SAN MIGUEL COUNTY PLANNING COMMISSION

PLANNING COMMISSION MEETING AGENDA
THURSDAY, DECEMBER 9, 2021 – 9:00 AM

MEETING INFORMATION - This meeting will be held online due to the COVID-19 virus. To join the meeting: https://zoom.us/join, Meeting ID: 965 1288 5206, Password: 534277; Audio only: Dial 1-301-715-8592 or 1-253-215-8782 (long distance rates may apply)

9:00 a.m. Site Visit: Lot HI, Lawson Hill Subdivision

1. 10:00 a.m. CALL TO ORDER

TMS and LH Rezone and Substantial PUD Amendment
10:00 Presented By: Troy Hangen
Recommended Motion: Rezone and Substantial PUD Amendment
01 - ARJ Hunting Lodge Record.pdf
02 - ARJ Hunting Lodge SUP.pdf
03 - CPC Resolution 2021-004.pdf
04 - ARJ Mountain Ranch Narrative.pdf
05 - ARJ Mountain Ranch Plan Set.pdf
06 - Cert for sign posting.pdf
07 - Building Department Comments.pdf
08 - R and B comments.pdf
09 - SMC Site Inspector comments.pdf
10 - CPW comments.pdf
11 - Fire Dept Comments.pdf
12 - Public Health Comments.pdf
13 - Certificate of Good Standing Outfitters.pdf
14 - Certificate of Good Standing Ranch.pdf

2. APPROVAL OF MINUTES

Approval of November 18, 2021 minutes

3. 10:05 a.m. PUBLIC HEARING: LAND USE APPLICATION

Applicant: Lawson Hill Property Owners Co. and Telluride Mountain School
Location: Lot HI, Lawson Hill PUD located north of Society Drive off San Miguel Dr.
Parcel Size: 1.88 acres
Zone District: Public (PUB)
Proposal: Rezone from Public (PUB) to Industrial (I); and Substantial PUD Amendment to increase maximum Building Height/MOTION

4. WORKSESSION:

Request: Discussion of Affordable Housing

WORKSESSION:

Request: Discussion of Affordable Housing

20 Presented By: John Huebner
Recommended Motion: MOTION
4 Staff Report w exhibits- Affordable Housing Impact Mitigation update 11.3.21.pdf

5. PLANNING COMMISSION AND STAFF COMMENTS

6. ADJOURN

NOTE: This agenda is subject to change, including the addition of items up to 24 hours in advance or the deletion of items at any time. All times are approximate. This meeting is considered a San Miguel County Committee Meeting.

For more information contact Planning Department at (970)728-3083.

If special accommodations are necessary per ADA, contact 970-728-3174, via email bocc@sanmiguelcountyco.gov prior to the meeting.

The official, designated posting place for all CPC notices, agendas is online at https://www.sanmiguelcountyco.gov/AgendaCenter. Use this link to view the agenda with any last-minute changes. To be automatically notified please sign up at www.sanmiguelcountyco.gov, signup for alerts, and follow the prompts.

AGENDA ITEM

TITLE:
TMS and LH Rezone and Substantial PUD Amendment

Presented by: Troy Hangen
Time needed: 10:00

PREPARED BY:
Troy Hangen, Planning

RECOMMENDED ACTION/MOTION:

INTRODUCTION/BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:
01 - ARJ Hunting Lodge Record.pdf
02 - ARJ Hunting Lodge SUP.pdf
03 - CPC Resolution 2021-004.pdf
04 - ARJ Mountain Ranch Narrative.pdf
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09 - SMC Site Inspector comments.pdf
10 - CPW comments.pdf
11 - Fire Dept Comments.pdf
12 - Public Health Comments.pdf
13 - Certificate of Good Standing Outfitters.pdf
14 - Certificate of Good Standing Ranch.pdf

Description:

Public Meeting Record
County Planning Commission
Application: ARJ Hunting Lodge LLC
Special Use Permit: Hunting Lodge, In Forestry, Agriculture, and Open Zone District
Date: March 13, 2021

1. San Miguel County Land Use Code (Adopted 11/30/90) with all amendments to date (By Reference Only).

2. San Miguel County Comprehensive Development Plan (Adopted 8/3/78) with all amendments to date (By Reference Only).

3. Memorandum to the San Miguel County Planning Commission from Troy Hangen, Senior Planner Planner dated March 13, 2021.

4. Draft Resolution of the County Planning Commission, San Miguel County, Colorado, Resolution 2021-004, Approving a Hunting Lodge Special Use Permit For ARJ Mountain Ranch LLC In Forestry, Agriculture, and Open Zone District.

5. Application submitted by ARJ Mountain Ranch LLC dated April 14, 2021.

6. Applicant's Certifications of Compliance with the public noticing requirements of the San Miguel County Land Use Code Section 3-9 dated April 22, 2021.

AGENCY COMMENTS

7. Memorandum from Troy Hangen, Senior Planner to Referral Agencies dated April 14, 2021.

8. Email from Matt Gonzales, Building Official to Troy Hangen, Senior Planner received May 3, 2021.

9. Email from Ryan Righetti, County Road Director to Troy Hangen, Senior Planner received May 4, 2021.

10. Email from Lisa Garrett, County Site Inspector to Troy Hangen, Senior Planner received May 4, 2021.

11. Email from Mark Caddy, Norwood District Manager for Colorado Parks and Wildlife to Troy Hangen, Senior Planner received May 4, 2021.

12. Email from John J. Bockrath, District Chief for Norwood Fire Protection District to Troy Hangen, Senior Planner received May 3, 2021.

13. Email from Chris Smith, Environmental Health Specialist to Troy Hangen, Senior Planner received May 3, 2021.

OTHER

14. Letter of Good Standing Certificate(s) from Jon Rokeh, Owner's Representative, to Troy Hangen, Senior Planner, received on April 15, 2021

PUBLIC COMMENTS

None

M E M O R A N D U M

MEETING DATE:	**May 13, 2021**
TO:	**San Miguel County Planning Commission**
FROM:	**Troy Hangen, Senior Planner**
RE:	Hunting Lodge - Special Use Permit
Applicant:	Alan Johnson, ARJ Mountain Ranch LLC
Applicant's Representative:	Jon Rokeh, P.E.
Property Owner:	Alan Johnson, ARJ Mountain Ranch LLC

SUMMARY OF REQUEST

Jon Rokeh, on behalf of Alan Johnson, has submitted an application requesting approval of a Special Use Permit for a Hunting Lodge. The 45-acre parcel, #455733100004 & 36-acre parcel, #455733100003, at 13845 County Road 44Z S, is located approximately 12 miles south of the Town of Norwood and is zoned (F) Forestry, Agriculture, and Open.

PROPOSAL

Alan Johnson of ARJ Mountain Ranch LLC is proposing to establish a high-end hunting lodge, Roaring R Outfitters, near Miramonte Reservoir. Roaring R Outfitters creates experiences for small groups of hunters. The company guides small groups of hunters for a more intimate hunting excursion. There will be a maximum of 8 hunters per week. There will be up to 6 employees/guides. The existing main lodge will be the central hub for the operation. Hunters will gather there in the morning and afternoon/evening for meals, to do laundry, and plan the day's events. An existing bunkhouse will be used for the guides and the new proposed bunkhouse will be used by the incoming hunters. A full-time chef/housekeeper will be onsite for the duration of the season. The season is from September 1 thru December 1. A Hunting Lodge is a use allowed in the (F) Forestry, Agriculture, and Open Zone District subject to a One-Step Planning Commission Special Use Permit Review.

BACKGROUND

A hunting lodge has been in operation on this parcel for over 23 years with no permit. The parcel was formally owned by Dan Reardon. During the previous ownership, a high amount of hunters were on-site during the hunting season. Alan Johnson purchased the property within the last 2 years and is presently bringing the buildings up to Code.

The property presently has access from CR 44Z S. The site has 2 separate wells (one commercial and one domestic) that will provide water to the parcel and an on-site water treatment system (OWTS). An additional OWTS will be installed to support the existing

OWTS and serve the new cabin. A solar panel system has recently been approved for the parcel as the applicant desires to be off-grid.

The whole property is surrounded by parcels that are 35 acre minimum.

North of the property – (2) 35 acre minimum residential properties
East of the property – 45 acre future residence of the applicant
South of the property – 80 acre vacant land
West of the property – 1500+ acre residential property

PUBLIC NOTICES

As required by C.R.S. § 30-28-106(1), a Notice of Public Meeting was published in the Telluride Daily Planet and in the Norwood Post on April 28, 2021. Public Notice and the required posting was also completed by Jon Rokeh on April 22, 2021. Notice was mailed to all property owners within 500 feet of the property.

REFERRALS

Notified Referral Agencies:

County Attorney
County Road and Bridge Department
County Building Department
Colorado Division of Water Resources
San Miguel County Site Inspector
San Miguel County Public Health
San Miguel County Sheriff
County Manager
Colorado Parks and Wildlife
Town of Norwood
Norwood Fire Protection District

County Attorney: no comment

County Road and Bridge Department: no concerns if they are not changing the ingress/egress

County Building Department: The applicant will need to obtain building permits for the two existing structures in order to change the Occupancy Classification through the issuance of a new Certificate of Occupancy. Public accommodations are subject to Federal Law as it pertains to the ADA Standards for Accessible Design.

Colorado Division of Water Resources: no comment

San Miguel County Site Inspector: The new construction will have a new OWTS and the existing Lodge and Bunkhouse will have a Replacement OWTS as a part of this project.

San Miguel County Public Health: Add a hand washing station. Add a small drinking water treatment station. Food safety manager certification is required. (See synopsis in submittal packet)

San Miguel County Sheriff: no comment

County Manager: no comment

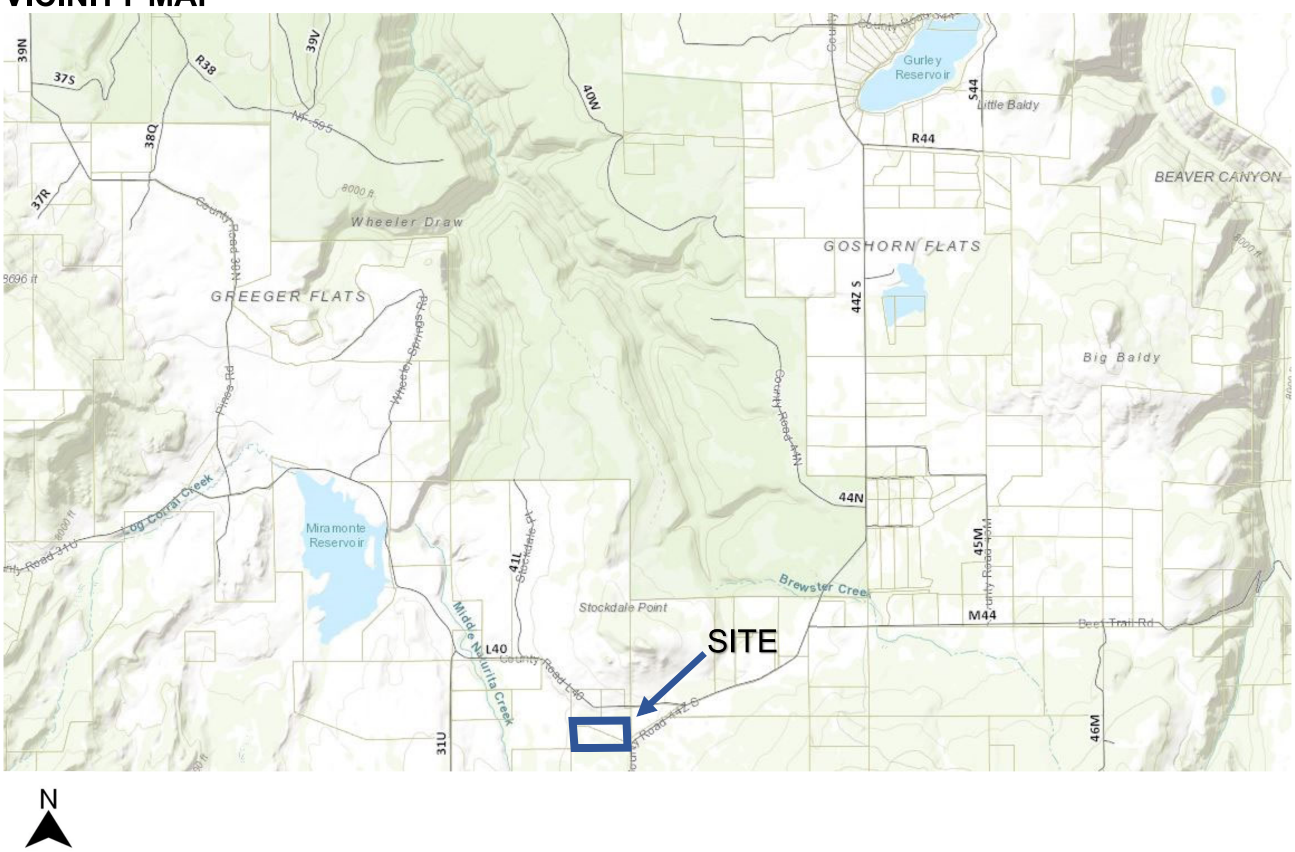
Colorado Parks and Wildlife: no concerns

Town of Norwood: no comment

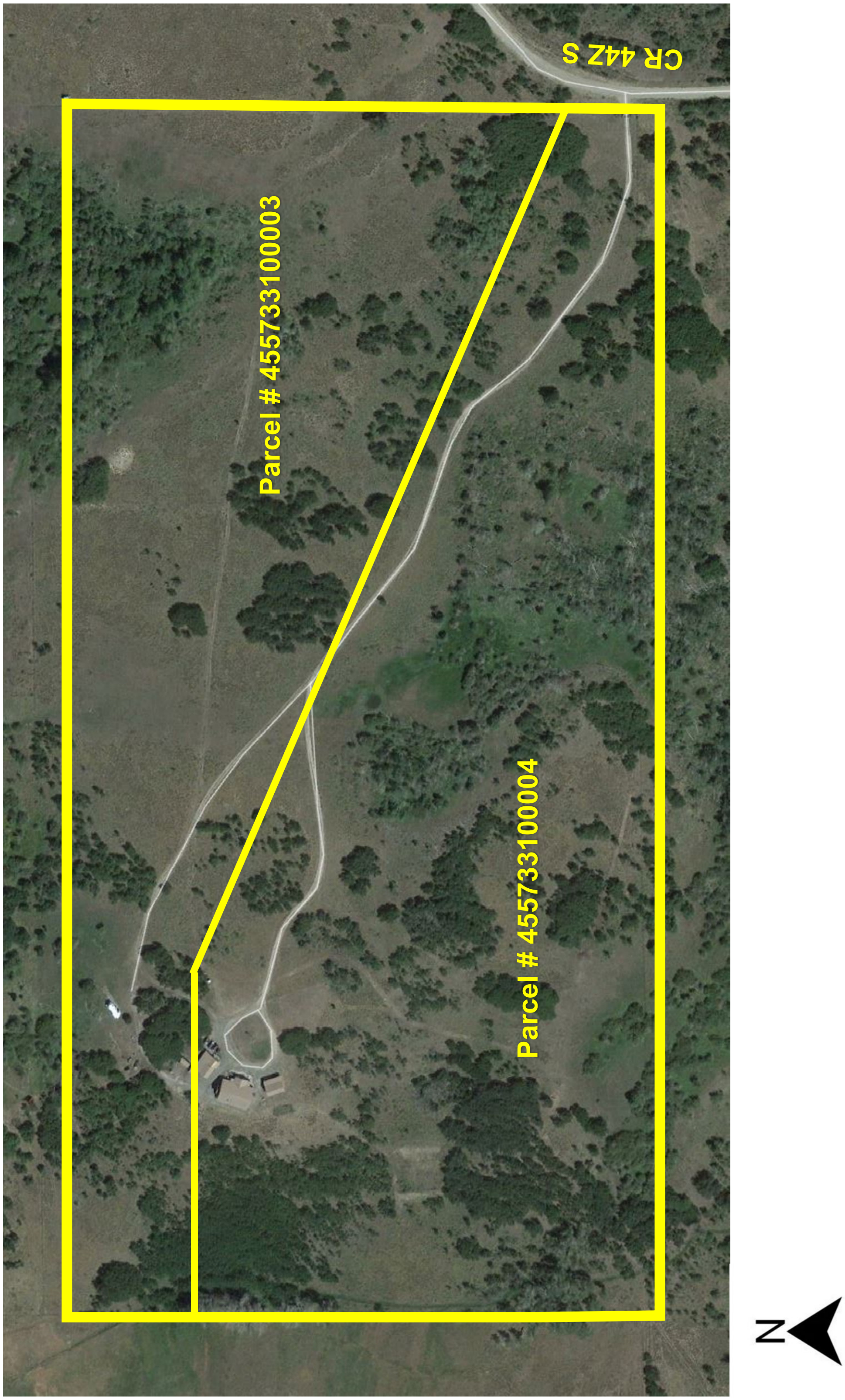
Norwood Fire Protection District: Smoke alarms and CO alarms should be installed in the living quarters. An Ansul suppression system should be installed in the commercial kitchen.

Public Comments: As of the writing of this report, no public comments have been received.

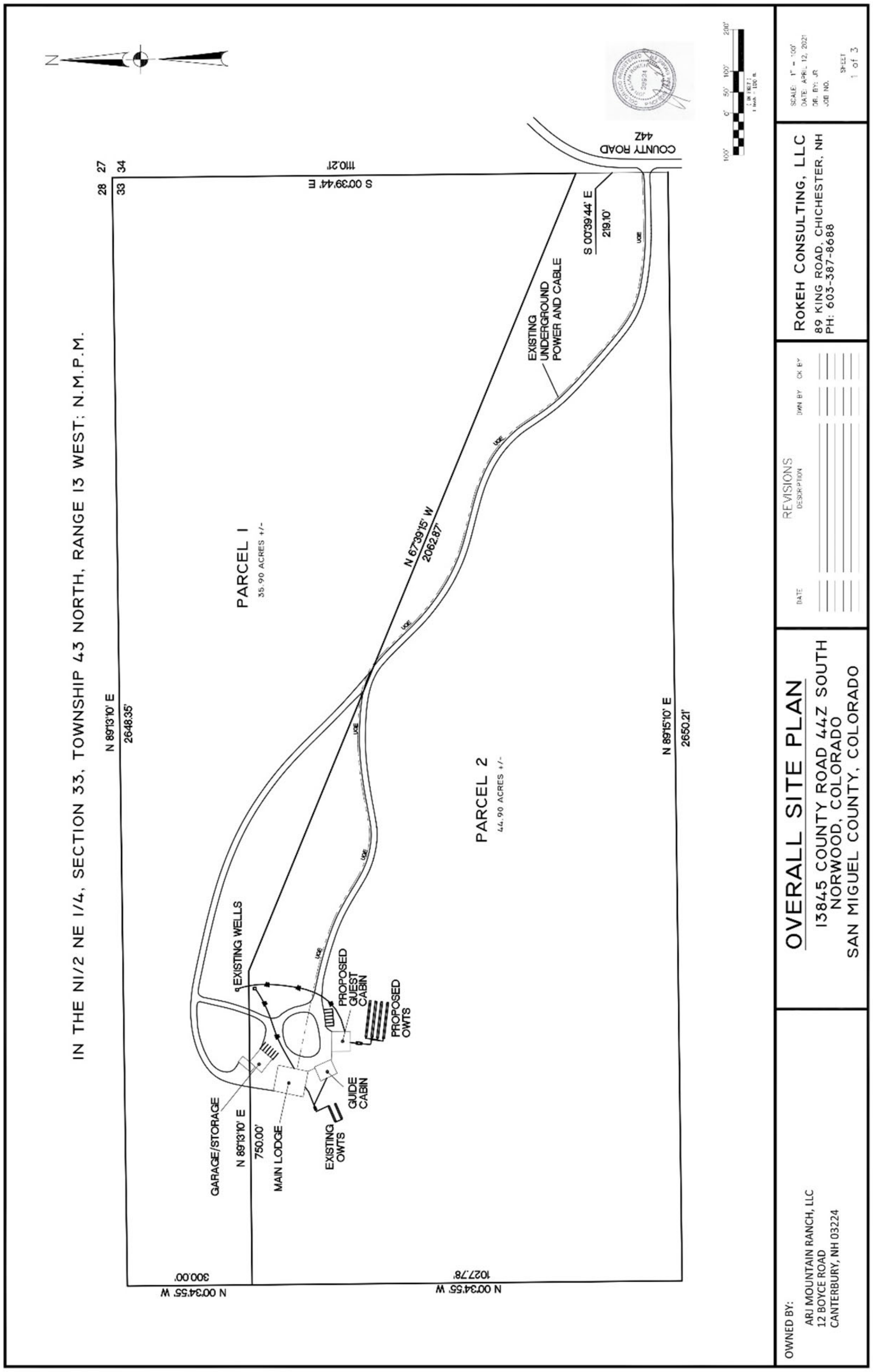
VICINITY MAP

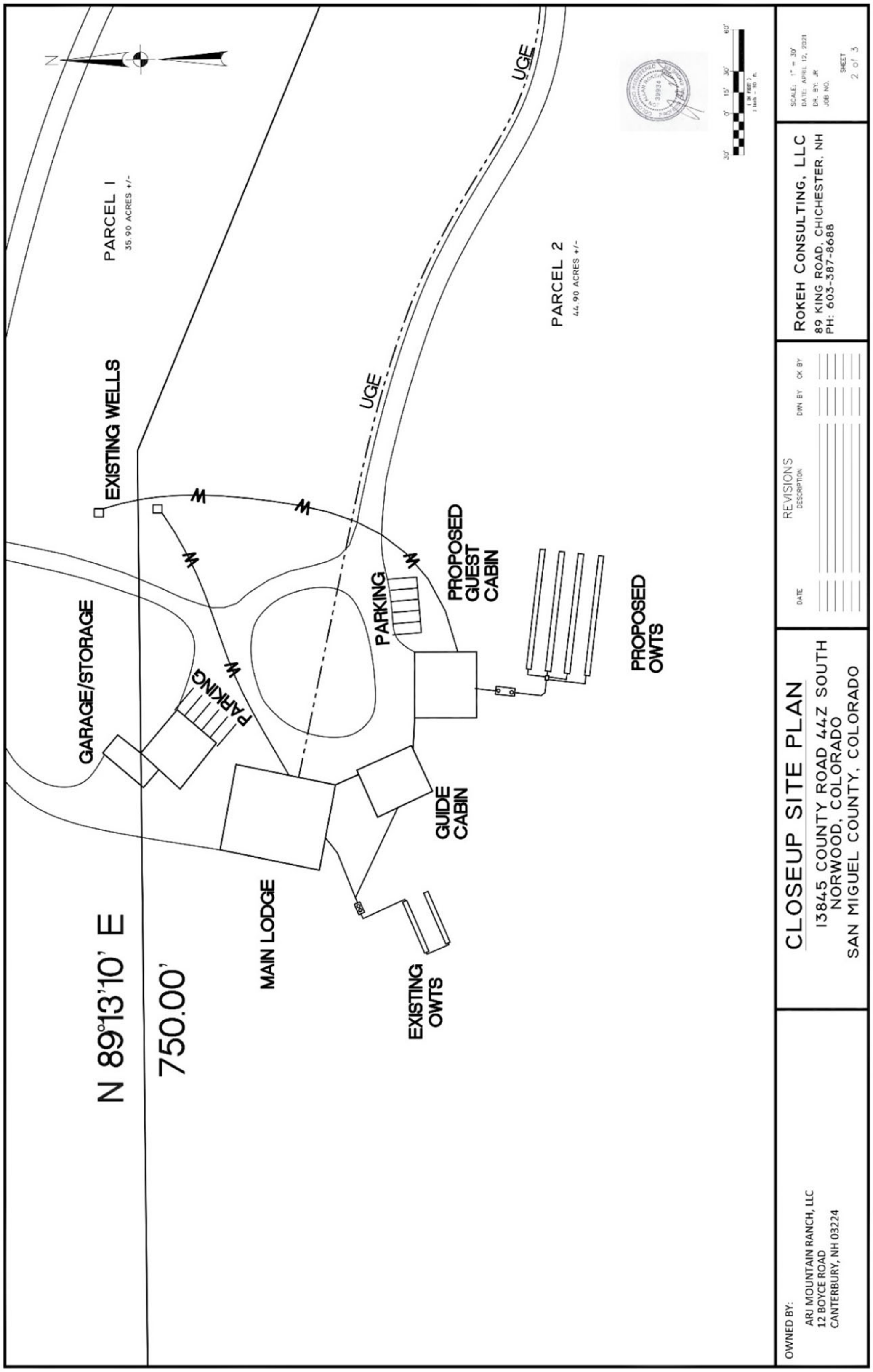


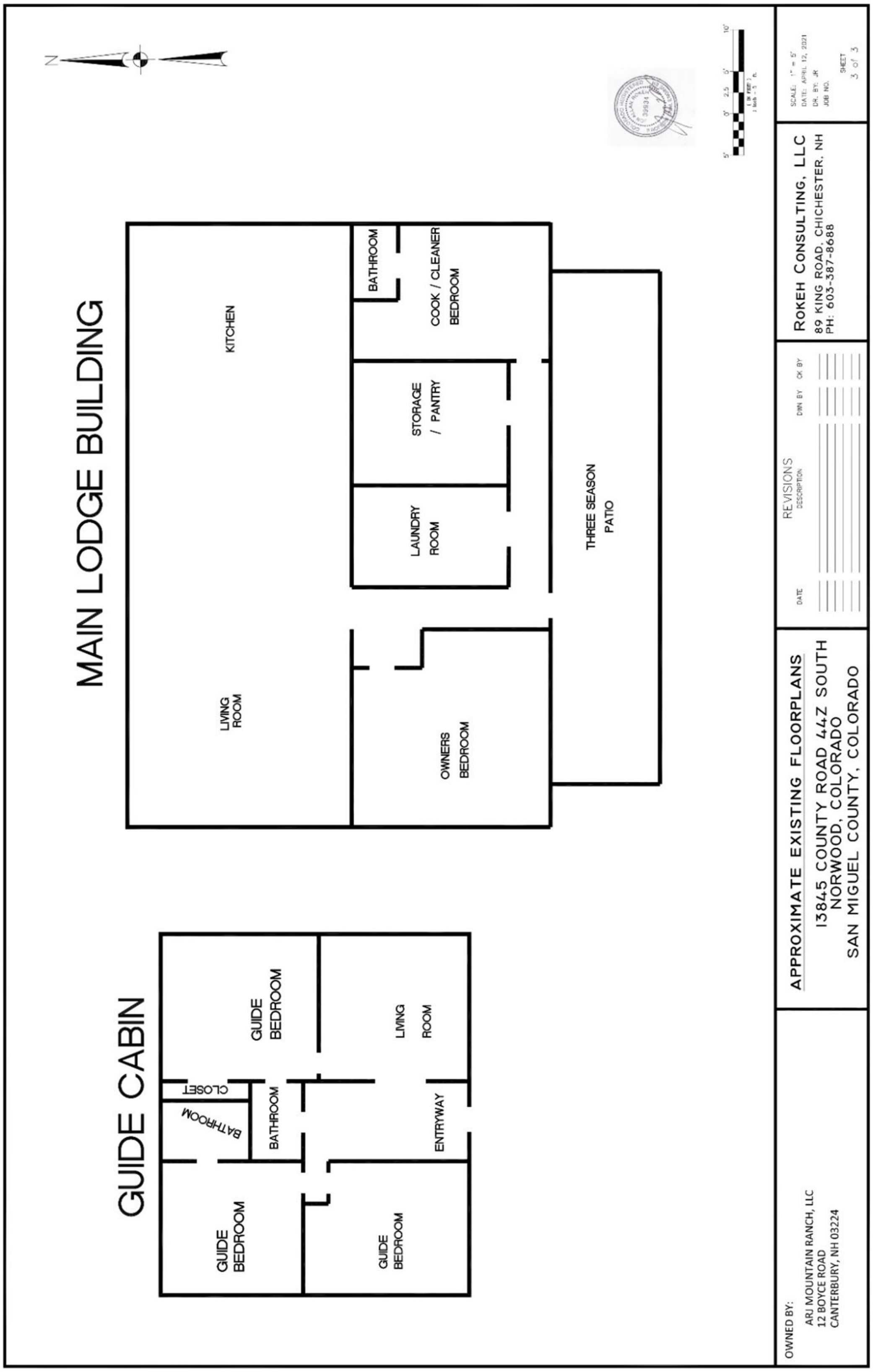
AERIAL MAP



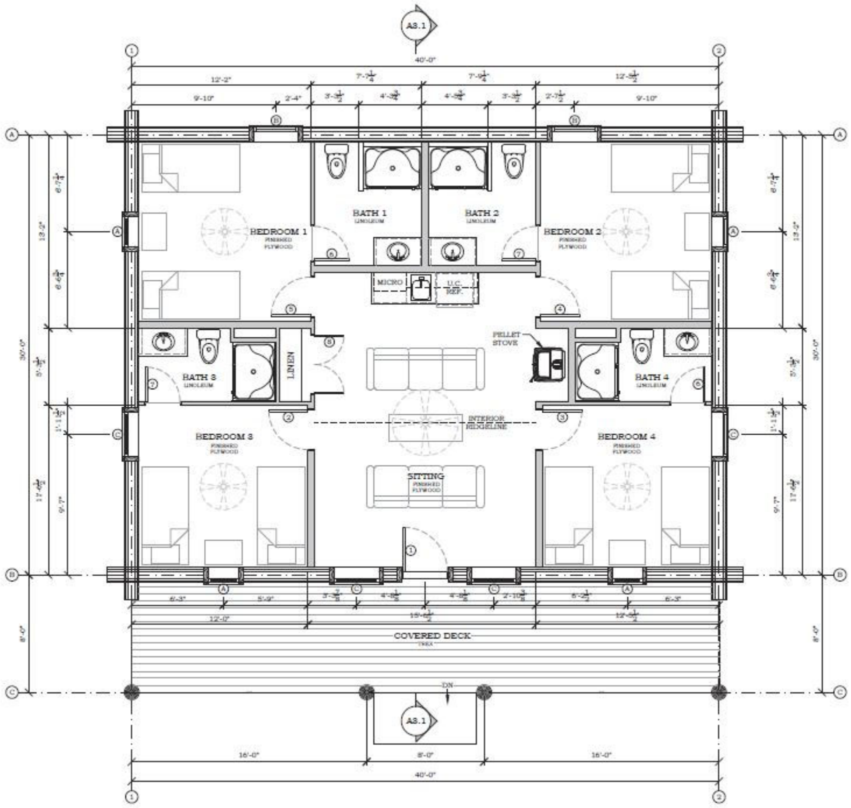
SITE MAP(S) & FLOOR PLANS

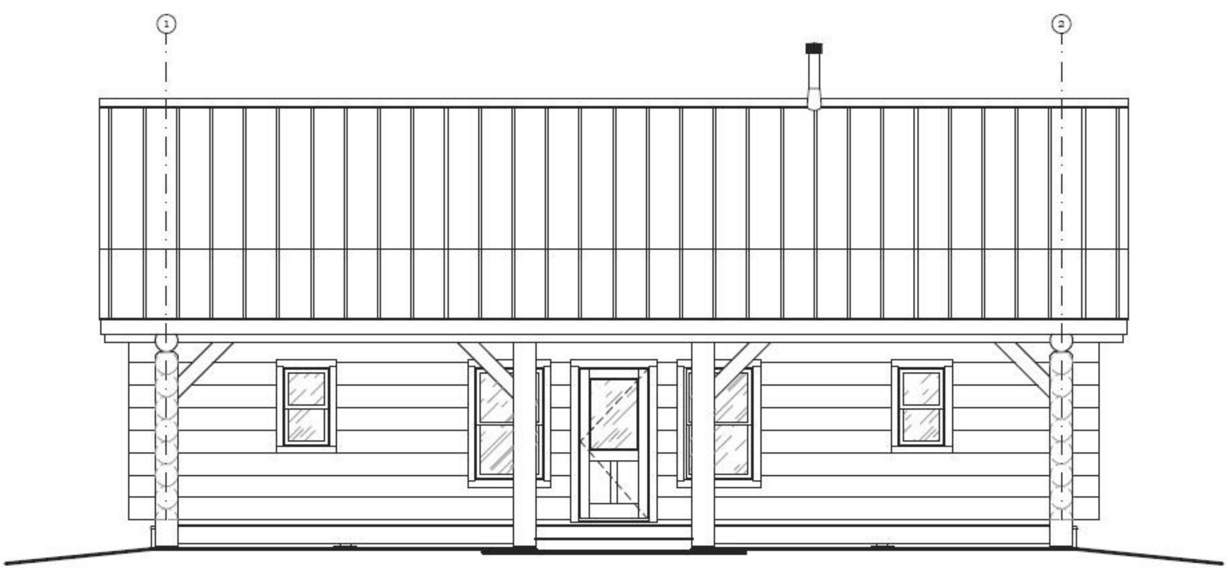



N
PARCEL 1
35.90 ACRES +/-
PARCEL 2
44.90 ACRES +/-
UGE
UGE
EXISTING WELLS
GARAGE/STORAGE
PARKING
PARKING
PROPOSED GUEST CABIN
PROPOSED OWTS
GUIDE CABIN
MAIN LODGE
EXISTING OWTS
N 89°13'10" E
750.00'
CLOSEUP SITE PLAN
13845 COUNTY ROAD 44Z SOUTH
NORWOOD, COLORADO
SAN MIGUEL COUNTY, COLORADO
REVISIONS
DATE
DESCRIPTION
DWN BY
CK BY
ROKEH CONSULTING, LLC
89 KING ROAD, CHICHESTER, NH
PH: 603-387-8688
SCALE: 1" = 30'
DATE: APRIL 12, 2021
DR. BY: JR
JOB NO.
SHEET
2 of 3
OWNED BY:
ARJ MOUNTAIN RANCH, LLC
12 BOYCE ROAD
CANTERBURY, NH 03224


MAIN LODGE BUILDING
KITCHEN
LIVING ROOM
BATHROOM
COOK / CLEANER BEDROOM
STORAGE / PANTRY
LAUNDRY ROOM
THREE SEASON PATIO
OWNERS BEDROOM
GUIDE CABIN
GUIDE BEDROOM
CLOSET
BATHROOM
BATHROOM
LIVING ROOM
ENTRYWAY
GUIDE BEDROOM
GUIDE BEDROOM
N
OWNED BY:
ARJ MOUNTAIN RANCH, LLC
12 BOYCE ROAD
CANTERBURY, NH 03224
APPROXIMATE EXISTING FLOORPLANS
13845 COUNTY ROAD 44Z SOUTH
NORWOOD, COLORADO
SAN MIGUEL COUNTY, COLORADO
REVISIONS
DATE
DESCRIPTION
DWN BY
CK BY
ROKEH CONSULTING, LLC
89 KING ROAD, CHICHESTER, NH
PH: 603-387-8688
SCALE: 1" = 5'
DATE: APRIL 12, 2021
DR. BY: JR
JOB NO.
SHEET
3 of 3

NEW BUNKHOUSE FLOOR PLAN AND ELEVATION





NORTH ELEVATION

REVIEW STANDARDS

SECTION 5-10: SPECIAL USES

5-1001 General

This section of the Code establishes standards to review special uses subject to either one-step Planning Commission or Board of County Commission review or two-step special use permit review. Special uses may or may not be appropriate in certain locations depending on degree of conformance with adopted, relevant standards and policies. For certain special uses these standards may supplement special standards for specific uses. Refer to Section 3-5 for one-step review procedures, Section 3-6 for two-step review procedures and Section 4-7 for submission contents.

5-1002 Standards for All Special Uses and Other Uses Requiring One-step and Two-step Review

All Uses requiring One-step and Two-step Review, except Oil and Gas Exploration and Development (Section 5-26), shall comply with the standards in this section.

5-1002 A. Consistency with Master Plan, Land Use Polices, Zone District and Neighborhood

The Uses to be reviewed shall be:

I. Consistent with the County Master Plan;

The proposal is consistent with the County Master Plan because it meets the Overall Goals of Section 7.1 of Article 1. Goals and Objectives to "Maintain and promote an atmosphere in which individual communities can retain their separate identities and remain viable for local residents while providing services for visitors and accommodating growth."

II. Consistent with County Land Use Policies in Article 2;

The proposal is consistent with the Land Use Policies in Article 2 ranging from Section 2-4 Community Balance, Section 2-6 Compatibility with existing Adjacent Neighborhoods, 2-12 Scenic Quality, 2-13 Air Quality, 2-15 Noise, Section 2-17 Adequate Provision of Water, 2-18 Sewage Treatment and Collection, 2-19 Road System Impacts, Section 2-27 Compatibility with agricultural lands and operations, Section 2-29 Housing, Section 2-30 Energy conservation, & Section 2-31 Compatibility with adjacent or nearby public lands

III. Consistent with the purpose of the Zone District in which it is proposed to be located;

The proposal meets the purpose of the Forestry, Agriculture and Open (F) Zone District which states "The Forestry, Agriculture and Open (F) Zone District is intended to preserve large, relatively remote areas of the County for resource, agricultural, open space and recreational proposes. These areas currently have minimum public facilities and services and are considered inappropriate for substantial development. Development activities in *these areas should be limited to the minimal list of activities that are allowed under State and Federal laws. All permitted development should fully mitigate the effects of such development upon the environment and on the County's budget. Development and/or special uses are encouraged to be located outside environmentally sensitive land."*

IV. Consistent with and Compatible with the Character of the Neighborhood of the Parcel proposed for Development and surrounding Land Uses, and may enhance the mixture of complementary Uses and activities in the Neighborhood of the Parcel proposed for Development;

V. Necessary for public convenience at the proposed location; and

VI. Designed, located and proposed to be operated so that the public health, safety and welfare will be protected.

5-1002 B. Impacts on Surrounding Area

Compatibility with the Character of Parcels adjacent to the Parcel shall be expressed in terms of appearance, scale and features, site design, landscaping, as well as, the control and minimization of adverse impacts including noise, vibration, dust, dirt, smoke, fumes, gas, odor, explosion, glare, impacts on pedestrian and traffic congestion, parking, trash, service delivery, or other undesirable or hazardous conditions.

All existing lighting is shielded and directed down and meets the requirements of LUC Section 5-319. K. VIII. and no further lighting is proposed besides one light at the new cabin. The nearest residences are approximately 500 feet and 1,300 feet away and there has not been a history of noise affecting the neighbors. The traffic count will be less than the past due to fewer hunters on site. The onsite trash receptacle is a locked dumpster emptied by the local refuse company during the season.

5-1002 C. Public Facilities

Adequate public facilities and services shall exist or shall be provided to serve any reviewable use including, but not limited to, roads, potable water, sewer, solid waste, parks, police, fire protection, emergency medical, hospital and medical, drainage system and schools.

The applicant will be adding an additional OWTS and expanding the existing OWTS to accommodate proposed the maximum amount of people. There are (2) total permitted and installed wells that accommodate the needs of the hunters and employees. A chlorination system is recommended for both wells per CPDHE.

5-1002 D. Bond Requirement

A bond may be required, as a condition of any reviewable Use permit as deemed necessary by the Board of Commissioners or the Planning Commission, sufficient to cover the cost of Site remediation and/or satisfaction of the other conditions and requirements.

5-1002 E. The following must be addressed as part of any application:

I. A Site plan including:
   a. Ownership, Use and zoning of all adjacent Parcels;
   b. Driveways, streets and right-of-way, Access ways, including points of ingress, egress, parking plan;
   c. Easements;
   d. Location and dimensions of Structures and Signs;
   e. Typical elevations/Heights of such Buildings;
   f. Landscaping;
   g. Topography; and
   h. Specific areas proposed for specific types of land Use/the identification of specific land Uses;
   i. Information regarding the function and characteristics of any Building or Use proposed, including: days and hours of operation, number of employees, number of students, number of rooms for rent, etc., as applicable;

II. Lighting plan;

III. Signs – all Signs must meet Section 5-704 standards;

IV. Water/sewer plan – must meet state standards and may include verification of a commercial well permit;

V. Drainage plan;

VI. Grading plan;

VII. Dust control plan;

VIII. Detailed engineered plans and specifications by a registered Colorado Professional Engineer as requested by staff or Referral Agents;

IX. Weed control plan that must include use of weed free hay or straw;

X. Fencing Plan; and

XI. Additional permits as necessary from other agencies.

A bunkhouse for the hunters and a new solar panel system will be added to the site. The existing access and OWTS will be maintained. The property is served by a permitted commercial well and domestic well; a treatment system will be required. The application generally addresses most of the requirements contained in Section 5-10 Special Uses and issues identified by the Planning staff. The existing sign will need to be permitted. A vegetation plan will be required.

5-407 Wildlife Habitat Areas

This section establishes land use standards for wildlife habitat areas in addition to the general standards in Section 5-402. The standards apply to areas mapped by the Colorado Parks and Wildlife (CPW) on the County's adopted Wildlife Resource Information System (C.R.S.1041 Wildlife maps) and to areas known to be wildlife habitat areas by the Colorado Parks and Wildlife, and areas mapped by the Colorado Natural Heritage Program. Agricultural and Ranching activities are exempt from this Section.

5-407 A. General Standards

The standards in this section apply to all wildlife habitat areas.

I. Residential development shall be clustered to avoid impacting wildlife and their habitat.
II. Removal of vegetation shall be minimized. Vegetation removed shall be promptly replaced with beneficial native browse species.
III. Wildlife food, cover and water shall be preserved and development effects that would destroy these shall be mitigated. Special consideration shall be given to trees and shrubs with high wildlife food value, especially heavy seed, berry and fruit producing species.
IV. The planting of wildlife food species and woody cover along fences shall be encouraged as one way of improving wildlife habitat.
V. Waterholes, springs, seepage, marshes, pond and watering areas shall be preserved.
VI. Known endangered species habitats shall be preserved and all disturbances to those habitats shall be minimized.
VII. Every golden eagle nest site, bald eagle roost site, and all other raptor nest sites shall be protected from the adverse impacts of development within a ½ mile buffer.
VIII. Mesh or woven fences shall be prohibited and are encouraged to be removed.
IX. Fences located within CPW designated mapped wildlife habitat areas are discouraged. Fences in such wildlife habitat areas shall be limited to "wildlife friendly fences" that are in compliance with applicable CPW fencing standards. Wildlife friendly fences are very visible and allow wild animals to easily jump over or slip under the wires or rails. The following regulations shall apply to fencing:

    a. Smooth wire or rounded rail for the top, smooth wire on the bottom;
    b. Fence is limited to 42: in height;
    c. At least 12" between the top two wires or rails;
    d. At least 16" between the bottom wire or rail and the ground;
    e. Posts at minimum 16' intervals;
    f. Gates, drop-downs, removable fence sections or other passages where animals concentrate and cross;
    g. Using a rail, high-visibility wire, flagging or other visual markers for the top.
    h. A zigzagged worm fence (rails stacked alternately on top of one another, with rails interlocked like laced fingers where the ends meet) should create openings for wildlife to cross by intermittently dropping rails to the ground every 400'; and in swales and at stream crossing for easy wildlife passage.
    i. Perimeter fencing of an entire parcel is discouraged.

j. As an exception to "wildlife friendly fencing" dogs shall be kept in an enclosed kennel or small fenced yard adjacent to the residence. The standards or allowance for a small fenced yard or area shall be specified in the county's revised dog or animal control regulations.

If staff has a question regarding the appropriateness of proposed fencing to be located within a CPW mapped wildlife habitat area the application may be referred to the CPW for comment and recommendation. Any new fencing shall follow the CPW "Fencing with Wildlife in Mind" guidelines available at the CPW website, www.wildlife.state.co.us

X. Residential development shall maintain bear proof storage for garbage disposal for all parcels located in all zone districts.

XI. Development activities, such as Subdivisions, PUDs and Special Use Permits uses may require a Wildlife Impact Assessment prepared by a qualified wildlife biologist or scientist for all mapped wildlife habitat areas or known habitat areas to be submitted with the land use application. The Impact Assessment should include changes, trends and proposed mitigation to be reviewed by the Colorado Parks and Wildlife or other County review staff.

XII. Barking dogs, dogs at large, and stray dogs are not permitted in any unincorporated portion of San Miguel County pursuant to Board of County Commissioner Resolution1982-27 or as may be set forth in the most current Board of County Commissioner Resolution regarding dog or animal control rules and regulations.

XIII. It is illegal for dogs to chase and/or harass wildlife, on public or private property. A Colorado wildlife officer or other peace officer may capture or kill any dog he or she determines to be harassing wildlife, pursuant to C.R.S. §33-6-128.

5-407 B. Deer, Elk and Bighorn Sheep Winter Concentration Area/Severe Winter Range

Land uses in deer, elk or bighorn sheep winter concentration areas/severe winter range shall comply with the standards in Section 5-407 A. and the standards in this Section.

I. Overgrazing of ranges by livestock shall be prohibited.

II. Development shall be restricted to areas in which wildlife impacts can be minimized.

III. Access for the Colorado Parks and Wildlife for managing wildlife shall be maintained.

IV. Commercial activity and recreational uses requiring County review shall be prohibited from December through April 15.

5-407 C. Deer, Elk and Bighorn Sheep Winter Range

Land uses located in deer, elk or bighorn sheep winter range shall comply with Sections 5-407 A. and 5-407 B.I.-III. and the standard in this section.

Commercial activity and recreational uses requiring County review shall be prohibited from December 1 through April 15, unless an applicant can demonstrate written approval from the Colorado Parks and Wildlife of a site-specific wildlife protection plan. Such plan shall include CPW monitoring provisions and set forth on-site protection, including but not limited to habitat enhancement and habitat protection, including but not limited to control of fencing, noise, lighting and siting of structures, and establishment of routes and means of transportation and hours/days of operation. Permits must be renewed annually. The dates in this section may be modified and permits may be suspended at any time upon CPW recommendation on a case-by-case basis as necessary to protect the health of the herd.

5-407 D. Deer and Elk Migration Corridors

Land uses located in deer and elk Migration Corridors shall comply with Section 5-407 A. and the standards in this section.

I. Development blocking a corridor and preventing migration between summer and winter ranges shall be prohibited.

II. Fences restricting deer or elk migration shall be prohibited.

5-407 E. Deer and Elk Production Areas

Land uses located in deer and elk production areas shall comply with Section 5-407 A. and the standards in this Section.

I. Where no appropriate development site exists in a production area, development shall be prohibited.

II. Access shall be maintained for the Colorado Parks and Wildlife for trapping, tagging and studying wildlife.

III. Manipulation of vegetation shall be prohibited, except within a designated building envelope.

IV. Commercial and construction activity, recreational uses and off-road motorized activity shall be prohibited from May 1 through June 30. These dates may be modified upon Colorado Parks and Wildlife recommendation on a case-by-case basis as necessary to protect the health of the herd.

5-407 F. Riparian Areas and Shorelands

Land uses located in riparian or shoreland areas shall comply with the standards in 5-407 A. and the standards in this section.

I. Development and the removal of vegetation and disturbance of ground cover within the riparian area shall be prohibited.

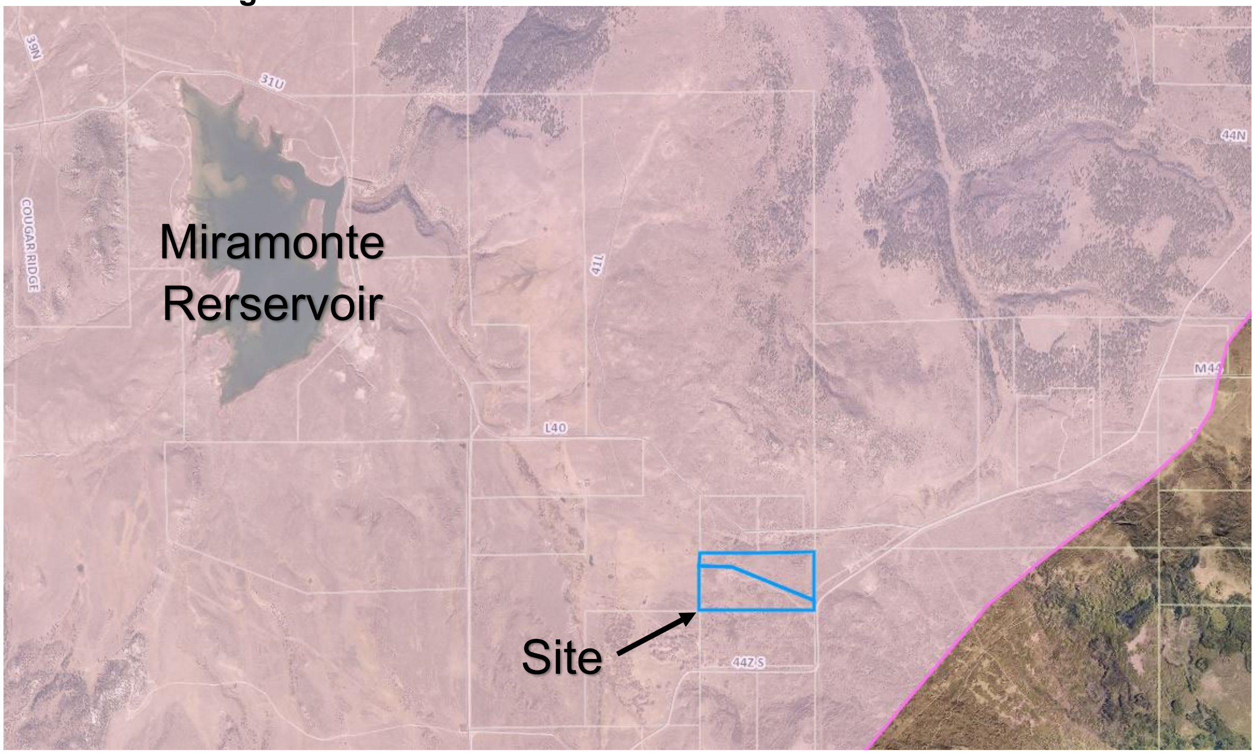
II. Culverts shall be designed to prevent plugging and washouts.

III. Culverts that may become barriers to fish passage shall be prohibited.

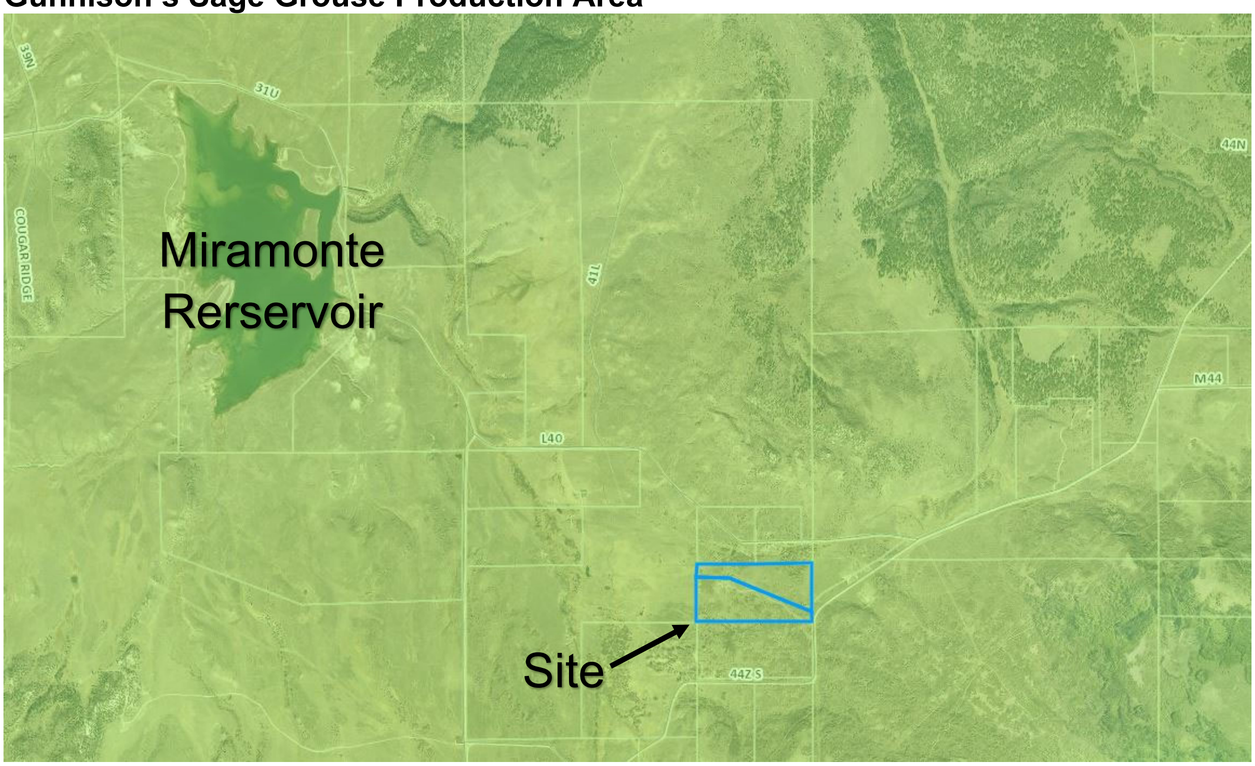
IV. Riparian and shoreland habitat areas that have been denuded or disturbed by development shall be revegetated in the first available growing season.

The proposed hunting lodge does lie within Wildlife Areas, but the use of the lodge does not affect the natural migration or grazing of the animals in the area. Very little construction is proposed and there will be no fencing to restrict the wildlife's natural movement. The commercial activity is planned from September 1 thru December 1.

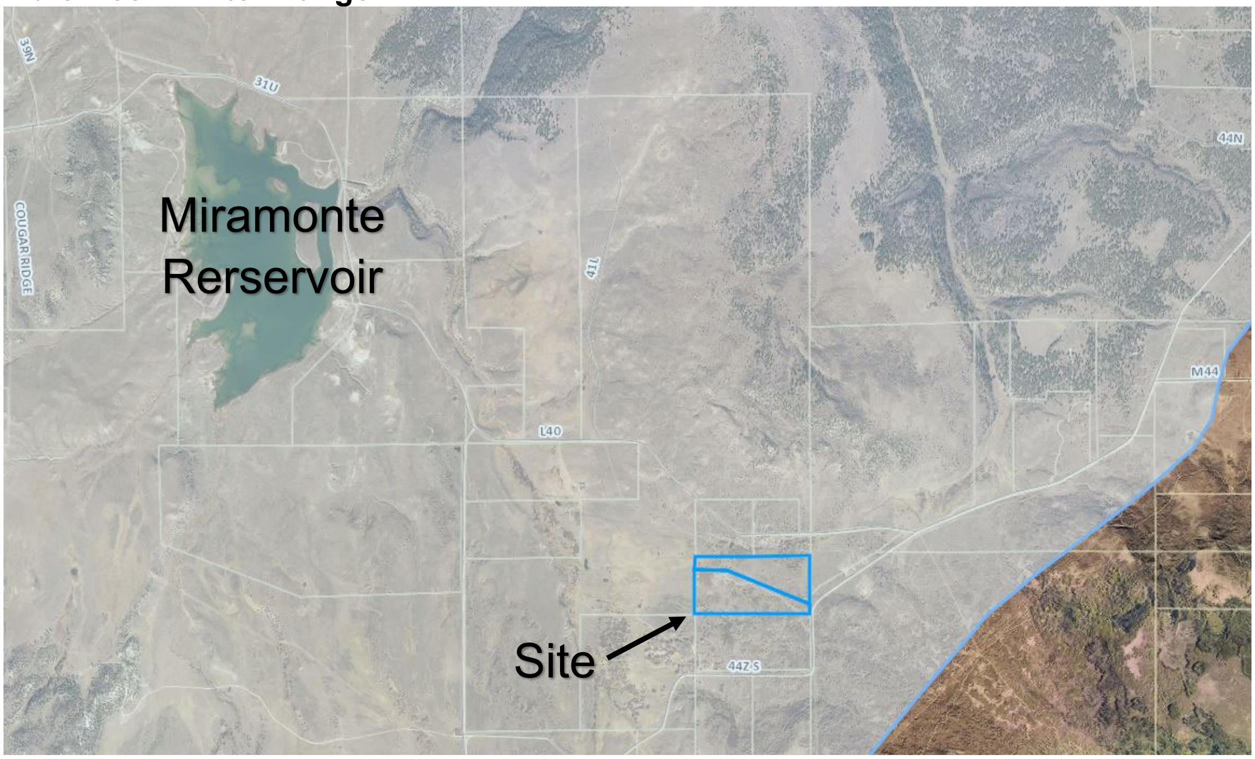
Elk Winter Range



Gunnison's Sage Grouse Production Area



Mule Deer Winter Range



Recommendation
Staff recommends **APPROVAL** of the Hunting Lodge Special Use Permit. The following is a sample motion:

“Move to Approve the ARJ Mountain Ranch LLC Special Use Permit to allow a Hunting Lodge, and to adopt the Resolution, based on the findings that the uses as proposed are consistent with Land Use Code 5-307 D., Uses Allowed Subject to One Step Planning Commission, Special Use Review; Land Use Code 5-407, Wildlife Habitat Areas; 5-10, Special Uses; and the County Master Plan, with the following conditions:

1. Applicant must install working smoke alarms and CO alarms in the living quarters.

2. A properly sized Ansul suppression system must be installed above the commercial stove.

3. Add a hand washing sink with dispensers for soap and paper towels near the existing centrally located hand wash sink.

4. Add a drinking water treatment system that meets the requirements of CDPHE or County Public Health.

5. The Applicant shall apply for and obtain a Development Permit and a Building Permit prior to making any site improvements and constructing the building.

6. The business shall abide by all water usage restrictions set forth in well permit #320168 & #209897. If Parcel #1 (PIN 45573310003) ceases to be under the same ownership as Parcel #2 (PIN 455733100004), and the property line is not adjusted so the wells are both located on Parcel #2 prior to sale or transfer, this SUP shall be void.

7. The new construction will have a new OWTS and the existing Lodge and Bunkhouse will have a Replacement OWTS as a part of this project.

8. The use of the site shall be limited to the areas shown on the site plan. There shall be no further development without County Planning approval.

9. A lighting plan shall be submitted. All lighting shall be directed down and meet the requirements of LUC Section 5-319.K.VIII.

10. Trash and recycling shall be located within wildlife resistant containers or enclosures.

11. A sign permit shall be obtained prior to placing any commercial sign.

12. A weed control and revegetation plan will need to be submitted. Any hay brought to the property shall be weed free.

13. All written representations of the applicant in the original submittal and all supplements, letters and emails are deemed to be conditions of approval, except to the extent modified by this Motion.

**RESOLUTION OF THE COUNTY PLANNING COMMISSION,
SAN MIGUEL COUNTY, COLORADO,
APPROVING A SPECIAL USE PERMIT FOR ARJ MOUNTAIN RANCH LLC FOR A HUNTING LODGE IN FORESTRY, AGRICULTURE, AND OPEN ZONE DISTRICT**

Resolution 2021-004

WHEREAS, Jon Rokeh, P.E., on behalf of ARJ Mountain Ranch LLC, Alan Johnson, Owner, (Applicant), on a 45-acre parcel, #455733100004 & 36- acre parcel, #455733100003 owned by Alan Johnson (Owner) in the (F) Forestry, Agriculture, and Open Zone District, located approximately 12 miles south of the Town of Norwood (at 13845 County Road 44Z S), and more particularly described as shown on Exhibit A Legal Description, submitted an application on April 14, 2021 seeking a Special Use Permit for a Hunting Lodge; and

WHEREAS, the application for a Hunting Lodge was referred to the County Attorney, County Road and Bridge Department, County Building Department, Colorado Division of Water Resources, San Miguel County Site Inspector, San Miguel County Public Health, San Miguel County Sheriff, County Manager, Colorado Parks and Wildlife, Town of Norwood, and Norwood Fire Protection District for review and comment; and

WHEREAS, as required by C.R.S. § 30-28-106(1), a Notice of Public Meeting was published in the Telluride Daily Planet and in the Norwood Post on Wednesday, April 28, 2021; and

WHEREAS, as required by C.R.S. § 24-65.5-103(1), a Public Notice was mailed to all property owners within 500 feet of the proposed special uses, and the required posting was completed by Jon Rokeh on April 22, 2021; and

WHEREAS, the Planning Commission conducted a site visit and considered this application, along with relevant evidence and testimony, at a public meeting in Norwood on Thursday, May 13, 2021.

NOW, THEREFORE, BE IT RESOLVED that the County Planning Commission of San Miguel County, Colorado, approves the ARJ Mountain Ranch LLC Hunting Lodge Special Use permit to allow a Hunting Lodge that will have no more than 8 guests and 14 people total on site on 2 total parcels totaling 81 acres, based on the finding that the uses as proposed in the application are consistent with and comply with the review standards in Land Use Code 5-307 D., Uses Allowed Subject to a One-Step Planning Commission; Land Use Code Section 5-407, Wildlife Habitat Areas; Section 5-10, Special Uses; and the County Master Plan, with the following conditions:

1. Applicant must install working smoke alarms and CO alarms in the living quarters.

2. A properly sized Ansul suppression system must be installed above the commercial stove.

3. Add a hand washing sink with dispensers for soap and paper towels near the existing centrally located hand wash sink.

4. Add a drinking water treatment system that meets the requirements of CDPHE or County Public Health.

5. The Applicant shall apply for and obtain a Development Permit and a Building Permit prior to making any site improvements and constructing the building.

6. The business shall abide by all water usage restrictions set forth in well permit #320168 & #209897. If Parcel #1 (PIN 45573310003) ceases to be under the same ownership as Parcel #2 (PIN 455733100004), and the property line is not adjusted so the wells are both located on Parcel #2 prior to sale or transfer, this SUP shall be void.

7. The new construction will have a new OWTS and the existing Lodge and Bunkhouse will have a Replacement OWTS as a part of this project.

8. The use of the site shall be limited to the areas shown on the site plan. There shall be no further development without County Planning approval.

9. A lighting plan shall be submitted. All lighting shall be directed down and meet the requirements of LUC Section 5-319.K.VIII.

10. Trash and recycling shall be located within wildlife resistant containers or enclosures.

11. A sign permit shall be obtained prior to placing any commercial sign.

12. A weed control and revegetation plan will need to be submitted. Any hay brought to the property shall be weed free.

13. All written representations of the applicant in the original submittal and all supplements, letters and emails are deemed to be conditions of approval, except to the extent modified by this Motion.

BE IT FINALLY RESOLVED that all written representations of the applicant in the original submittal and all supplements, letters and emails are deemed to be conditions of approval, except to the extent modified by this review process.

DONE AND APPROVED by the County Planning Commission of San Miguel County, Colorado, on May 13, 2021.

SAN MIGUEL COUNTY, COLORADO
PLANNING COMMISSION

By:______________________________
Lee Taylor, Chair

Vote:					
	Lee Taylor	Aye	Nay	Abstain	Absent
	Pamela Hall	Aye	Nay	Abstain	Absent
	Ian Bald	Aye	Nay	Abstain	Absent
	M.J. Schillaci	Aye	Nay	Abstain	Absent
	Josselin Lifton-Zoline	Aye	Nay	Abstain	Absent
	Matthew Bayma	Aye	Nay	Abstain	Absent
	Tobin Brown	Aye	Nay	Abstain	Absent

ATTEST:

By: ____________________________
M.J. Schillaci, Secretary

EXHIBIT A: Legal Descriptions

EXHIBIT B: Public Meeting Record list

EXHIBIT C: Site plan

[Z:\Applications\2021_ARJ Mountain Hunting Lodge]

EXHIBIT A

LEGAL DESCRIPTION

Parcel #: 455733100003

A PARCEL OF LAND LOCATED IN THE N1/2 N1/2 NE1/4 SEC 33 T43 R13 MORE ACCURATELY DESCRIBED IN PL BK 1 PG 3633 REC 03 08 2006 RECPT 382512 35.90 AC MOL AKA PARCEL 1

PARCEL #: 455733100004

A PARCEL OF LAND LOCATED IN THE S1/2 N1/2 NE1/4 SEC 33 T43 R13 MORE ACCURATELY DESCRIBED IN PL BK 1 PG 3633 REC 03 08 2006 RECPT 382512 44.90 AC MOL AKA PARCEL 2

EXHIBIT B

Public Meeting Record
County Planning Commission
Application: ARJ Hunting Lodge LLC
Special Use Permit: Hunting Lodge, In Forestry, Agriculture, and Open Zone District
Date: March 13, 2021

1. San Miguel County Land Use Code (Adopted 11/30/90) with all amendments to date (By Reference Only).

2. San Miguel County Comprehensive Development Plan (Adopted 8/3/78) with all amendments to date (By Reference Only).

3. Memorandum to the San Miguel County Planning Commission from Troy Hangen, Senior Planner Planner dated March 13, 2021.

4. Draft Resolution of the County Planning Commission, San Miguel County, Colorado, Resolution 2021-004, Approving a Hunting Lodge Special Use Permit For ARJ Mountain Ranch LLC In Forestry, Agriculture, and Open Zone District.

5. Application submitted by ARJ Mountain Ranch LLC dated April 14, 2021.

6. Applicant's Certifications of Compliance with the public noticing requirements of the San Miguel County Land Use Code Section 3-9 dated April 22, 2021.

AGENCY COMMENTS

7. Memorandum from Troy Hangen, Senior Planner to Referral Agencies dated April 14, 2021.

8. Email from Matt Gonzales, Building Official to Troy Hangen, Senior Planner received May 3, 2021.

9. Email from Ryan Righetti, County Road Director to Troy Hangen, Senior Planner received May 4, 2021.

10. Email from Lisa Garrett, County Site Inspector to Troy Hangen, Senior Planner received May 4, 2021.

11. Email from Mark Caddy, Norwood District Manager for Colorado Parks and Wildlife to Troy Hangen, Senior Planner received May 4, 2021.

12. Email from John J. Bockrath, District Chief for Norwood Fire Protection District to Troy Hangen, Senior Planner received May 3, 2021.

13. Email from Chris Smith, Environmental Health Specialist to Troy Hangen, Senior Planner received May 3, 2021.

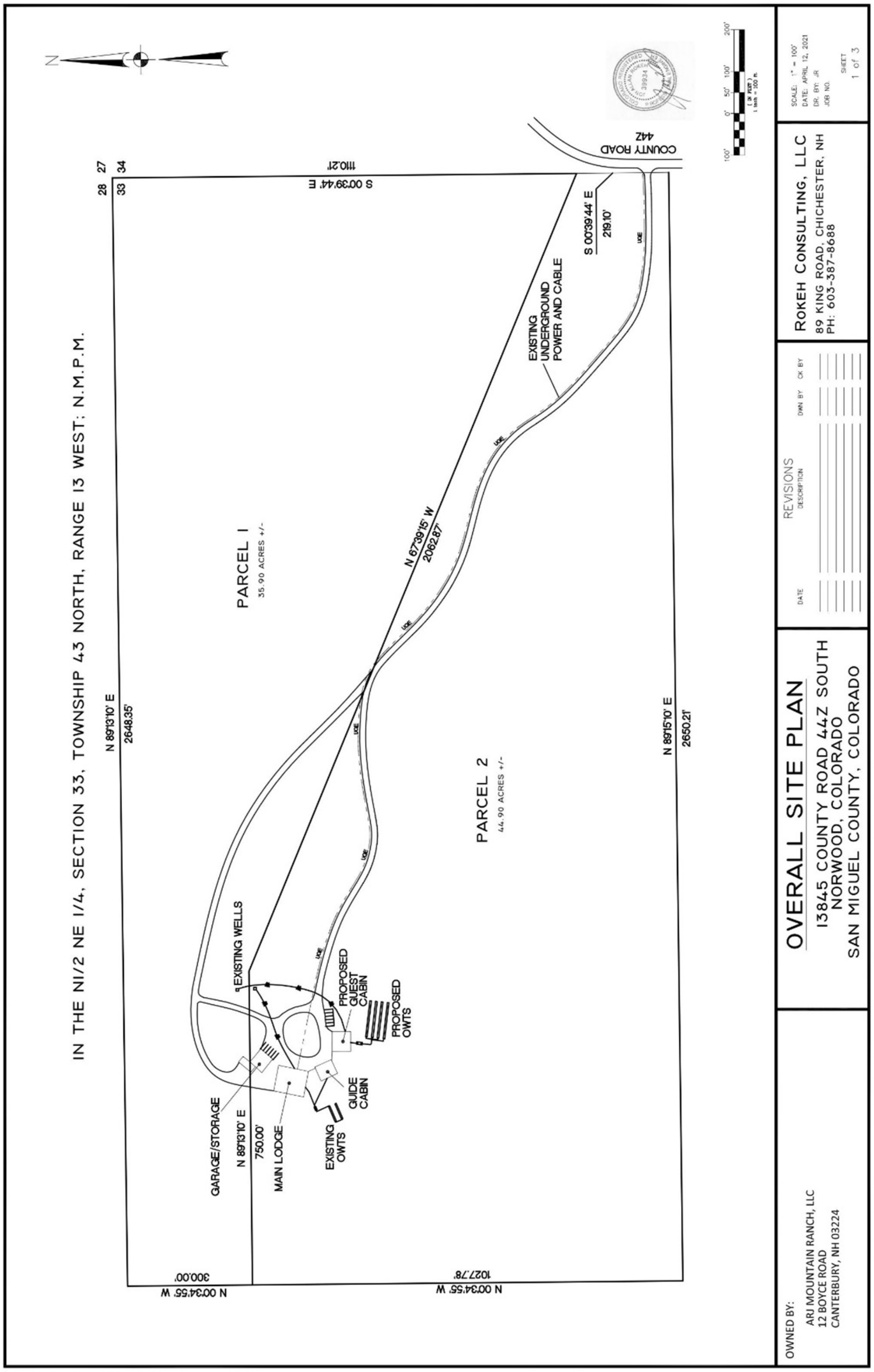
OTHER

14. Letter of Good Standing Certificate(s) from Jon Rokeh, Owner's Representative, to Troy Hangen, Senior Planner, received on April 15, 2021

PUBLIC COMMENTS

None

Exhibit C - Site Plan



April 13, 2021

San Miguel County Planning Department
C/O Troy Hangen
PO Box 548
Telluride, CO 81435

RE: ARJ Mountain Ranch Hunting Lodge, 13845 County Road 44Z South, Norwood, Colorado, San Miguel County

Dear Members of the Board,

The proposed application is to officially permit the existing site as a hunting lodge with San Miguel County. The site has operated in for many years as an un-permitted hunting lodge. The prior owner, Dan Reardon, operated at an extremely high capacity by adding bunk beds in almost every room available in both the lodge and the bunk house. Under new ownership, the operation is being revamped create a high-quality site and to cut back the number of hunters to achieve this goal.

During the hunting season, ARJ Mountain Ranch LLC has decided that the maximum number of hunters allowed for a 5 day period will be 8. It is anticipated that there will likely be a range of 6 to 8 hunters at any given time. Each group of 2 -3 hunters will have a guide. A weekly turnover of the hunters and guides is anticipated allowing for ample time to clean and prepare for the next group.

The reduction in the number of hunters per session and the new facilities being proposed will achieve multiple goals. The owner is attempting to improve the quality of the hunting experience they are providing. The new facilities are intended to make the accommodations for the hunters and guides alike a more relaxing and comfortable place to stay. This is also consistent with the master plan for San Miguel County to preserve and protect natural features and wildlife. The reduced number of hunters will allow for more animals to thrive and mature each year in the area.

The proposed hunting lodge use is a permitted use in the Forestry/Agriculture (F) zone and is consistent with surrounding uses in the area. The purpose of the zone is to preserve the natural features of the area and the hunting lodge use achieves this goal by leaving much of the land in a natural state to encourage wildlife to establish a good population. The proposed limitations on the hunting numbers will only enhance the compatibility with all surrounding uses including any nearby single family uses. The site is located on a maintained county road that provides easy access for both hunters and also any emergency services that would ever be required. Public health, safety and welfare is preserved with the existing facilities being maintained and new septic and well facilities being added. The reduction in the number of hunters will further reduce the impact on the surrounding area in traffic and noise from gunfire. Adequate onsite facilities are provided for parking, trash, and service deliveries. The hunting lodge use does not generally produce any dust, vibration, dirt, smoke, gas, odors, explosions, or glare.

It is anticipated that the main lodge will be the central hub of the operation. Everyone will generally meet in the main lodge at the beginning the day to prepare for a hunt and end of the day to relax and socialize. All meals will be prepared in the lodge kitchen by the onsite cook. The commercial kitchen contains a large stove, two refrigerators, and two dishwashers. It is anticipated there will generally be three meals a day provided. There is also a laundry room with industrial washer/dryers and an extra room that will be used for storage and nonperishable pantry goods. A large three season room off the back of the lodge will be utilized for hunters to relax in the evening during the warmer months. All hunters and guides will retire to their own bunkhouses at the end of the day.

The main lodge will have only two bedrooms, one for the full time cook / cleaning person and a second bedroom for the exclusive use of the owner, Alan Johnson. The existing bunk house will now be utilized for only the hunting guides. A new bunkhouse is proposed to be constructed and will have a new well and OWTS system constructed to provide services. The new bunkhouse will have four bedrooms and four bathrooms (one for each bedroom) and will be used only by the hunters who are onsite. It has been designed to provide spacious and comfortable lodging for eight hunters at a time maximum.

The existing outbuilding garages will be used for storage of hunting gear and property maintenance equipment. There will be no processing of animals onsite other than field dressing and skinning. The animals will be refrigerated until the end of the 5 day hunting period and will be transported offsite by the hunters to a processing facility when they leave.

In summary, ARJ Mountain Ranch LLC would like to change the identity of the previous Rocking R Outfitters from a large number of hunters and harvesting, into a small manageable outfit with a focus on high quality and comfortability. The result will be a well run hunting experience that will draw the type of hunters who enjoy the outdoors in some of the most beautiful property in the country.

Thank you for your consideration of this request. Please do not hesitate to contact me with any questions you have at 603-387-8688.

Sincerely,

Jon Rokeh, PE

89 King Road, Chichester, NH 03258 * Telephone: 603.387.8688
E-mail: jon@rokehconsulting.com * Website: www.rokehconsulting.com

OWNED BY:
ARJ MOUNTAIN RANCH, LLC
12 BOYCE ROAD
CANTERBURY, NH 03224

OVERALL SITE PLAN

13845 COUNTY ROAD 44Z SOUTH
NORWOOD, COLORADO
SAN MIGUEL COUNTY, COLORADO

REVISIONS

DATE	DESCRIPTION	DWN BY	CK BY

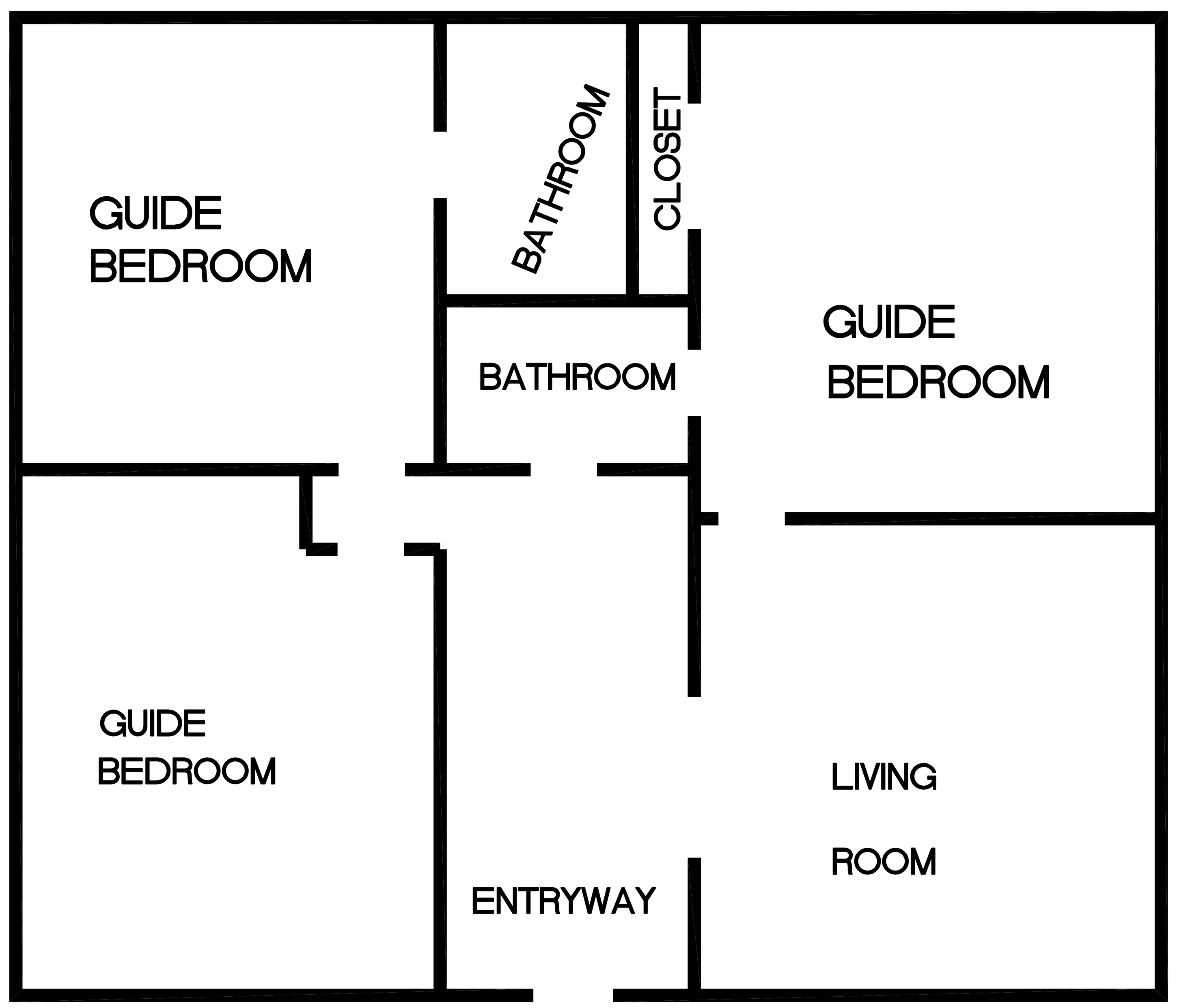
ROKEH CONSULTING, LLC
89 KING ROAD, CHICHESTER, NH
PH: 603-387-8688

SCALE: 1" = 100'
DATE: APRIL 12, 2021
DR. BY: JR
JOB NO.

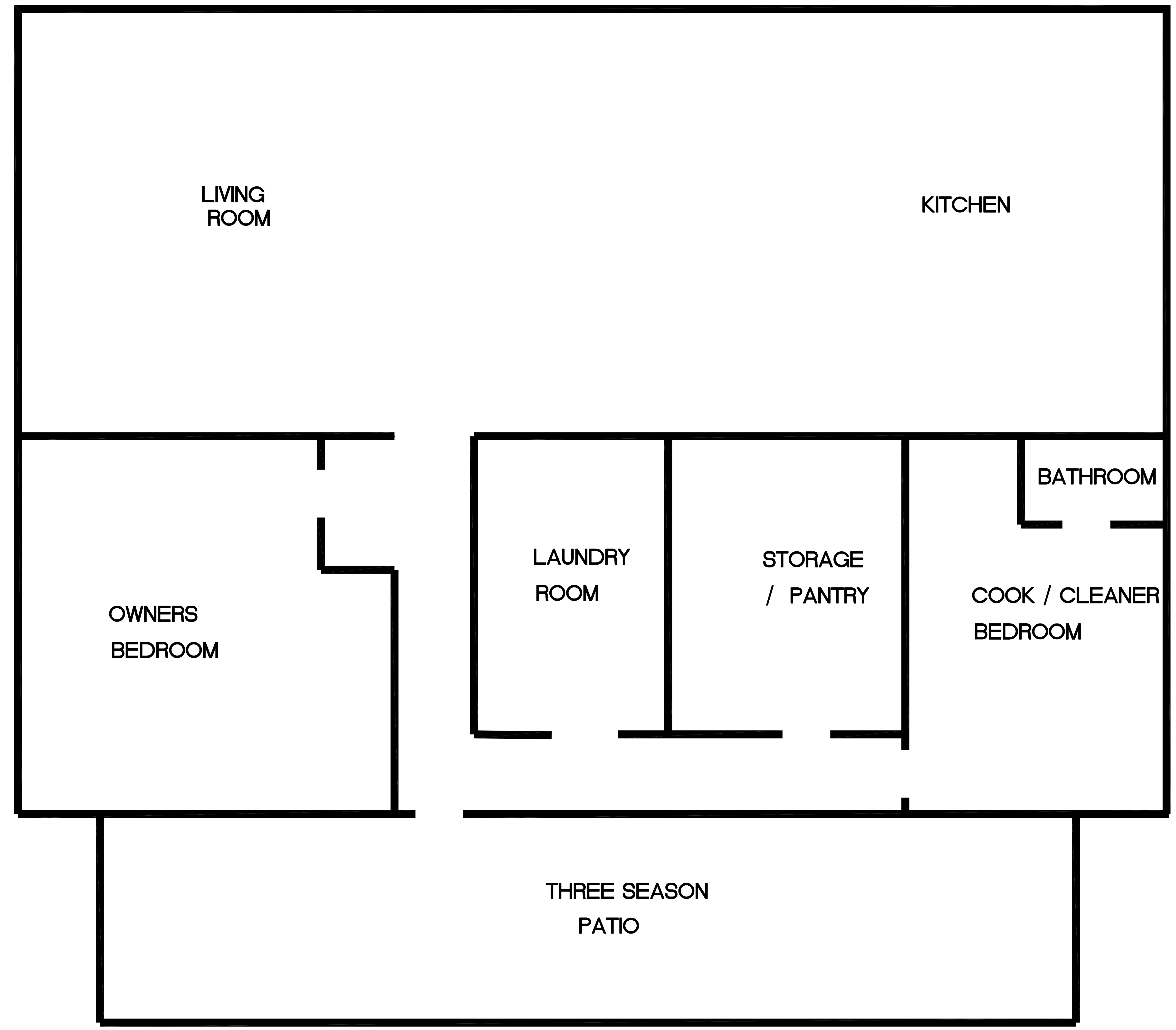
SHEET
1 of 3

OWNED BY:	CLOSEUP SITE PLAN	REVISIONS	ROKEH CONSULTING, LLC	
ARJ MOUNTAIN RANCH, LLC 12 BOYCE ROAD CANTERBURY, NH 03224	13845 COUNTY ROAD 44Z SOUTH NORWOOD, COLORADO SAN MIGUEL COUNTY, COLORADO	DATE / DESCRIPTION / DWN BY / CK BY	89 KING ROAD, CHICHESTER, NH PH: 603-387-8688	SCALE: 1" = 30' DATE: APRIL 12, 2021 DR. BY: JR JOB NO. SHEET 2 of 3

GUIDE CABIN



MAIN LODGE BUILDING



N

5' 0' 2.5 5' 10'
(IN FEET)
1 inch = 5 ft.

OWNED BY:
ARJ MOUNTAIN RANCH, LLC
12 BOYCE ROAD
CANTERBURY, NH 03224

APPROXIMATE EXISTING FLOORPLANS
13845 COUNTY ROAD 44Z SOUTH
NORWOOD, COLORADO
SAN MIGUEL COUNTY, COLORADO

REVISIONS			
DATE	DESCRIPTION	DWN BY	CK BY

ROKEH CONSULTING, LLC
89 KING ROAD, CHICHESTER, NH
PH: 603-387-8688

SCALE: 1" = 5'
DATE: APRIL 12, 2021
DR. BY: JR
JOB NO.
SHEET
3 of 3

APPLICANT'S CERTIFICATION OF COMPLIANCE WITH THE PUBLIC NOTICING REQUIREMENTS OF THE SAN MIGUEL COUNTY LAND USE CODE SECTION 3-9

ARJ MOUNTAIN RANCH, LLC, Applicant, or the duly designated agent(s) of Applicant, has applied San Miguel County for approval of a land use application. Applicant recognizes that the provisions of t San Miguel County Land Use Code (LUC) Section 3-9 require public notice by First Class mail a posting of the property not less than twenty (20) days before the date scheduled for a public meeting hearing.

Applicant or Applicant's agent(s) have examined the current tax records of San Miguel County as th appeared either in the records of the San Miguel County Assessor or under the San Miguel Cour Geographic Information Systems* (GIS) mapping program no more than sixty (60) days prior to the da of the public meeting or hearing. Applicant or Applicant's agent(s) hereby certifies that: (Applicant mu check all.)

☒ Following an examination of the records in the San Miguel County Assessor or under t San Miguel County GIS* mapping program, the Applicant has provided public notice, compliance with LUC § 3-903C not less than twenty (20) days before the date schedul for a public meeting or hearing, by First Class mail to every property owner a condominium unit owner within 500 feet of the perimeter of the subject property. **hereby certify that I have attached a copy of this public notice letter and mailing li to this certification.**

AND

☒ Not less than twenty (20) days before the date scheduled for a public meeting or hearin I hereby certify that, in compliance with LUC § 3-903B, public notice has also be provided by posting a sign in a conspicuous place on the property that is the subject the land use application.

I understand that San Miguel County requires completion and delivery of this Certification of Complian to the San Miguel County Planning Department at least ten (10) days prior to the initial public meeting hearing on a land use application. I further understand that failure to submit the required Certification Compliance to the County Planning Department at least ten (10) days prior to the initial public meetin on a land use application will result in the public meeting or hearing being rescheduled to a later date.

ALAN JOHNSON

Name

(Insert Applicant's name if executed by agent)

13845 COUNTY ROAD 44Z SOUTH

Physical location of Property and/or legal description

12 BOYCE ROAD, CANTERBURY, NH 03224

Mailing Address (if different from above)

Date: 4-22-21

Signature: [signature]

[text/luc/certification.property.owner

* GIS data may not accurately or completely reflect owners in multi-unit, multi-floor buildings in San Miguel County. In such instance, the applicant must examine the Assessor's information in addition to the GIS data in order to provide the required public notice.

Troy Hangen <troyh@sanmiguelcountyco.gov>

Referral Comments for Hunting Lodge One Step SUP process

Matt Gonzales <mattg@sanmiguelcountyco.gov> Mon, May 3, 2021 at 4:52 PM
To: Troy Hangen <troyh@sanmiguelcountyco.gov>

Hi Troy,

Please let the owner know that they will need to obtain building permits for the two existing structures in order to change the Occupancy Classification through the issuance of a new Certificate of Occupancy. Based on the proposed use as per the owner, the "bunkhouse" will be reclassified as R-1 occupancy and the "lodge" will be reclassified as R-2. A third building permit will be required for the new structure, obviously. That will also be classified as an R-1 occupancy.

The commercial kitchen's hood will require an Ansul fire suppression system. I will defer to the Norwood Fire Protection District regarding the size of the Ansul system and any other fire suppression systems on the premises.

Combination smoke alarm/carbon monoxide alarms will be required as code dictates.

Public accommodations are subject to Federal Law as it pertains to the ADA Standards for Accessible Design.

Please feel free to reach if clarification is needed.

Thanks,

On Wed, Apr 14, 2021 at 4:39 PM Troy Hangen <troyh@sanmiguelcountyco.gov> wrote:
[Quoted text hidden]

[Quoted text hidden]

Troy Hangen <troyh@sanmiguelcountyco.gov>

Referral Comments for Hunting Lodge One Step SUP process

Ryan Righetti <ryanr@sanmiguelcountyco.gov> Tue, May 4, 2021 at 11:33 AM
To: Troy Hangen <troyh@sanmiguelcountyco.gov>
Cc: Kaye Simonson <kayes@sanmiguelcountyco.gov>, Phyllis Shaffer <phylliss@sanmiguelcountyco.gov>, Alan Hatfield <alanh@sanmiguelcountyco.gov>

If the applicant does not plan on changing, altering or improving the driveway, Road and Bridge does not have any additional requirements or comments as to the approval of the Special Use Permit.

Thank you,
[Quoted text hidden]
[Quoted text hidden]

Troy Hangen <troyh@sanmiguelcountyco.gov>

comments

Lisa Garrett <lisag@sanmiguelcountyco.gov> Tue, May 4, 2021 at 2:28 PM
To: Troy Hangen <troyh@sanmiguelcountyco.gov>

Hi Troy,

Thank you for the reminder. I believe that my concerns are being satisfied with the new OWTS to be designed for the Lodge and the Guides Bunkhouse. It was extremely helpful to be on-site to talk with Alan and see the layout. Thanks so much for arranging that and inviting me along. Please add a statement that the new construction will have a new OWTS and the existing Lodge and Bunkhouse will have a Replacement OWTS as a part of this project. Does that sound okay? Please let me know if you have anything else in mind.

Thank you, Lisa

Lisa Garrett
Site Inspector
San Miguel County
Phone: 970-728-3923
Cell: 970-708-0323
lisag@sanmiguelcountyco.gov
http://www.sanmiguelcountyco.gov

[Quoted text hidden]

Troy Hangen <troyh@sanmiguelcountyco.gov>

Referral Comments for Hunting Lodge One Step SUP process

Caddy - DNR, Mark <mark.caddy@state.co.us> Tue, May 4, 2021 at 3:45 PM
To: Troy Hangen <troyh@sanmiguelcountyco.gov>

Troy,
Thank you for the opportunity to comment. Colorado Parks and Wildlife have no concerns regarding this proposal.

Mark W. Caddy
Norwood District Wildlife Manager
P.O. Box 532
Norwood, CO 81423
970-209-2368

COLORADO
Parks and Wildlife
Department of Natural Resources

[Quoted text hidden]

Troy Hangen <troyh@sanmiguelcountyco.gov>

Referral Comments for Hunting Lodge One Step SUP process

John J. Bockrath <norwoodchief@gmail.com> Mon, May 3, 2021 at 5:07 PM
To: Troy Hangen <troyh@sanmiguelcountyco.gov>

Hi Troy,

The only request I have is smoke alarms and CO alarms in the living quarters; locals are fine.

Also, they describe the kitchen as "commercial", so I will be requiring an Ansul suppression system. I don't see the dimensions of the kitchen or stove to determine the size of the Ansul system.

Please let me know if you have any questions or concerns.

Thank you,

John

John J. Bockrath, District Chief
Norwood Fire Protection District

Office: 970-327-4800
Cell: 970-729-0934

On Wed, Apr 14, 2021 at 4:39 PM Troy Hangen <troyh@sanmiguelcountyco.gov> wrote:
[Quoted text hidden]

--

Environmental Health

Chris Smith office phone: (970) 728-0447 mobile: (970) 519-1076 chriss@sanmiguelcountyco.gov

Site visit, 13845 CR 44 ZS May 3, 2021

San Miguel Enviro Health comments: Chris Smith

Agents: Alan, Dave

Purpose: Advise facility improvements needed for compliance with Colorado Retail Food Regulations.

A health dept. plan review application will be emailed to Jon Roeke.

Hood: The hood will be upgraded with fire suppression per mechanical code. The hood installer can advise on the frequency of routine hood cleaning and replacement of fuseable links.

Add a hand washing sink station with dispensers for soap and paper towels. An ideal location is convenient to plumbing services near the existing single basin prep sink. *5-203.11

The 2 basin sink with 2 sanitizing dish machines is allowable for the proposed use. *4-301.12

Talk to your plumber about installing a floor a floor sink to provide an indirect connection (air gap) to the sewer for the dish washing equipment and the single basin food prep sink. *5-402.1

A small drinking water treatment system, as described by Haley Orahood, is required for permitted food establishments. The drinking water supply requires backflow protection. *Section 5-1

*The numbers refer to the code sections. Colorado food code

The definition of FOOD ESTABLISHMENT is in section 1

Comments for Chef: Food safety manager certification is required. A link to on-line certification will be provided by email, along with a self inspection guide called Active Managerial Control.

Before issuing a permit, there will be a menu review to assure the risks of foodborne illness are controlled by the Chef. Note: A permitted facility operating seasonally will receive a seasonal food safety inspection. Permits are renewed yearly.

Feel free to call with any questions.

Regards, Chris

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

ARJ MOUNTAIN OUTFITTERS, LLC

is an entity formed or registered under the law of New Hampshire, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20201660884 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 03/25/2021 that have been posted, and by documents delivered to this office electronically through 03/27/2021 @ 14:19:19 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 03/27/2021 @ 14:19:19 in accordance with applicable law. This certificate is assigned Confirmation Number 13054068 .

STATE OF COLORADO
NIL SINE NUMINE
1876

Jena Griswold

Secretary of State of the State of Colorado

End of Certificate

Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, http://www.sos.state.co.us/biz/CertificateSearchCriteria.do entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, http://www.sos.state.co.us/ click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

ARJ MOUNTAIN RANCH, LLC

is an entity formed or registered under the law of New Hampshire, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20201660873 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 03/25/2021 that have been posted, and by documents delivered to this office electronically through 03/27/2021 @ 14:45:44 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 03/27/2021 @ 14:45:44 in accordance with applicable law. This certificate is assigned Confirmation Number 13054134 .

STATE OF COLORADO
NIL SINE NUMINE
1876

Jena Griswold

Secretary of State of the State of Colorado

End of Certificate

Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, http://www.sos.state.co.us/biz/CertificateSearchCriteria.do entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, http://www.sos.state.co.us/ click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

AGENDA ITEM

TITLE:
Approval of November 18, 2021 minutes

Presented by:
Time needed:

PREPARED BY:
Nancy Hrupcin, Planning

RECOMMENDED ACTION/MOTION:

INTRODUCTION/BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

Description:

AGENDA ITEM

TITLE:

Applicant: Lawson Hill Property Owners Co. and Telluride Mountain School
Location: Lot HI, Lawson Hill PUD located north of Society Drive off San Miguel Dr.
Parcel Size: 1.88 acres
Zone District: Public (PUB)
Proposal: Rezone from Public (PUB) to Industrial (I); and Substantial PUD Amendment to increase maximum Building Height/MOTION

Presented by:
Time needed:

PREPARED BY:
Nancy Hrupcin, Planning

RECOMMENDED ACTION/MOTION:

INTRODUCTION/BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

Description:

AGENDA ITEM

TITLE:
Request: Discussion of Affordable Housing

Presented by:
Time needed:

PREPARED BY:
Nancy Hrupcin, Planning

RECOMMENDED ACTION/MOTION:

INTRODUCTION/BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

Description:

AGENDA ITEM

TITLE:
WORKSESSION:

Request: Discussion of Affordable Housing

Presented by: John Huebner
Time needed: 20

PREPARED BY:
John Huebner, Planning

RECOMMENDED ACTION/MOTION:

INTRODUCTION/BACKGROUND:

FISCAL IMPACT:
None

ATTACHMENTS:
4 Staff Report w exhibits- Affordable Housing Impact Mitigation update 11.3.21.pdf

Description: Update the Residential Model for Impact fees

M E M O R A N D U M

TO: San Miguel County Board of Commissioners
FROM: John Huebner, Senior Planner
RE: Evaluation and Update of SMC Affordable Housing Impact Mitigation Standards
DATE: November 3, 2021

PURPOSE

The purpose of this memorandum is to provide material and options responsive to BOCC direction concerning changes to the San Miguel County Affordable Housing impact mitigation.

At the October 20, 2021 San Miguel County Board of County Commissioner meeting, the BOCC directed Planning staff to examine the following options concerning Accessory Dwelling Units (ADU) and Affordable Housing impact mitigation:

1. Incentivize construction of deed restricted housing (ADU) as affordable housing impact mitigation on the site of the primary development, and require the units to be occupied, LUC 5-1303 E.
2. Exempt the square footage of ADUs, if deed restricted and occupied, from Floor Area subject to Employee Housing Impact Fee.
3. Propose a method (fee, penalty, cost disincentive) for roster of current county deed restricted ADUs that are vacant; require ADUs to be occupied.
4. Illustrate various county scenarios (mitigation rates of 37, 50, 60, 70%; Employee/Unit Subsidy of current 42,200/67250 and proposed 62,500/100,000.
5. Illustrate comparison of payments of current County Residential Employee Housing Impact Fee vs the Town of Telluride Payment-in-Lieu Fee.
6. Research affordable housing impact fee methods used by other entities and provide recommendation for a methodology to calculate fees to be assessed by County

BACKGROUND

In the unincorporated county, providing deed-restricted residential lots, building deed-restricted housing units, providing land for a future employee housing, and payment of an impact fee have been allowed as compliance options for mitigating affordable housing impacts. San Miguel County BOCC Resolution 2007-11 adopted the residential affordable housing impact fee and rescinded other provisions within the San Miguel County Land Use Code (LUC) related to residential affordable housing mitigation. LUC Section 5-1303 G. implemented the adopted affordable housing residential impact fee, which applies to all free market single-family & 2 family residential construction in the R-1 School District.

The county and other jurisdictions use multiple terms when referring to affordable housing requirements. The Resolution and Land Use Code use two terms: “affordable housing” and “employee housing”. Commissioners and staff have also used the term “Employee Dwelling Unit” while the LUC describes a specific type of unit in the Low Density (LD) and Medium Density (MD) zones as an “Accessory Dwelling Unit”, which may or may not be deed-restricted. Consistency in terminology is recommended in resolutions, codes and guidelines used by the county. When in doubt, refer to the definitions in the LUC.

1. **Incentivize construction of deed restricted housing (ADU) as affordable housing impact mitigation on the site of the primary development, and require the units to be occupied, LUC 5-1303 E.**

Certain communities and counties similar to San Miguel allow for the payment of an impact (or "in-lieu") fee in mitigation of required affordable housing. To encourage construction of units, the county could adopt a maximum square foot threshold at which it will allow the payment of a residential impact fee for affordable housing mitigation. Beyond that size, a deed-restricted ADU or caretaker unit (F zone) would be required. There would be an increase in the number of units required to be constructed and in the number of units built, and a corresponding decrease in the collection of residential employee housing impact fees.

This change to county impact fee standards could encourage the construction of units as desired by the BOCC.

LUC Section 5-1305 C. limits the use and occupancy of Affordable Housing to Employees, their spouses and children. In the unincorporated county an owner of an Accessory Dwelling Unit (ADU) may not sell it separately from the main single-family residence on a property, and may not use it as a short term rental. The county could consider amending the LUC to treat newly constructed ADUs as "Multi-family Units" that limit occupancy to qualified Employees, and require property owners meet certain occupancy requirements.

2. **Exempt the square footage of ADUs, if deed restricted and occupied, from Floor Area subject to Employee Housing Impact Fee.**

The Employee Housing Impact Fee currently applies to the construction of Accessory Dwelling Units, regardless of size, and to Caretaker units, LUC Section 5-1303 G XV. If accessory dwelling units or caretaker dwellings are built, that floor area is subject to payment of the Impact Fee.

If the property owner is required to or volunteers to deed-restrict a proposed ADU or caretaker unit structure as affordable housing for use and occupancy by qualified employees, the County could consider giving a level of credit to offset or mitigate the total Employee Housing Impact Fee.

3. **Propose a method (fee, penalty, incentive) for roster of current county deed restricted ADUs that are vacant; require ADUs to be occupied.**

Staff need to further research methods to propose to the BOCC to amend ADU occupancy requirements. While it can be written into future deed restrictions, whether owners of already deed-restricted units can be so obligated is less clear. This could include zoning incentives and financial assistance from the county in exchange for property owners offering existing deed restricted ADUs and caretaker units for affordable housing rentals. Planning staff with SMRHA could develop an ADU program for renting an ADU to stimulate property owners to long-term rent existing ADUs to qualified Employees.

4. **Illustrate various county scenarios (mitigation rates of 37, 50, 60, 70%; Employee/Unit Subsidy of current 42,200/67250 and proposed 62,500/100,000.**

The County's Employee Housing Impact Fee mitigation calculations are based on these parameters: number of employees generated, current service level, subsidy needed per employee, and credit toward future payment of TMV and Telluride taxes toward affordable housing. The current variables are square footage, 37% Mitigation rate, $42,200 per employee subsidy, $125 Credit per employee

Table 1 - Comparison of Fees resulting from requirements for Single-family and Duplex development; under different calculations

Current Scenario: 37% Mitigation; 42,200/67,250 Subsidy
Proposed Scenario1: Increase Subsidy to $62,500/$100,000
Proposed Scenario2: Current Scenario w/ Mitigation increased to 50%
Proposed Scenario3: Current Scenario w/ Mitigation increased to 60%
Proposed Scenario4: Current Scenario w/ Mitigation increased to 70%
Proposed Scenario5: Increase Subsidy to $62,500/100K and Mitigation to 70%

Square Footage	Current: 37% Mitigation	Proposed 1: $62,500/100K Subsidy	Proposed 2: 50% Mitigation	Proposed 3: 60% Mitigation	Proposed 4: 70% Mitigation	Proposed 5: $62,500/100K Subsidy /70% Mitigation
500	$ -	$ -	$ -	$ -	$ -	$ -
1000	$ -	$ -	$ -	$ -	$ -	$ -
1500	$ -	$ -	$ -	$ -	$ -	$ -
2000	$ 3,092	$ 4,579	$ 3,824	$ 4,386	$ 4,949	$ 7,330
3000	$ 4,388	$ 6,499	$ 5,397	$ 6,174	$ 6,950	$ 10,294
4000	$ 5,984	$ 8,863	$ 7,377	$ 8,449	$ 9,520	$ 14,100
5000	$ 7,995	$ 11,842	$ 9,918	$ 11,396	$ 12,875	$ 19,068
6000	$ 10,579	$ 15,667	$ 13,231	$ 15,271	$ 17,311	$ 25,639
7000	$ 13,951	$ 20,662	$ 17,611	$ 20,426	$ 23,242	$ 34,422
8000	$ 18,413	$ 27,271	$ 23,463	$ 27,348	$ 31,233	$ 46,257
9000	$ 24,379	$ 36,106	$ 31,347	$ 36,708	$ 42,068	$ 62,305
10000	$ 32,418	$ 48,013	$ 42,034	$ 49,431	$ 56,828	$ 86,164
11000	$ 43,320	$ 64,159	$ 55,589	$ 66,796	$ 77,002	$ 114,044
12000	$ 58,171	$ 86,154	$ 76,481	$ 90,565	$ 104,649	$ 154,990

5. **Illustrate comparison of payments of current County Residential Employee Housing Impact Fee vs the Town of Telluride Payment-in-Lieu Fee**

Property owners constructing residential structures within the Town of Telluride and County are subject to the payment of fees for affordable housing mitigation. In Telluride the fee payment is characterized as a Payment-in-Lieu and in the County as an Impact Fee. The fees in both are assessed largely on the proposed square footage of the structure, and employee generation rate. The County exempts residences 1,800 sf or less, based on an assumption that it will most likely be occupied by a local resident. The Town requires actual units constructed at a certain level.

Table 2 - Comparison of Fees resulting from requirements for Single-family and Duplex development

	Square Footage		Telluride	County			
	500		$ 18,824	$ -			
	1000		$ 28,442	$ -			
	1500		$ 38,335	$ -			
	2000		$ 48,640	$ 3,092			
	3000		$ 70,624	$ 4,388			
	4000		$ 95,356	$ 5,984			
	5000		$ 123,797	$ 7,995			
	6000		$ 157,186	$ 10,579			
	7000		$ 197,581	$ 13,951			
	8000		$ -	$ 18,413			
	9000		$ -	$ 24,379			
	10000		$ -	$ 32,418			
	11000		$ -	$ 43,320			
	12000		$ -	$ 58,171			
			Unit required				

6. **Research affordable housing impact fee methods used by other entities and provide recommendation for a methodology to calculate fees to be assessed by County**

The methodology adopted by San Miguel County differs from the Town of Telluride. It is based on the gap between the historical cost of building affordable housing projects and what their units can be affordably sold at. Documenting the total actual planning and construction costs of affordable housing is very complicated and staff intensive, especially when land is acquired by means other than market-rate purchases (i.e. Gold Run and Sunnyside projects). The cost of public-sector construction of affordable units often under-represents the real cost to produce units. The county employee housing impact fee is based on the construction costs used in the 2005 study.

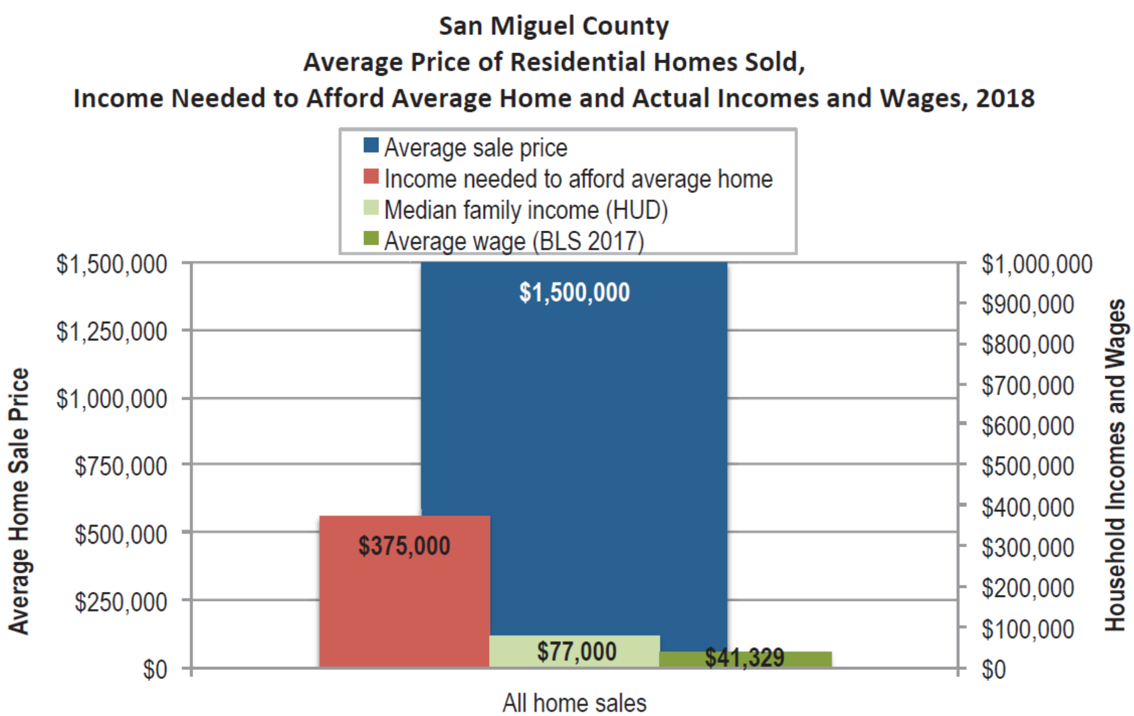
The Town of Telluride previously employed the method currently used by the County from 2009-2018. It adopted a new methodology for calculating fees that could be assessed by the Town in lieu of the required affordable housing. The approach is based on the difference between the market price of housing and the price that is affordable for households for which the housing is intended. It is referred to as the Market-Affordability Gap approach. It is utilized by numerous Rocky Mountain region communities including Gunnison County and Pitkin County.

RECOMMENDATION

Staff has reviewed the methodology adopted by the county in 2007. At a minimum it is difficult to understand the basis from which variables were calibrated. It also has not been updated due to the difficulty in obtaining information and estimating costs of recently constructed affordable housing projects. The number of these recent projects is relatively small.

In comparison, the Market-Affordability Gap approach incorporates readily available data that can be updated frequently. It will result in an Impact Fee rate that adequately reflects the difference between the price to purchase a free market residence and a residence that is affordable for local households.

The housing problem is described in the 2019 *Impacts of Affordable Housing on the Telluride Area Economy and Community*. It identified that home prices far exceed what employees can afford to pay for housing, In 2018, the average sale price of residences in San Miguel County was approximately $1.5 M (about $600 per square foot), which is affordable for a household making $375,000. In comparison, the median family income was $77,000, which means an "affordable" home price of about $308,000.



Sources: San Miguel County Housing Needs Assessment, 2018; Quarterly Census of Employment and Wages (QCEW), Dept. of Housing and Urban Development (HUD) MFI.

The Market-Affordability Gap methodology is recommended by Planning staff for calculating fees applicable to the San Miguel County affordable housing requirements. It is transparent and relatively simple and can be expressed in a per-unit, per-employee and per-square-foot amounts. Staff proposes to prepare a report concerning a county implementation of Market-Affordability Gap approach methodology for determining residential impact fees for Planning Commission and Board of County Commissioner review at future meeting. If directed, staff can also prepare LUC amendments, requiring the construction of ADUs or caretaker units for houses above a certain size, and the deed-restriction of those units.

EXHIBITS:

A. Excerpt: The Housing Problem, 2019 Impacts of Affordable Housing on Telluride Area Economy & Community p. 10
B. Excerpt: Section 5, Housing Costs, San Miguel County 2018 Housing Needs Assessment pp. 30-37
C. San Miguel County LUC Section 5-13, Accessory Dwelling Units and Affordable Housing

(All attachments as well as other studies and documents related to Affordable Housing are available on-line at https://www.sanmiguelcountyco.gov/490/Other-Resources)

The Housing Problem

Less than half (44%) of the estimated 6,190 homes in the Telluride area house full-time residents. This means that about 2,712 housing units are occupied by year-round residents, with the remaining 3,477 units occupied by temporary visitors and owned by second homeowners.

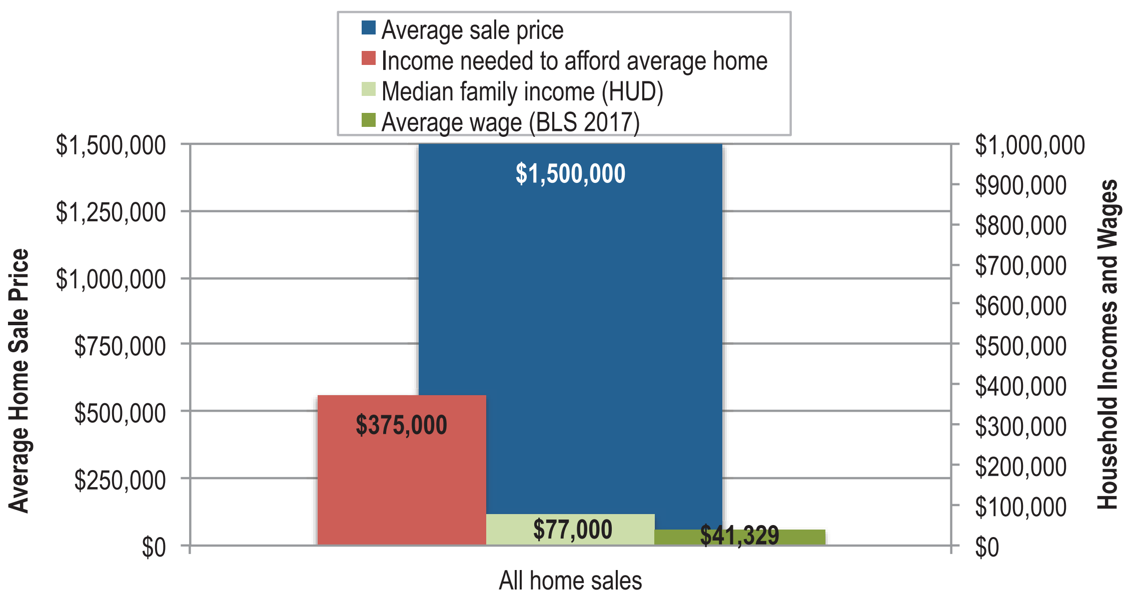
Average Residential Sale Price (County)
$1,500,000

Home Price The Median Local Household Can Afford
$308,000

Home prices far exceed what locals can afford to pay for housing. In 2018:

- The average sale price of residences in San Miguel County was just under $1.5MM (about $600 per square foot). This is affordable for households earning about $375,000 per year.[2]
- In comparison, the median family income in San Miguel County was $77,000, which means an "affordable" home price of around $300K.

San Miguel County
Average Price of Residential Homes Sold,
Income Needed to Afford Average Home and Actual Incomes and Wages, 2018



Sources: San Miguel County Housing Needs Assessment, 2018; Quarterly Census of Employment and Wages (QCEW), Dept. of Housing and Urban Development (HUD) MFI.

[2] This data is for San Miguel County as a whole, as provided in Figure 36, p. 31 of the San Miguel County Housing Needs Assessment 2018. The median sale price was slightly lower in Telluride and slightly higher in Mountain Village than reported for the county as a whole. Sales in the other parts of the county were significantly lower, meaning that the County median sale price ($1.5MM) is likely conservative for the Telluride area defined in this report. The conclusion is the same – homes are too expensive for those making their living in the area.

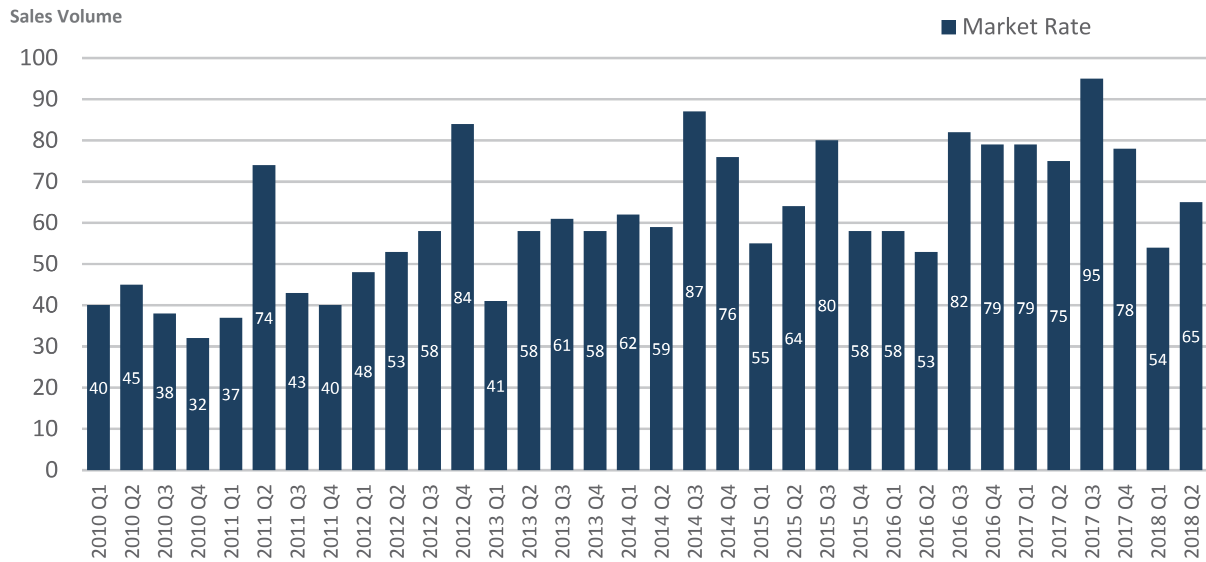
5. HOUSING COSTS

This section provides a summary of current housing costs in San Miguel County. Pricing and cost data is summarized for market rate, deed-restricted, for-sale, and rental units.

Market Rate Ownership

- Since 2010, there has been an average of 61 sales per quarter or 245 sales per year in San Miguel County. Since 2016, sales volume has averaged 72 sales per quarter or nearly 290 sales per year (**Figure 23**).
- Roughly half of homes sold since 2013 were priced for households earning over 250 percent of the area median income (AMI). The remaining half of sales were relatively evenly distributed across households earning more than 31 percent AMI up to 250 percent AMI (**Figure 24**).
- The average sales price in San Miguel is currently (as of Q2 2018) just under $1.5 million. This is approximately $250,000 less than pre-recession levels but represents a recovery of approximately $500,000 per unit when compared to average sales prices in 2011 and 2012. Average prices in Mountain Village were just over the county average, while average prices in Telluride were roughly 25 percent lower than the countywide average. Average prices in other areas of San Miguel County were estimated at just over $500,000 per unit (**Figure 25**).
- As of Q2 2018, the average price per square foot for market rate sales was estimated at just over $600 per square in San Miguel County. The average price foot in Telluride was estimated at approximately $775 per square foot and the average price in Mountain Village matched the countywide average of $600 per square foot. The average price in other areas of San Miguel County was estimated at $275 per square foot (**Figure 26**).
- Examples of market rate product sold at prices affordable to households earning less than 100 percent of AMI include very small studios with limited kitchen facilities. They are typically condominiums designed and marketed for guests.

Figure 23
Market Rate For-Sale Housing Sales Volume, San Miguel County, 2010-2018



Source: FlexMLS; Economic & Planning Systems

Figure 24
Market Rate Sales Distribution by AMI, San Miguel County, 2013-2018

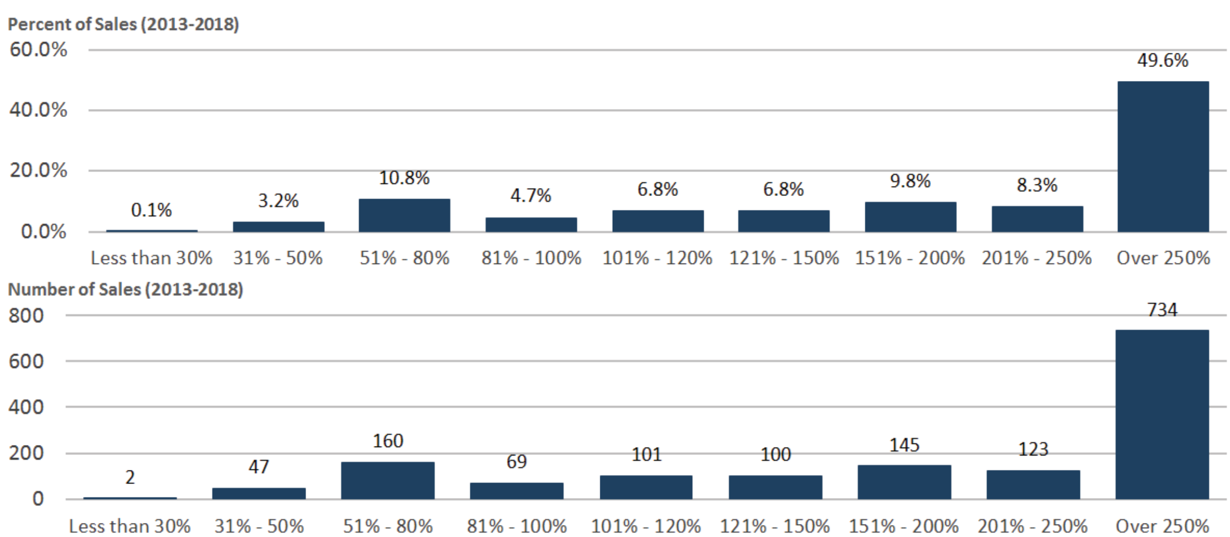
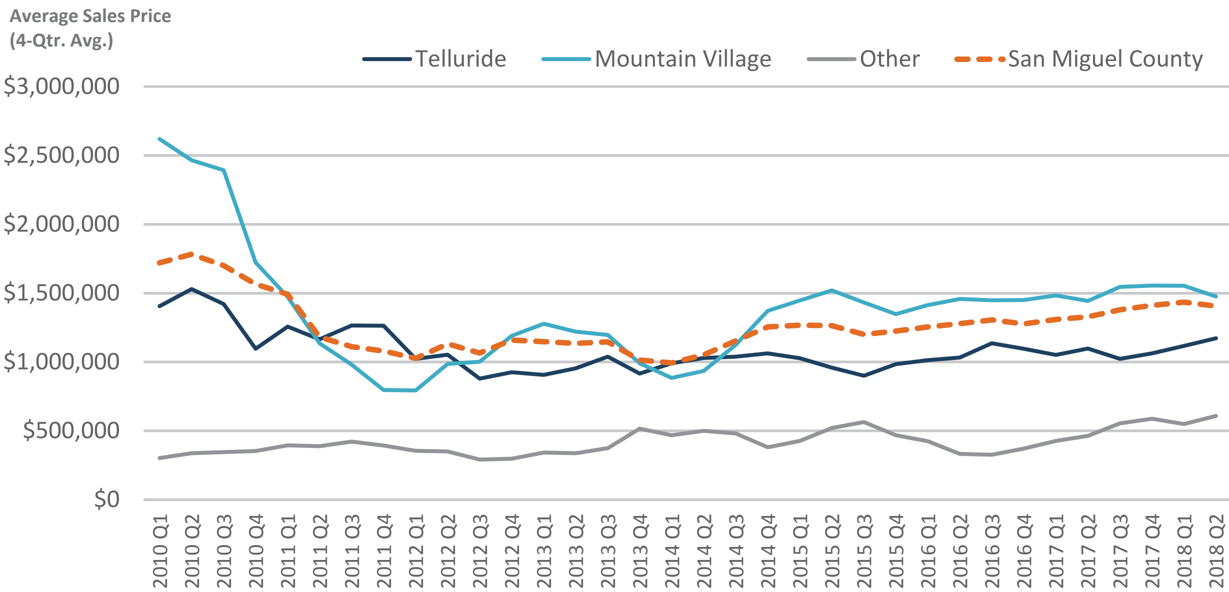
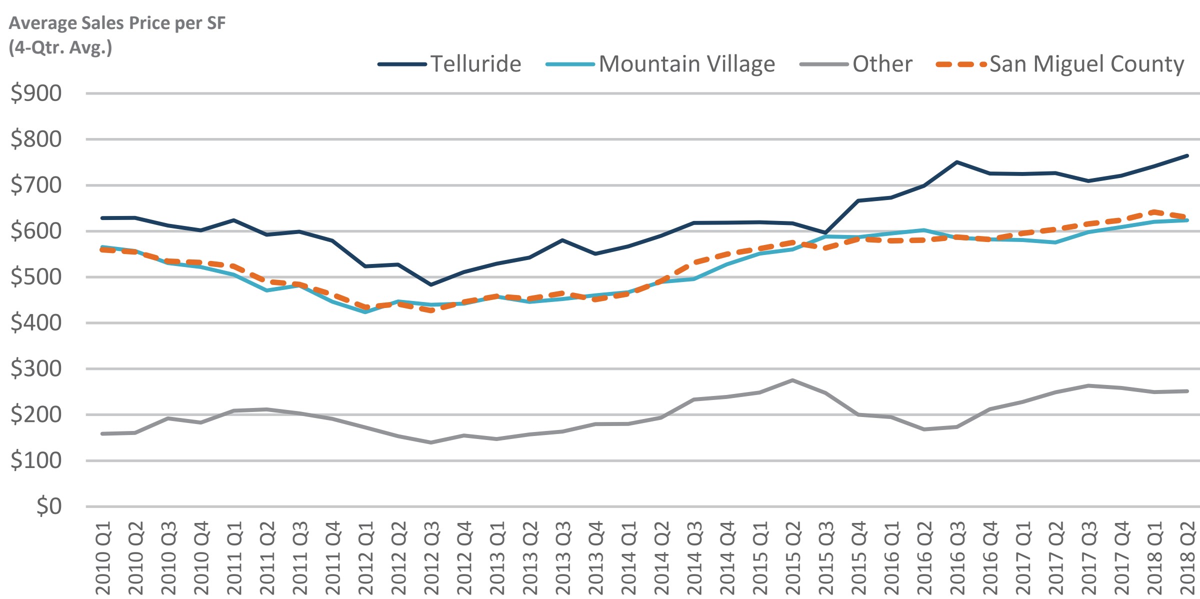


Figure 25
Market Rate Avg. Sales Price, San Miguel County, 2010-2018



Source: FlexMLS; Economic & Planning Systems

Figure 26
Market Rate Avg. Sales Price per Sq. Ft., San Miguel County, 2010-2018

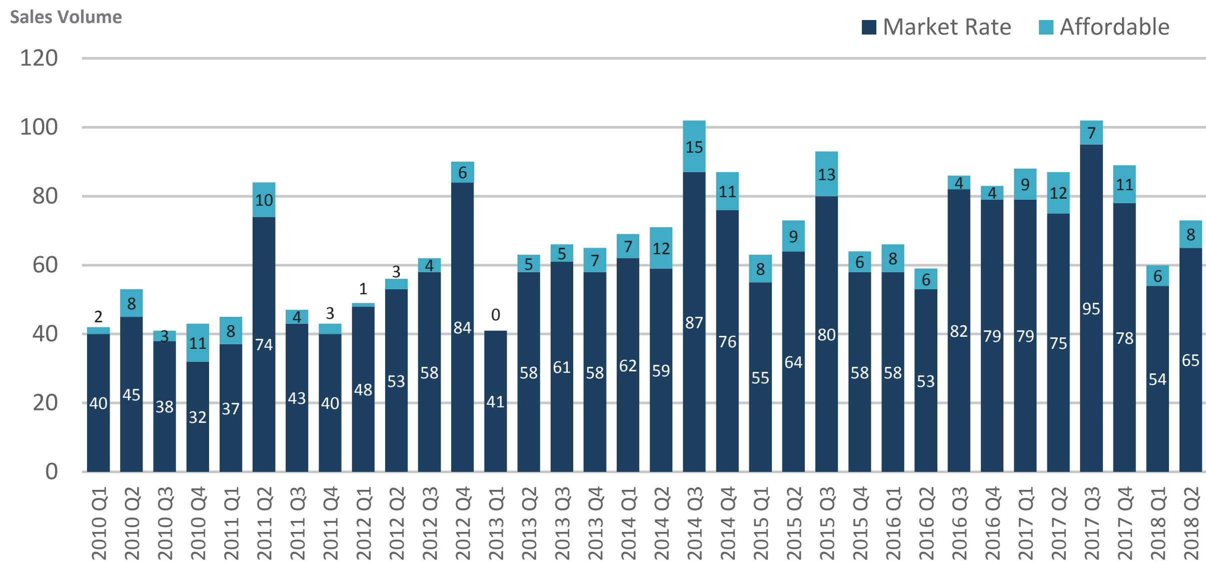


Source: FlexMLS; Economic & Planning Systems

Deed-Restricted Ownership

- Historically, deed-restricted sales have represented roughly 10 percent of total sales on an annual and quarterly basis. Since 2010. There has been an average of approximately 7 deed-restricted sales per quarter or 28 sales per year (**Figure 27**).
- The majority of deed-restricted sales were affordable to households earning between 51 percent and 120 percent of AMI. Between 2013 and 2018, approximately 30 percent of sales were affordable for households earning between 51 percent and 80 percent AMI, 25 percent of sales were affordable for households earning between 81 percent and 100 percent AMI, and 17 percent of sales were affordable for households earning between 101 percent and 120 percent AMI (**Figure 28**).
- Generally, the sales price of deed-restricted homes is approximately 30 percent of the price of market rate homes in San Miguel County. In Q2 2018, the average sales price of a deed-restricted home in San Miguel County was estimated at just over $400,000 per unit. Current average home prices for deed-restricted housing has not yet reached pre-recession averages of over $500,000 per unit (**Figure 29**). It is important to note that for this data point, the deed restricted sales includes all types of restrictions, including those with price caps and those that float with the market based on local employment requirements.
- On a price per square foot basis, the average price of a deed-restricted home is approximately 55 percent of the average for market rate homes. Current prices in San Miguel County are estimated just under $350 per square foot. This is approximately 55 percent higher than pre-recession levels (**Figure 30**).
- Between 2007 and 2017, approximately 36 percent of total deed-restricted sales occurred in Lawson Hill (SMC R-1), 39 percent of sales were properties in Telluride, 24 percent of sales were properties in Mountain Village, and 2 percent of sales were properties located in other areas (**Table 14**).
- Since 2015, the highest average sales price was for deed-restricted units was located in Lawson Hill. Average prices in Lawson Hill average $376,000 per unit. Average prices in Mountain Village were just slightly lower than prices in Lawson Hill at an average of nearly $340,000 per unit. Average sales prices in Telluride were approximately $230,000 per unit (**Table 15**).
- In 2017, there were 137 applicants for deed-restricted housing. Of these applicants, approximately 43 percent were for ownership units and 57 percent were for rental units. Nearly 15 percent of all applications were for ownership units priced at less than 80 percent AMI. There were approximately twice as many applications for rental units priced at less than 80 percent AMI (**Table 16**).

Figure 27
For-Sale Housing Sales Volume, San Miguel County, 2010-2018(Q2)



Source: FlexMLS; Economic & Planning Systems

Figure 28
Deed-Restricted Sales Distribution by AMI, San Miguel County, 2013-2018

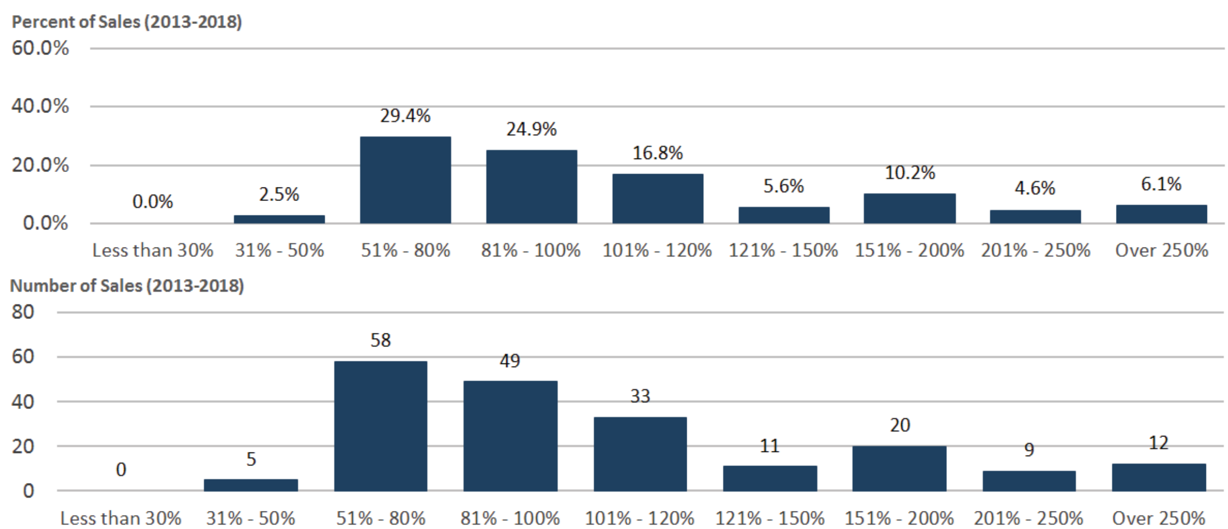
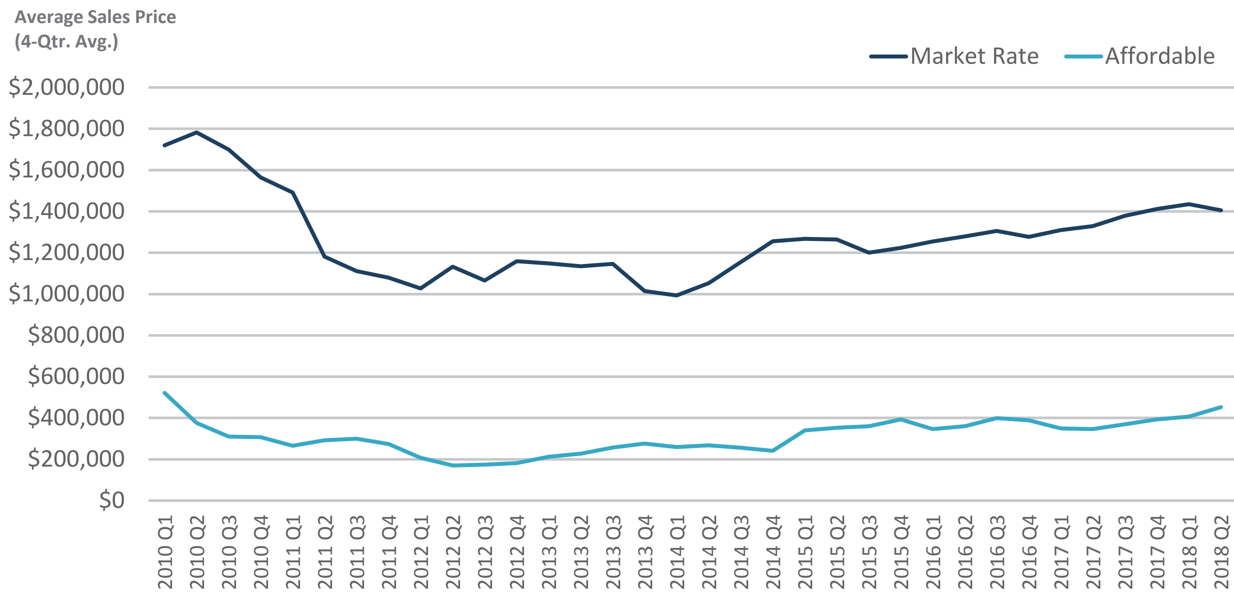
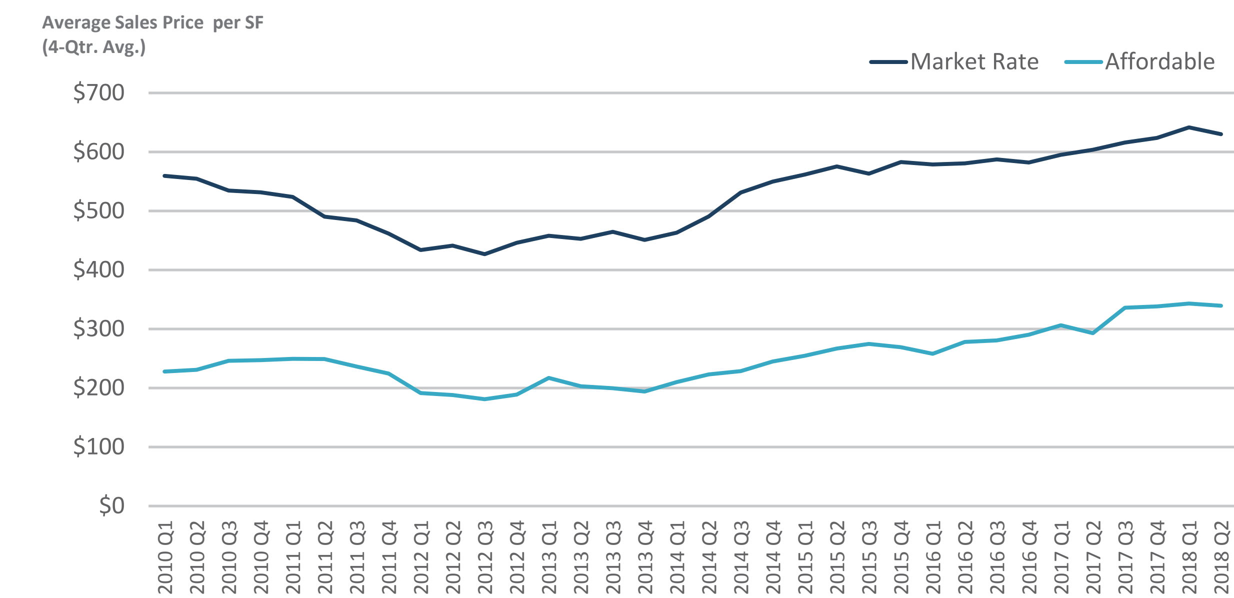


Figure 29
Sales Price, Market Rate and Affordable, San Miguel County, 2010-2018



Source: FlexMLS; Economic & Planning Systems

Figure 30
Price per Sq. Ft., Market Rate and Affordable, San Miguel County, 2010-2018



Source: FlexMLS; Economic & Planning Systems

Table 14
Deed-Restricted Sales, 2007-2017

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-2017 Average	Total	% of Total
SMC R-1	22	4	4	3	3	3	12	12	25	13	17	11	118	36%
SMC Price Capped	1	0	0	0	0	0	0	0	1	1	1	0	4	1%
Telluride	7	4	13	16	19	5	2	22	10	9	22	12	129	39%
Telluride EDU	0	1	0	0	0	0	0	0	0	1	0	0	2	1%
Mountain Village	16	7	6	3	4	1	6	13	8	10	4	7	78	24%
Total	**46**	**16**	**23**	**22**	**26**	**9**	**20**	**47**	**44**	**34**	**44**	**30**	**331**	**100%**

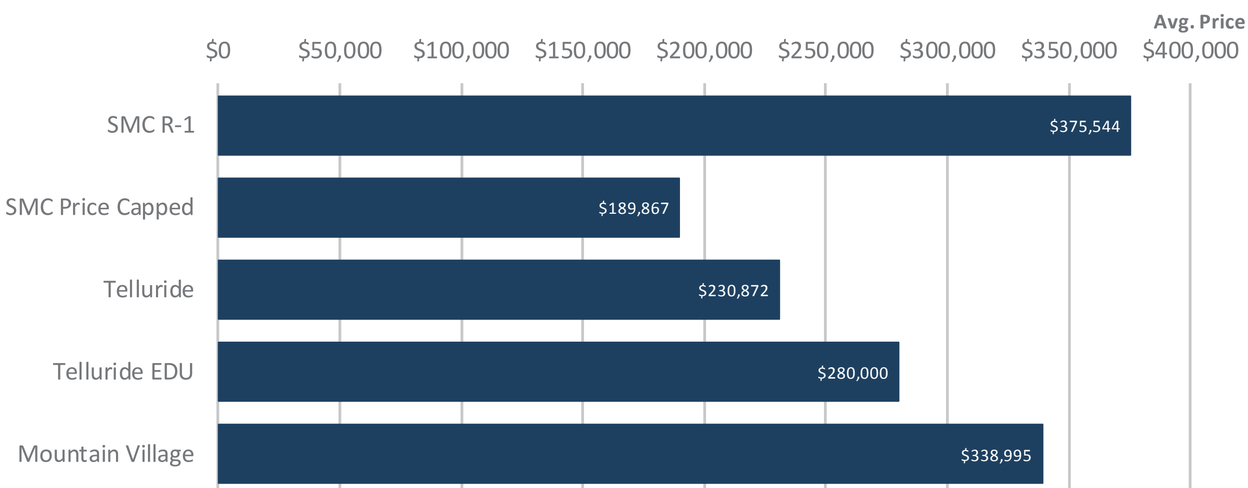
Source: SMRHA 2017 Annual Report; Economic & Planning Systems

Table 15
Deed-Restricted Price by Location, 2007-2017

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average '07-'17	Average '15-'17
SMC R-1	$340k	$370k	$319k	$308k	$503k	$206k	$274k	$256k	$278k	$408k	$441k	$337k	$376k
SMC Price Capped	$317k	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$111k	$247k	$212k	$222k	$190k
Telluride	$164k	$193k	$275k	$253k	$255k	$216k	$217k	$217k	$248k	$182k	$263k	$226k	$231k
Telluride EDU	N/A	$440k	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$280k	N/A	$360k	$280k
Mountain Village	$433k	$515k	$273k	$375k	$342k	$110k	$294k	$320k	$253k	$436k	$328k	$334k	$339k

Source: SMRHA 2017 Annual Report; Economic & Planning Systems

Figure 31
Deed-Restricted Average Price by Location, 2015-2017



Source: SMRAH 2017 Annual Report; Economic & Planning Systems

Table 16
Deed-Restricted Applicants, 2017

Description	SMC	Telluride	Mountain Village	Total	% of Total
Purchase					
Less than 80%	6	13	2	21	15.3%
80%-100%	4	5	1	10	7.3%
100.1%-120%	4	6	1	11	8.0%
120.1%-180%	5	3	2	10	7.3%
Over 180%	4	3	0	7	5.1%
Subtotal	**23**	**30**	**6**	**59**	**43.1%**
Rent					
Less than 80%	17	17	14	48	35.0%
80%-100%	2	6	5	13	9.5%
100.1%-120%	2	4	4	10	7.3%
120.1%-180%	2	2	2	6	4.4%
Over 180%	0	1	0	1	0.7%
Subtotal	**23**	**30**	**25**	**78**	**56.9%**
Total	**46**	**60**	**31**	**137**	

Source: SMRHA 2017 Annual Report; Economic & Planning Systems

SECTION 5-13: ACCESSORY DWELLING UNITS AND AFFORDABLE HOUSING

5-1301 General

This section of the Code establishes standards for accessory dwelling and affordable housing.

5-1302 Accessory Dwelling Units

5-1302 A. Applicability

One accessory dwelling unit per lot or parcel may be approved in the HD, MD and LD Zone Districts (only within the Telluride Region as defined in the Telluride Regional Area Master Plan) subject to compliance with the standards in this section. Refer to sections 3-4 and 4-7 for procedures and submission contents.

5-1302 B. Standards

I. An accessory dwelling unit shall not be:

a. Rented for a term less than six months.

II. An accessory dwelling unit shall:

a. Provide off-street parking in compliance with Section 5-702;

b. Be limited to a maximum size of 800 square feet;

c. Be built in accordance with the County's adopted Uniform Building Code;

d. Be attached to the main residence, unless either no higher than 16 feet or located within a customary residential accessory building, such as a garage;

e. Not in combination with the principal residence exceed the maximum allowable floor area of the applicable zone district; and

f. Comply with the San Miguel County Sanitation Regulations.

5-1303 Affordable Housing in the Telluride R-1 School District

To promote affordable housing, impact mitigation shall be required as a condition of approval pursuant to this Code for the following types of development in the Telluride R-1 School District: office, restaurant and retail, hotel, residential and ski area, based on the formulas in this section. In the interest of maintaining fairness and simplicity, all fractions shall be rounded down to the nearest whole number.

5-1303 A. Office, Restaurant, Retail and other Commercial Development

Office, restaurant, retail and other commercial development has been found to generate 3 employees per 1,000 gross square feet (gsf). Developers of these use types shall mitigate 15 percent of this impact based on the amount of gsf approved pursuant to this Code, as follows:

I. Each new office, restaurant and retail development shall be required to build deed-restricted housing for one employee for every 2,250 gsf;

II. No mitigation shall be required for developments of less than 2,250 gsf.

5-1303 B. Hotel Development

The number of employees that need to be housed as impact mitigation for hotel development shall be determined using the following formula (based on the definition of "population density"):

I. Divide the total number of hotel units by two (2) (to get the equivalent number of condominium units);

II. Multiply that number by three (3) (to get the residential density equivalent in number of persons; 3 persons per condominium unit); and

III. Calculate 15 percent of the residential density equivalent (and round down to the nearest whole number) to determine how many employees shall be housed to mitigate 15 percent of the impact of the hotel development.

5-1303 C. Residential Subdivision or Multi-family Development

I. One of every three lots in each new residential Subdivision shall be deed-restricted using the R-1 Housing deed restriction specified in Section 51304 or as approved by the BOCC.

II. One of every three units in each new Multi-family Development shall be deed-restricted using the R-1 Housing deed restriction specified in Section 5-1304 or as approved by the BOCC.

III. Subdivisions that previously mitigated their impacts through the provision of deed restricted lots or cash-in-lieu shall be exempt from further mitigation.

5-1303 D. Ski Area Development

I. Each ski area development that creates new base facilities in San Miguel County shall provide housing for 15 percent of its employees during all seasons; and

II. For each new ski lift added to an existing ski area, the ski area operator shall provide housing for two ski area employees.

5-1303 E. Size, Location and Occupancy of Mitigation Units

Deed restricted housing constructed as affordable housing may be occupied by any person(s) qualifying under the deed restriction established by these County regulations or as approved by the Board of Commissioners. Families may occupy larger units or portions thereof if at least one member of the family qualifies under the deed restriction, and additional occupants also must qualify under the deed restriction.

I. Deed restricted housing constructed as affordable housing impact mitigation shall provide:

a. At least 350 sq. ft. of space and

b. Full living, kitchen and sanitation facilities for each employee required to be housed.

II. Affordable housing units shall be constructed on the site of the primary development, except as allowed by the Board of County Commissioners.

III. Affordable housing units shall be constructed simultaneously with the primary development. In residential subdivisions, the required affordable housing lots platted shall be available to qualified employees at the same time that free market lots are offered for sale.

5-1303 F. Summary of Impact Mitigation Standards for Affordable Housing

Development Type	Employees Generated	Mitigation Level	Mitigation Required
Office	3/1,000 gsf	15%	1 / 2,250 gsf
Restaurant	3/1,000 gsf	15%	1 / 2,250 gsf
Retail	3/1,000 gsf	15%	1 / 2,250 gsf
Hotel	1.5/unit	15%	0.225 / unit
Ski Area	Year-round & Seasonal	15%	All Seasons
Residential Subdivisions		37%	1 / 3 lots
Multi-unit Projects		37%	1 / 3 units

5-1303 G. Employee Housing Impact Fee/Mitigation

I. The employee housing Impact Fee/Mitigation applies to all Development for which a Building Permit application is applied for and approved by the County, unless exempted from payment of the employee housing Impact Fee/Mitigation pursuant to Section 5-1303. G. XI of this Code, or that has otherwise fully mitigated its Employee Housing Impacts in accordance with the applicable LUC provisions. The employee housing Impact Fee/Mitigation applies to:

a. the new construction of a Building for which a Building Permit is required under the County's Building codes;
b. the construction of an addition to an existing Building for which a Building Permit is required under the County's Building Code; or
c. a change in use where the new use generates more employees than the previous use generated.

II. The purpose of the employee housing Impact Fee/Mitigation is to require the applicable development to pay to mitigate the impacts of development and land use to the employee housing stock managed or controlled by the County or its authorized designee, the San Miguel Regional Housing Authority.

III. The variables used in calculating the employee housing Impact Fee have been adopted by the Board of County Commissioners based upon research conducted by RPI Consulting. The variables include: the number of employees generated by the types of development, current level of service (i.e., how many employees working in the R-1 School District are living in deed-restricted housing), the subsidy needed per employee to construct employee housing, and the credit developers receive for future payment towards employee housing through Town of Mountain Village and Town of Telluride sales taxes.

IV. The employee housing Impact Fee constitutes a fee of general applicability within the County and as such shall be applicable to all property located within the Telluride R-1 School District in the unincorporated County.

V. Responsibility for Administration and Collection of Employee Housing Impact Fee. The employee housing Impact Fee will be determined by the County's Building Department or any other entity determined by the Board of County Commissioners to collect such employee housing Impact Fee. The Building Department will determine the Square Footage of Floor Area of a project for purposes of calculating the required employee housing Impact Fee. The Planning Office will make all other determinations and interpretations regarding employee housing Impact Fee administration required to properly implement these regulations, including, but not limited to, the calculation of any applicable credit as defined in this Code. The County intends to use the money solely for defraying the cost of capital facilities for deed-restricted, affordable housing pursuant to State of Colorado Statute 29-20-104.5.

VI. When Employee Housing Impact Fee is Calculated and Due. The employee housing Impact Fee shall be a condition of a receipt of a Development Permit and shall be calculated and paid at time of issuance of a Building Permit.

VII. Calculation of Employee Housing Impact Fee. The employee housing Impact Fee shall be calculated based upon the type of Development authorized to be constructed by the Building Permit, the number of employees generated by the development, and the total Square Footage of Floor Area proposed to be constructed as authorized by the Building Permit.

VIII. Determination of Square Footage of Floor Area subject to Employee Housing Impact Fee. The determination of the Square Footage of Floor Area of a Building that is subject to the employee housing Impact Fee will be calculated based on the San Miguel County Land Use Code, and the Department's policies, procedures and methods of calculating Square Footage of Floor Area under this Code.

IX. Mixed Use Buildings. For Buildings that are mixed use (e.g., Commercial/Industrial/Residential Buildings) the employee housing Impact Fee/Mitigation will be applied as follows:

a. Residential area will be charged the employee housing Impact Fee for Residential Development.

b. Commercial area will be required to provide employee housing Impact Mitigation for that Commercial Development, Hotel Development, and Ski Area Development which ever applies.

X. Multiple Types of Buildings on One Lot. All Buildings constructed on the same Lot or Parcel will be charged the employee housing Impact Fee/Mitigation based on the Building Permit issued for that Building.

XI. Exemptions to the Employee Housing Impact Fee/Mitigation. An employee housing Impact Fee/Mitigation will not be required to be paid or constructed for the following categories of Development:

a. Any Single-family Residence, Duplex, Multi-family unit or Lot that is Deed-Restricted under the County R-1 Housing Deed Restriction, Covenant or other restriction approved by the Board of County Commissioners is exempt from paying the Impact Fee.

b. Change of Use. Change of use without adding additional Square Footage of Floor Area or without increasing employee generation as determined herein will not result in the assessment of an employee housing Impact Fee/Mitigation.

c. Residential or Commercial Remodels. Commercial or Residential interior remodels that do not involve the construction of additional Square Footage or without increasing employee generation as determined herein will not result in the assessment of an employee housing Impact Fee/Mitigation.

d. Affordable Housing in Subdivisions. Existing or proposed subdivisions that include deed-restricted affordable housing units properly restrained through deed-restrictions from open market sale or use to ensure that it is properly characterized as affordable housing, as such term is defined by this Code, may be given a level of credit to offset or mitigate the total employee housing Impact Fee assessed, unless there is an increase in the density or a change in use that increases employee generation. To evaluate and determine the level of credit assessed, the percent of deed-restricted, affordable housing units will be evaluated in relation to the impact mitigation required of that Development when approved.

e. Single-family Dwelling less than 1,800 sq. ft. of Floor Area. The Board of County Commissioners finds that residential improvements less than 1,800 sq. ft. are presumed to be occupied by local employees, and only residential improvements with a Floor Area of 1,800 sq. ft. or larger should pay employee housing Impact Fees based on the fact that residential improvements above 1,800 sq. ft. of Floor Area have a strong tendency for non-resident occupancy, and the employee generation for non-resident occupied residential structures (second homes) is significantly greater than that for resident-occupied improvements creating impacts beyond the County's ability to mitigate without a fee assessed for the development.

f. Other Exemptions. The Board of County Commissioners may grant additional exemptions and waivers of the employee housing Impact Fee/Mitigation when deemed to be in the public interest due to special circumstances or unique situations where the Development provides community benefit(s), or where the value of such benefit(s) meets or exceeds the mitigation that would otherwise be required.

XII. Employee Housing Impact Fee Credit for Sales/Use Taxes to be Paid. The need for a credit arises from the fact that occupants of new Residences in the unincorporated portion of the R-1 School District will be required to pay their share of the cost of housing the employees they generate, but they are also likely to buy goods in the town of Telluride and Mountain Village and therefore pay into the sales/use taxes earmarked in those towns for affordable housing. The sales/use tax credit used in the employee housing Impact Fee calculations has been calculated by RPI consulting and adopted by the Board of County Commissioners.

XIII. Right To Appeal Employee Housing Impact Fee Determination To Board of County Commissioners. Any person aggrieved by the decision of the Planning Office with respect to the administration of the employee housing Impact Fee under this Code will have the right to appeal such decision to the Board of County Commissioners pursuant to the Section 11903 of this Code. In addition, a developer may present alternative calculations of employee generation to the Board of County Commissioners for review and consideration.

XIV. Future Revisions to Employee Housing Impact Fee Regulations. The employee housing Impact Fee regulations may be reviewed periodically and relevant mitigation requirements adjusted as determined appropriate by the Board of County Commissioners.

XV. Employee Housing Impact Fee Calculation for Residential Development. The employee housing Impact Fee shall apply to the Development of Residences, as defined in this Code, whose housing impacts have not previously been mitigated. The employee housing Impact Fee also applies to:

a. New additions to existing detached Single-family Buildings. The fee shall be assessed only for the additional square footage beyond the 1,800 s.f. exemption threshold;
b. New additions to existing Multi-family Buildings;
c. Accessory Dwelling Units (regardless of size); and
d. Caretaker units (regardless of size).

XVI. Impact mitigation rate. All new Residential Development shall be assessed the Impact mitigation rate of thirty-seven percent (37%) employee service level, or a level as shall be amended from time to time by the Board of County Commissioners.

a. Appendix E, Table 1, of this Code sets forth the employee housing Impact Fee (per Residential unit) by year that will be assessed based on the size (sq. ft. of Floor Area) of the unit approved for each Development, pursuant to this Code.
b. Appendix E, Table 2, of this Code sets forth the construction mitigation rate each year for residential development.

XVII. The Residential employee housing Impact Fee calculation is as follows:

$$\{[(.070174e^{.000322*SF})*(\text{mitigation rate})] + [(sf * .0044) * (\text{mitigation rate for that year})]/40\} \bullet \text{per employee subsidy} - \text{Credit}) = \text{Impact Fee}$$

XVIII. Commercial Development is not required to pay an Impact Fee but is required to provide Affordable Housing Units as determined in Section 5 1303 A., 5-1303 B. and 5-1303 D.

The San Miguel County Building Dept. is responsible for determining the impact fee per Section 5-1303 F. V. above.

5-1304 R-1 Housing Deed Restriction

The following deed restriction shall be imposed on each parcel of real property designated as Affordable Housing pursuant to Section 5-1305 of the San Miguel County Land Use Code.

5-1304 Deed Restriction

Subject Property: (Legal Description) ("Property")

The ownership of the Property is hereby limited exclusively to Employees and their spouses maintaining primary and sole Residence in San Miguel County, Montrose County, Ouray County or Dolores County, Colorado, and to certain other persons and entities as permitted in Section 5-1305 of the San Miguel County Land Use Code, and the use and occupancy of the Property is hereby limited exclusively to such Employees who earn their incomes primarily within the Telluride R-1 School District and their spouses and children. Ownership, use and occupancy of the Property is subject to such definitions, exceptions and qualifications specified in Section 5-1305 of the San Miguel County Land Use Code, including but not limited to the following:

> In the event Affordable Housing is sold, transferred and/or conveyed without compliance with Section 5-1305 of the San Miguel County Land Use Code, such sale, transfer and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported transferee. Each and every conveyance of Affordable Housing, for all purposes, shall be deemed to include and incorporate by this reference all terms of that certain Section 5-1305, including but not limited to those provisions governing the sale, transfer or conveyance of property.

The foregoing restriction on ownership, use and occupancy constitutes a covenant that runs fifty (50) years from the date of recordation with the title to the Property as a burden thereon for the benefit of the Board of County Commissioners of San Miguel County, Colorado, or its designee, and shall be binding on the Owner, and on the heirs, personal representatives, assigns, lessees and licensees and any transferee of the Owner. The duration of this restriction and covenant shall extend for an initial period of fifty (50) years, and at the option of the Board of County Commissioners of San Miguel County, or its designee, may be extended for an additional period of fifty (50) years after public hearing and comment on the proposed extension. This restriction and covenant shall be administered by the Board of County Commissioners of San Miguel County, Colorado, or its designee, and shall be enforceable by any appropriate legal or equitable action, including but not limited to specific performance, injunction, abatement or eviction of non-complying Owners, users or occupants, or such other remedies and penalties as may be specified in Sections 1-16 and 5-1305 of the San Miguel County Land Use Code, or under law.

Notwithstanding the foregoing, this Deed Restriction shall automatically terminate upon the failure to exercise the Option to Purchase the Property granted in any Option to Purchase Affordable Housing by and between the San Miguel County Housing Authority and the holder of a first mortgage and subsequent issuance of a public trustees deed to the holder of a promissory note or governmental agency guaranteeing, insuring or acquiring the note (except San Miguel County, the Housing Authority or any successor, a Project Developer as defined in the Land Use Code or any non-profit affordable housing corporation) secured by a first deed of trust encumbering the Property. The date of termination shall be the date of recording the Public Trustee's Deed conveying the Property.

In addition, San Miguel County expressly reserves the right to terminate this Deed Restriction as to the Property upon recording a Termination Agreement in the office of the Clerk and Recorder of San Miguel County executed by all of the then owners of the Property and the Board of County Commissioners.

5-1305 Guidelines, Rules and Regulations Governing Affordable Housing in the Telluride R-1 School District

5-1305 A. Purpose

This Section shall govern the ownership, use and occupancy of Affordable Housing in the Telluride R-1 School District of San Miguel County, including all "Employee Apartment" and "Employee Dormitory" dwelling units (defined on the Final Plat for Filing 1, Telluride Mountain Village) platted prior to the adoption of the Land Use Code. These guidelines, rules and regulations are intended to help preserve a sufficient supply of Affordable Housing to meet the needs of locally employed residents in the Telluride R-1 School District while allowing customary free-market (unrestricted) practices to influence sale and rental of Affordable Housing as much as possible. The Housing Authority may adopt less restrictive regulations than those that follow in this Section 5-1305, on a temporary basis only, to address extenuating circumstances as necessary to achieve the purpose of the County R-1 Housing Deed Restriction.

5-1305 B. Definitions

I. "Acknowledgement of Deed Restriction" shall mean that document executed by the Owner of Affordable Housing in which the Owner acknowledges and agrees to comply with the Deed Restriction (see Section 5-1305 F.V.).

II. "Acquisition Costs" shall mean the aggregate of:

a. "Original Purchase Price," which is the gross amount paid by the Owner to acquire the Property; plus

b. "Initial Construction Costs," which is the gross amount paid by the Owner both to construct a dwelling unit on unimproved Affordable Housing Property and to obtain a certificate of occupancy for such dwelling unit; plus

c. "Home Improvements Costs," which is the gross amount paid by the Owner for improvements to such dwelling unit after issuance of certificate of occupancy, not to exceed 10 percent of the aggregate of the Original Purchase Price plus Initial Construction Costs.

III. "Affordable Housing" shall mean residential dwelling units in the Telluride Region that are permanently deed restricted by the County's R-1 Housing Deed Restriction to limit use and occupancy to persons (and their families) who live and earn their livings primarily in the R-1 School District of San Miguel County, or such other deed restriction as approved by the BOCC.

IV. "Affordable Housing Project" shall mean all the Affordable Housing granted approval by a single preliminary plat approved by the San Miguel County Board of Commissioners.

V. "Certificate of Qualification" shall mean that document in which the Housing Authority certifies an Owner as a Qualified Owner or an occupant as an Employee according to the Deed Restriction (see Section 5-1305 F.V.).

VI. "Deed Restriction" shall mean Land Use Code Section 5-1304.

VII. "Employee" shall mean a person who has earned his living primarily within the Telluride R-1 School District by having worked there an average of 30 hours per week for at least eight months of the past year and maintains primary and sole Residence in San Miguel County, Montrose County, Ouray County or Dolores County. The Housing Authority shall determine whether a person qualifies as an Employee based on criteria including, but not limited to, percent of income earned within the Telluride R-1 School District, place of voter registration, place of automobile registration, drivers license address, income tax records and public service involvement within the Telluride R-1 School District community. A person not otherwise meeting the definition of Employee may be qualified as an Employee by the Housing Authority or its designee if that person is more than 60 years of age and has been employed in the Telluride R-1 School District for at least five out of the previous eight years. Determination of Employee eligibility by the Housing Authority's designee may be appealed to the Housing Authority.

VIII. "Home Improvement Costs" shall mean only those costs associated with improvements or fixtures erected, installed or attached as permanent, functional, non-decorative features of the Property, for purposes of conserving energy or water, benefiting seniors or disabled persons, protecting health and safety, or adding to or finishing permanent storage or living space. Home Improvement Costs shall not cover repair, replacement or maintenance; landscaping, hot tubs, steam showers, saunas or similar features; modifying decks or balconies; upgrading appliances, plumbing, mechanical fixtures, carpets or other interior items included in original construction; and installing or upgrading decorative features including lights, window coverings and similar items. The Housing Authority must approve all items proposed for inclusion under Home Improvement Costs.

IX. "Housing Authority" shall mean the San Miguel County Housing Authority established by the San Miguel County Board of Commissioners or its successors.

X. "Live-work Housing" shall mean a multi-family structure located within the Low Intensity Industrial (I) Zone containing Affordable Housing dwelling units, and industrial space. The number of industrial units may not exceed the number of Affordable Housing dwelling units in each structure.

XI. "Non-occupant Owner" shall mean a person, group or entity that owns one or more Affordable Housing Multi-family Units pursuant to Land Use Code Section 5-1305 C.IX.

XII. "Option to Purchase" shall mean the Option to Purchase Affordable Housing agreement which may be entered into by and between San Miguel County, the Owner and the holder of a first mortgage that grants the Housing Authority the right to acquire the Subject Property in event of a foreclosure (see Section 5-1305 F.V.).

XIII. "Owner" shall mean an Employee, Project Developer or Housing Authority holding fee title to Affordable Housing.

XIV. "Project Developer" shall mean a person, group, organization, agency or other entity holding fee title to Affordable Housing and to which either:

a. Final Plat approval for Affordable Housing is granted by the San Miguel County Board of Commissioners;

b. Development Permit approval for an entire Affordable Housing project is granted by the San Miguel County Planning Director;

c. An entire Affordable Housing Project is wholly sold, conveyed or otherwise transferred by a Project Developer in accordance with the provisions of the Section 5-1305;

d. Fee title to an "Employee Apartment" or "Employee Dormitory" unit in the Telluride Mountain Village has been legally conveyed;

e. Land zoned for Affordable Housing is sold, conveyed, or otherwise transferred for the purpose of constructing Affordable Housing for resale to qualified Employees in conformance with a contractual agreement with the Housing Authority executed prior to such sale, conveyance or transfer; or

f. Land zoned for Affordable Housing is sold, conveyed, or otherwise transferred for the purpose of constructing Affordable Housing for resale to qualified Employees in conformance with a contractual agreement with the Housing Authority executed prior to such sale, conveyance or transfer. Notice is hereby given that if the Housing Authority has reasonable cause to believe that a Project Developer under this definition is not actively developing and marketing lot(s) and/or unit(s) in conformance with such contractual agreement, the Housing Authority may purchase the lot(s) and improvements at the same price the Project Developer paid, plus any other remedies included in a specific contractual agreement. In the event the original lot has been subdivided and partially sold, the Housing Authority may pay a prorated amount based on the price the Project Developer paid.

XV. "Property" shall mean the real estate subject to the R-1 Housing Deed Restriction and the improvements thereon.

XVI. "Qualified Owner" shall mean:

a. an Employee, Project Developer, or Non-occupant Owner whose right to own Affordable Housing has been certified by the Housing Authority, or
b. the Housing Authority, San Miguel County or the Town of Telluride.

XVII. "Residence" shall mean the principal or primary home or place of abode of a person, meaning that home or place of abode in which a person's habitation is fixed and to which he, whenever absent, has the present intention of returning after a departure or absence therefrom, regardless of the duration of such absence. A Residence is a permanent building, or part thereof, including a house, condominium, apartment, room in a house or mobile home. No vacant lot shall be considered a Residence.

a. In determining what is the principal or primary place of abode of a person, the following circumstances relating to such person may be taken into account: Business pursuits, employment, income sources, residence for income or tax purposes, age, marital status, Residence of parents, spouse and children, if any, leaseholds, situs of personal and real property, voting registration and motor vehicle registration.

b. A person shall not be considered to have gained residence in San Miguel County, Montrose County, Ouray County or Dolores County, Colorado while retaining his home or domicile elsewhere. If a person moves to any location outside San Miguel County, Montrose County, Ouray County or Dolores County, Colorado he shall be considered to have lost his Residence in San Miguel County, Montrose County, Ouray County or Dolores County, Colorado.

5-1305 C. Ownership, Use and Occupancy Regulations

I. The ownership of Affordable Housing shall be limited exclusively to Employees and their spouses and to Project Developers and Non-occupant Owners, the Housing Authority or its designee, the San Miguel County Board of Commissioners and the Town of Telluride.

II. No Employee shall be permitted to own or occupy Affordable Housing if such Employee, such Employee's spouse or such Employee's dependent owns any material interest, direct or indirect, in a "Single-family Residence," "Condominium" or "Lot" zoned for "Residential Use" (as such terms are defined in Article 6 of this Land Use Code) located elsewhere in San Miguel County, Montrose County, Ouray County or Dolores County. This prohibition includes partial or full corporate ownership established for the purpose of evading this provision or to provide beneficial interest sufficient to permit use and occupancy by the owner or part owner. In addition, Affordable Housing Single-family Residences and Duplexes must be owner-occupied and may not be rented, except as permitted by the Housing Authority pursuant to Section 5-1305 G.I.

III. The use and occupancy of Affordable Housing shall be limited exclusively to Employees, their spouses and children and other immediate family members.

IV. An Affordable Housing unit shall be the primary and sole Residence of the occupying Employee(s).

V. A Qualified Owner shall sell Affordable Housing only to a Qualified Owner and shall rent or otherwise limit occupancy of Affordable Housing only to Employees.

VI. An Employee shall not engage in any business activity in Affordable Housing other than Home Occupations, as defined in this Code.

VII. An Owner shall occupy or rent Affordable Housing only in accordance with this Section 5-1305 and shall not allow Affordable Housing to be used, sold or otherwise transferred for use in a trade or business.

VIII. The terms of this Section 5-1305 of the San Miguel County Land Use Code shall constitute covenants running with the Property, as described in the R-1 Housing Deed Restriction (Section 5-1304 A.), as a burden thereon, for the benefit of, and shall be specifically enforceable by, the San Miguel County Board of Commissioners or its designee, by any appropriate legal action including but not limited to specific performance, injunction, eviction of non-complying owners and/or occupants, and/or by any of the enforcement and remedy provisions of Section 1-16 of this Land Use Code.

IX. Any person, group, organization, agency or other entity may own one or more Affordable Housing "Multi-family Units" (as defined in Article 6 of this Land Use Code). Ownership of Multi-family units shall be subject to the Owner limiting occupancy of the Affordable Housing Multi-family Unit only to qualified Employees. On or prior to assuming ownership of an Affordable Housing Multi-family Affordable Unit, the Owner shall execute and record an Acknowledgement of Deed Restriction in the property records of San Miguel County.

X. Free Market Property owned by an applicant shall not be transferred to any other person or persons or other entities for the purpose of evading these regulations.

5-1305 D. Procedure for Qualifying Affordable Housing

Property becomes designated as Affordable Housing when the San Miguel County Board of Commissioners or its designee and the Owner of the Property execute and record with the Office of the Clerk and Recorder of San Miguel County a final plat containing the County R-1 Housing Deed Restriction (Section 5-1304) or a separately recorded document imposing the County R-1 Housing Deed Restriction on the Property. Prior to the issuance of a certificate of occupancy for each "Employee Apartment" and "Employee Dormitory" unit, the Owner shall subject the unit to the County R-1 Housing Deed Restriction through proper execution and recordation of that document, as described in this Section 5-1305 D.

5-1305 E. Procedure for Purchasing and Occupying Affordable Housing

An Employee may not purchase or occupy Affordable Housing until he has:

I. Submitted a standard application provided by the Housing Authority with all required documentation to the Housing Authority or its named designee;

II. Appeared before the Housing Authority or its designee to testify as to the veracity of evidence of employment supplied to the Housing Authority or its designee in a manner proscribed by the Housing Authority or its named designee;

III. In the case of intended purchase, recorded a copy of the Housing Authority's written certification of the Owner's qualification with the Office of the Clerk and Recorder of San Miguel County. In the case of intended rental occupancy, delivered a copy of the Housing Authority's written certification of the Employee's qualification to the Owner;

IV. Provided a signed copy of a lease or other occupancy agreement, if the Affordable Housing is rented, to the Housing Authority or its named designee; and

V. Paid an application fee in an amount set by Board of County Commissioners resolution, to the Housing Authority for processing his qualification application.

5-1305 F. Procedure for Selling and Renting Affordable Housing

I. No Affordable Housing may be sold or rented without submission of written notice of intent to sell or rent the Affordable Housing to the Housing Authority. Such written notice must be submitted to the Housing Authority or its designee at least 30 days prior to offering or listing for sale or five days prior to leasing of the Property.

II. In the event an Owner desires to sell Affordable Housing, the Owner may sell the unit himself or list and sell the unit through a real estate broker licensed in the State of Colorado. The Owner or broker, if any, shall promptly advertise the Affordable Housing for sale to qualified Employees. The seller shall upon closing of a sale pay a fee to the Housing Authority in an amount equal to one percent of the sales price. This one-percent fee shall include a Deed Restriction Administration fee in an amount set by Board of County Commissioners resolution. If the one-percent fee imposed by this section is not paid when due, that fee, all costs of collection of that fee and interest shall constitute a perpetual lien on the property. The County may foreclose this lien in the same manner as other property tax liens of the County.

The seller shall not be required to pay the one-percent Deed Restriction Administration fee if the seller has already purchased another County Deed-Restricted Unit or if the seller purchases another County Deed-Restricted Unit no more than six months after closing on the sale of the County Deed-Restricted Unit that the seller is selling. If the seller has not yet purchased another County Deed-Restricted Unit, the seller shall make arrangements, to the satisfaction of the Housing Authority's Designee, to place the one-percent Deed Restriction Administration fee in escrow. The one-percent Deed Restriction Administration fee shall remain in escrow until the first to occur of the following two events:

(1) The seller purchases another County Deed-Restricted Unit, and has not purchased any material interest in any other residential property in San Miguel, Montrose, Ouray or Dolores County in the interim, in which case the one-percent Deed Restriction Administration fee shall be refunded to the seller; or
(2) The end of six months after the seller closes on the sale of the County Deed-Restricted Unit that the seller is selling, and the seller has not purchased another County Deed-Restricted Unit, in which case the one-percent Deed Restriction Administration fee shall be paid to the Housing Authority.

III. In the event an Owner desires to rent Affordable Housing, the Owner may rent the unit himself or rent the unit through a real estate broker licensed in the State of Colorado. The Owner or broker, if any, shall promptly advertise the Affordable Housing for rent to qualified Employees. The Owner shall pay a Deed Restriction Administration fee set by Board of County Commissioner resolution for each Employee signing a lease for an Affordable Housing unit. If the administration fee is not paid promptly upon execution of a lease, that fee, all costs of collection of that fee and interest shall constitute a perpetual lien on the property. The County may foreclose this lien in the same manner as other property tax liens of the County.

IV. For rentals of Affordable Housing only, the Housing Authority shall qualify an Employee for occupancy based upon demonstration of intent to be employed for at least eight months within the next 12 months. In making a determination about the applicant's intent, the Housing Authority may rely upon evidence including but not limited to: work patterns and written references, income tax records, current employment within the Telluride R-1 School District, percent of income earned from employment sources and public service involvement.

V. As part of all sales and other transfers of Affordable Housing, the following documents shall be executed and recorded in the Office of the Clerk and Recorder of San Miguel County (in addition to recordation of the Deed Restriction on the appropriate plat for the Subject Property):

a. an Acknowledgement of Deed Restriction, in which the Owner acknowledges and agrees to abide by all terms and conditions of the Deed Restriction;

b. a Certificate of Qualification, in which the Housing Authority certifies that the Owner is a Qualified Owner under the provisions of the Deed Restriction;

c. any other contractual agreements that apply to the Affordable Housing unit that are necessary to evidence the Housing Authority's conditions of approval of the sale.

VI. If Fannie Mae (FNMA)-type financing is used to purchase an Affordable Housing unit, as determined by the Housing Authority, the Housing Authority shall permit the Owner and the holder of the first deed of trust an Option to Purchase agreement which grants an option to the Housing Authority, San Miguel County, or the Town of Telluride to purchase the Affordable Housing in the event of a default in financing. FNMA-type financing is limited to commercial banking and lending institutions licensed to engage in mortgage lending practices in the State of Colorado.

5-1305 G. Rental Regulations

I. An Owner may not rent Affordable Housing for any period of time without the written approval of the Housing Authority, as evidenced by a written certification signed by the Housing Authority or the Board of Commissioners or its designee, and such rental shall be subject to the Housing Authority's conditions of approval.

II. Prior to occupancy of Affordable Housing by an Employee, or any renter, the Employee must be approved by the Housing Authority pursuant to all qualification requirements set forth in this Section 5-1305.

III. A signed copy of the lease or other occupancy agreement must be provided to the Housing Authority prior to occupancy by an Employee, pursuant to Section 5-1305 E.IV.

IV. In no case shall the rental deposit required by an Owner exceed twice the monthly rental, and in no case shall an Owner require that the rent for more than one month be paid in advance.

V. Nothing herein shall be construed to require the Housing Authority or any other entity to protect or indemnify an Owner against any loss attributable to rental, including but not limited to non-payment of rent or damage to Affordable Housing, nor shall the Housing Authority or any other entity be responsible for locating an Employee to occupy Affordable Housing in the event that no Employee occupant is found by the owner.

5-1305 H. Violations

I. The Housing Authority may require at any time that an Owner verify within five days of such request by the Housing Authority that:

a. The Owner is a Qualified Owner and/or

b. Any particular tenant is a qualified Employee.

II. In the event an occupant of Affordable Housing does not or no longer qualifies as an Employee, the Housing Authority may require that occupant to:

a. Vacate rental Affordable Housing within 60 days, or re-qualify as an Employee within that period; or

b. Vacate Affordable Housing he owns and cause it to be listed for sale pursuant to Section 5-1305 F. within one year, or re-qualify as an Employee within that period.

III. In the event a violation is discovered, the Housing Authority shall provide a written notice of violation to the Owner detailing the nature of violation. Said notice shall state that the Owner may request a hearing before the Housing Authority within 15 days from the date of notice of violation to determine the merits of the allegations and to discuss remedies of the violation. If the Owner fails to request a hearing, the violation is considered to be conclusively determined.

IV. Default by an Owner in payments or other material obligations due or to be performed under a promissory note secured by a deed of trust encumbering Affordable Housing ("Secured Obligations") by an Owner shall constitute a violation of this Section 5-1305 and of Section 1-1504 of the San Miguel County Land Use Code. Each Owner shall notify the Housing Authority in writing immediately upon receipt by the Owner or his agent of any notification received from a lender, or its assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note secured by a first deed of trust, as described herein, within five calendar days of the Owner's notification from lender, or its assigns, of said default of past payments.

5-1305 I. Remedies

I. There is hereby reserved to the Housing Authority any and all remedies provided by law and by Section 1-16 of this Land Use Code for violation of this Section 5-1305 or any of its terms. In the event of litigation with respect to any or all provisions of this Section, the prevailing party in such litigation shall be entitled to recover damages and costs, including reasonable attorney's fees.

II. In the event Affordable Housing is sold, transferred and/or conveyed without compliance with this Section 5-1305, such sale, transfer and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported transferee. Each and every conveyance of Affordable Housing, for all purposes, shall be deemed to include and incorporate by this reference all terms of this Section 5-1305, including but not limited to those provisions governing the sale, transfer or conveyance of Property.

III. In the event an Owner fails to remedy any violation, the Housing Authority may resort to any and all available legal action, including but not limited to injunction or specific performance of this Section 5-1305 requiring the sale of Affordable Housing by the Owner. The costs of such sale shall be charged against the proceeds of the sale, with the balance being paid to the Owner.

IV. Nothing herein to the contrary withstanding, if an Employee Owner of Affordable Housing no longer qualifies to own Deed Restricted housing, based on the definition of Employee in Section 5-1305 B. and/or the Ownership Use and Occupancy Regulations in Section 5-1305 C. and fails to requalify within one year but continues to make all required principal and interest payments on an Affordable Housing ownership unit, he must offer the property for sale, and he must accept a bid equal to or exceeding, the aggregate of his (i) Original Purchase Price, plus (ii) Initial Construction Costs, if any, plus (iii) Home Improvements Costs, if any, not to exceed 10 percent of the aggregate of the Original Purchase Price plus Initial Construction Costs, if any. As used in this Section 5-1305 I.IV., "Original Purchase Price" means the gross amount paid by such Employee Owner to acquire the Affordable Housing ownership unit; "Initial Construction Costs" means, if and only if the Affordable Housing ownership unit when acquired by such Employee Owner was an unimproved lot, the gross amount paid by such Employee Owner to construct a dwelling unit on such unimproved lot and to obtain a certificate of occupancy for such dwelling unit, and "Home Improvement Costs" means the gross amount paid by such Employee Owner for improvements to such dwelling unit after issuance of a certificate of occupancy for such dwelling unit. Real estate commissions, the Real Estate Transfer Assessment (RETA), closing costs, appraisals, and any other costs not approved by the Housing Authority shall not be allowed to be incorporated into the listing price once the one year requalification period has ended. The Owner shall not be required to accept a bid that requires the Owner to carry back any portion of the purchase price by a note. If no bids are submitted that equal or exceed his original purchase price plus proven home improvements, he does not have to accept any, and he, his spouse and/or his children may continue to occupy the unit (without violating the provisions of Section 5-1305 H.II.b.), provided that the Property continues to be offered for sale through a real estate broker licensed in the State of Colorado and any bid equal to or exceeding the Original Purchase Price plus Initial Construction Costs plus Home Improvements Costs is accepted.

5-1305 J. Foreclosure

I. The Housing Authority may require the Owner to sell Affordable Housing that becomes subject to a default in order to avoid commencement of any foreclosure proceeding against the Affordable Housing, regardless of whether the Housing Authority has received notice pursuant to Section 5-1305 H.IV. In the event the Housing Authority determines that sale of the Property is necessary, the Owner shall immediately offer the Property for sale or enter into a Standard Exclusive Right to Sell Listing contract, with price and terms not to exceed prevailing price and terms for similar lots or units in the then-current Affordable Housing market, on forms approved by the Colorado Real Estate Commission. The seller shall promptly advertise the Affordable Housing for sale to qualified Employees. The seller shall upon closing pay a fee to the Housing Authority of one percent of the sales price. In the event of a listing of Affordable Housing pursuant to this Section, the Housing Authority may require the Owner to sell the Affordable Housing unit or units to an Employee who submits the highest bid that satisfies the owner's Secured Obligations received at least 10 days prior to the expiration of the redemption period.

II. Pursuant to the specific terms of an Option to Purchase (if this agreement has been offered, accepted and executed between the Owner, the holder of the first deed of trust and the Housing Authority), with and recorded Pursuant to the specific terms of an Option to Purchase, to be executed simultaneously with and recorded immediately subsequent to the first deed of trust, the terms of which are incorporated into this Section 5-1305 by this reference as if fully set forth herein, the Deed Restrictions contained herein shall terminate in the event of foreclosure by the holder of the promissory note secured by a first deed of trust on the respective Affordable Housing and subject to the issuance of a public trustee's deed to the holder of the promissory note or governmental agency guaranteeing, insuring or acquiring the note from the holder, provided that the Housing Authority, the San Miguel County Board of Commissioners and/or the Telluride Town

Council is granted an option to acquire the public trustee's certificate of purchase within 30 days after the issuance thereof for an option price not to exceed the sum for which the property was sold at foreclosure sale with interest from the date of sale, together with any taxes paid or other proper charges as provided by law, with interest from the date such expense was paid. Such interest shall be charged at the default rate if specified in the original instrument or, if not so specified, at the regular rate specified in the original instrument. If applicable, in the event the Housing Authority exercises its option to purchase, the Housing Authority may resell or hold, own or rent the Affordable Housing, subject to the provisions of this Section 5-1305.

Notwithstanding the event of foreclosure by the holder of the promissory note secured by a first deed of trust on the respective Affordable Housing, if an Option to Purchase agreement was neither offered nor executed between the Owner, the holder of the first deed of trust, and the Housing Authority, then the deed restrictions contained herein shall not terminate and the property will maintain its restricted status.

III. In the event that the Housing Authority exercises the option pursuant to the terms of that certain Option to Purchase, described above, and thereafter acquires title to the Property, the Housing Authority and/or its designee may sell the Affordable Housing or rent it to qualified Employees until sale is affected.

5-1305 K. Notices

Any notice, consent or approval required under this Section 5-1305 shall be provided in writing by certified mail, return receipt requested, properly addressed and with postage fully prepaid, to the Housing Authority address provided below or to the Owner at an address provided by that Owner at the time of qualifying Affordable Housing (per Section 5-1305 D.). Addresses may be changed with written notice to all other parties to this Section.

Address for the Housing Authority:

San Miguel County Housing Authority
c/o San Miguel Regional Housing Authority
P.O. Box 840
Telluride, CO 81435

5-1305 L. General Provisions

I. Forms of Documents. All forms of documents referred to in Section 5-1305 F.V. (including the Acknowledgement of Deed Restriction, the Certificate of Qualification and the Option to Purchase) shall be approved by the

County Attorney prior to use.

II. Further Actions. The parties to any agreement contemplated under this Section 5-1305 agree to execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of this Section or any agreement or document relating hereto or entered into in connection herewith.

III. Gender and Number. Whenever the context so requires in this Section 5-1305, the neuter gender shall include any or all genders and vice versa, and the use of the singular shall include the plural and vice versa.

IV. Non-discrimination. No Employee shall be discriminated against on the basis of race, national origin, sex, color, creed or physical infirmity.

V. Personal Liability. The Owner shall be personally liable for any violations of the provisions in Section 5-1305.

VI. Severability. Whenever possible, each provision of this Section 5-1305 shall be interpreted in such a manner as to be valid under applicable law; however, if any provision of any of the foregoing shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition without invalidating any remaining provision.

VII. Successors. Except as otherwise provided herein, the provisions and covenants contained in this Section 5-1305 shall inure to and be binding upon the heirs, successors and assigns of the parties.

VIII. Waiver. No claim of waiver, consent or acquiescence with respect to any provision of this Section shall be valid against any party hereto, except on the basis of a written instrument executed by the parties to the R-1 Housing Deed Restriction. However, the party for whose benefit a condition is inserted shall have the unilateral right to waive such condition.

5-1306 Additional Affordable Housing Provisions

5-1306 A. Purpose of this Section

This Section sets forth additional, temporary rights of ownership and usage of Affordable Housing that may be permitted upon Housing Authority review, which shall not be considered a part of the Deed Restriction. All definitions contained in Section 5-1305 shall apply in this Section 5-1306.

5-1306 B. Project Developer Approvals

The provisions of this Section 5-1306 B. are intended to provide incentives to construct Affordable Housing on unimproved land so zoned.

I. Any person, group, organization, agency or other entity may apply to the Housing Authority for approval as a Project Developer for construction of one or more Affordable Housing dwelling units.

II. A prospective Project Developer shall submit a written application to the Housing Authority containing:

a. the name of the Project Developer;

b. a description of the Project, including location, lot number(s), lot size(s), unit size(s), and general construction characteristics;

c. a description of financing for the Project, including the name of the lending institution for land and/or construction, terms of the loan and repayment schedule;

d. a business and marketing plan for the Project, including plans for resale, name of listing agent, expected time period needed for resale, estimated costs of construction, expected sale price and profit; or, if the Project is intended for rental, expected rents and proposed management agent; and

e. qualifications of the Project Developer and any Project contractor(s) or management agent(s).

III. The Housing Authority's designee shall approve a prospective Project Developer as a Qualified Owner if the Housing Authority's designee finds that:

a. all information required by Section 5-1306 B. has been provided; and

b. the qualifications of the prospective Project Developer and/or any Project contractor(s) are adequate and sufficient to give reasonable assurance to the Housing Authority that the Project will be completed as contemplated in the application.

IV. Decisions made by Housing Authority's designee in regard to applications made under this Section 5-1306 B. may be appealed to the governing Board of the Housing Authority.

V. Approval of a Project Developer shall be evidenced by a contract executed by and between the Project Developer and the Housing Authority, which shall be recorded as a covenant against the Affordable Housing Property. Such contract shall refer to and incorporate the contents of the Project Developer application as required herein. The form of such contract shall be approved by the County Attorney.

VI. If the Housing Authority has reasonable cause to believe that a Project Developer under this definition is not actively developing and marketing lot(s) and/or unit(s) in conformance with such contractual agreement, the Housing Authority may purchase the lot(s) and improvements at the same price the Project Developer paid, plus any other remedies included in a specific contractual agreement. In the event the original lot has been subdivided and partially sold, the Housing Authority may pay a prorated amount based on the price the Project Developer paid.

5-1306 C. Exceptions to Definition of Employee

I. The Housing Authority may grant exceptions to the definition of Employee at Section 5-1305 B.VII. of the Land Use Code either as discretionary exceptions, administrative exceptions, or staff exceptions. Applications for discretionary or administrative exceptions require payment of the standard fee for One-step County Review as established by Board of Commissioners Resolution adopting or modifying Land Use Application Review Fees.

II. As a condition of discretionary or administrative exceptions, the Housing Authority may require the execution of a contractual agreement between the Housing Authority and the Employee setting forth the terms of the exception to be recorded as a covenant against the Affordable Housing Property. The form of such contract shall be approved by the County Attorney.

III. Applications for discretionary exceptions to Section 5-1305 shall be heard by the governing Board of the Housing Authority:

a. Conditions for discretionary exception:

i. The Owner of an Affordable Housing Property desires a leave of absence greater than one year for purposes of travel, schooling, temporary job assignment or other reasonable purpose, or;

ii. The applicant establishes other compelling circumstances, which shall not include financial hardship, justifying an exception.

IV. Applications for administrative exceptions to Section 5-1305 shall be reviewed and may be approved by the Staff of the San Miguel Regional Housing Authority with the consent of the governing Board of the Housing Authority:

a. Conditions for administrative exception:

i. The Owner of an improved Affordable Housing Property desires a period of time, not to exceed twenty four (24) months from the date of acquisition of the second property, in which to own both an improved Affordable Housing Property and an unimproved Affordable Housing Property with the limitation that the twenty four month period of time is designed to allow the Owner to construct the necessary improvements on the unimproved Affordable Housing Property so that the previously unimproved property is occupied and used by the Owner as the primary residence, provided the Owner sells the improved Affordable Housing Property to a qualified Employee within the twenty four month period. Pursuant to the specific agreement between the Housing Authority and Owner, failure to timely sell the Affordable Housing Property may result in a forced sale, including, but not limited to, the available remedies of Section 5-1305 I. IV;

ii. The Owner of an improved Affordable Housing Property desires a period of time, not to exceed twenty four (24) months from the date of acquisition of the second property, in which to own both an improved Affordable Housing Property and an unimproved Free Market Property with the limitation that the twenty four month period of time is designed to allow the Owner to construct the necessary improvements on the unimproved Free Market Property, provided the Owner sells the Affordable Housing Property to a qualified Employee within the twenty four month period. Pursuant to the specific agreement between the Housing Authority and Owner, failure to timely sell the Affordable Housing Property may result in a forced sale, including, but not limited to, the available remedies of Section 5-1305 I. IV;

iii. The Owner of an improved Free Market Property desires a period of time, not to exceed twenty four (24) months from the date of acquisition of the second property, in which to own both an improved Free Market Property and an unimproved Affordable Housing Property with the limitation that the twenty four month period of time is designed to allow the Owner to construct the necessary improvements on the unimproved Affordable Housing Property so that the property is occupied and used by the Owner as the primary residence, provided the Owner sells the improved Free Market Property within the twenty four month period. Pursuant to the specific agreement between the Housing Authority and Owner, failure to timely sell the improved Free Market Property may result in a forced sale of the Affordable Housing Property, including, but not limited to, the available remedies of Section 5-1305 I. IV; or

iv. The Owner of an unimproved Affordable Housing Property desires a period of time, not to exceed twelve (12) months from the date of acquisition of the second property, in which to own both an unimproved Affordable Housing Property and an improved Affordable Housing Property with the limitation that the twelve month period of time is designed to allow the Owner to move into the improved Affordable Housing Property and to sell the unimproved Affordable Housing Property to a qualified Employee within the twelve month period. Pursuant to the specific agreement between the Housing Authority and Owner, failure to timely sell the Affordable Housing Property may result in a forced sale of either property, including, but not limited to, the available remedies of Section 5-1305 I. IV;

V. Applications for staff exceptions to Section 5-1305 shall be reviewed and may be approved by the staff of the San Miguel Regional Housing Authority for a leave of absence for purposes of travel, schooling, temporary job assignment or other reasonable purpose not to exceed a total of twelve (12) months in any five (5) year period of time.

VI. Submission Requirements. An application for either a discretionary, administrative or staff exception shall include, at a minimum, an affidavit from the applicant describing the circumstances and reasons why exception is necessary, and shall include the following minimum information:

i. Proof and history of employment in San Miguel County;

ii. A statement as to whether the applicant owns any other property inside or outside San Miguel County;

iii. The nature and extent of the applicant's community commitments and involvement; and

iv. A statement describing any change in circumstances warranting an exception.

a. San Miguel Regional Housing Authority Review. Discretionary and administrative exception applications shall first be reviewed by the Staff of the San Miguel Regional Housing Authority and a recommendation shall be made to the Housing Authority. Pursuant to Section 5-1306 C. V., staff of the San Miguel Regional Housing Authority shall be the reviewing entity for staff level exceptions. Any challenge to a staff exception decision must be filed in writing with the governing Board of the Housing Authority by an affected or aggrieved party to the staff decision within 14 days of the staff decision. In reviewing the appeal, the governing Board of the Housing Authority shall consider the staff decision based on the exception requested by the applicant. The Housing Authority shall affirm the staff decision or take action as it shall deem necessary to remedy the staff decision.

b. Fee. Applications for discretionary or administrative exceptions shall include payment of the standard fee for One-step County Review.

c. Other Requirements. Any discretionary or administrative exceptions which may be granted pursuant to this section shall require a written agreement approved by the County Attorney and shall include such terms, security, conditions, remedies as the Housing Authority may require in its sole discretion, including, without limit, measures to ensure compliance with any such agreement. The County may withhold building permits, issue stop work orders, assess penalties, seek specific performance or require improvement agreements or impose other conditions to secure an exception.

d. Review Standards. All applications for discretionary or administrative exceptions must be found, in the sole discretion and judgment of the Housing Authority, to be consistent with the purpose and intent of Section 5-1305 of the Land Use Code.

VII. An exception to the definition of Employee shall be granted to enable listing on the title a co-borrower who is not an Employee, if a co-borrower is necessary for an Employee to qualify for financing to purchase an

Affordable Housing Property. Such exception shall be granted upon:

a. receipt of a letter from the Lender on behalf of the Employee that states:

    i. the co-borrower's name and relationship to the Employee,

    ii. a co-borrower is necessary for the Employee to qualify for financing to purchase the Affordable Housing Property in question,

    iii. it is necessary for the co-borrower to be listed on the title to the Affordable Housing Property; and,

b. execution of a contract by and between the Employee, the co-borrower and the Housing Authority providing for sale of the unit in the event the co-borrower takes full title to the Affordable Housing Property for any reason. Such contract shall require that the co-borrower contact the Housing Authority immediately upon taking full title to the Affordable Housing Property. Within 60 days of the date the co-borrower takes full title, the co-borrower must accept a bid equal to or exceeding the Acquisition Cost of the Property as defined in Section 5-1305 B.II. The form of such contract shall be approved by the County Attorney. Application for approval of a co-borrower shall be made to the Housing Authority and shall be subject to such additional Housing Authority conditions as may be in effect at the time of application.