

PLANNING AND ZONING COMMISSION

AGENDA

JUNE 20, 2023 6:30 P.M

CONTINUATION MEETING

420 CENTRAL AVE DOLORES CO. 81323

OR VIRTUALLY BY THE LINK BELOW:

Join Zoom Meeting

<https://zoom.us/j/92252992315>

Meeting ID: 922 5299 2315

One tap mobile

+16699006833,,92252992315# US (San Jose)

+12532158782,,92252992315# US (Tacoma)

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. IDENTIFICATION OF ACTUAL OR PERCEIVED CONFLICTS OF INTEREST.
5. PUBLIC PARTICIPATION 5 minutes per person.
6. APPROVAL OF THE AGENDA
7. Staff updates.
  - 7.1 Presentation – Dolores DOLA innovative Housing Strategies LUC and Policy Drafting. Planner Garvin
8. Commissioner Updates. Historic Preservation workshop June 7, 2023
9. Action/Recommendation - Selection of strategies to amend to the Land Use Code.
  - 9.1 Add Affordable dwelling units to Table 4.1: Primary uses.
  - 9.2 Amend the use table to designate “affordable housing” as a permitted use when the project qualifies as affordable housing. Including use limitation for affordable dwelling units:
    1. The project shall meet the dimensional and density standards of the applicable zone district.
    2. All units shall meet the definition of Affordable Housing in Section <>, Measurements and Definitions.
    3. Density bonus is not applicable to affordable housing projects approved administratively.
  - 9.3 DOLA Strategy: The establishment of a density bonus program to increase the construction of units that meet critical housing needs in the local community.

9.4 DOLA Strategy: Allowing planned unit developments (PUD) with integrated affordable housing units relating to community benefits in affordable housing, Historic Structure/site PUD, and Sustainable/Resilient Design PD.

10. Future agenda items:

11. Adjournment

**Dolores DOLA Innovative Housing Strategies  
LUC and Policy Drafting | June 20, 2023**

---

**Contents**

I. Background: 2021 and 2023 Updates to the Dolores LUC ..... 1

II. June 20 Discussion Topics ..... 2

III. Town Administration and LUC Updates ..... 2

    A. Expanding Affordable Housing Through Additional LUC Updates..... 2

    B. Town Participation in Affordable Housing Creation..... 9

    C. The Creation of a Land Donation, Land Acquisition, or Land Banking Program ..... 9

IV. Information from Earlier Affordable Housing Discussions..... 11

    A. Background Material from February Meeting ..... 11

    B. Colorado Proposition 123..... 13

---

**I. Background: 2021 and 2023 Updates to the Dolores LUC**

- A. The Town incorporated a number of the DOLA strategy recommendations into the 2021 LUC update, including:
1. Granting duplexes, triplexes, or other appropriate multi-family housing options as a use by right in single-family residential zoning districts **(Task Complete)**;
  2. Classification of a proposed affordable housing development as a use by right when it meets the building density and design standard of a given zoning district **(~~Need AH definition to trigger this permission~~ Task Complete)**;
  3. Authorizing accessory dwelling units as a use by right on parcels in single family zoning districts that meet the safety and infrastructure capacity considerations of local governments **(Task Complete)**; and
  4. Allowing the development of small square footage residential unit sizes **(Task Complete)**.
- B. Additional affordable housing strategies adopted in 2023 include:
1. Establishing a definition of affordable housing;
  2. Creating an expedited review process for projects that include affordable housing; and
  3. Repealing a requirement that new residential subdivisions include a mandatory homeowners' association.

## II. June 20 Discussion Topics

- A. Changes to Use Table to Allow AH in More Zone Districts
- B. Density Bonus Standards, Impact of Density Bonus, Neighborhood Conservation
- C. PUD Community Benefits Discussion, Redevelopment of Historic Properties
- D. ADU Funding Through Prop. 123 Funds

## III. Town Administration and LUC Updates

### A. Expanding Affordable Housing Through Additional LUC Updates

---

**1. DOLA Strategy: The classification of a proposed **affordable housing development** as a use by right when it meets the building density and design standards of a given zone district.**

a. LUC Options

- 1. Add affordable dwelling units to Table 4.1: Primary Uses

b. Next Steps

Amend the use table to designate affordable housing as a permitted use when the project qualifies as affordable housing. Proposed updated use table on the following page with **changes shown in red**.

Proposed Use Table Amendments

**Table 4.1: Primary Uses**

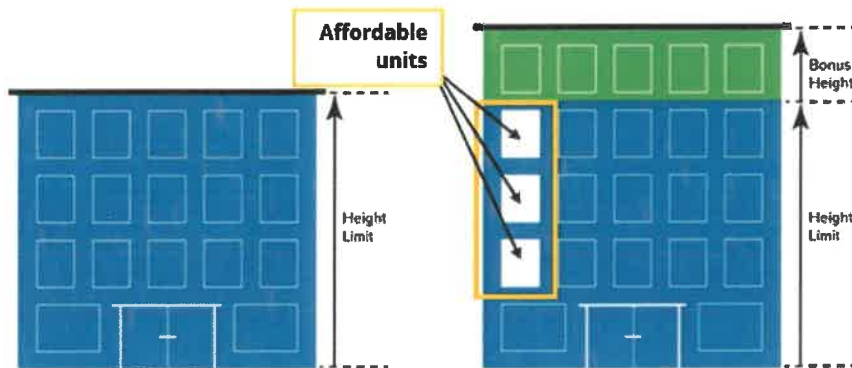
	LLR	new	RT	new	MRF	MH	CB1 + 2	CH	LI	new	P	R10	R35	Additional Use Limitations
	LLR1	2	NR1	NR2	NR3	MH	DM	U	IND	P1	P2	R10	R35	
	<b>Key: P/ Permitted Use /PL/ Permitted with Use Limitations /C/ Conditional Use /-/ Not Permitted [1] Affordable Housing Required</b>													
<b>RESIDENTIAL</b>														
Households Living (dwelling unit/structure)														
1 du/structure	P	P	P	P	P	P	C	PL	--	--	--	P	P	
2 du/structure	P	P	P	P	P	P	PL	PL	--	--	--	--	--	Sec. 4.5.A
Townhomes (3 or more attached units)	C[1]	C[1]	P	P	P	--	C	P	--	--	--	--	--	Sec. 4.5.A
3-4 du/structure multifamily	--	--	C[1]	P	P	--	PL	PL	--	--	--	--	--	Sec. 4.5.A
5-8 du/structure apartment	--	--	--	--	P	--	C	PL	--	--	--	--	--	
9+ du/structure apartment	--	--	--	--	P	--	--	PL	--	--	--	--	--	
Affordable dwelling unit(s)	P	P	P	P	P	P	P	P	--	--	--	P	P	Sec. <> [new]
Manufactured Home	--	--	--	--	--	P	--	--	--	--	--	--	--	Sec. 4.5.A

Use Limitations for affordable dwelling units:

1. The project shall meet the dimensional and density standards of the applicable zone district.
2. All units shall meet the definition of Affordable Housing in Section <>, Measurements and Definitions.
3. Density bonus is not applicable to affordable housing projects approved administratively.

**2. DOLA Strategy: The establishment of a density bonus program to increase the construction of units that meet critical housing needs in the local community.**

- a. This strategy is intended to: Allow more housing units to be built on a specific site than would otherwise be allowed by the applicable zone district.
- b. It works by: Changing required zoning standards in a manner that allows the construction of more building area.



**c. Potential bonuses for June 20 discussion:**

The Zoning Administrator may apply any combination of the following adjustments to accommodate the inclusion of one affordable housing unit per lot in addition to the maximum number of units allowed in the applicable zone district (for example, where a duplex unit is allowed, a triplex may be approved when one of the units meets the Town requirements for affordability):

- 1. Minimum setbacks or lot widths may be adjusted by up to 20 percent;
- 2. Maximum lot coverage may be increased by up to 20 percent;
- 3. Minimum lot size may be reduced by 20 percent;
- 4. Maximum height may be increased:
  - a. Residential zoning district limit of 35 feet may be increased to 40 feet;

- b. Height in mixed-use or nonresidential districts may be increased by 1 story, not to exceed an additional 15 feet above the original maximum height ;
  - 5. The required off-street parking spaces may be reduced to 1.5 spaces per dwelling unit,
  - 6. If a public park or open space are located within 1,320 feet and safely accessible to the development site, any required open space dedication may be reduced by 50%, and
  - 7. A residential structure with one additional unit per affordable unit to the maximum units permitted per lot per Table 4.09-1, or one additional unit to the average of the surrounding, adjoining lots may be added. For example, where a single-family detached unit is allowed, a duplex may be allowed.
- d. Review Process
- Requests for density bonus shall be reviewed by PZC and decided on by the Town Board.

**3. DOLA Strategy: Allowing planned unit developments (PUD) with integrated affordable housing units.**

- a. This strategy is intended to: Support the creation of additional affordable housing by requiring the creation of affordable housing as one of the requirements of PUD approval.
- b. It works by: changing the PUD regulations to specify that affordable housing development must be included in any new planned unit development.
- c. Dolores Policy Questions
  - 1. Should the PUD regulations be amended to require some amount of affordable housing?
  - 2. How much affordable housing should be required?

**PUD Community Benefit Ideas**

This is a sample code section from another community that shows how they will incorporate housing and other community priorities as PUD community benefit requirements. This list could be limited to affordable housing or changed to reflect other community priorities in Dolores.

In order to be deemed as an acceptable alternative to the Town’s established zone districts, the Conceptual and Final PUD shall include at least one of the following community benefits:

**A. Affordable Housing PUD**

1. Eligibility

To be considered for historic structure/site PD review, the application must propose:

- a. Affordable housing providing at least \_\_ <insert minimum number> units of deed-restricted affordable housing.

**B. Historic Structure/Site PUD**

1. Eligibility

To be considered for historic structure/site PD review, the application must propose:

- a. To include an existing structure or site that is currently designated or is documented as eligible for designation on a Town or state list of historic structures or on the National Register of Historic Places [we may need to adjust these requirements for Dolores] within a contiguous area included in the PD application, and must either:
  - 1. In the case of an existing designated historic structure or site, the PD application must include a written commitment to preserve the structure or site in compliance with all applicable historic preservation standards for a period of at least 20 years; or
  - 2. In the case of an undesignated historic structure or site, the PD application must include a written commitment to complete the designation of the structure or site prior to development of any portion of the PD, and to preserve the designated structure or site in compliance with all applicable historic preservation standards for a period of at least 20 years.
- 2. The PUD application may include additional lands contiguous with the lot or parcel containing the historic structure.

**C. Sustainable/Resilient Design PD**

1. Eligibility

To be considered for a sustainable/resilient design PD review, the application must propose project, site, or building design features intended to achieve one or more of the following reductions in resource consumption or trip generation when compared to those levels anticipated for developments of a similar type under the reference base district:

- a. A reduction in water consumption of at least 25 percent; or
- b. A reduction in non-renewable energy use of at least 25 percent; or



- c. A reduction in average daily motor vehicle trip generation of at least 25 percent;
- d. A combination of reductions in water consumption, non-renewable energy use, and/or average daily motor vehicle trip generation providing at least an equivalent sustainable/resilient development benefit to the city.

*Current PUD regulations start on the following page.*

## Section 13.20 Planned Unit Development

### A. Purpose

The PUD, Planned Unit Development District is designed to provide flexibility in the siting of structures to avoid or mitigate any hazardous areas, historic and prehistoric sites; to take advantage of the sites unique, natural, resource or scenic features; and to preserve open spaces. It is intended for application in all residential districts.

### B. Types of Planned Unit Developments

The Town Board, after public hearing and due notice and after recommendation from the Planning and Zoning Commission, may authorize the creation of the Planned Unit Development Districts on parcels of land containing at least five times the minimum lot area in the underlying zone district. A Planned Unit Development designation may be applied to land intended for residential development purposes.

### C. Procedures

#### 1. Common Procedures

Common procedures for a PUD approval are established in Table 13.2.

#### 2. Specific Procedures

Every PUD District approved under the provisions of this LUC shall follow the rezoning procedure of Sec. 13.30, Zoning Map Amendment, and be considered an amendment to the zoning map.

### D. Site Plan Requirement

1. The establishment of a Planned Unit Development District shall require a comprehensive site plan of the development per Sec. 13.23. The site plan shall be approved as part of the ordinance approving a Planned Unit Development prior to the issuance of any further approvals or permits.
2. The site plan and ordinance shall set forth the requirements for ingress and egress to the property with adequate right of way, special setbacks, sidewalks, trails, utilities, drainage, parking space, building height, maximum lot coverage, common open space, screening or fencing, landscaping and other development and protective requirements including a plan for the maintenance of common open space.

### E. Permitted Variation from Zoning Standards

In order to achieve the purpose and intent of the PUD District, variation may be permitted with respect to the minimum lot area, setbacks, lot width, lot coverage, and height.



**F. Maximum Density**

The maximum density shall be no greater than that permitted in the underlying zone district prior to PUD approval. Densities may be reduced if:

1. There is not sufficient water pressure and other utilities to service the proposed development;
2. There are not adequate roads to ensure fire protection to the proposed development;
3. The land is not suitable for the proposed development because of soil or geologic conditions, flood hazards or the presence of historic or prehistoric sites; or
4. The design and location of any proposed structure, road, or driveway in the proposed development is not compatible with surrounding land uses, would adversely affect the neighborhood character or adversely affect critical natural features of the site.

**G. Minimum Common Open Space**

The minimum common open space shall be 30 percent of the land area in the PUD; provided that, all areas in a PUD that are impacted by geologic hazards, flood hazards, or the presence of historic or prehistoric sites shall be set aside as common open space for the benefit of the residents and occupants of the PUD.

**H. Uses**

The permitted, accessory, conditional, and temporary uses allowed shall be those of the underlying zone district.

**2. Funding for ADU Construction**

EG is still researching, preliminary options to be discussed on June 20.

**B. Town Participation in Affordable Housing Creation**

1. **DOLA Strategy: Use of vacant publicly owned real property within the local government for the development of affordable housing.**
2. **DOLA Strategy: The creation of a program to subsidize or otherwise reduce local development review fees, including but not limited to building permit fees, planning waivers, and water and sewer tap fees for affordable housing development.**

**C. The Creation of a Land Donation, Land Acquisition, or Land Banking Program**

Land banks are public authorities or non-profit organizations created to acquire, hold, manage, and sometimes redevelop property in order to return these properties to productive use to meet community goals, such as increasing affordable housing supply or stabilizing property values.

Land banks can play a number of different roles depending on a community's development goals, including: (a) providing a mechanism for assembling parcels of

tax-delinquent or abandoned properties for redevelopment; (b) acquiring and holding strategically valuable properties until the community can develop them as affordable housing, and; (c) acquiring properties to convert to other uses such as retail, parks, or open space for flood mitigation. In addition to acquiring and holding land, land banks can maintain, rehabilitate, demolish, and lease or sell property.

1. This strategy is intended to: Establish a local government program that can buy, acquire, and hold land for later development as affordable housing. In a strong housing market, communities tend to make strategic acquisitions in areas that are redeveloping to hold room for future affordable housing development. In a softer housing market, communities tend to focus on purchase of vacant and abandoned properties for clean-up and beneficial reuse.
2. It works by:
  - a. Acquiring, possibly assembling, and holding land to be used for affordable housing. Acquisition can be through:
    - Tax foreclosure
    - Donation
    - Land bank purchase (funding from HUD NSP grants, developer's fees, revenue from land sales, rental income)
  - b. Reducing land ownership "holding costs" by holding the property tax free (and sometimes clear title issues) before transferring the land to a project sponsor or developer when a project is ready to build
  - c. Maintaining the property owned by the land bank
  - d. Negotiating the sale or donation of the property
3. Administration: Land banking requires specialty experience and is typically administered by either a stand-alone land bank or a housing authority. The Town may need to arrange to have a staff member trained and/or partner with a local or regional land bank organization.

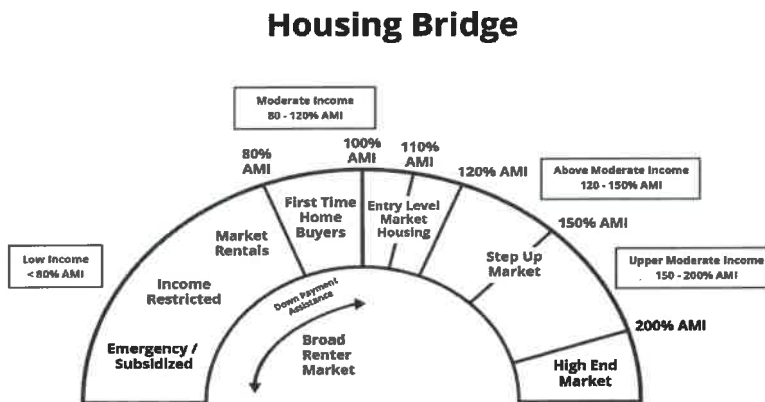
## **2. Dolores Policy Questions:**

- a. Does the Town want to consider the establishment of a local or regional land bank?
- b. If the Board is unsure, what information would be helpful to determining the next step in this process?

#### IV. Information from Earlier Affordable Housing Discussions

##### A. Background Material from February Meeting

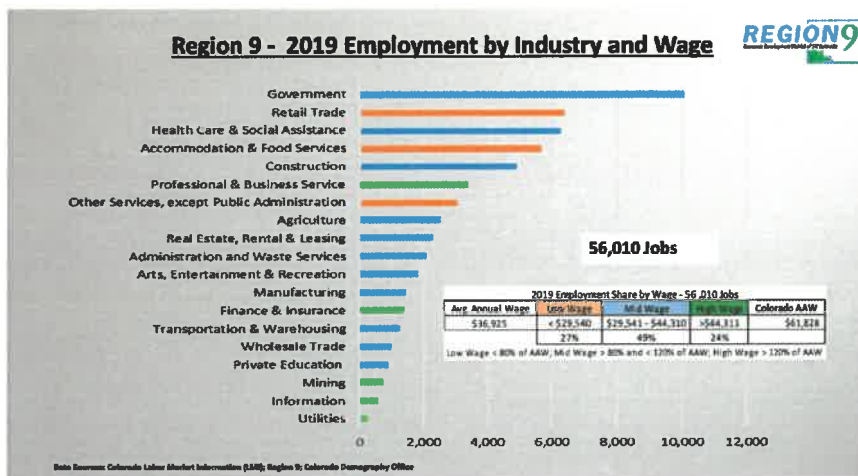
Four of the strategies are designed to be specifically applicable to “affordable housing.” DOLA requires that affordable housing for rentals be defined at 80% or less of the average median income (AMI) and affordable housing for ownership be defined at 140% or less of AMI. DOLA uses a Housing Bridge graphic to illustrate the typical range of affordability:



Used with permission of McCormick and Associates, Inc.

Dolores can choose to set the affordability cutoff at a lower income level. In many communities, affordable is defined as housing that is affordable to residents with an income of 80% of the county average median income.

To help think about local jobs and salaries, the attached Regional Housing Needs Assessment includes the following recent local information:



Source: Region 9 Economic Development District, SW Forum 2021.

### Region 9 – Industry Growth Forecast 2019 – 2023

Industry	2019	2023	# Change	% Change	Earnings per Worker
Health Care and Social Assistance	5,763	6,093	330	6%	\$54,949
Other Services (except Public Administration)	2,414	2,673	259	11%	\$37,895
Accommodation and Food Services	1,494	5,830	196	2%	\$24,362
Manufacturing	1,396	1,515	119	9%	\$49,666
Retail Trade	5,798	5,514	-116	-2%	\$36,430
Educational Services	703	800	97	13%	\$37,444
Professional, Scientific, and Technical Services	2,163	2,264	101	5%	\$72,182
Government	10,146	10,243	97	1%	\$59,497
Agriculture, Forestry, Fishing and Hunting	47	558	47	18%	\$37,833
Transportation and Warehousing	1,101	1,177	76	7%	\$25,164
Arts, Entertainment, and Recreation	1,277	1,333	56	4%	\$27,778
Wholesale Trade	860	903	43	3%	\$43,764
Real Estate and Rental and Leasing	1,076	1,116	40	4%	\$55,517
Administrative and Support and Waste Management and Remediation Services	1,508	1,544	36	2%	\$35,818
Management of Companies and Enterprises	203	233	30	15%	\$112,729
Information	517	529	12	2%	\$111,879
Utilities	246	236	(10)	(4%)	\$113,090
Mining, Quarrying, and Oil and Gas Extraction	577	567	(10)	(2%)	\$147,375
Finance and Insurance	1,172	1,134	(38)	(3%)	\$99,170
Construction	4,172	4,122	(50)	(1%)	\$54,056
<b>Total Estimated Jobs</b>	<b>47,955</b>	<b>48,583</b>	<b>1,529</b>		

Data Source: DEM Q4 2020 Demos

Source: Region 9 Economic Development District, SW Forum 2021.

Translating the salary information into housing prices, for a two-person household in Montezuma County (30 years at 5.25% interest):

1. 120% of AMI: \$78,960 annually and maximum home price of \$370,000.
2. 100% of AMI: \$65,800 annually and maximum home price of \$300,000.

---

The average annual income for community and social service work in Dolores is \$54,642.  
The average annual income for construction jobs in Dolores is \$53,638.

---

3. 80% of AMI: \$52,000 annually and maximum home price of \$250,000, maximum monthly rent for a two-bedroom unit of \$1,480.00

---

The average annual income for an elementary school teacher in Dolores is \$41,981.  
**The average annual household income in Dolores is \$40,137.**

---

4. 60% of AMI: \$40,000 annually and maximum home price of \$150,000, maximum monthly rent for a two-bedroom unit of approximately \$1,100.00.

---

The average annual wage in Southwestern Colorado is \$36,925

---

5. 45% of AMI is approximately \$29,610 annually, with a maximum affordable monthly rent of approximately \$832.00

---

A worker making the Colorado minimum wage of \$13.65/hour makes \$28,293 per year.

---

## **B. Colorado Proposition 123**

---

In November 2022, Colorado voters passed Proposition 123 which is designed to provide additional affordable housing funding across a variety of categories to local governments, private developers, and Colorado residents. Adoption of Prop. 123 enabled the creation of the State Affordable Housing Fund and dedication of one-tenth of one percent (0.1%) of state income tax revenue to fund housing programs, including:

- Providing grants to local governments and loans to nonprofit organizations to acquire and maintain land for the development of affordable housing;
- Creating an affordable housing equity program to make equity investments in multi-family rental units to ensure that rent is no more than 30% of a household's income;
- Creating a concessionary debt program to provide debt financing for low- and middle-income multi-family rental developments and existing affordable housing projects;
- Creating an affordable home ownership program providing down-payment assistance for homebuyers meeting certain income requirements;

- Creating a grant program for local governments to increase capacity to process land use, permitting, and zoning applications for housing projects; and
- Creating a program to provide rental assistance, housing vouchers, and other case management for persons experiencing homelessness.

Prop. 123 defines affordable slightly differently than DOLA:

1. Housing for renters making up to 60% of AMI (DOLA is 80%)
2. Housing for homeowners making up to 100% of AMI (DOLA is 120%)

Defining affordable housing in a manner that satisfies Prop. 123 will also satisfy the DOLA requirements.