissioners that would not be on the board for the public hearing and with the light pollution created by the new park and ride.

Laura Anderson was concerned this developer is not using the lowest and cheapest HUD financing available.

Robert McCarter was concerned with increased traffic, the ice and sliding problems in the intersection, decreased parking requirements, and the lack of compatibility with the surrounding neighborhoods.

David Leinsdorf noted concerns with the lack of compatibility with the surrounding areas.

David McKinney was concerned the density comparisons were not accurate because many of those developments had very few full time residences.

Jerry Danni supports affordable housing, but there are other alternatives. He was concerned with water availability and how these wells will impact surrounding wells and down valley water usage. Lack of compatibility is the most important issue.

Pam Lowe was concerned with the master leases, increased traffic, and not enough deed restricted units.

Mike Norton said density and compatibility are the primary concerns.

Monica Arowitsch agreed affordable housing is needed but was concerned this proposal is too dense. She requested a complete set of financials for verification by a third party.

Arlene Edwards was concerned with the impacts to the Crested Butte schools.

George Gibson was concerned with the proposed density.

Clay Burger said no one is against low income housing, but everyone is against the density of this affordable housing proposal.

Nan Lumb was concerned with the convenience store and the precedent that will set for commercial development in the area.

Bob Pannier was skeptical of the financial numbers provided by the applicant.

The joint public hearing will be conducted February 16th, 2018, in Mt. Crested Butte.

Diani thanked the audience for their participation and adjourned the meeting at 3:25 P.M.

/S/ Beth Baker
Community Development Department Services Manager
Gunnison County Community Development Department