



ITEM #10, EXHIBIT D. EXISTING INCENTIVES
PLANNING & DEVELOPMENT SERVICE
PLANNING DIVISION
455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

TO: Mountain Village Town Council

FROM: Paul Wisor, Town Attorney and Michelle Haynes, Planning and Development Services Director

FOR: Town Council Meeting, May 20, 2021

DATE: May 7, 2021

RE: Community Housing Initiatives – Exhibit D. Existing Incentives

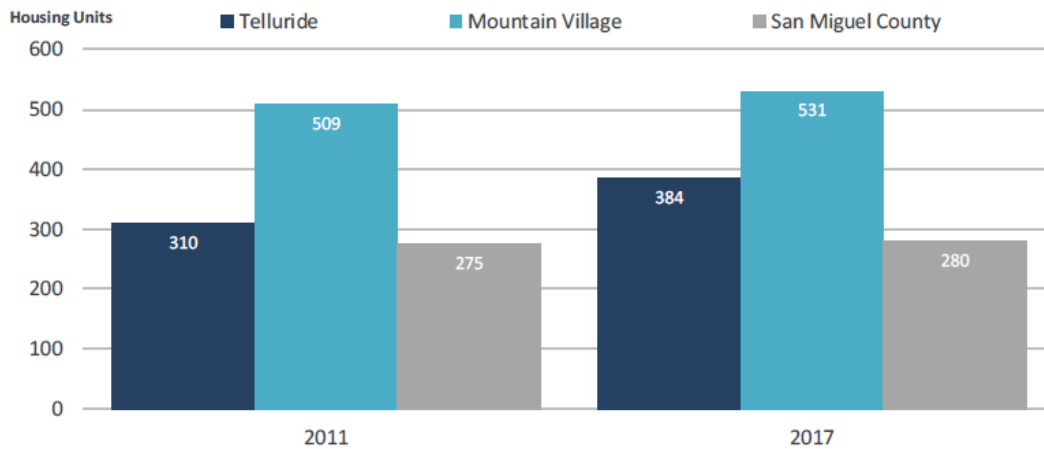
OVERVIEW

The Town of Mountain Village is unique in its existing zoning regulations and fee waivers related to community housing. We will provide a brief overview below.

WHAT THE TOWN IS DOING RIGHT

- 1. We have the most deed-restricted housing inventory in the region.**

Figure 22
Deed Restricted Housing Inventory by Location, San Miguel County, 2011-2017



Source: SMRHA; Rees Consulting; Economic & Planning Systems

- 2. The Town has been waiving development fees since 2019 to encourage repair, remodel, replacement, additions and new construction.**

Since 2019, the Town has waived all design review fees and building permit fees (except the county use tax portion) to encourage remodels, repair, replacement, remodel, additions and new construction of deed-restricted housing in the Mountain Village. This incentive has been valuable in assisting residents to maintain, improve and allow developers/homeowners to choose to build deed-restricted housing in the Mountain

Village understanding it comes with significant cost savings. Three deed-restricted homes are in construction to date due in part to the savings in development and permit fees. Water and sewer tap fees have historically been and remain half of free market tap fee rates at \$5,000 compared to \$10,000.

EXISTING ZONING INCENTIVES THAT SUPPORT COMMUNITY HOUSING

- 1) **Town Council can create deed-restricted housing** (dormitories, apartments, condominiums or single-family zoning designations) and it does not count against our density limitations. This requires a density transfer and rezone process with the town.
- 2) **Design Guidelines can be expressly reduced or waived** by the Design Review Board.
- 3) **Accessory uses that can be used for community housing**

Accessory Dwelling Unit (ADU) is a use by right pursuant to the Single Family Zone District Regulations. An Accessory Dwelling unit can be detached if located on a property over .75 acres and attached if located on a property under .75 acres. This allows for a secondary dwelling unit with a full kitchen and a separate entrance on any property zoned single family. Size limitations apply and it is otherwise considered an accessory use. These are not deed-restricted but free market dwellings.

Mother-in Law Suite is allowed on properties zoned single-family and with detached condominiums within the multi-family zone in both free market and deed-restricted dwellings. Mother-in-law suite allow for an accessory use within the same building that includes a common entrance and a separate living, bedroom, and limited kitchen facility. These are not deed-restricted unless found already on a deed-restricted dwelling.

(Staff note: We are proposing to eliminate mother-in-law suite and combine the definition with ADU – see exhibit C.)

- 4) **Allowable Zone Districts**
Community housing can be constructed within all current zone districts inclusive of Active Open Space and only prohibited within Passive Open Space.
- 5) **The Town's form of deed restriction** limits the owner or renter (whomever is occupying the unit) to demonstrate that they live and work in the R-1 School District. There are no income limitations, complicated formulas or tiers. You can own and not be required to occupy a deed-restricted property; yet the renter must be qualified. There is no limitation on other assets or properties. Most, though not all, deed restrictions in the Mountain Village do not have price caps. You can be a retired person, or anticipating retirement and have peace of mind that you can continue to live in, occupy, and own your deed-restricted unit with no threat of losing eligibility to own or occupy the unit.

SUMMARY

We feel a robust communications plan for property owners, realtors, potential buyers, architects and developers will educate the community and more immediately affect change of design and building programs moving through the design review process today.

The list below are the key take-aways for new or existing development:

- 1) You can build a detached ADU on a lot that is .75 acres or greater
- 2) You can build an attached ADU or mother-in-law suite on a lot under .75 acres
- 3) You can build a mother-in-law suite in a detached condominium OR single-family home.
- 4) When you construct a deed-restricted home, your development fees are waived, tap fees are half that of free market fees, RETA is waived, and your form of deed restriction is the simplest in the region.
- 5) You can retrofit your existing detached condominium to include a mother-in-law suite and secure a passive income stream to assist with your mortgage by targeting a long- term renter.

/mbh