Hybrid Meeting Information

The Community Development Commission will be held on the fourth Monday of every month at 5:00 pm. It will be held in person at City Hall, Smith Chambers at 949 East 2nd Avenue or virtually. Public participation during the meeting will be accessible through this platform. If attending virtual, the public will be able to view the meeting on a computer tablet or smartphone. Links and instructions on how to join the meeting are available below. Community members wishing to submit comments regarding an agenda item can also submit an email with their comments no later than 12:00 pm on Friday, prior to the Community Development Commission meeting to planning@durangogov.org.

AGENDA

1. Call to Order/Roll Call
2. Announcements
3. Public Participation
4. Consent Agenda
   4.1. CONTINUED, Approval of the CDC February 26th meeting minutes,
   4.2. Re: New Grant – 802 Camino del Rio – Priority Sales & Rental
   4.3. Re: New Grant – 151 E 15th Street – Summit Fitness Durango
5. Public Hearings
   5.1. A Public Hearing to Consider Amendments to Portions of Chapter 5 of the Land Use and Development Code Updating Provisions of the Durango Fair Share Housing Program
6. Project Review
7. Reports and Comments
8. Adjournment

Daniel Murray, Liaison
Community Development

Community Development Commission Meeting

The link to the virtual meeting is available here:

http://durangogov.org/zoom

Please note: If this link does not take you directly to the meeting list, please copy and paste it into the address bar of your web browser.
Community Development Commission STAFF REPORT

PUBLIC HEARING DATE
March 25th, 2024

PROJECT NAME
Priority Sales & Rentals Re:New Grant

PROJECT STAFF
Tommy Crosby

PROJECT NUMBER
Re:New Grant Application

APPLICANT (PROPERTY OWNER)
Dalton Hotter (David Fountain is property owner)

PROPERTY ADDRESS/LOCATION
802 Camino del Rio, Durango, CO 81301

PROJECT SUMMARY
The applicant seeks to replace the current front facing sign with a new sign. The new sign will bring their sign into compliance with City of Durango sign standards. This will provide an updated and improve sign visible from Camino Del Rio and improve the appearance of the building. The grant request is for $2,055.57.

Evaluation Guidelines
1) Overall Impact – The new sign would be a more modern and aesthetic sign.
3) Visual Impact – The sign will be a positive improvement from the building’s current state.
4) Quality of the proposal- The applicant is eligible for the grant, meets all the grant requirements, and submitted a complete application.

Eligibility
- Project is eligible for the Re:New grant
- Project is visible from the public right of way
- Project is in the Camino del Rio Character District.
- Project complies with Durango’s Downtown Design Guidelines and the Land Use and Development Code (LUDC).

Project Details
- Property Owner: Del Rio Properties, LLC
- Business: Commercial
- Lease Expiration: 2/27/2027
- Type of Improvement: New sign
- Funding Request: $2,055.57
- Total Project Cost: Exterior estimate: $4,111.13
- Estimated Construction Timeline: March – April 2024
**RECOMMENDED MOTION**

Move to approve the RE:NEW grant application for Priority Sales & Rentals for $2,055.57.

<table>
<thead>
<tr>
<th>ATTACHMENTS</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Completed Application</td>
<td>Bid(s)</td>
</tr>
<tr>
<td>Approvals</td>
<td>Color photo of the existing conditions</td>
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<td>☐ OTHER: ___________</td>
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<td>☒</td>
<td>☒ Color Renderings of scope of work</td>
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</tbody>
</table>
City of Durango Re:New Grant

Take your property improvement project to the next level with the RE:NEW Grant!

Click "Next" in the bottom right corner to access the application.

1. Enhance the unique character of Durango’s Character Districts.
2. Support Durango business and property owners.
3. Catalyze economic activity while building the tax base.

The RE:NEW Grant is a 1:1 matching grant of up to $5000 for improvements to properties which are visible from the public right-of-way. This incentive program allows the City to help local businesses while leveraging private investment to achieve the goals of the Durango Districts Initiative. Through the Durango Districts initiative, the community will create a unique vision and plan for 10 different mixed-use areas. These community created visions will guide future development allowing the City to be proactive versus reactive as our City experiences growth pressures.

Currently, some of the buildings and properties in the Districts are in need of investment. This grant invites businesses and property owners to help achieve the community vision for these areas by joining the effort to revitalize these essential corridors. Learn more at www.districts.durangogov.org

The RE:NEW Grant is a 1:1 matching grant. The City’s match may be a maximum of $5,000. Improvements must be visible from the public right-of-way and contribute to the unique character of the District. This is a reimbursement grant and payments will be made to property owners after the work is completed. Grants are awarded on a first-come, first-served basis and all applications must be submitted before November 1st. Projects must be completed by year end. Applications are reviewed by City staff and the final decision is made by the Design Review Board.

Funds are awarded based on professional design concepts and distributed after the project is completed. The Design Review Board will evaluate applications based on:

1. Overall impact
2. Compatibility & advancement of Design Guidelines
3. Visual impact from right of way
4. Quality of proposal

1. Commercial and mixed-use property owners located in one of Durango’s Character Districts.
2. Business owners located in one of Durango’s Character Districts, with a minimum of two years remaining on their lease and written approval from the property owner.
What is the RE:NEW grant?
The RE:NEW Grant is a 1:1 matching grant of up to $5,000 for improvements to buildings or properties which are visible from the public right-of-way. This program is available to businesses and property owners in one of Durango’s Character Districts. The goal of this program is to incentivize and leverage private improvements in order to enhance the character of the district.

Who can apply for funding?
1. Commercial and mixed-use property owners located in one of Durango’s Character Districts.
2. Business owners located in one of Durango’s Character Districts, with a minimum of two years remaining on their lease and approval from the property owner.
3.

What type of improvements are eligible?
New Projects - This program is only available for new projects. Applications must be submitted prior to the start of the project.
- Projects that are visible from the public right of way. Can a pedestrian see these improvements walking down the sidewalk?
- Façade improvements such as awnings, windows, and adding appropriate exterior materials
- New or updated signage
- Outdoor seating areas, performance venues, plazas, or other gathering spaces
- Sidewalks, curbs, gutters, ADA compliant ramps
- Landscaping including street trees
- Exterior painting and murals
- All projects must comply with the City of Durango’s Design Guidelines and applicable land use standards.

Evaluation Guidelines
Funds are awarded based on professional design concepts and distributed after the project is completed. The Design Review Board will evaluate applications based on:
1. Overall impact
2. Compatibility with and advancing goals of the Design Guidelines
3. Visual impact
4. Quality of proposal

How does the application process work?
Applications are accepted on a rolling basis from January 1st to November 1st or until grant funds run out. All projects must be completed by December 31st. Grants are reviewed and approved monthly at the Design Review Board Meeting. The Design Review Board meets the 2nd Wednesday of each month. Applications must be submitted by the 20th of each month.

Process:
1. Pre-application meeting to determine eligibility
2. Business or property owner submits an application
3. Staff reviews the application for eligibility and completeness
4. Design Review Board reviews and determines funding
5. Business or property owner completes the project
6. Business or property owner requests reimbursement by providing receipts and photos of completed work
7. Staff reviews and processes the reimbursement request. Reimbursements can take up to 30 days.

How does the funding work?
This is a matching grant, meaning for every $1 the applicant pays, the City of Durango will pay $1, with a maximum grant contribution of $5000. This is also a reimbursement grant. Applicants will not receive the funding until all the work is completed and receipts are provided. After a reimbursement request is filed, it can take up to 30 days to receive funding.
Are there any Design Guidelines?

- The City of Durango has Commercial Design Guidelines for applicants to follow: [http://www.durangogov.org/DocumentCenter/View/7074](http://www.durangogov.org/DocumentCenter/View/7074)
- In addition all projects must comply with Land Use and Development Code. [http://online.encodeplus.com/regs/durango-co/](http://online.encodeplus.com/regs/durango-co/)
- For information pertaining to signs and sign permits go to: [http://online.encodeplus.com/regs/durango-co/doc-viewer.aspx#secid-8](http://online.encodeplus.com/regs/durango-co/doc-viewer.aspx#secid-8)

What happens after a project is selected for funding?

Projects awarded funding from the RE:NEW Grant must be completed within 90 days of approval - unless otherwise approved by the Design Review Board. All projects must be completed by December 31st. The applicant is responsible for obtaining all necessary permits and ensuring the work is in compliance with City code.

Submitting Applications

Note all applications are due by 4:00 pm on the 20th of each month. Applications are open from January 1 to November 1. Submit all applications using the online form.

Additional questions?

Email: tommy.crosby@durangogov.org or call 970-375-4855

<table>
<thead>
<tr>
<th>Name</th>
<th>Dalton Hotter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>02/23/2024</td>
</tr>
<tr>
<td>Email Address</td>
<td><a href="mailto:dfhotter@gmail.com">dfhotter@gmail.com</a></td>
</tr>
<tr>
<td>Phone Number</td>
<td>9709468209</td>
</tr>
<tr>
<td>Address</td>
<td>802 Camino Del Rio</td>
</tr>
<tr>
<td>City</td>
<td>Durango</td>
</tr>
<tr>
<td>State</td>
<td>CO</td>
</tr>
<tr>
<td>Zip Code</td>
<td>81301</td>
</tr>
<tr>
<td>Applicant Is:</td>
<td>Business Owner</td>
</tr>
<tr>
<td>Business Name</td>
<td>Priority Sales and Rentals</td>
</tr>
<tr>
<td>Business Address</td>
<td>802 Camino Del Rio</td>
</tr>
<tr>
<td>Business Address 2</td>
<td>.</td>
</tr>
<tr>
<td>City</td>
<td>Durango</td>
</tr>
<tr>
<td>State</td>
<td>CO</td>
</tr>
<tr>
<td>Zip Code</td>
<td>81301</td>
</tr>
<tr>
<td>Type of Business</td>
<td>Retail Furniture/Appliance Store</td>
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<tr>
<td>Years in Business</td>
<td>37</td>
</tr>
<tr>
<td>Years at Current Location</td>
<td>34</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----</td>
</tr>
<tr>
<td>Lease Expiration Date</td>
<td>2/27/2027</td>
</tr>
<tr>
<td>Property Owner Name</td>
<td>David Fountain</td>
</tr>
<tr>
<td>Property Owner Email</td>
<td><a href="mailto:davidffountaint@gmail.com">davidffountaint@gmail.com</a></td>
</tr>
<tr>
<td>Property Owner Phone</td>
<td>9707595462</td>
</tr>
<tr>
<td>Type of Improvement</td>
<td>Replacement of Building Sign, in order to update look and bring signage into compliance with city code.</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>4111.13</td>
</tr>
<tr>
<td>Does this project have all necessary permits and approvals to take place?</td>
<td>Yes</td>
</tr>
<tr>
<td>Funding Request ($5,000 Max)</td>
<td>2055.57</td>
</tr>
<tr>
<td>Proposed Improvements</td>
<td>1</td>
</tr>
<tr>
<td>Project Timeline - Start Date</td>
<td>03/06/2024</td>
</tr>
<tr>
<td>Project Timeline - End Date</td>
<td>04/05/2024</td>
</tr>
<tr>
<td>Bid #1: Company</td>
<td>Ram Signs</td>
</tr>
<tr>
<td>Amount</td>
<td>4111.13</td>
</tr>
<tr>
<td>Bid #1</td>
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<tr>
<td>Bid #2 Company</td>
<td>Fast Signs</td>
</tr>
<tr>
<td>Bid #2</td>
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<tr>
<td>Amount</td>
<td>5794.53</td>
</tr>
</tbody>
</table>
Two color photos of existing conditions

Color rendering of scope of work

Proof of Property Owner Approval (Only required if you are not the property owner)

Priority letter to City.pdf

Applicant Signature
After providing your signature above, click the green submit button below and your application will be uploaded!

Next steps:

- You will be emailed a copy of your application once you press the submit button.
FABRICATE for CUSTOMER INSTALL :: MU-A Allows 40 sq.ft wall sign
(Qty 1) 5X8 Internally LED Illuminated wall sign with opaque background and translucent green logo (only logo & text illuminates at night)
SIGN PERMIT APPLICATION

OVERVIEW

Article 3-6 of the City’s Land Use and Development Code (LUDC) governs and controls all signs within all zones in the City limits. Sign permits are required for alteration of sign faces by painting or overlay, erection, relocation, reconstruction, alteration, or display of a sign, and the painting of a wall sign. Touching up or repainting existing signs is considered maintenance and does not require a permit.

Section 3-6-5-1 of the LUDC provides detailed information about the allowed sign area, height, location and design for all zoning districts.

REQUIRED SUBMITTAL MATERIALS

Your application cannot be processed without the following information:

1. A completed, signed application.
2. $50 application fee (Alternative Compliance, Master Sign Plans, and MSP amendments are $250 and may require Design Review Board approval).
3. A site plan showing property lines and the locations of all existing and proposed signs.
4. Building elevations or pictures showing the all existing or proposed signs in relation to the building.
5. Color renderings of each individual sign including: sign structure/mounting type, dimensions, square footage, illumination, colors, lettering, and materials. Accurate color and materials samples required.
6. Lighting specification sheets for all outdoor fixtures providing sign illumination.
7. If Alternative Compliance is requested, a Land Use Application and a narrative explaining how the request meets the Alternative Compliance criteria must be included.

Applications can be emailed to Planning@DurangoGov.Org

CONTACT & PROPERTY INFORMATION

NAME OF BUSINESS (where sign will be located): Priority Sales and Rentals

PROJECT ADDRESS: 802 Camino Del Rio

APPLICANT’S NAME: Dalton Hotter

MAILING ADDRESS: 802 Camino Del Rio

PHONE: 970-946-8209

E-MAIL: dfhotter@gmail.com

PROPERTY OWNER: David Fountain

PROPERTY ZONING:___________

HOW MANY SIGNS ARE CURRENTLY ON THE PROPERTY? 2

HOW MANY OF THE EXISTING SIGNS WILL BE REMOVED? 1

LIST THE DIMENSIONS OF EACH EXISTING SIGN THAT WILL REMAIN:

DIMENSIONS: SIGN #1 4x12 w/ 7.5x3.5’ Marquee

SQ. FOOTAGE: SIGN #1 148.5

TOTAL SQ. FOOTAGE TO REMAIN: 148.5

Updated February 2022
SIGN PERMIT APPLICATION

PROPOSED SIGN INFORMATION

HOW MANY NEW SIGNS ARE PROPOSED? 1
WHAT ARE THE DIMENSIONS OF THE PROPOSED SIGN(S) AND WILL THEY BE ILLUMINATED?

<table>
<thead>
<tr>
<th>Sign #</th>
<th>Dimensions (Length x Height)</th>
<th>Sq. Feet</th>
<th>Height (ground to top of sign)</th>
<th>Illuminated?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sign #1</td>
<td>8'x5'</td>
<td>40</td>
<td>9'</td>
<td>YES \ YES</td>
</tr>
<tr>
<td>Sign #2</td>
<td></td>
<td></td>
<td></td>
<td>NO</td>
</tr>
<tr>
<td>Sign #3</td>
<td></td>
<td></td>
<td></td>
<td>NO</td>
</tr>
<tr>
<td>Sign #4</td>
<td></td>
<td></td>
<td></td>
<td>NO</td>
</tr>
</tbody>
</table>

TOTAL SQ. FOOTAGE 40

WILL THE PROPOSED SIGNS BE: FREESTANDING, WALL MOUNTED, PROJECTING, WALL PAINTED, OR OTHER?
SIGN #1 Wall Mounted SIGN #2 SIGN #3 SIGN #4

WILL THE PROPOSED SIGN(S) BE: ONE-FACED, TWO-FACED, OR MULTI-FACED?
SIGN #1 One Faced SIGN #2 SIGN #3 SIGN #4

WILL THE PROPOSED SIGNS BE: TEMPORARY OR PERMANENT?
SIGN #1 Permanent SIGN #2 SIGN #3 SIGN #4

IF LIGHTING IS PROPOSED, HOW WILL THE SIGN(S) BE ILLUMINATED?
NOTE: Please refer to LUDC Section 3-6-3-3 for specifics about sign lighting standards

☐ INDIRECT LIGHTING ☑ INTERNAL ILLUMINATION ☐ OTHER: __________________________

ACKNOWLEDGMENT AND AUTHORIZATION

The undersigned authorizes the Community Development Department to proceed with processing this application under the requirements of the City of Durango Land Use and Development Code (LUDC). The undersigned acknowledges that the signage described above shall not be placed or erected prior to the issuance of a City Business License for the business referenced by the signage.

Applicant: __________________________ Date: 02/07/2023

DEPARTMENT USE ONLY

Application/Fee Received By: Nadia Mallory Date: 2/17/24 Receipt #: 018-004-18
Zoning: MU-A Permit #: 24-004

Is additional review required? ☐ Yes ☑ No If yes, what? __________________________

Has alternative compliance been granted or is this a part of a MSP? ☐ Yes ☑ No If yes, # or MSP: 22-052

Are any modifications required? ☐ Yes ☑ No If yes, what? __________________________

I hereby authorize the issuance of a permit for the proposed signage, subject to any modifications listed above. This authorization is good for a period of 1 year.

Mallory __________________________ Date: 2/18/24

Authorizing Staff Member
40 sq.ft

96 in

60 in

DAY VIEW

NIGHT VIEW

FABRICATE for CUSTOMER INSTALL :: MU-A Allows 40 sq.ft wall sign
(Qty 1) 5x8 Internally LED Illuminated wall sign with opaque background and translucent green logo (only logo & text illuminates at night)
**Sign Proposal**

**NAME / ADDRESS**
Priority Sales  
802 Camino Del rio  
Durango, CO 81302

**JOB LOCATION**
Priority Sales & Rentals  
802 Camino Del Rio  
Durango, CO

<table>
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<tr>
<th>P.O. NO.</th>
<th>TERMS</th>
<th>REP</th>
<th>Phone #</th>
<th>FAX #</th>
<th>Job Info</th>
<th>Contact</th>
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<tr>
<td></td>
<td>50 % Deposit</td>
<td>ACD</td>
<td>970-946-8209</td>
<td></td>
<td></td>
<td>Dalton Hotter</td>
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<table>
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<tr>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>FABRICATE for CUSTOMER INSTALL - PICKUP AT OUR SHOP</td>
</tr>
<tr>
<td>WALL SIGN UPDATE - New 40 sq.ft Wall Sign per Durango requirements</td>
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<tr>
<td>96&quot; x 60&quot; internally LED illuminated sign cabinet with painted opaque background (only logo &amp; letters illuminate)</td>
</tr>
<tr>
<td>EFFECTIVE 02/01/2022 – There is a 4% processing fee for Credit Card payments. $152.00</td>
</tr>
<tr>
<td>This will not be charged if paying with Check, ACH, Cash or DEBIT card.</td>
</tr>
<tr>
<td>Customer must be present to pay with debit - for security over-the-phone payments are run as Credit.</td>
</tr>
<tr>
<td>Terms: 50% Deposit Required $2,055.57</td>
</tr>
<tr>
<td>Remaining balance due upon completion</td>
</tr>
<tr>
<td>Farmington Sales Tax</td>
</tr>
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<thead>
<tr>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>TOTAL $4,111.13</td>
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</table>

**TERMS & CONDITIONS:**
Customer to provide adequate power to base of sign, transformer or connection point on sign cabinet. We cannot guarantee signs installed on existing sign poles, footers or other support structures such as roofs or walls. Every effort is made to locate underground utilities thru Blue Stake or local utilities, but some buried lines may not be detected. RAM Studios cannot be responsible if these lines are dug up. Customer assumes responsibility for additional charges. If rock or unusual digging conditions are encountered, additional charges may result. UNLESS OTHERWISE STATED this proposal does not include Sign Permits, Acquisition fees, Engineering Fees, Tero Fees or any other fees that may arise. These fees will be added as necessary. QUOTES ARE GOOD FOR 30 DAYS.

Acceptance of funds towards this proposal, constitutes acceptance of proposal in full, including all terms and conditions.

**SIGNATURE & DATE:**

________________________________________

________________________________________
Created Date: 1/16/2024

DESCRIPTION: Signage needs

Bill To:  
Dalton Hotter  
1 main  
Durango, CO 81301  
US

Pickup At:  
FASTSIGNS Durango  
67 Suttle Street  
Suite B  
Durango, CO 81303  
US

Requested By: Dalton Hotter  
Email: dfhotter@gmail.com  
Work Phone: (970) 946-8209

Salesperson: Hayley Opsal  
Email: h.opsal@fastsigns.com

<table>
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<tr>
<th>NO.</th>
<th>Product Summary</th>
<th>QTY</th>
<th>UNIT PRICE</th>
<th>AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Self contained internally lit wall sign</td>
<td>1</td>
<td>$5,345.50</td>
<td>$5,345.50</td>
</tr>
<tr>
<td>1.1</td>
<td>Sub-Dimensional Letters/Logos -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Part Qty: 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Retail Price: $5295.50</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Full payment is due at time of ordering for all orders unless you have a current business account with us.

Subtotal: $5,345.50
Taxes: $449.02
Grand Total: $5,794.52

Thank you for the opportunity to assist you in growing your business!

Please let us know if we can help with any other marketing efforts. Ask about our Video Production, SEO & Website Development services!
2/14/2024

To Whom it may concern,

The members of Del Rio Properties, LLC, are in approval of Priority Sales and Rentals applying for the Re-New grant to fund the replacement of the exterior wall sign at 802 Camino Del Rio. Please feel free to contact me with additional questions.

Thank you,

[Signature]
David F Fountain
Managing Member, Del Rio Properties, LLC
(970) 759-5462
PROJECT SUMMARY
The applicant seeks to replace the current sidewalk with an updated sidewalk and curb stop. Their new sidewalk will be built to City standards and will improve the condition of the current pedestrian right of way. The grant request is for $3,775.03.

Evaluation Guidelines
1) Overall Impact – The new sidewalk would be a good improvement for pedestrian safety.
2) Compatibility with advancing goals of the Design Guidelines- Sidewalks built to City standards.
3) Visual Impact – The new sidewalk and curb will be a positive improvement from the sidewalk’s current state.
4) Quality of the proposal- The applicant is eligible for the grant, meets all the grant requirements, and submitted a complete application.

Eligibility
- Project is eligible for the Re:New grant
- Project is visible from the public right of way
- Project is in the Downtown Durango District.
- Project complies with Durango’s Downtown Design Guidelines and the Land Use and Development Code (LUDC).

Project Details
- Property Owner: TNT Enterprises
- Business: Commercial
- Lease Expiration: 1/1/2030
- Type of Improvement: New sidewalk and curb
- Funding Request: $3,775.03
- Total Project Cost: Exterior estimate: $7,550.05
• Estimated Construction Timeline: April – May 2024

RECOMMENDED MOTION

Move to approve the RE:NEW grant application for Summit Fitness for $3,775.03.

ATTACHMENTS

☒ Completed Application
☒ Bid(s)
☒ Color photo of the existing conditions
☐ Color Renderings of scope of work
☒ Approvals
☐ OTHER: ___
City of Durango Re:New Grant

Take your property improvement project to the next level with the RE:NEW Grant!

Click "Next" in the bottom right corner to access the application.

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2. Support Durango business and property owners.
3. Catalyze economic activity while building the tax base.

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2. Compatibility & advancement of Design Guidelines
3. Visual impact from right of way
4. Quality of proposal

1. Commercial and mixed-use property owners located in one of Durango’s Character Districts.
2. Business owners located in one of Durango’s Character Districts, with a minimum of two years remaining on their lease and written approval from the property owner.
Façade improvements such as awnings, windows, and adding appropriate exterior materials
New or updated signage
Outdoor seating areas, performance venues, plazas, and other gathering spaces
Sidewalks, curbs, gutters, ADA compliant ramps • Landscaping including street trees
Exterior painting and murals
Professional Services (i.e. Artists, Architects)

What is the RE:NEW grant?
The RE:NEW Grant is a 1:1 matching grant of up to $5,000 for improvements to buildings or properties which are visible from the public right-of-way. This program is available to businesses and property owners in one of Durango’s Character Districts. The goal of this program is to incentivize and leverage private improvements in order to enhance the character of the district.

Who can apply for funding?
1. Commercial and mixed-use property owners located in one of Durango’s Character Districts.
2. Business owners located in one of Durango’s Character Districts, with a minimum of two years remaining on their lease and approval from the property owner.

What type of improvements are eligible?
New Projects - This program is only available for new projects. Applications must be submitted prior to the start of the project.
- Projects that are visible from the public right of way. Can a pedestrian see these improvements walking down the sidewalk?
- Façade improvements such as awnings, windows, and adding appropriate exterior materials
- New or updated signs
- Outdoor seating areas, performance venues, plazas or other gathering spaces
- Sidewalks, curbs, gutter, ADA compliant ramps
- Landscaping including street trees
- Exterior paint and murals
- All projects must comply with the City of Durango’s Design Guidelines and applicable land use standards.

Evaluation Guidelines
Funds are awarded based on professional design concepts and distributed after the project is completed. The Design Review Board will evaluate applications based on:
1. Overall impact
2. Compatibility with and advancing goals of the Design Guidelines
3. Visual impact
4. Quality of proposal

How does the application process work?
Applications are accepted on a rolling basis from January 1st to November 1st or until grant funds run out. All projects must be completed by December 31st. Grants are reviewed and approved monthly at the Design Review Board Meeting. The Design Review Board meets the 2nd Wednesday of each month. Applications must be submitted by the 20th of each month.

Process:
1. Pre-application meeting to determine eligibility
2. Business or property owner submits an application
3. Staff reviews the application for eligibility and completeness
4. Design Review Board reviews and determines funding
5. Business or property owner completes the project
6. Business or property owner requests reimbursement by providing receipts and photos of completed work
7. Staff reviews and processes the reimbursement request. Reimbursements can take up to 30 days.

How does the funding work?
This is a matching grant, meaning for every $1 the applicant pays, the City of Durango will pay $1, with a maximum grant contribution of $5000. This is also a reimbursement grant. Applicants will not receive the funding until all the work is completed and receipts are provided. After a reimbursement request is filed, it can take up to 30 days to receive funding.
Are there any Design Guidelines?

- The City of Durango has Commercial Design Guidelines for applicants to follow: [http://www.durangogov.org/DocumentCenter/View/7074](http://www.durangogov.org/DocumentCenter/View/7074)
- In addition all projects must comply with Land Use and Development Code. [http://online.encodeplus.com/regs/durango-co/](http://online.encodeplus.com/regs/durango-co/)
- For information pertaining to signs and sign permits go to: [http://online.encodeplus.com/regs/durango-co/doc-viewer.aspx#secid-8](http://online.encodeplus.com/regs/durango-co/doc-viewer.aspx#secid-8)

What happens after a project is selected for funding?

Projects awarded funding from the RE:NEW Grant must be completed within 90 days of approval - unless otherwise approved by the Design Review Board. All projects must be completed by December 31st. The applicant is responsible for obtaining all necessary permits and ensuring the work is in compliance with City code.

Submitting Applications

Note all applications are due by 4:00 pm on the 20th of each month. Applications are open from January 1 to November 1. Submit all applications using the online form.

Additional questions?

Email: tommy.crosby@durangogov.org or call 970-375-4855

<table>
<thead>
<tr>
<th>Name</th>
<th>Allison Kardas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>03/06/2024</td>
</tr>
<tr>
<td>Email Address</td>
<td><a href="mailto:coachalli@summitfitnessdurango.com">coachalli@summitfitnessdurango.com</a></td>
</tr>
<tr>
<td>Phone Number</td>
<td>9704421976</td>
</tr>
<tr>
<td>Address</td>
<td>2910 Cedar Ave</td>
</tr>
<tr>
<td>City</td>
<td>Durango</td>
</tr>
<tr>
<td>State</td>
<td>CO</td>
</tr>
<tr>
<td>Zip Code</td>
<td>81301</td>
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<tr>
<td>Applicant Is:</td>
<td>Business Owner</td>
</tr>
<tr>
<td>Business Name</td>
<td>Junglr Gym DGO, LLC DBA Summit Fitness Durango</td>
</tr>
<tr>
<td>Business Address</td>
<td>151 E 15th Street</td>
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<tr>
<td>Business Address 2</td>
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<td>CO</td>
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<td>Years at Current Location</td>
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<tr>
<td>Lease Expiration Date</td>
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</tr>
<tr>
<td>Property Owner Name</td>
<td>TJ Cevileland - TNT Enterprises</td>
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<tr>
<td>Property Owner Email</td>
<td><a href="mailto:durangomuffler1502@gmail.com">durangomuffler1502@gmail.com</a></td>
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<tr>
<td>Property Owner Phone</td>
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<tr>
<td>Type of Improvement:</td>
<td>Improvement to the side walks and install a new curb stop for city utilities.</td>
</tr>
<tr>
<td>Total Project Cost:</td>
<td>7550.05</td>
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<tr>
<td>Does this project have all necessary permits and approvals to take place?</td>
<td>This project is required by the city for other project approvals.</td>
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<tr>
<td>Funding Request ($5,000 Max)</td>
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<td>Proposed Improvements</td>
<td>Improve sidewalk in front of business and replace the curb stop.</td>
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<td>Project Timeline - Start Date</td>
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<tr>
<td>Project Timeline - End Date</td>
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</tr>
<tr>
<td>Bid #1: Company</td>
<td>Boss Mechanical</td>
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<tr>
<td>Amount</td>
<td>4100.05</td>
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<td>Bid #1</td>
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<td>Bid #2 Company</td>
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Two color photos of existing conditions
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<th><strong>Color rendering of scope of work</strong></th>
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<td><strong>Additional files</strong></td>
<td>HPSCAN-2023071023484462-2023-07-10-235017982.pdf</td>
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<tr>
<td><strong>Proof of Property Owner Approval</strong></td>
<td>TJ Approval.pdf</td>
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<tr>
<td>(Only required if you are not the property owner)</td>
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Submission ID: 78c1a4b4-c2ad-48ad-89a3-5d998de53f36
Applicant Signature

After providing your signature above, click the green submit button below and your application will be uploaded!

Next steps:

- You will be emailed a copy of your application once you press the submit button.
**Estimate**

**Animas Custom Concrete LLC**  
1242 Highway 550  
Durango, CO 81303 US  
970-759-7343  
animascustomconcrete@gmail.com

**SHIP TO**  
Service Men LLC  
Summit Fitness, 153 E. 15th St.  
Durango, CO 81301

<table>
<thead>
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<th>ESTIMATE #</th>
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<th>AMOUNT</th>
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<td>City Approved Mix</td>
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<td>400.00</td>
<td>800.00</td>
</tr>
<tr>
<td>Labor</td>
<td>Set Up</td>
<td>1</td>
<td>1,000.00</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Skilled Labor</td>
<td>Skilled Concrete Laborers</td>
<td>2</td>
<td>650.00</td>
<td>1,300.00</td>
</tr>
<tr>
<td>Wire Mesh</td>
<td></td>
<td>1</td>
<td>50.00</td>
<td>50.00</td>
</tr>
</tbody>
</table>

Replacing 4 squares of sidewalk, where the tree has lifted the concrete. Reset grade to remove trip hazard with out disturbing tree root system. Have Chris Johnson with the city of Durango call Dan Varner at 970-759-7343 should they need more information.

**SUBTOTAL**  
3,150.00

**TAX**  
0.00

**TOTAL**  
$3,150.00

Accepted By

Accepted Date
Addendum for Servicemen LLC

Re: Summit Fitness
151 E. 16th Street
Durango, CO 81301

Addendum #1 – PIA

Provide and install a new ¾” curb stop and water meter connecting onto existing city provided tap. Pipe new water meter/curb stop on landscape side of sidewalk, using ¾” soft K copper from tap to curb stop and meter and connect on to existing water main from building. Materials from meter to inside of building shall be ¾” soft K copper.

Labor – 6 hours @ $125 per hour $ 750.00
Materials $ 3,350.05

Excavation, backfill, backfill materials and restoration of existing sidewalk provided by others

TOTAL $ 4,100.05

Please sign and return for acceptance

Signature

Print Name Allison Kadas
Title Homeowner
Date 07/10/2023

Acceptance of Proposal:
I accept this proposal and its terms in their entirety. BOSS Mechanical, Inc. and the General Contractor/Owner agree to the amounts, terms, and conditions stated above. A verbal notice to commence work, with or without a signed contract, shall constitute a binding agreement to all terms and conditions stated above. Any dispute arising from this contract (excluding insurance matters) shall be settled by binding arbitration in La Plata County, Colorado, with the full cost assumed by general contractor/owner. A deposit may be required upon acceptance of proposal. The remainder per phase will be billed for upon completion. The following contract price includes all labor and material necessary to complete the job as specified above. Should payments not be made within 30 days, interest will accrue at the rate of 1.5% per month. Should these terms not be met and an attorney or collection agency is required, all fees and charges will be paid by you, the contractor and/or homeowner.

Excludes:
Anything that is not discussed in this change order/proposal or outside of standard plumbing scope of work such as but not limited to: Pest Control mitigation, asbestos mitigation, framing and framing repairs, drywall or drywall repairs, removal and reinstallation of insulation, vapor barriers, excavation, trenching, backfilling, materials for back fill, restoration of finished grade due to excavation for under-ground plumbing, landscaping, hood range exhaust, dryer exhaust vent, bathroom exhaust vent’s, core drilling, concrete demolition, saw cutting, roof penetration repairs, or any and all work outside of the building, etc.. Examples (gas mains, connecting to propane tanks/meters, water mains, sewer mains, outdoor irrigation, storm drains, fireplaces/fire pits, etc.) Any work that is considered extra will be billed at $125 per lead plumber and apprentice plumber per hour plus materials unless another written agreement is made for such work before it’s commenced.

boss Mechanical, Inc.

This addendum is valid for the next thirty (30) days
Improvements
1 message

Tony Cleveland <durangomuffler1502@gmail.com>  
To: Alli Kardas <coachalli@summitfitnessdurango.com>  

Wed, Nov 15, 2023 at 11:57 AM

I Tony Cleveland Owner of T&T enterprise purango CO 81301roperty 151 & 153 East 15th Durango CO. I am writing this email to allow Allie and Summit Fitness the ability to do the improvements needed to 151,153 East 15th. The Curb stop, sidewalk, and any exterior ect. Improvements needed.

Thank you

Tony Cleveland
PUBLIC IMPROVEMENTS AGREEMENT (PIA) FOR SUBDIVISION OR SITE DEVELOPMENT IMPROVEMENTS

Development: Summit Fitness
Location: 153 E 15th St Durango CO 81301

Intending to be legally bound, the undersigned person(s) hereby agree(s) to provide throughout this subdivision or development as shown on the plan of the same, dated July 10, 2023 the following City improvements:

<table>
<thead>
<tr>
<th>IMPROVEMENT OR FEATURES</th>
<th>Units</th>
<th>Est. Const. Cost</th>
<th>Const. Compl. Date (1 yr)**</th>
<th>Warranty Start Date</th>
<th>Warranty Amount</th>
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</thead>
<tbody>
<tr>
<td>Street Base</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Paving</td>
<td></td>
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</tr>
<tr>
<td>Driveway Apron(s)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Curb &amp; Gutter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sidewalk</td>
<td>4</td>
<td>$3150</td>
<td>11/10/24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Sewer Main (and Services in ROW)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manhole(s)</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Water Mains (and Services in ROW)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valves</td>
<td>1</td>
<td>$4100.05</td>
<td>11/10/24</td>
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<tr>
<td>Fire Hydrant(s) and Assembly</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Street Name &amp; Traffic Signs, Striping</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Street Trees</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Stormwater BMPs</td>
<td></td>
<td></td>
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<tr>
<td>Construction SWMP</td>
<td></td>
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</table>

* Total cost does not include top fees or plant involvement fees. These fees must be paid prior to connection of the service line(s) with the utility main.

** Construction completion date is 12-months after signing of this agreement.

TOTAL COST TO BE SECURED $7,250.05

The Developer agrees to inform the City Engineer at least two weeks prior to any construction performed under this agreement.

The above improvements shall be constructed in accordance with City of Durango Standards and Specifications and in accordance with the time schedules shown above.

The developer agrees to provide the City with a financial guarantee, in a form acceptable to the City, in the amount of 100% of the total estimated cost of the public improvements. The guarantee shall have a term of not less than 14 months from the date this agreement is executed. A warranty period shall become effective upon completion and acceptance of the public improvements by the City Engineer. The warranty shall be for a period of one (1) year after completion and acceptance of said improvements, except for street trees, which shall have a two (2) year warranty period. At the start of the warranty period, the developer may reduce their financial guarantee to an amount equal to 50% of the estimated costs of the public improvements.

The date of acceptance by the City Engineer shall begin the warranty period of the above improvements. The warranty financial guarantee shall run in favor of the City of Durango and extend for a period of one (1) year, except the street tree financial guarantee shall extend for a period of two (2) years.

Developer agrees that if developer fails to complete the above improvements within the time schedules herein set forth, the City has the right to draw upon the financial guarantee to complete said improvements. The City shall also have the right to withdraw funds from the financial guarantee during the warranty period for purposes of completing repairs, which are not completed by the developer during the warranty period.

Signature of Developer or Authorized Agent, Responsible for the construction of improvements:

[Signature]

Date: 7/10/23

CITY OF DURANGO
Community Development Department
Engineering Division
949 East Second Avenue (970) 375-4850
Durango, CO 81301 (970) 375-4848 fax

City Engineer

Date

Email Address

Public Improvements Agreement Term modified 2014-09-08
Addendum for Servicemen LLC
151 E. 16th Street
Durango, CO 81301

Addendum #1 – PIA

Provide and install a new ¾” curb stop and water meter connecting onto existing city provided tap. Pipe new water meter/curb stop on landscape side of sidewalk, using ¾” soft K copper from tap to curb stop and meter and connect on to existing water main from building. Materials from meter to inside of building shall be ¾” soft K copper.

Labor – 6 hours @ $125 per hour $750.00
Materials $3,350.05
Excavation, backfill, backfill materials and restoration of existing sidewalk provided by others

TOTAL $4,100.05

Please sign and return for acceptance

Signature: ___________________________  Title: _____________________  Date: 07/01/2023

Print Name: Allison Kadas

Acceptance of Proposal:
I accept this proposal and its terms in their entirety, BOSS Mechanical, Inc. and the General Contractor/Owner agree to the amounts, terms, and conditions stated above. A verbal notice to commence work, with or without a signed contract, shall constitute a binding agreement to all terms and conditions stated above. Any dispute arising from this contract (excluding insurance matters) shall be settled by binding arbitration in La Plata County, Colorado, with the full cost assumed by general contractor/owner. A deposit may be required upon acceptance of proposal. The remainder per phase will be billed upon completion. The following contract price includes all labor and material necessary to complete the job as specified above. Should payments not be made within 30 days, interest will accrue at the rate of 1.5% per month. Should these terms not be met and an attorney or collection agency is required, all fees and charges will be paid by you, the contractor and/or homeowner.

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boss Mechanical, Inc.

This addendum is valid for the next thirty (30) days
## Estimate

**Animas Custom Concrete LLC**  
1242 Highway 550  
Durango, CO 81303 US  
970-759-7343  
animascustomconcrete@gmail.com

<table>
<thead>
<tr>
<th>ADDRESS</th>
<th></th>
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</table>
| Service Men LLC  
Chris Burgess |  |

<table>
<thead>
<tr>
<th>SHIP TO</th>
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</table>
| Service Men LLC  
Summit Fitness, 153 E. 15th St.  
Durango, CO 81301 |  |

<table>
<thead>
<tr>
<th>ESTIMATE #</th>
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<th></th>
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<tr>
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<td>Wire Mesh</td>
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<td>50.00</td>
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</table>

Replacing 4 squares of sidewalk, where the tree has lifted the concrete. Reset grade to remove trip hazard with out disturbing tree root system. Have Chris Johnson with the city of Durango call Dan Varner at 970-759-7343 should they need more information.

| SUBTOTAL | 3,150.00 |
| TAX      | 0.00     |
| TOTAL    | $3,150.00 |

Accepted By:  
Accepted Date:
Community Development Commission STAFF REPORT

PUBLIC HEARING DATE
March 25th, 2024

PROJECT NAME
Anthus Park Coffee Re:New Grant

PROJECT STAFF
Tommy Crosby

PROJECT NUMBER

PROJECT TYPE
Re:New Grant Application

APPLICANT (PROPERTY OWNER)
Aimee Beauregard (David Fountain is property owner)

PROPERTY ADDRESS/LOCATION
802 Camino del Rio, A, Durango, CO 81301

PROJECT SUMMARY
The applicant seeks to add 24 square feet to the existing coffee kiosk. The new space will match the current design of the kiosk. Electric panel will be relocated to the north wall and updated to meet current State of CO electrical code. The updates will allow the business owner to add a small kitchen and a soft serve ice cream machine, in turn generating additional sales for the business. The grant request is for $5,000.00.

Evaluation Guidelines
1) Overall Impact – This is a high impact grant for a business of this size.
2) Compatibility with advancing goals of the Design Guidelines- All updates are in line with current design guidelines.
3) Visual Impact – The addition will have minimal impact and done to match existing aesthetic.
4) Quality of the proposal- The applicant is eligible for the grant, meets all the grant requirements, and submitted a complete application.

Eligibility
- Project is eligible for the Re:New grant
- Project is visible from the public right of way
- Project is in the Camino del Rio Character District.
- Project complies with Durango’s Downtown Design Guidelines and the Land Use and Development Code (LUDC).

Project Details
- Property Owner: David Fountain
- Business: Commercial
- Lease Expiration: 2029
- Type of Improvement: Minor addition.
- Funding Request: $5,000.00
- Total Project Cost: Exterior estimate: $11,500.00
- Estimated Construction Timeline: March – April 2024
RECOMMENDED MOTION

Move to approve the RE:NEW grant application for Anthus Park Coffee for $5,000.00.

<table>
<thead>
<tr>
<th>ATTACHMENTS</th>
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<tr>
<td>Bid(s)</td>
<td>☒</td>
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<tr>
<td>Color photo of the existing conditions</td>
<td>☒</td>
</tr>
<tr>
<td>Approvals</td>
<td>☒</td>
</tr>
<tr>
<td>OTHER: ____________</td>
<td>☐</td>
</tr>
<tr>
<td>Color Renderings of scope of work</td>
<td>☐</td>
</tr>
</tbody>
</table>
City of Durango Re:New Grant

Take your property improvement project to the next level with the RE:NEW Grant!

Click "Next" in the bottom right corner to access the application.

1. Enhance the unique character of Durango’s Character Districts.
2. Support Durango business and property owners.
3. Catalyze economic activity while building the tax base.

The RE:NEW Grant is a 1:1 matching grant of up to $5000 for improvements to properties which are visible from the public right-of-way. This incentive program allows the City to help local businesses while leveraging private investment to achieve the goals of the Durango Districts Initiative. Through the Durango Districts initiative, the community will create a unique vision and plan for 10 different mixed-use areas. These community created visions will guide future development allowing the City to be proactive versus reactive as our City experiences growth pressures.

Currently, some of the buildings and properties in the Districts are in need of investment. This grant invites businesses and property owners to help achieve the community vision for these areas by joining the effort to revitalize these essential corridors. Learn more at www.districts.durangogov.org

The RE:NEW Grant is a 1:1 matching grant. The City’s match may be a maximum of $5,000. Improvements must be visible from the public right-of-way and contribute to the unique character of the District. This is a reimbursement grant and payments will be made to property owners after the work is completed. Grants are awarded on a first-come, first-served basis and all applications must be submitted before November 1st. Projects must be completed by year end. Applications are reviewed by City staff and the final decision is made by the Design Review Board.

Funds are awarded based on professional design concepts and distributed after the project is completed. The Design Review Board will evaluate applications based on:

1. Overall impact
2. Compatibility & advancement of Design Guidelines
3. Visual impact from right of way
4. Quality of proposal

1. Commercial and mixed-use property owners located in one of Durango’s Character Districts.
2. Business owners located in one of Durango’s Character Districts, with a minimum of two years remaining on their lease and written approval from the property owner.
Façade improvements such as awnings, windows, and adding appropriate exterior materials
New or updated signage
Outdoor seating areas, performance venues, plazas, and other gathering spaces
Sidewalks, curbs, gutters, ADA compliant ramps • Landscaping including street trees
Exterior painting and murals
Professional Services (i.e. Artists, Architects)

What is the RE:NEW grant?
The RE:NEW Grant is a 1:1 matching grant of up to $5,000 for improvements to buildings or properties which are visible from the public right-of-way. This program is available to businesses and property owners in one of Durango’s Character Districts. The goal of this program is to incentivize and leverage private improvements in order to enhance the character of the district.

Who can apply for funding?
1. Commercial and mixed-use property owners located in one of Durango’s Character Districts.
2. Business owners located in one of Durango’s Character Districts, with a minimum of two years remaining on their lease and approval from the property owner.
3.

What type of improvements are eligible?
New Projects - This program is only available for new projects. Applications must be submitted prior to the start of the project.
- Projects that are visible from the public right of way. Can a pedestrian see these improvements walking down the sidewalk?
- Façade improvements such as awnings, windows, and adding appropriate exterior materials
- New or updated signs
- Outdoor seating areas, performance venues, plazas or other gathering spaces
- Sidewalks, curbs, gutter, ADA compliant ramps
- Landscaping including street trees
- Exterior paint and murals
- All projects must comply with the City of Durango’s Design Guidelines and applicable land use standards.

Evaluation Guidelines
Funds are awarded based on professional design concepts and distributed after the project is completed. The Design Review Board will evaluate applications based on:
1. Overall impact
2. Compatibility with and advancing goals of the Design Guidelines
3. Visual impact
4. Quality of proposal

How does the application process work?
Applications are accepted on a rolling basis from January 1st to November 1st or until grant funds run out. All projects must be completed by December 31st. Grants are reviewed and approved monthly at the Design Review Board Meeting. The Design Review Board meets the 2nd Wednesday of each month. Applications must be submitted by the 20th of each month.

Process:
1. Pre-application meeting to determine eligibility
2. Business or property owner submits an application
3. Staff reviews the application for eligibility and completeness
4. Design Review Board reviews and determines funding
5. Business or property owner completes the project
6. Business or property owner requests reimbursement by providing receipts and photos of completed work
7. Staff reviews and processes the reimbursement request. Reimbursements can take up to 30 days.

How does the funding work?
This is a matching grant, meaning for every $1 the applicant pays, the City of Durango will pay $1, with a maximum grant contribution of $5000. This is also a reimbursement grant. Applicants will not receive the funding until all the work is completed and receipts are provided. After a reimbursement request is filed, it can take up to 30 days to receive funding.
Are there any Design Guidelines?

- The City of Durango has Commercial Design Guidelines for applicants to follow: [http://www.durangogov.org/DocumentCenter/View/7074](http://www.durangogov.org/DocumentCenter/View/7074)
- In addition all projects must comply with Land Use and Development Code. [http://online.encodeplus.com/regs/durango-co/](http://online.encodeplus.com/regs/durango-co/)
- For information pertaining to signs and sign permits go to: [http://online.encodeplus.com/regs/durango-co/doc-viewer.aspx#secid-8](http://online.encodeplus.com/regs/durango-co/doc-viewer.aspx#secid-8)

What happens after a project is selected for funding?

Projects awarded funding from the RE:NEW Grant must be completed within 90 days of approval - unless otherwise approved by the Design Review Board. All projects must be completed by December 31st. The applicant is responsible for obtaining all necessary permits and ensuring the work is in compliance with City code.

Submitting Applications

Note all applications are due by 4:00 pm on the 20th of each month. Applications are open from January 1 to November 1. Submit all applications using the online form.

Additional questions?

Email: tommy.crosby@durangogov.org or call 970-375-4855

<table>
<thead>
<tr>
<th>Name</th>
<th>Aimee Beauregard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>03/11/2024</td>
</tr>
<tr>
<td>Email Address</td>
<td><a href="mailto:2015doingit@gmail.com">2015doingit@gmail.com</a></td>
</tr>
<tr>
<td>Phone Number</td>
<td>970 759 6108</td>
</tr>
<tr>
<td>Address</td>
<td>361 S Camino Del Rio #178</td>
</tr>
<tr>
<td>City</td>
<td>Durango</td>
</tr>
<tr>
<td>State</td>
<td>co</td>
</tr>
<tr>
<td>Zip Code</td>
<td>81303</td>
</tr>
<tr>
<td>Applicant Is:</td>
<td>• Business Owner</td>
</tr>
<tr>
<td>Business Name</td>
<td>Anthus Park Coffee</td>
</tr>
<tr>
<td>Business Address</td>
<td>802 Camino Del Rio</td>
</tr>
<tr>
<td>Business Address 2</td>
<td>A</td>
</tr>
<tr>
<td>City</td>
<td>Durango</td>
</tr>
<tr>
<td>State</td>
<td>Co</td>
</tr>
<tr>
<td>Zip Code</td>
<td>81301</td>
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<td>Type of Business</td>
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<tr>
<td>Years in Business</td>
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<tr>
<td>Years at Current Location</td>
<td>30</td>
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<tr>
<td>--------------------------</td>
<td>----</td>
</tr>
<tr>
<td>Lease Expiration Date</td>
<td>2029</td>
</tr>
<tr>
<td>Property Owner Name</td>
<td>David Fountain</td>
</tr>
<tr>
<td>Property Owner Email</td>
<td><a href="mailto:Davidffountainf@gmail.com">Davidffountainf@gmail.com</a></td>
</tr>
<tr>
<td>Property Owner Phone</td>
<td>970 759 5462</td>
</tr>
<tr>
<td>Type of Improvement</td>
<td>Adding to 4ft to building to allow a small kitchen and soft serve ice cream machine. Interior will have 4 sinks water system prep table small over ice cream machine and mixer</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$11,500.00</td>
</tr>
<tr>
<td>Does this project have all necessary permits and approvals to take place?</td>
<td>Yes city staff has approved design</td>
</tr>
<tr>
<td>Funding Request ($5,000 Max)</td>
<td>$5000</td>
</tr>
<tr>
<td>Proposed Improvements</td>
<td>Removing existing south wall and extending building 4 feet. Addition will be 2x4 construction, with a Pro panel roof and matching exterior wall finish. Existing electrical panel will be removed, relocated to the north exterior wall and updated meeting all codes. Additional outlets will be added to interior.</td>
</tr>
<tr>
<td>Project Timeline - Start Date</td>
<td>03/28/2024</td>
</tr>
<tr>
<td>Project Timeline - End Date</td>
<td>04/05/2024</td>
</tr>
<tr>
<td>Bid #1: Company</td>
<td>Matt Gauthier Construction</td>
</tr>
<tr>
<td>Amount</td>
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<tr>
<td>Bid #1</td>
<td>bid on estimate 2.docx</td>
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<tr>
<td>Bid #2 Company</td>
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</tr>
<tr>
<td>Two color photos of existing conditions</td>
<td>0</td>
</tr>
</tbody>
</table>
Color rendering of scope of work

Additional files

- 802 Camino del Rio Anthus Park Coffee Design Review Approval.pdf
- Drawing of Anthus .pdf

Applicant Signature

After providing your signature above, click the green submit button below and your application will be uploaded!

Next steps:

- You will be emailed a copy of your application once you press the submit button.
January 23, 2024

TO: Aimee Beauregard
CC: Jackie Cox
FROM: Savannah Lytle, City Planner
RE: 802 Camino del Rio Addition Design Review Approval

Thank you for the Design Review submittal for the small addition at 802 Camino del Rio. The project was administratively reviewed and approved by staff.

Based on the plans submitted January 23, 2024 City staff issues this memo as Design Review approval for this project with the following condition:

1. Work shall be executed exactly as represented on the drawings and described in the narrative. No change may be made during construction without prior approval.

A copy of the plans will be kept in the file related to this project (#24-0008).

Any changes to the approved plans must be submitted for review.

Please contact me if you have questions or need additional information.
Anthus Park Coffee
DURANGO CO, 81301

CONTRACTOR: Matt Gauthier Construstion
PO Box
Durango , CO

Framing - Demo existing East exterior wall & haul waste away
  *Frame 4’ x 5’ addition meeting all local building codes
  *Install Smart siding on addition/painted by others to match
  *Install pro panel roof on addition. (Color picked by owner)
  *Install interior wall/ceiling finishes (TBD)

Estimated Framing LABOR = $ 6,000

ELECTRICAL – Work to be done by TAYLOR ELECTRICAL / Randall Taylor
  *Remove & Re place existing panel
  *Re locate existing ground & Panel to new north wall
  *Bring existing outlets up to code
  *Add outlets and trim interior/ new and existing

Estimated Electrical costs = $5,500

ESTIMATED TOTAL = $11,500
Move to recommend approval of the proposed Text Amendments to Chapter 5 Article 5-4 of the LUDC and the Fair Share Administrative Manual with the finding that the proposal complies with the criteria for text amendments as described in the LUDC.
HISTORY/BACKGROUND

Background
Staff is providing an improved and updated Fair Share program to modernize the City’s inclusionary zoning policy. The update is designed to provide better affordable and attainable housing opportunities by adding rental development to Fair Share, including the tools to create housing partnership opportunities, changing fee-in-lieu calculation methods and generally reemphasizing the need for built units as the first option for developers. Staff brought a limited suite of Fair Share amendments before Planning Commission in October 2023 with the goal of providing more flexibility in working with developers and utilizing Housing Incentive Funds to facilitate unit construction. The Fair Share Ordinance is a part of the Land Use Development Code (LUDC) Chapter 5 Article 5-4 Fair Share Housing.

Since the adoption of the Fair Share program in 2009, approximately $1.32 million dollars in fees-in-lieu have been collected by the City. The fee-in-lieu payments have primarily been passed through to HomesFund, and Regional Housing Alliance (RHA) before that, for use in assisting buyers with downpayment assistance loans for market rate homes. Forty-one homes have been purchased using these funds, and $500,000 was used for the resident purchase of the Animas Mobile Home park.

The City has consistently heard from the development community that Fair Share is complicated, and these proposed changes streamline the code, provide transparency and standardization, and simplify administration. The most significant changes, however, are designed to get Fair Share units built. The proposed changes currently before the Community Development Commission (CDC) constitute a new program that includes both incentives and requirements with the aim of getting units created. The proposed updates include:

- Changing the set aside requirement from 16% obligation to 12%. The obligation may still be met by either building affordable units, paying a fee-in-lieu or donating land.
- Rental developments are now subject to Fair Share requirements.
- Changing the fee calculation methodology to align better with the actual cost of building units.
- Reemphasizing that building units is the priority for Fair Share.
- Providing more options for applicants to build Fair Share units.
- Adding incentives such as development fee offsets, density bonuses and parking reductions to get built units.
- Simplify administration by replacing the tiered system of affordability, which had four price levels, by using average Area Median Income (AMI) instead.
- AMI averages are, unless otherwise noted, 100% for ownership and 80% for rental.

The City uses two documents to administer the Fair Share program—the LUDC’s Fair Share Ordinance and the Fair Share Administrative Manual. The Fair Share Ordinance establishes the rules and policies for the program, and amendment of the Ordinance requires public hearings before both the CDC and City Council. The Administrative Manual contains the financial and implementation procedures, and other details needed to administer the program daily. The Manual must be responsive to changing market conditions, housing cost and income data and is subject to annual changes.

These Fair Share updates require substantial changes to the Ordinance and to the Manual. Another change staff is proposing is streamlining the process for updating the Manual, so that it can occur administratively at the staff level, with updates to Council summarizing any changes. The changes and new Fair Share program will go into effect on October 1, 2024, to give the City time to develop the capacity and administrative processes, largely consisting of support from community partners including HomesFund and Housing Solutions for the Southwest, needed to administer the retooled program.

Code Amendment Development Process
In 2022, the City received $120,000 from the Department of Local Affairs HB21-1271 Affordable Innovative Strategies Planning (IHOP) grant to hire consulting help for the Fair Share update. The City released a Request for Proposals in December 2022 and selected Root Policy Research as its consultant. Root Policy was tasked with an analysis of the Fair Share program, options for revising the program, community engagement efforts and updating the Fair Share Administrative Manual. Clarion Associates, in conjunction with the City and Root Policy, rewrote the LUDC code language.

Root Policy Research, based in Front Range, has worked with dozens of local governments across the nation on a range of issues and has a specialization in housing plans and assessments including inclusionary zoning. Clarion Associates is a national land-use consulting firm with expertise in creating new land use codes and approaches.
Housing Overview and Terms
Fair Share contains numerous esoteric terms and concepts. The following section defines these terms to help readers of this report more easily understand the content.

Affordable Housing – Refers to housing that is affordable to households with incomes at or below 80% AMI (adjusted for household sizes).

Attainable Housing - Refers to housing that is affordable to households with incomes above 80% of AMI but not exceeding 125% AMI (adjusted for household sizes).

Area Median Income (AMI) – Refers to the median income for La Plata County, Colorado as adjusted for various household sizes and published and revised periodically by the U.S. Department of Housing and Urban Development (HUD).

Fee in Lieu Payments - Fee-in-lieu is a fee paid by a developer to fulfill the Fair Share obligation in lieu of building a housing unit. The fee is calculated with a formula using multiple criteria such as housing prices, interest rates and local incomes.

Inclusionary Zoning - Refers to municipal and county planning ordinances that require or provide incentives when a given percentage of units in a new housing development be affordable by people with low to moderate incomes.
  - Prior to adoption of HB21-1117 in 2021, IZ programs could only be applied to for-sale housing in Colorado due to strict limitations on local rent control policies. They can now include rental and ownership.
  - In Colorado, at least 16 communities have IZ programs, and there are nearly 1,000 nationwide.

Community Engagement
City staff and Root Policy created a public engagement strategy using stakeholder groups with community members with development expertise, as well as public meetings and online comments. Mollie Fitzgerald, from Root Policy, conducted meetings with three stakeholder groups as well as one-on-one interviews. The summaries are classified by stakeholder perception of housing market needs, perceived barriers to residential development, perceptions of the current Fair Share program, development incentives desired by stakeholders and other proposed solutions. Some of the key findings include:
  - Market-rate developers and real estate stakeholders indicated a high demand for “in-town” options priced below $500,000. Affordable housing producers and advocates highlighted an acute need for rental units serving households with incomes below 60% AMI, and the need for rental options between 60% AMI and market-rate prices—somewhere between 80% and 100% AMI.
  - Developers are concerned that the Fair Share Ordinance places the burden of addressing housing needs on new development—and specifically on developers—rather than spreading responsibility across the entire community. To that end, many developers would prefer to see the City pursue a broad-base tax to fund housing (e.g., sales tax or property tax) rather than a targeted fee or requirements on new development.
  - Some expressed concern that fair share policies may push developers to avoid Durango and look for opportunities outside the City in the unincorporated County. Other developers were dismissive that this would occur because infrastructure costs are so high in the County and the approval process lacks transparency.
  - Simplification of Fair Share requirements and compliance is critical. This comment applied primarily to the Tiers specified in the current fair share program, which developers found confusing, but was also emphasized as applicable if the City desires to expand the program to rental developments.
  - If the City desires to expand the program to rentals, developers emphasized both simplicity but also support for property management and income qualification of tenants.
  - Affordable housing providers and advocates are interested in expansion of Fair Share to rental developments and would like to see affordability targets near 60% AMI, a term longer than 10 years, a variety of bedroom sizes, and allowance for some floating units.
  - There was broad support for additional incentives and offsets for compliance with building Fair Share units. Developers generally prefer incentives that fully offset or even exceed the cost of compliance.
  - Stakeholders also expressed a desire for increased transparency and strategy in how the fees-in-lieu are used (e.g., tie the spending priorities to a Citywide housing plan).
  - Developers and affordable housing advocates both agreed the Fair Share program should include more flexibility to be responsive to market changes, community changes, and economic shocks.
Developers noted that there is a “subsidy gap” between about 80% AMI and 120% AMI. The perception is that federal subsidies are concentrated below 60% AMI (for rental) and 80% AMI for ownership products, but that market-rate production can’t achieve price-points below 120% AMI with current construction and financing costs. As such, subsidies are also needed from 80% to 120% AMI.

Other incentives that were suggested by developers that agree to build Fair Share units include prioritized review, fee waivers/rebates, infrastructure subsidies, density bonuses and parking decreases. The use of land banking and modular housing were also cited as approaches that would reduce housing costs. As a condition of the City opting into Proposition 123, a state funding program for affordable housing, Durango must fast track approvals for affordable housing projects beginning in 2027.

On December 5, 2023, City staff and Root Policy hosted a community forum to discuss the recommended changes to the Fair Share program. Twenty people attended the forum. The City also put on the Connect & Engage webpage as an additional opportunity for online feedback, with 12 commenting. Online commenters were given both ranked lists of options and open-ended questions. For the ranked list questions, most respondents selected, as the most important changes needed to Fair Share, the building of units, as opposed to paying fee-in-lieu payments, and not creating barriers to attainable housing. Another question related to offering developers more flexibility in meeting Fair Share obligations, with the most respondents interested in being exempted from Fair Share for building attainable housing. A summary of this supplemental stakeholder feedback is attached. (Attachment 5). The Root Policy Review & Recommendations (dated 11/20/2023) contains a full analysis.

PROPOSED AMENDMENTS

The proposed Text Amendments are in LUDC Article 5-4, Fair Share Housing, and in the Fair Share Administrative Manual. Specific changes are summarized below, and the Ordinance and Manual are attached to this report. The proposed code language is an expansion of the program, as it will now apply to rental property. In 2021, the Colorado General Assembly and Governor Polis approved HB 12-1117, which for the first time allows inclusionary zoning to apply to rental development in Colorado. One caveat of HB 21-1117 was that local governments must provide a menu of options to the developer to comply with the rental requirement. The options include the fee-in-lieu and land donation.

Fair Share Ordinance Changes

Fair Share Obligation

Changes to the Fair Share obligation include the percentage of units to be provided and the threshold for triggering the requirements. The trigger for Fair Share has been raised from 4 units to 9 units for several reasons. The City is including rental development in Fair Share, and rental Fair Share has a larger administrative component than ownership because rental units change hands faster, requiring more work per housing unit over time. Rental developments also are usually larger than ownership development, i.e. an apartment complex with 150 units compared to a townhouse development with 40 houses, so there are more affordable units to administer. The Housing Innovation Division has developed a partnership for administration with Housing Solutions of the Southwest and HomesFund.

The City contemplated having different thresholds for ownership and rental requirements (perhaps 9 units for ownership and 50 units for rentals) to reduce the administrative burden of rental management. One of the City’s consultants, who is both a land use attorney as well as a planner, advised the City that it would be more prudent to have the same threshold for ownership and rental units, and having a higher threshold for rental units was ruled out. Staff settled on 9 units because 12% of nine is 1.08, opening the possibility of getting built units in every development subject to Fair Share.

The City reduced the Fair Share obligation from 16% to 12%, also to increase opportunities to get built units. This adjustment, in tandem with changes in how fees are calculated (explained below) more closely aligns the relative costs of building units with paying the fee-in-lieu. Paying the fee has been by far the most common option because it is currently cheaper than building a unit. The new Fair Share program reduces the obligation to 12%, but increases the fee, providing a more comparable choice.

<table>
<thead>
<tr>
<th>Fair Share Units to Be Provided</th>
<th>Fair Share Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trigger</td>
<td></td>
</tr>
<tr>
<td>Current Requirement</td>
<td>16%</td>
</tr>
<tr>
<td>New Requirement</td>
<td>12%</td>
</tr>
<tr>
<td>4 units</td>
<td>9 units</td>
</tr>
</tbody>
</table>
Fee Calculation Method
When fees are less than the cost of building units, developers are incentivized to pay the fee rather than build units, resulting in revenue generation but few Fair Share units. Fees comparable to construction costs are more likely to result in the goal of built units. The two most common methodologies used to calculate potential fee-in-lieu options for inclusionary programs are:

- The Affordability Gap Method—a fee based on the difference in price between market-rate units and affordable units; and
- The Development Cost Method—a fee based on the actual cost (or subset of costs) to develop affordable units. This is the method the City will use.

Durango’s Fair Share program currently uses the Affordability Gap Method, but the City proposes to use the Development Cost method to reinforce the priority of getting built units. The development cost method bases fees on the actual cost to develop affordable units. The idea behind this fee is that if the market-rate developer chooses not to build the inclusionary units, they should fund the full cost of the City developing such units.

Another reason to emphasize building units is how the rapid growth in housing prices is for Durango which impacts the Affordability Gap Method and calculation Fair Share fees. When the Fair Share program began the gap between what a family could afford as a down payment, compared to the required down payment, could largely be bridged with a $25,000 loan from RHA or HomesFund. That gap grew to $50,000 and now it is hundreds of thousands of dollars. In fact, the City froze the Fair Share fee-in-lieu amounts in May 2022 because the new figures in 2023 would have made development cost prohibitive. The 2024 amounts are even larger, as shown in the table below. The City will not keep the current Affordability Gap Method formula—and the bottom line of the table shows why—but instead is changing how fees are calculated with the Development Cost Method, and reemphasizing getting built units. Note that the existing method uses the average number of bedrooms per unit in a development as a basis for the fee, but the new method eliminates that consideration.

<table>
<thead>
<tr>
<th>Fee-In-Lieu for two Hypothetical 50-unit developments, with 2 and then with 3 bedrooms</th>
<th>2 Bedrooms</th>
<th>3 Bedrooms</th>
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<tr>
<td>2022 Requirement</td>
<td>$1.26 million</td>
<td>$1.77 million</td>
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<tr>
<td>2024 Requirement (with current method)</td>
<td>$2.58 million</td>
<td>$6.01 million</td>
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<tr>
<td>Proposed New Development Cost Method</td>
<td>$2.61 million</td>
<td></td>
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</tbody>
</table>

Based on the Development Cost Method, Durango could consider a fee in lieu of up to $434,307 per Fair Share unit required on for-sale developments and $398,809 per unit required on multi-family developments for rental, condominiums, and townhomes. This is the method the City proposes to use for Fair Share calculations. The alternate method using Affordability Gap calculation is based on the difference in price between market-rate units and affordable units but does not reflect the actual cost to build a unit. The Development Cost Method is more accurate and helps standardize the Fair Share fee-in-lieu.

Figure V-7.
Affordable Single Family Unit Development Cost

Note: Finished lot cost includes utilities/fees; sales commission assumes 3.5% on a home price affordable to 80% AMI.

Source:
Marshall and Swift Construction Estimates, NAHB

Root Policy used data from the National Association of Homebuilders and Marshall & Swift Construction Data to produce these figures. These numbers are reflected in the following chart from the Feasibility and Recommendations document.

Addition of Rental Development
Since the Great Recession of 2008, most new housing in Durango has been multi-family apartments (rental development), with construction of large apartment complexes like Rocket Pointe, Confluence, and the Gauge, with more projects in the new development pipeline. Now that it is legal to have rental inclusionary zoning in Colorado, the City proposes to have it. Fair Share expands the scope of the program to include rental developments into lower AMIs—a more equitable approach—with the City’s program to target an average of 80% AMI. Fair Share ownership units will target an average of 100% AMI.
The table below shows how households are divided into size and tiers, based on income. The new Fair Share program will eliminate the tiers and replace it with building units to average 80% and 100% AMI for most Fair Share housing.

<table>
<thead>
<tr>
<th>Income Tiers</th>
<th>Max Ami 1</th>
<th>2</th>
<th>3</th>
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<th>5</th>
<th>6</th>
<th>7</th>
<th>8+</th>
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<tbody>
<tr>
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<td>$86,240</td>
<td>$86,360</td>
<td>$74,880</td>
<td>$83,120</td>
<td>$89,940</td>
<td>$96,480</td>
<td>$109,120</td>
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<td>Tier 2</td>
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<td>$88,930</td>
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<td>$114,570</td>
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<td>Tier 3</td>
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<td>$103,960</td>
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<tr>
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<td>$129,875</td>
<td>$140,375</td>
<td>$150,750</td>
<td>$161,125</td>
<td>$171,500</td>
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</table>

The biggest challenge for rental Fair Share is the ongoing administration—units turn over faster than ownership units and this includes maintaining a waitlist of interested tenants, income qualifying annual compliance checks, and ensuring tenants meet the rental restrictive covenant terms. The administrative resources needed for the rental program is one of the main reasons the new ordinance would not go into effect until October 1, allowing the City and its partners time to develop how those processes will work.

Reorganization to Emphasize Policy Goals
The initial intent of Fair Share was to have developers build units. Options to pay the fee-in-lieu or donate land are technically classified as alternative compliance options. Per State Statute, it is a requirement to offer alternatives to built units, but the primary goal is actual built units. Over time, paying the fee-in-lieu has become the default option. The changes to the number of units triggering Fair Share, the percentage obligation and how the fees are calculated are all designed to encourage units to get built. These ‘sticks’ are combined with the ‘carrots’ listed in the following bullet points to get those units created.

Developer Incentives
Making a profit from market rate development, much less discounted housing, is challenging in Durango. The availability of developer incentives is critical if the new Fair Share program is to work as intended. These incentives come in different forms, from code language enabling increased density and reduced parking, to financial incentives, prioritized review, and opportunities for public-private-partnerships.

<table>
<thead>
<tr>
<th>Incentives for Fair Share Units (FSUs)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Code</strong></td>
</tr>
<tr>
<td>Financial Incentives not allowed until recently (Dec 2023), minor development incentives</td>
</tr>
<tr>
<td><strong>New Code</strong></td>
</tr>
<tr>
<td>Parking</td>
</tr>
<tr>
<td>If all units are FSUs, 10% parking reduction for entire development (1/unit min.)</td>
</tr>
<tr>
<td>Density</td>
</tr>
<tr>
<td>If all units are FSUs, in EN zones 30% bonus, in higher density zones 4 units/acre above current limit</td>
</tr>
<tr>
<td>Financial</td>
</tr>
<tr>
<td>City will provide waivers/rebates for development fees, e.g. road and water fees, for built units</td>
</tr>
<tr>
<td>Custom</td>
</tr>
<tr>
<td>On a case-by-case basis, the City will partner with developers to make additional funding sources available (many state or federal funds require local government to be the applicant).</td>
</tr>
</tbody>
</table>

Builders frequently cite parking as one of the biggest causes of housing costs. The City, in 2021, reduced its multifamily parking standards, but is willing to reduce those standards more for affordable housing. Allowing developers to build more units is another way to help development projects become profitable enough to create affordable housing. The parking and density bonuses would apply to rental development where rents would be 100% AMI or less, and 125% AMI or less for ownership units, which are the thresholds for units to be considered Fair Share Units.

Financial incentives from the City for development fees—now allowed after Fair Share (part 1 was adopted December 2023)—can help developers make the decision to provide affordable units. The potential to partner with the City to receive state and federal grants and leverage local funds is also available.

Attainability
Fair Share will not be assessed to projects in which all initial sales prices will be attainable to households making no more than 150% AMI.

The 2023 La Plata County AMIs are included below for reference.

<table>
<thead>
<tr>
<th>AMI Level</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>20% AMI</td>
<td>$14,560</td>
<td>$16,640</td>
<td>$18,720</td>
<td>$20,800</td>
<td>$22,880</td>
<td>$24,840</td>
<td>$26,800</td>
<td>$27,760</td>
</tr>
<tr>
<td>30% AMI</td>
<td>$21,840</td>
<td>$24,960</td>
<td>$28,080</td>
<td>$31,170</td>
<td>$33,260</td>
<td>$35,350</td>
<td>$37,440</td>
<td>$39,520</td>
</tr>
<tr>
<td>40% AMI</td>
<td>$29,120</td>
<td>$33,280</td>
<td>$37,440</td>
<td>$41,600</td>
<td>$45,760</td>
<td>$49,920</td>
<td>$54,080</td>
<td>$58,240</td>
</tr>
<tr>
<td>45% AMI</td>
<td>$32,760</td>
<td>$37,440</td>
<td>$42,120</td>
<td>$46,755</td>
<td>$50,395</td>
<td>$54,035</td>
<td>$57,675</td>
<td>$61,315</td>
</tr>
<tr>
<td>50% AMI</td>
<td>$36,400</td>
<td>$41,600</td>
<td>$46,800</td>
<td>$51,950</td>
<td>$56,100</td>
<td>$60,250</td>
<td>$64,400</td>
<td>$68,560</td>
</tr>
<tr>
<td>55% AMI</td>
<td>$40,040</td>
<td>$45,760</td>
<td>$51,480</td>
<td>$57,145</td>
<td>$62,810</td>
<td>$68,475</td>
<td>$74,140</td>
<td>$79,805</td>
</tr>
<tr>
<td>60% AMI</td>
<td>$43,680</td>
<td>$49,920</td>
<td>$56,160</td>
<td>$62,390</td>
<td>$68,620</td>
<td>$74,850</td>
<td>$81,080</td>
<td>$87,315</td>
</tr>
<tr>
<td>70% AMI</td>
<td>$50,960</td>
<td>$58,240</td>
<td>$65,520</td>
<td>$72,790</td>
<td>$79,060</td>
<td>$85,330</td>
<td>$91,600</td>
<td>$97,870</td>
</tr>
<tr>
<td>80% AMI</td>
<td>$58,240</td>
<td>$66,560</td>
<td>$74,880</td>
<td>$83,120</td>
<td>$91,360</td>
<td>$99,600</td>
<td>$107,840</td>
<td>$116,080</td>
</tr>
<tr>
<td>90% AMI</td>
<td>$68,160</td>
<td>$78,040</td>
<td>$88,920</td>
<td>$98,705</td>
<td>$108,585</td>
<td>$118,465</td>
<td>$128,345</td>
<td>$138,225</td>
</tr>
<tr>
<td>100% AMI</td>
<td>$77,880</td>
<td>$89,200</td>
<td>$100,640</td>
<td>$111,970</td>
<td>$123,295</td>
<td>$134,625</td>
<td>$145,950</td>
<td>$157,285</td>
</tr>
<tr>
<td>110% AMI</td>
<td>$80,080</td>
<td>$91,520</td>
<td>$100,960</td>
<td>$114,290</td>
<td>$123,875</td>
<td>$133,460</td>
<td>$143,050</td>
<td>$153,635</td>
</tr>
<tr>
<td>120% AMI</td>
<td>$87,880</td>
<td>$99,840</td>
<td>$112,320</td>
<td>$128,680</td>
<td>$138,060</td>
<td>$147,440</td>
<td>$156,820</td>
<td>$166,205</td>
</tr>
<tr>
<td>125% AMI</td>
<td>$91,000</td>
<td>$104,000</td>
<td>$117,000</td>
<td>$129,875</td>
<td>$146,375</td>
<td>$156,750</td>
<td>$166,125</td>
<td>$175,500</td>
</tr>
<tr>
<td>140% AMI</td>
<td>$101,920</td>
<td>$116,480</td>
<td>$131,040</td>
<td>$145,460</td>
<td>$157,220</td>
<td>$168,840</td>
<td>$180,460</td>
<td>$192,080</td>
</tr>
<tr>
<td>150% AMI</td>
<td>$109,200</td>
<td>$124,800</td>
<td>$140,400</td>
<td>$155,850</td>
<td>$165,450</td>
<td>$175,050</td>
<td>$184,650</td>
<td>$194,250</td>
</tr>
<tr>
<td>160% AMI</td>
<td>$116,480</td>
<td>$133,120</td>
<td>$149,760</td>
<td>$166,240</td>
<td>$175,860</td>
<td>$185,480</td>
<td>$195,100</td>
<td>$204,720</td>
</tr>
<tr>
<td>200% AMI</td>
<td>$145,600</td>
<td>$166,400</td>
<td>$187,200</td>
<td>$207,800</td>
<td>$224,600</td>
<td>$241,400</td>
<td>$258,200</td>
<td>$274,400</td>
</tr>
</tbody>
</table>

Presence of Increased Funding
While not a part of the Fair Share Ordinance, the dramatic increase in federal and state funding underscores the breadth of the affordable housing crisis. These funds will be an important part of the incentives needed to get built affordable units and are factored into the development of the new program.

Summary of Fair Share (part 1) Changes from December 2023
The December 2023 changes to the Fair Share program, dubbed Fair Share I, included less extensive changes to make immediate changes. These changes included:

- Eliminated the prohibition of subsidies or incentives to for-profit builders in conjunction with Fair Share projects. Much more state and federal housing funding is now available, and subsidies that facilitate affordable housing and partnerships should be encouraged.
- Cleaned up outdated code language.

Changes to the Fair Share Administrative Manual
The Fair Share program’s overarching goals and policies are contained in the LUDC while the day-to-day operational details are contained in the Fair Share Administrative Manual.

Staff will make need to make changes to the Manual. The Rent and For Sale prices need to be changed annually and will be reflected on the City’s website and in the Manual. Fee-in-lieu amounts also need to be adjusted and incorporated into the Manual as soon as they are released on an annual basis, allowing the Manual to be up to date as soon as possible and as accurate as possible.

LUDC Review Criteria Analysis
Per Section 6-3-13-3 of the LUDC, the following criteria are used in evaluating proposed amendments prior to approving the new code language.

1. The proposed amendments support adopted plans and policies.

Current plans support the proposed amendments, with direct support from the 2023 Strategic Plan and the 2018 Housing Plan. These LUDC Fair Share amendments align with the following:

Durango’s Housing Plan, Action 4.1: “Amend the Fair Share Ordinance to make more effective and easier to administer.”
City Council's Strategic and Operating Plan for AEO: “Create housing opportunities to support a multigenerational & mixed-income community workforce and increase affordability to bridge the disparity between income and home/rental prices.”

- 1.1 Identify and commit resources and revenue towards implementing a long-term plan that encourages housing opportunities for mixed-income demographics with an emphasis on workforce housing.
- 1.1.1 Ensure there is adequate City staff to focus on ways to increase affordable and workforce housing inventory through a variety of mechanisms that include land and infrastructure acquisition (or bank), changes to code, and public-private incentives.
- 1.1.3: “Undertake Fair Share Program review and identify program improvements for implementation.”
- 1.2 Support the production of a variety of housing types through incentives, partnerships, efficient review processes, and other mechanisms with a particular emphasis on middle-income housing.
- 1.2.1 Establish Policies to allow use of Housing Funds to Facilitate Unit Construction.
- 1.2.2 Ensure Land Use and Development Code Alignment Project promotes development of affordable housing by reviewing standards for density, multiple dwelling units, mixed-use definitions, street, and access design, ADUs and conversion of motels to long-term residential rental units.

2. The proposed amendments are consistent with the purposes, requirements, limitations, standards, and criteria of the Article being amended and/or other Articles, Divisions, or Sections within the LUDC.

The amendments update the approach to Fair Share for the current housing construction environment and aligns with the original intent of the Fair Share program to deliver affordable units to Durango residents.

3. The proposed amendment furthers the health, safety, or general welfare of the community.

The proposed amendment will result in more affordable housing, an outcome strongly associated with optimal health and welfare outcomes.

4. The proposed amendment provides for community benefits, such as improved social or economic conditions or opportunities.

As alluded to in the paragraph above, the provision of affordable housing is one of the essential components of a healthy and stable community and is a foundation for improved health outcomes and (for-sale housing) generating wealth for residents.

Staff finds that the amendments meet the criteria outlined above. The proposed changes represent incremental updates that align with City policies, including those from the Housing Plan, Comprehensive Plan, and the Strategic Plan.

SUMMARY AND RECOMMENDED ACTION

Communities across the country with housing affordability and availability crises have looked to Inclusionary Zoning as a part of the solution. As with every other tool available to local governments there is no one thing that will solve the housing problem, but this effort will improve the usefulness of Fair Share in creating housing. The proposed changes are also necessary because of the rapid increase in housing costs, which diminish the usefulness of the program as currently designed. The City is revising the Fair Share program to focus on getting built affordable and attainable units. The revised code language contains new requirements and, for the first time, meaningful incentives to help get the units built.

These updates will help to promote home ownership opportunities and provide affordable housing for the local workforce. The program changes stress the importance of built units by:

- Reducing set aside requirements (number of units owed) but increasing the fee per unit and keeping alternative ways to meet the requirement.
- Adding rental to Fair Share.
- Providing more options for developers to build Fair Share units.
- Adding incentives such as development fee offsets, density bonuses and parking reductions to get built units.
- Simplifying administration by replacing the tiered system of affordability, which had four price levels, by using AMI instead. AMIs are, unless otherwise noted, 80% for rental and 100% for ownership.

ATTACHMENTS:
1. Fair Share Ordinance LUDC
2. Fair Share Administrative Manual draft
3. HomesFund Support Letter
4. Housing Solutions for the Southwest Support Letter
5. Supplemental Stakeholder Engagement Summary

ALTERNATIVE ACTIONS:
The Community Development Commission may:

1. **Recommend approval** of the proposed Text Amendments and changes to the Administrative Manual with the finding that the proposal is consistent with City policies and standards.

2. **Amend** the proposed Text Amendments and recommend approval as stated in #1.

3. **Continue** the item with specific direction to staff.

STAFF RECOMMENDATION:

By motion, Alternative Action #1.
CHAPTER 5 GROWTH MANAGEMENT AND ONGOING COMPLIANCE

ARTICLE 5-4 FAIR SHARE HOUSING

Division 5-4-1 Purpose and Application of Article

Sec. 5-4-1-1 Purpose of Article; Authority; Scope

A. Generally. The purpose of this Article is to establish policies requiring that certain types of new residential developments include a share of affordable housing and attainable housing, or provide alternative means of compliance, as described in this Article.

B. Authority. The City hereby enacts the provisions within this Article requiring the provision of affordable or attainable housing pursuant to:

1. The express statutory authority conferred upon Colorado municipalities to enact ordinances pursuant to its police power (see C.R.S. § 31-15-401, et seq.), to enact zoning ordinances in general (see C.R.S. § 31-15-103), and to enact zoning ordinances regulating the erection, construction, reconstruction, alteration, repair or use of buildings, structures, or land (see C.R.S. § 31-23-301); and

2. Pursuant to any and all such other authority as may be applicable including, but not limited to, the City's home rule authority pursuant to Article XX of the Colorado Constitution, as well as the recognized authority of the City to protect the general welfare of its citizens. The provisions of this Article are adopted pursuant to the City's home-rule power and authority under its municipal charter.

C. Scope. This Article sets out policies governing the following actions by Applicants, developers, possible successors in title, City staff and boards, and program administrators related to development, marketing, sales, and operation of certain real estate developments that are residential, in whole or in part, including:

1. Submission and review of applicable residential development proposals and determining conditions of approval related to the provision of Fair Share Homes or alternate means of compliance;

2. Preparation, review, approval, and execution of Fair Share Agreements between property owners and the City to ensure compliance with this Article; and

3. The authority to enter negotiations pertaining to possible partnerships with Applicants for the purpose of creating affordable or attainable housing, as detailed and updated periodically in the Administrative Procedures Manual.

4. Monitoring the performance of property owners subject to such agreements, and any successors in title that are subject to such agreements or other requirements of this Article, and taking appropriate action in the event of noncompliance.

D. Policy Intent. It is the intent of this Article that built Fair Share homes are the preferred option for Fair Share compliance. City Council may permit alternatives to the provision of Fair Share Homes within a development, as described in Section 5-4-2-2 of this Article. Such alternatives
may be amended periodically and must have a rational basis for achieving similar public benefits to the provision of Fair Share Homes in a development.

Sec. 5-4-1-2 Application of Article; Administration

A. Generally. This Article shall apply as follows:

1. Developments Not Subject to Fair Share Requirements. The provisions of this Article shall not apply to:
   
a. Developments subject to existing affordable-attainable housing agreements with the City.
   
b. Ownership developments with eight or fewer dwelling units.
   
c. Rental housing developments with eight or fewer units.
   
d. A residential development for which the developer has recorded with the Clerk and Recorder of LaPlata County an agreement and/or covenant in form and substance acceptable to the City, ensuring that all initial for sale dwelling units will be sold to their initial buyers at prices affordable to households earning no more than 150 percent of Area Median Income as defined in the Administrative Procedures Manual and will be occupied by that initial buyer as their primary residence for a period of time approved by the City.

2. Developments Subject to Fair Share Requirements. The requirements of this Article shall apply to the following applications and activities:

   a. Any application that is submitted to the City after the effective date of this LUDC in which residential development or subdivision is proposed as follows:
      
      1. Applications for annexation initiated by persons other than the City unless previously subdivided into residential lots and not being replatted.
      
      2. Applications for rezoning, including but not limited to approval of a new Planned Development.
      
      3. Applications for a subdivision plat, including a plat for residential condominiums consisting of existing or new dwelling units.
      
      4. Applications for an increase in residential density for a property that is subject to an approved master plan or development plan.
      
      5. All site-specific development plans related to residential development including, but not limited to, special, limited, and conditional use permit applications.
      
      6. Internal remodels or additions that will result in the creation of more than eight additional ownership units or more than eight rental residential units that would not trigger a site plan review.
b. Land donations to the City or its designee in lieu of on-site construction of Fair Share Homes.

c. Sales of lots to third parties subject to covenants or agreements to build Fair Share Homes on those lots.

d. All newly built residential condominiums or subdivisions of existing multifamily buildings to create condominium units.

e. The construction, marketing, sale, resale, and other transfers of Fair Share Homes.

3. Developments Subject to Fair Share Requirements with Limited Exceptions.

Applications requesting the extension of or connection to City utilities submitted to the City after the effective date of this Article for residential developments located outside the City limits shall be subject to the requirements of this LUDC, as may be limited by the City’s jurisdiction.

B. Administrative Procedures Manual. The purpose of the Manual is to provide more detailed procedures and operational details for the administration, implementation, and enforcement of Fair Share requirements. Amendments to the Administrative Procedures Manual may be approved by the Department provided that notice of the change is provided to City Council and published public notice pursuant to Section 6-3-3-10 is provided within 30 days after each such change. The provisions of the Administrative Procedures Manual shall be binding on applicants and developers to the same extent as if they were fully set forth in this Ordinance.

C. Responsibility for Administration. Responsibilities for administration are as follows:

1. The City or City’s designee shall be responsible for fulfilling all administrative functions of the requirements of this Article, except for those which are specifically described as the responsibilities of the City Council, the City Manager, City departments, or Boards. City’s designee's responsibilities shall be defined in detail in the Administrative Procedures Manual.

2. The Department shall be responsible for reviewing Applicants' proposals for compliance with this Article, administering those provisions that permit or require the City to approve waivers or refunds of certain fees, and other administrative functions described in the Administrative Procedures Manual.

3. The City Attorney's office shall be responsible for providing legal assistance to City departments and Boards with regard to this Article.

4. The Community Development Commission shall be informed about Fair Share Proposals, as part of the Commission’s normal process of reviewing development proposals.

5. The City Council shall take into account the recommendations of the Department and shall not withhold approval of a proposal for the provision of affordable or attainable housing that complies with the requirements in this Article and the companion Administrative Procedures Manual. Notwithstanding any other provisions of this Article,
the City Council has the discretion to approve special compliance provisions for
development projects with regard to unique circumstances that were not contemplated
in this Article or the Administrative Procedures Manual, so long as such special
provisions are reasonable and based upon the intent of this Article.

6. The City Manager shall have the sole authority to execute Fair Share Agreements on
behalf of the City, after approval by the City Council.

7. The Administrator has the responsibility for hearing certain appeals as described
elsewhere in this Article.

Division 5-4-2 Alternative Compliance, and Fees-in-Lieu

Sec. 5-4-2-1 Alternative Compliance

In some circumstances a developer required to provide Fair Share Homes on-site within a development
may be able to offer an alternative means of compliance of equal value to the City. Only certain
alternative means of compliance will be allowed by the City, as approved by the City Council from time
to time, in consideration of the current housing market conditions. Submittal of a Fair Share proposal for
the following types of alternative compliance may be authorized by the Department, and approval of
alternative compliance is subject to City Council approval:

A. Fees-in-Lieu of on-site construction, subject to those terms and conditions listed in Sec. 5-4-2-2
   below;

B. Land donations or sales of lots to third parties subject to covenants or agreements to build Fair
   Share Homes on those lots, subject to those terms and conditions listed in Sec. 5-4-2-3 below;
   and

C. Equivalent compliance approved by the Department pursuant to Sec. 5-4-2-4.

Sec. 5-4-2-2 Fees-in-Lieu

A. **Fee-in-Lieu Alternative.** Subject to limitations described elsewhere in this Article, the following
types of developments are (or may be) subject to paying fees-in-lieu of building Fair Share Homes:

   1. A development required to provide two or fewer Fair Share Homes may, at the
      Applicant’s option, pay a fee in lieu of on-site construction of those homes.

   2. If the calculation of the number of required Fair Share Homes results in a fraction of a
      Fair Share Home (i.e. less than one Fair Share Home), the Applicant shall pay a fractional
      fee-in-lieu for the fraction of a Fair Share Unit required by such calculation if not
      building Fair Share units.

   3. If the calculation of the number of required Fair Share Homes results in whole number
      plus a fraction of a Fair Share Home, and the City Council has approved payment of a
      fee-in-lieu of on-site provisions of Fair Share Homes, the Applicant shall pay a fee-in-lieu
      of each Fair Share Home not provided on site plus a fractional fee-in-lieu for the fraction
      of a Fair Share Unit required by such calculation.
4. Any other type of development for which this Article and the Administrative Procedures Manual allow the Applicant the option of meeting some or all of the Fair Share Obligation by payment of fees-in-lieu.

B. **Calculation of Fees-in-Lieu.** If and when in-lieu payments are allowed by the City, the amounts of such payments for each Fair Share Home not provided on-site will be described in the Administrative Procedures Manual. The methodology used to calculate the fee shall be derived by the housing development cost analysis and formula, creating an estimate of the amount of funds required for the City to acquire land for, provide utilities and services to, and construct the same number of Fair Share Homes that the applicant would otherwise be required to construct on site. The fee-in-lieu amount shall be adjusted each year to reflect changes in the area median income and may also be adjusted to reflect other changes in the costs of providing Fair Share Homes.

C. **Two year validity period.** If the first building permit for a development has not been issued within two years of the recordation of the Fair Share Agreement, then the fees-in-lieu will be recalculated based on current Fair Share fee-in-lieu in effect at the time when the first building permit is issued. If the Fair Share Agreement has not been recorded within two years of a Preliminary Planned development approval by City Council, then the Fair Share fee-in-lieu will be recalculated based on current Fair Share fee-in-lieu in effect at when the first building permit is issued.

**Sec. 5-4-2-3 Land Donations**

The Department may recommend to City Council, and City Council may approve, the donation of serviced or unserviced land as an alternative to on-site construction of Fair Share Homes or payment of a fee-in-lieu of construction of such homes if:

A. The land proposed for donation is suitable for the construction of the same number of Fair Share Homes that the Applicant would otherwise be required to construct, and has approximately equal or better access to jobs, schools, public transportation, and public services as would be provided by on-site construction of the required Fair Share Homes;

B. The value of the land proposed for donation, as established by an appraisal conducted within one year prior to the offer of donation and approved by City Council, equals or exceeds the value of the fee-in-lieu that would be required pursuant to Sec. 5-4-2-3, or the applicant has agreed to pay a fractional fee-in-lieu to make up the difference between the appraised value and the fee-in-lieu payment otherwise required.

**Sec. 5-4-2-4 Equivalent Compliance**

If the Department determines that on-site construction of some or all of the Fair Share Homes is not practicable for reasons that are not caused by and not within the control of the Applicant, the Department may recommend to City Council, and City Council may approve, alternative compliance with the requirements of this Article. Alternative compliance may include a combination of on-site construction of Fair Share Homes, fee-in-lieu payments, land donations, purchasing and income-restricting existing homes to meet Fair Share Home affordability levels, or other housing affordability measures. The Department may only recommend approval of equivalent compliance if the Department
determines that it will provide equal or greater affordable housing benefits to the City, over an equal or longer period of time, than on-site construction of required Fair Share Homes.

Division 5-4-3 Fair Share Agreements

Sec. 5-4-3-1 Fair Share Proposals and Agreements

The provisions of such Fair Share Proposals shall be incorporated in Fair Share Agreements if and when approved by the City. The Administrative Procedures Manual shall set forth requirements and guidance for the preparation of Fair Share Proposals and Agreements.

Sec. 5-4-3-2 Approval of Development Proposals Subject to Fair Share Requirements

No development proposal subject to Fair Share Requirements may be heard by the Community Development Commission unless a Fair Share Proposal has been submitted by the Applicant or the lack of such recommendation has been successfully appealed as set out elsewhere in this Article.

Sec. 5-4-3-3 Execution of Fair Share Agreements

A. Generally. After all development approvals (except for building permits) have been received, the Fair Share Agreement may be executed by the City Manager and the Applicant. The Fair Share Agreement shall be recorded in the offices of the La Plata County, Colorado Clerk and Recorder, prior to any permits being issued or the start of any work.

B. Cross-References and Recording. The Fair Share Agreement shall be referred to and recorded as follows:

1. The Fair Share Agreement shall be referred to in the annexation agreement, development agreement, or the rezoning ordinance and referred to on the annexation plat, final subdivision plat, or final development plan, or other planning approval document, as appropriate. It shall be included as a condition of approval for any extension of or connection to City utilities beyond the City limits.

2. The Fair Share Agreement shall be recorded in the offices of the La Plata County, Colorado Clerk and Recorder, at the time of recording the annexation plat, rezoning ordinance, final subdivision plat, final development plan, or other planning approval document, as appropriate, or prior to issuance of a building permit if the previous documents are not required, in which case a copy of the recorded agreement shall be included with the submittal for a building permit.

Division 5-4-4 Requirements for Providing Fair Share Homes

Sec. 5-4-4-1 Fair Share Home Prices

A. Generally. The sales prices and rental rates of Fair Share Homes (exclusive of closing costs) that are sold to certified, eligible owner-occupants, or rented to eligible occupants pursuant to a Fair Share Agreement shall be at or below certain prices described in the Administrative Procedures Manual.
B. **Pricing and Adjustments**

A. **Factors Considered in Pricing.** Fair Share Home prices shall be determined by using reasonable formulas for calculating affordability, taking into account various factors including, but not limited to, Area Median Incomes calculated by the U.S. Department of Housing and Urban Development, current prevailing interest rates, estimated minimum down payment requirements of lenders, estimated costs of property insurance and real estate taxes, estimated typical costs of homeowner association fees, and a reasonable percentage of income to be spent on these housing costs. A home is generally considered to be affordable if the sales price or rent does not exceed 30 percent of the applicable Area Median Income for a household of that size.

B. **Procedures for Calculating Prices.** The Administrative Procedures Manual shall contain procedures for calculating and updating home prices for purposes of this Article, so that such prices reasonably reflect current market conditions and so that the prices of Fair Share Homes cannot be manipulated by side agreements or added fees.

C. **Adjustments for Number of Bedrooms.** The Administrative Procedures Manual may establish different Fair Share Home Prices depending on the number of bedrooms in the home, based upon reasonable assumptions regarding the space needs of households of various sizes that occupy a Fair Share Home.

D. **Annual Adjustments for Income.** Fair Share Home prices and rental rates shall be updated on an annual basis to reflect the U.S. Department of Housing and Urban Development calculations of Area Median Income for La Plata County households of different sizes.

E. **Compliance with Average Sales Prices and Rental Rates Required.** Applicants may use sales prices and rental rates at any of the income levels shown in the pricing table, provided that the average sales prices and rental rates for Fair Share Homes within the development comply with the average Area Median Income levels required by Section 5-4-4-3 below.

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**Sec. 5-4-4-2 Restrictions on Use of Third-Party Subsidies by For-Profit Builders**

The City will offer financial and zoning incentives for developers opting to build the fair share units. Specific incentives are outlined in the Administrative Procedures Manual. The City encourages the use of such subsidies to reduce prices of Fair Share Homes from the maximum amounts allowed by this Article to a lower price, or to create funding mechanisms to bridge the disparity between market rate and affordable pricing such as but not limited to funding or partially funding down payments, closing costs of Fair Share Homebuyers, or leveraging local funding sources to access state and federal funds. Local nonprofit and government programs will offer such subsidies on some Fair Share Homes. Nonprofit builders and developers may use subsidies to achieve the required Fair Share Home Prices.

**Sec. 5-4-4-3 Required Number of Fair Share Homes; Fractions**

A. **Generally.** In any development that is obligated to fulfill Fair Share Requirements by on-site construction of Fair Share Homes, applicants may satisfy those requirements through compliance with either the Moderate Affordability or the Deep Affordability standards below.

1. **Moderate Affordability**
a) Construct at least 12 percent of the total number of residential dwelling units in the
development as Fair Share units located on the same development site as other
residential dwelling units in the development.
b) For ownership units, the average sales price of all required for sale Fair Share
Housing units in a development shall be affordable to households with an income
equal to 100 percent of area median income, and the maximum sales price of each
individual for sale Fair Share Housing unit does not exceed 125 percent of area
median income.
c) For rental units, the average rent of all required rental Fair Share Housing units in a
development shall be affordable to households with an income equal to 80 percent
of area median income, and the maximum rent of each individual rental Fair Share
Housing unit does not exceed 100 percent of area median income.
d) Execute a Fair Share Agreement documenting compliance with above requirements,
ensuring that the required levels of affordability are maintained for a period of at
least 30 years for rental and perpetuity for ownership of Fair Share homes upon
which the Fair Share home is first sold or rented.

2. Deep Affordability
a) Construct at least 10 percent of the total number of residential dwelling units in the
development as Fair Share units located on the same development site as other
residential dwelling units in the development.
b) For ownership units, the average sales price of all required for sale Fair Share
Housing units in a development shall be affordable to households with an income
equal to 80 percent of area median income, and the maximum sales price of each
individual for sale Fair Share Housing unit does not exceed 100 percent of area
median income.
c) For rental units, the average rent of all required rental Fair Share Housing units in a
development shall be affordable to households with an income equal to 60 percent
of area median income, and the maximum rent of each individual rental Fair Share
Housing unit does not exceed 80 percent of area median income.
d) Execute a Fair Share Agreement documenting compliance with above requirements,
ensuring that the required levels of affordability are maintained for a period of at
least 30 years for rental and perpetuity for ownership of Fair Share homes upon
which the Fair Share home is first sold or rented.

B. Multi-Phased Projects. It is anticipated that in larger developments being built in phases over a
number of years, the number of market-rate homes may not be certain at the time of execution
of the Fair Share Agreement. In such cases, the Fair Share Agreement will include an estimated
number of market-rate homes and estimated required number of Fair Share Homes for the
entire project. If the number of homes in the first phase of such development is certain at the
time of execution of the Fair Share Agreement, then a separate Fair Share Pricing and Delivery
Schedule for that phase shall be incorporated in the Agreement. As the number of homes in
future phases becomes certain, the agreement shall provide for the City or its designee to
administratively approve subsequent Fair Share Pricing and Delivery Schedules for future phases
of the development, consistent with the overall Fair Share Requirements of the development.
The Fair Share obligation for each phase shall be determined at the time of recordation at the time of that phase and shall be valid for a period of two years.

Sec. 5-4-4-5 Delivery Schedules

In a Fair Share Proposal or Fair Share Agreement or as otherwise required by this Article, the Fair Share Pricing and Delivery Schedules shall be in the form of a chart that contains the numbers of required Fair Share Homes.

Sec. 5-4-4-6 Design and Construction of Fair Share Homes

The Administrative Procedures Manual shall define reasonable standards for the design and construction of Fair Share Homes to ensure livability and compatibility with nearby market-rate homes in the development.

Sec. 5-4-4-7 Cost Offsets for Fair Share Developers

A. Generally. In an effort to assist in making residential construction less costly, and therefore more affordable, the City offers the following cost offsets to Fair Share Developers in consideration of their construction and sale of Fair Share Homes, and to the extent that price discounts on such homes are equal to or exceed such cost offsets. These cost offsets do not apply to applications for residential developments located outside the City limits that are requesting the extension of or connection to City utilities.

B. Fee Refunds and Waivers. Developers of Fair Share Homes may be eligible for incentive funding for a proportionate amount attributed to the Fair Share homes of certain development fees paid to the City.

1. Fee offsets and waivers will be made only for fees paid in connection with the on-site construction of a Fair Share Home.

2. Fees paid for, or allocable on a per-dwelling-unit basis to, a Fair Share Home that may be eligible for a fee waiver or refund include but are not limited to: building permit fees; use taxes, land use application fees, water plant investment fees, sewer plant investment fees, water tap fees, school fees, park fees, and major street impact fees.

3. The total amount of fees refunded for construction and sale of a Fair Share Home shall not exceed a fixed amount per Fair Share Home established in the Administrative Procedures Manual. The City may adjust these incentive amounts at any time, but any adjustment shall only apply to developments for which a Fair Share Agreement has not yet been approved by the City.

4. Based on market conditions and available funding, the City Council may approve additional financial incentives for developments providing greater numbers of Fair Share Homes or deeper levels of affordability than those contained in this Article on a case-by-case basis.

C. Zoning Incentives

1. Development Density/Intensity
a. In the Established Neighborhood and Residential-Low zone districts, each development that constructs all required rental or for sale Fair Share Homes on-site may include a number of residential dwelling units (including both Fair Share Homes and other residential dwelling units) that is 30 percent higher than the maximum number of dwelling units that would otherwise be permitted on the property, as determined by the Department.

b. In the Residential-Medium, Residential-High, and Mixed-Use zone districts, each development that constructs all required rental or for sale Fair Share Homes on-site may include a number of residential dwelling units, including both Fair Share Homes and other residential dwelling units) that is 4 dwelling units per acre higher than the maximum number of dwelling units that would otherwise be permitted on the property, as determined by the Department.

2. Minimum Parking Required

In all zoning districts, each development that constructs all required rental or for sale Fair Share Homes on site may reduce the minimum number of on-site motor vehicle parking spaces required for the development as a whole (including both Fair Share Homes and other residential dwelling units) by 10 percent below the minimum that would otherwise be required for the development, provided that at least one parking space is provided for each residential dwelling unit.

3. Administrative Approval

In all zoning districts, each development that is required to construct Fair Share Homes, and that constructs all required rental and for sale Fair Share Homes on site, and that would otherwise require a public hearing before either the Community Development Commission or the City Council, may be approved by the Department Director, provided that the application otherwise complies with all applicable standards and requirements of this Code and applicable City regulations.

Sec. 5-4-4-8 Timing of Compliance

Required fair share units or alternative means of compliance shall be provided in accordance with the following requirements:

A. Timing of Providing Fair Share Homes. In each development in which more than one Fair Share Home is required to be sold, the Fair Share Agreement shall provide for Fair Share Homes to be sold in sequence and in proportion to the sale of unimproved lots or Market Rate Homes. This sequence shall be defined precisely. Such timing of compliance shall be represented in a Fair Share Pricing and Delivery Schedule as described elsewhere in this Article.

B. Earlier Delivery. A developer may sell affordable or attainable units earlier than required in a Fair Share Agreement or a Fair Share Pricing and Delivery Schedule.

C. Timing of Providing In-Lieu Contributions. In-lieu contributions when required or permitted shall be due and deliverable to the City or its designee (as designated in the Fair Share Agreement) before the recordation of the Fair Share Agreement. An Applicant may, at his or her
option, propose an alternative to this requirement in which staged contributions are made upon the predicted occurrence of certain events, such as the sale of lots.

**Division 5-4-5 Fair Share Transactions and Monitoring**

**Sec. 5-4-5-1 Eligible Homebuyers and Renters**

**A. Moderate Affordability**

1. A household eligible to purchase a for sale Fair Share Home meeting the Moderate Affordability requirements shall have an income not to exceed 125 percent of area median income.

2. A household eligible to rent a rental Fair Share Home meeting the Moderate Affordability requirements shall have an income not to exceed 100 percent of area median income.

**B. Deep Affordability**

1. A household eligible to purchase a for sale Fair Share Home meeting the Deep Affordability requirements shall have an income not to exceed 100 percent of area median income.

2. A household eligible to rent a rental Fair Share Home meeting the Moderate Affordability requirements shall have an income not to exceed 80 percent of area median income.

**Sec. 5-4-5-2 Marketing To and Certifying Eligibility of Fair Share Buyers**

**A. Generally.** Fair Share Developers shall market and sell Fair Share Homes in accordance with provisions described in the Administrative Procedures Manual. These provisions will address factors such as household income, accumulated household wealth, preferences for current residents and workers in La Plata County, waiting list management, marketing materials, responsibilities for marketing Fair Share Homes, inability to identify qualified buyers, procedures for certification of buyer eligibility, purchase contracts, and full disclosures to buyers of their obligations and rights under this Article.

**B. Authorization of Reasonable Adjustments.** A reasonable and prudent method of qualifying and certifying Fair Share Homebuyers and renters as eligible to buy Fair Share Homes will be used and described in the Administrative Procedures Manual. With regard to determining qualifying incomes of prospective Fair Share Homebuyers, such method may (but is not required to) make adjustments for such household financial circumstances, such as extraordinary medical expenses, dependent care expenses, and ownership of significant non-income-producing assets.

**Sec. 5-4-5-3 Filing of Deed Restrictions and Liens; Escrow Instructions**

A Fair Share Developer selling or renting a Fair Share Home shall cause to be recorded in the offices of the La Plata County, Colorado Clerk and Recorder, simultaneous with the recording of the deed of conveyance, a form of deed restriction, restrictive covenant, deed of trust, or other legal instrument, approved by the City or its designee, that fulfills long-term affordability controls described in this Article.
Sec. 5-4-5-4 Monitoring of Eligibility, Sales, and Rentals

A. General. City or City’s designee will monitor the eligibility of each potential buyer or renter of a Fair Share Home, and shall monitor each resale of a for sale Fair Share Home and each change of tenant for a rental Fair Share Home to ensure that the household incomes, sales prices, and rental rates used in each such event comply with the affordability levels required by Section 5-4-4-2 and 5-4-5-2 above.

B. Eligibility of Fair Home Buyers and Renters. The City or City’s designee shall certify buyer and renter eligibility and administer waiting lists and preferences for residents and workers in La Plata County, as described in more detail in the Administrative Procedures Manual.

C. Sale of Fair Share Home. Upon receipt of a settlement statement for a Fair Share Home, the City or its designee will determine if the completed Fair Share Home sale complies with Fair Share Requirements, and if not, notify the City in writing as to the specifics of noncompliance.

D. Change in Occupancy of Rental Fair Share Home. Upon receipt of documentation of a change in tenant for a rental Fair Share Home, Homes Fund will determine if the completed Fair Share Home rental complies with Fair Share Requirements, and if not, notify the City in writing as to the specifics of noncompliance.

E. Term of Monitoring. Monitoring of Fair Share Home resales and rentals shall continue for a period of at least 30 years, or per terms agreeable to City in agreement or covenant, following the issuance of a certificate of occupancy for a Fair Share Home.

F. Enforcement and Subsidy Recapture. If the City determines that a violation of this ordinance has occurred, it shall have all powers available to a home rule municipality and consistent with the Durango charter to require performance of or compliance with this ordinance, or to recover financial penalties for the violation, including but not limited to the recapture of the financial value of any fee offsets, waivers, or zoning incentives used by the applicant or developer.

Sec. 5-4-5-5 Prohibition on Rental or Subleasing

A. No Rental of Ownership Fair Share Homes. Ownership Fair Share Homes shall not be rented to a third party.

B. No Subleasing of Rental Fair Share Homes. Rental Fair Share Homes shall not be subleased to a third party.

C. Exceptions. The Administrative Procedures Manual may contain provisions allowing the occupancy, rental, or subleasing of Fair Share Homes in certain circumstances.
The purpose of this Manual is to provide more detailed requirements for the administration, implementation, and enforcement of Fair Share requirements, as described in Article 5-4 of the Durango Land Use Development Code.
The purpose of this Manual is to provide more detailed requirements for the administration, implementation, and enforcement of Fair Share requirements, as described in Article 5-4 of the Durango Land Use Development Code. Since the Manual builds on the Fair Share Ordinance, a link to that Ordinance is included in this manual for easy reference.

Amendments to the Administrative Procedures Manual (but not the Fair Share Ordinance itself) may be approved by the Department provided that notice of the change is provided to City Council and published public notice pursuant to Section 6-3-3-10 is provided within 30 days after each such change. The provisions of the Administrative Procedures Manual shall be binding on applicants and developers to the same extent as if they were fully set forth in the Fair Share Ordinance (Article 5-4).

The Fair Share Administrative Procedures Manual should be reviewed in conjunction with the Fair Share Ordinance, which is in Article 5-4 of the LUDC and can be found in ENCODE:
https://online.encodeplus.com/regs/durango-co/doc-viewer.aspx#secid-1514

**TABLE OF CONTENTS**

- Summary of Fair Share Requirements ................................................................. 1
- Program Administration...................................................................................... 1
- Fair Share Home Prices and Rents ................................................................. 2
- Marketing to and Certifying Eligibility of Renters/Buyers.............................. 3
- Exemption to Sublease Prohibition................................................................. 4
- Specifications and Incentives for Fair Share Unit Construction .................. 5
- Specifications for Fee-in-Lieu .......................................................................... 6
- Fair Share Proposals and Agreements ........................................................... 7
The purpose of this Manual is to provide more detailed requirements for the administration, implementation, and enforcement of Fair Share requirements.

Amendments to the Administrative Procedures Manual may be approved by the Department provided that notice of the change is provided to City Council and published public notice pursuant to Section 6-3-3-10 is provided within 30 days after each such change. The provisions of the Administrative Procedures Manual shall be binding on applicants and developers to the same extent as if they were fully set forth in the Fair Share Ordinance (Article 5-4).

SUMMARY OF FAIR SHARE REQUIREMENTS

The following language constitutes a high-level summary of the fair share requirements detailed in the Fair Share Ordinance. It is included here as a convenience to the reader but is not intended to replace or modify any specifications outlined in the Fair Share Ordinance.

Fair Share Requirements apply to all new residential development with the following exceptions:

- Rental or Ownership developments with eight or fewer dwelling units; and
- Ownership developments for which the developer ensures that all dwelling units will be sold to their initial buyers at prices affordable to households earning no more than 150% AMI and will be owner occupied (i.e., not investment properties or second homes); and
- Developments subject to existing affordable-attainable housing agreements with the City.

Requirements for providing fair share homes are:

- Moderate Affordability—12% of total units priced at or below 80% AMI on rental and 100% AMI on for-sale. (Projects can provide fair share units in a mix of AMIs as long as the fair share units achieve an average AMI that matches the requirements above, subject to maximums specified in the ordinance).

  OR

- Deep Affordability—10% of total units priced at or below 60% AMI on rental and 80% AMI on for-sale. (Projects can provide fair share units in a mix of AMIs as long as the fair share units achieve an average AMI that matches the requirements above, subject to maximums specified in the ordinance).

Compliance options include on-site construction of units, fees-in-lieu of onsite construction, land donations, or equivalent compliance options. Developers should note that on-site unit construction receives Department Director administrative approval but is presented to Community Development Commission and City Council with the project approval processes; all other compliance options require City Council approval.

PROGRAM ADMINISTRATION

The City may designate one or more entities to be responsible for fulfilling all administrative functions of the requirements of Fair Share Ordinance, except for those which are specifically described in the Ordinance as the responsibilities of the City Council, the City Manager, City departments, or Boards. Primary responsibilities of the designee(s) include but are not limited to:
- Providing developers with a template for a form of deed restriction, restrictive covenant, deed of trust, or other legal instrument, that fulfills long-term affordability controls described in the Fair Share Ordinance.
- Monitoring the eligibility of each potential buyer or renter of a Fair Share Home, and shall monitor each resale of a for sale Fair Share Home and each change of tenant for a rental Fair Share Home to ensure that the household incomes, sales prices, and rental rates used in each event comply with the affordability levels required.
- Certify buyer and renter eligibility and administer waiting lists and preferences for residents and workers in La Plata County.

The City’s current designees are HomesFund and Housing Solutions for the Southwest.

FAIR SHARE HOME PRICES AND RENTS

**Fair Share Rents.** The City or its designee will post a table of maximum allowable rents (by bedroom) for Fair Share Units on its website. The maximum allowable rents are calculated annually using the Maximum Allowable Low-Income Housing Tax Credit (LIHTC) Rents published and updated annually on the Colorado Housing and Finance Authority (CHFA) website ([https://www.chfainfo.com/rental-housing/asset-management/rent-income-limits](https://www.chfainfo.com/rental-housing/asset-management/rent-income-limits)).

The 2023 maximum allowable rents for La Plata County are below; 60% AMI and 80% AMI are bolded as the average AMI requirements under moderate and deep affordability standards in the Fair Share Ordinance.

<table>
<thead>
<tr>
<th>AMI Level</th>
<th>Maximum Allowable Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Studio</td>
</tr>
<tr>
<td>20% AMI</td>
<td>$364</td>
</tr>
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</tr>
<tr>
<td>60% AMI</td>
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<tr>
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<tr>
<td>80% AMI</td>
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<td>$1,820</td>
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<tr>
<td>120% AMI</td>
<td>$2,184</td>
</tr>
</tbody>
</table>

In order to set the rental rates for their FSUs, Owners or their designees must start with these maximum allowable rents, then subtract the applicable Utility Allowance published annually by the Colorado Department of Local Affairs (DOLA) Website ([Schedules | Department of Local Affairs (colorado.gov)](https://www.durangoco.gov/1712/Fair-Share-Inclusionary-Zoning-Program)) as well as any other “non-optional” fees charged to residents.

**Fair Share Home Prices.** The City or its designee will post a table of maximum allowable rents (by bedroom) for Fair Share Units on its website: [https://www.durangoco.gov/1712/Fair-Share-Inclusionary-Zoning-Program](https://www.durangoco.gov/1712/Fair-Share-Inclusionary-Zoning-Program). The maximum affordable prices are updated annually based on changes in the La Plata County AMI, typical mortgage interest rates, and other market data such as changes in typical tax rates and homeowner/condo association fees.
The 2023 maximum home prices are below; 80% AMI and 100% AMI are bolded as the average AMI requirements under moderate and deep affordability standards in the Fair Share Ordinance. These maximum home prices are based on La Plata County AMIs, and assume a 6.32% interest rate on a 30-year fixed rate mortgage with a 3% downpayment. Monthly payments assumed 33% of gross income goes to housing costs and 24% of monthly housing costs are non-mortgage expenses (e.g., property taxes, insurance, HOA, utilities, etc.). Calculations also assume one-person households for studios and one-bedroom units; 2.5 person households for 3-bedroom units; 4.5 person households for 3-bedroom units; and 6 person households for 4-bedroom units.

<table>
<thead>
<tr>
<th>AMI Level</th>
<th>Maximum Allowable Home Prices</th>
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<tbody>
<tr>
<td></td>
<td>Studio 1 BR</td>
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<td>50% AMI</td>
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MARKETING TO & CERTIFYING ELIGIBILITY OF RENTERS/Buyers

Good Faith Marketing. All sellers or owners of permanently Fair Share Units shall engage in good faith marketing and public advertising efforts each time a Fair Share Unit is rented or sold such that members of the public who are qualified to rent or purchase such units have a fair chance to become informed of the availability of such units. This may be done through the City’s designee or directly by sellers/owners of Fair Share Units.

Eligible Incomes of Fair Share Renters and Homebuyers. A chart indicating the maximum qualifying incomes (and other, related financial criteria) for Fair Share Rental unit tenants and Fair Share Homebuyers will be posted on the City’s or City’s designee’s webpage: [https://www.durangoco.gov/1712/Fair-Share-Inclusionary-Zoning-Program](https://www.durangoco.gov/1712/Fair-Share-Inclusionary-Zoning-Program). The eligibility incomes are updated annually based on changes in the La Plata County AMI as calculated by the U.S. Department of Housing and Urban Development.

As stated in the Ordinance:

- A household eligible to purchase a for sale Fair Share Home meeting the Moderate Affordability requirements shall have an income not to exceed 125% AMI.
- A household eligible to rent a rental Fair Share Home meeting the Moderate Affordability requirements shall have an income not to exceed 100% AMI.
- A household eligible to purchase a for sale Fair Share Home meeting the Deep Affordability requirements shall have an income not to exceed 100% AMI.
• A household eligible to rent a rental Fair Share Home meeting the Deep Affordability requirements shall have an income not to exceed 80% AMI.

The 2023 La Plata County AMIs are included below for reference.

<table>
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<tr>
<th>AMI Level</th>
<th>Persons in Household</th>
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</thead>
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<tr>
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Additional Eligibility Criteria. In addition to the income requirements, the City’s designee will determine and administer additional eligibility criteria including accumulated household wealth and preferences for current residents and workers in La Plata County. The City’s designed is also responsible for waiting list management, for certification of buyer eligibility, purchase contracts, and full disclosures to buyers of their obligations and rights under the Fair Share Ordinance.

EXEMPTION TO SUBLEASE PROHIBITION

The Fair Share Ordinance includes a general prohibition on rental or subleasing of fair share homes. At the sole discretion of the City’s, or City’s designee, a temporary occupancy exception for purchasers of Fair Share Units may be allowed. Such an exception requires written consent and approval subject tot the City’s or City’s designee’s conditions of approval. If granted, an exception would allow such purchaser(s) to lease the Fair Share Unit for no more than twelve (12) months.

To obtain an occupancy exception, the purchaser must apply for an occupancy exception to the City, or City’s designee. After receiving written approval of the occupancy exception, the purchaser must sign a Rental Contract and provide a copy of the signed contract to the City, or City’s designee prior to occupancy by any tenant.

Under no circumstances shall a Fair Share Unit be used as a short-term rental.

In the event an Owner rents the Unit without explicit written permission from the City or its designee, the unit may be offered for sale to another qualified buyer.
Design and Construction Standards. The Administrative Procedures Manual defines the following reasonable standards for the design and construction of FSUs to ensure livability and compatibility with market-rate homes in the development:

- **Dwelling unit type.** In developments with a mixture of dwelling unit types, including, without limitation, single family detached dwelling units, townhomes, duplex, triplex, and multifamily, the required Fair Share dwelling units shall be comprised of the different dwelling unit types in the same proportion as the dwelling units that are not Fair Share units within the development.

- **Design, quality, and access.** The FSUs in a development shall be of comparable size, quality, and design to market-rate units. They shall also be functionally equivalent to market-rate units. For example, if the market-rate units in a development include certain appliances (refrigerator, countertops, washer and dryer, closets, light fixtures, etc.), then the FSUs shall also include those appliances, though the brand of appliance need not be the same across all units. Similarly, residents of FSUs shall have full access to all amenities and services available to residents of market-rate unit (e.g. gyms, pools, parks, storage units, points of entry, parking, etc.).

- **Bedroom mix.** The FSUs in a development shall contain a mix of bedroom counts (e.g. studio units, one-bedroom units, two-bedroom units, etc.) in a ratio mirroring that of the market-rate units as closely as possible, beginning with the most prevalent unit type and progressing toward the least prevalent.

- **Distribution.** IRUs shall be reasonably distributed among the market-rate units and shall not be concentrated to a specific area (for example, a designated “affordable wing” or “affordable floor”) within the project.

- **Timing.** The construction of Fair Share units in any development shall be timed such that the units shall be constructed and pass final inspection concurrently or prior to the market-rate dwelling units in that development.

Cost Offsets for Fair Share Developers. The Fair Share Ordinance (Article 5-4) outlines the financial and zoning incentives for developers opting to build Fair Share Units on site.

- **Fee Refunds and Waivers**—As stated in the Ordinance, developers of Fair Share Homes may be eligible for incentive funding for a proportionate amount attributed to the Fair Share homes of certain development fees paid to the City. The total amount of fees refunded or waived for construction and sale of a Fair Share Home shall not exceed the following fixed amounts per Fair Share Home:
  - $15,000 per Fair Share unit constructed in rental developments; and
  - $18,000 per Fair Share unit constructed in for-sale developments.

- **Zoning Incentives**—Zoning incentives are specified in the Fair Share Ordinance but are summarized here for convenience:
  - Density bonus—30% increase in dwelling units per acre in Established Neighborhood and Residential-Low zoning districts, or an additional 4 dwelling units per acre in Residential-Medium, Residential-High, and Mixed-Use zoning districts;
  - Parking reduction—10% parking reduction for the entire development (provided at least one parking spot per unit is provided); and
  - Administrative review.
SPECIFICATIONS FOR FEES IN LIEU

The methodology used to calculate the fee is derived by the housing development cost analysis, creating an estimate of the amount of funds required for the City to acquire land for, provide utilities and services to, and construct the same number of Fair Share Units (FSUs) that the applicant would otherwise be required to construct on site. The fee-in-lieu amount shall be adjusted annually by CPI and adjusted every 3 to 5 years to reflect other changes in the costs of providing Fair Share Homes.

The current fee schedule will be posted on the City’s website.

- Multifamily including apartments, condominiums and townhomes: $398,809 per Fair Share Unit required;
- Single-Family Detached: $434,307 per Fair Share Unit required.

Current fees are based on the Development Cost Analysis completed by Root Policy Research in 2023 and adjusted annually by CPI. The 2023 Development Cost Analysis is included below for reference.

**Affordable multifamily construction cost.** According to data from the Colorado Housing and Finance Authority (CHFA), the average development cost of affordable rental housing in Colorado was $449,112 per unit in 2023, up from $284,589 in 2019. The five-year average (2019-2023) for the Western Slope region (which includes Durango) is $293,355 per unit—slightly lower than the statewide five-year average of $306,000. Assuming the same annual appreciation in the Western Slope as the state overall yields a current development cost of $398,809 per affordable rental unit in Durango.

<table>
<thead>
<tr>
<th>Development Cost per Unit of Affordable Rental Units</th>
<th>Average Cost per Unit By Year, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$449,112</td>
</tr>
<tr>
<td>2022</td>
<td>$366,434</td>
</tr>
<tr>
<td>2021</td>
<td>$336,206</td>
</tr>
<tr>
<td>2020</td>
<td>$303,372</td>
</tr>
<tr>
<td>2019</td>
<td>$284,589</td>
</tr>
</tbody>
</table>

Source: CHFA Affordable Housing Development Cost Dashboard; downloaded March 2024.

**Affordable single family construction cost.** The National Association of Home Builders (NAHB) provides the most comprehensive data on all components of single family residential development, though estimates are national, as opposed to regional/local. Root used NAHB data as a baseline but further calibrated estimates using Marshall & Swift Construction Data to adjust estimates to reflect local construction cost conditions for prototypes most likely to be used in affordable construction (slightly smaller units with lower-cost finishes).
The single-family affordable prototype for development cost modeling reflects a 1.5 story, 2,000 square foot home with modest finishes (fair/average quality). Construction costs are based on 2023 Q2 estimates for Durango ZIP codes and reflect Root also incorporated feedback from local affordable for-sale housing developers. As illustrated in the figure below, the total development cost in Durango is $434,307 for an affordable single family home.

Figure V-8.
Affordable Single Family Unit Development Cost

Note: Finished lot cost includes utilities/fees; sales commission assumes 3.5% on a home price affordable to 80% AMI.


FAIR SHARE PROPOSALS AND AGREEMENTS

Sec. 5-4-3-1 Fair Share Proposals and Agreements

Applicants subject to Fair Share Requirements shall prepare and present Fair Share Proposals for review and administrative approval by the City.

Guidance for the preparation of Fair Share Proposals and Agreements is outlined below.

A Fair Share Proposal shall be submitted with any development request to the City to which Fair Share applies. Applicants should use the proposal form on the City’s applications and permits webpage and submit along with the project submittal application.

The Fair Share Proposal specifies whether the applicant is claiming an exemption from the Fair Share Ordinance; or will comply with their Fair Share obligation through on-site unit construction, fee-in-lieu, land donation, or equivalent compliance. Developers should note that on-site unit construction receives administrative approval; all other compliance options require Community Development Commission and City Council approval.

- In the case of on-site unit construction, the proposal will also specify whether the applicant will comply with the moderate affordability requirements or deep affordability requirements; the expected AMI levels for each Fair Share Unit (if providing a mix of AMIs); and the expected structure and bedroom mix of the proposed development.
- In the case of land donation or equivalent compliance, additional details will be required to demonstrate the proposal complies with the Fair Share Ordinance.
March 5, 2024

City of Durango
Housing Innovation Division
949 East 2nd Avenue
Durango, CO 81301

Dear Mrs. Henson,

I am writing to share HomesFund’s support of the City of Durango’s updated Fair Share Inclusionary Zoning Program. I understand that the City of Durango Housing Innovation Division will be presenting the updates at the March 25th Community Development Commission meeting and wanted to provide my support in the form of a letter.

HomesFund has been providing administrative support and services to the City of Durango for the Fair Share Inclusionary Zoning Program since the Fair Share Ordinance was adopted in 2008. The HomesFund staff and board understand and appreciate that the Program needs revision, and we support the City of Durango in implementing the changes recommended by Root Policy. Specifically, we support the extension of the program to rental housing, simplification of the AMI targets, increasing flexibility, increasing the fee in lieu fees while also simplifying the calculation, and standardizing the financial incentives included in the Program.

If you have any questions about our support of the City of Durango’s updated Fair Share Inclusionary Zoning Program from HomesFund, please feel free to reach out to me directly.

Sincerely,

Lisa Bloomquist
Executive Director
HomesFund
lisa@homesfund.org
970-259-1418
March 5, 2024

City of Durango
Housing Innovation Division
949 East 2nd Avenue
Durango, CO 81301

Dear Mrs. Henson,

I am writing to share Housing Solutions’ support of the City of Durango updated Fair Share Inclusionary Zoning Program. I understand that the City of Durango Housing Innovation Division will be presenting the updates at the March 25th Community Development Commission meeting and wanted to provide my support in the form of a letter.

To date, the City of Durango inclusionary zoning program has applied to only for sale housing. The extension to rental will provide additional, and much needed, affordable rental units. The City staff has worked with both the market rate and affordable housing development community to get feedback about the changes. The changes, including financial incentives and simplifying the AMI ranges and calculations, will provide a more predictable cost for developers.

If you have any questions about our support of the City of Durango’s updated Fair Share Inclusionary Zoning Program from Housing Solutions, please feel free to reach out to me directly.

Sincerely,

Elizabeth Salkind
Executive Director
MEMORANDUM

To: Community Development Commission & City Council
From: Root Policy Research & Community Development Staff
Re: Supplemental Engagement on Fair Share Policy Proposal
Date: March 11, 2024

Root Policy Research (Root) was contracted by the City of Durango to update the Fair Share Ordinance and Administrative Manual. Root’s initial analysis and policy recommendations are documented in the Fair Share Policy Review and Recommendations report, presented to City Council on December 5, 2023.

The Fair Share Policy Review and Recommendations report incorporated findings from outreach and engagement with City staff, local developers, and stakeholders in the community. However, based on direction from City Council, additional outreach has been conducted since that time. This memo documents the supplemental engagement conducted December 2023 through February 2024, which included an in-person community meeting on December 5, 2023 and online engagement in December 2023 and January 2024.

Community Forum
An open community meeting was held on December 5, 2023 at the Durango Public Library from 5pm to 6:30pm. The meeting included a presentation from City staff and the consultant (Root Policy Research) as well as materials describing the Fair Share analysis and policy recommendations. General feedback on the Fair Share policy proposal provided at the meeting is summarized below:

- Attendees provided positive feedback on the proposed attainable exemption, which allows for-sale, owner occupied developments priced at 150% AMI or below to pursue exemption from Fair Share requirements.

- Developers responded favorably to the proposed incentives but also asked for additional financing incentives to completely bridge the gap between market rate and affordable units as well as design and infrastructure incentives.

- Broadly speaking, real estate developers would prefer a different strategy to address housing needs (e.g., broad base tax rather than inclusionary policies). However, staff explained the importance of retaining an inclusionary zoning policy as the City is addressing housing with a multi-prong approach that includes building units, funding sources, and land donation through this program.
Affordable housing and community advocates would prefer a higher set-aside—they expressed concern that the proposed set-aside was reduced—but were glad to see rental developments added to the Fair Share program.

Virtual Engagement

The City also collected feedback on the Fair Share policy proposal through an online comment form. Responses are summarized below, organized by the specific prompts on the form.

What types of changes to the Fair Share program are most critical, from your perspective? This prompt was presented as a multiple-choice question where the options were “adding rentals;” “simplifying the program;” “build units, don’t pay fee;” and “don’t create barriers to attainable housing.” The most common responses were structuring the program to produce units and ensuring the program does not create barriers to attainable housing.

Which concerns do you have about the proposed changes to the program? Several commenters were concerned that the program would not be able to meet the housing needs of the City and/or that other programs should be considered. Concerns regarding the specific policy proposal were that incentives offered were insufficient to encourage developers to build affordable units and that the program could raise the cost of market-rate rentals. Other commenters expressed concerns about second homes in the City and that the City’s current zoning may be too restrictive, limiting opportunity for multifamily development. One commenter was also concerned that the program may not account for the disconnect between lot developers and builders.

What are your priorities for affordable housing construction, programs, and services? Most responses focused on delivering affordable housing for workers and low- and middle-income residents. Several commenters also prioritized mixed income neighborhoods, reducing commutes for workers, increasing supply through density and sustainability, building for climate resiliency, increasing homeownership options, and improving the development process (i.e., approval speed, particularly for infill).

Commenters offered a variety of specific supports the City could offer to help achieve affordability goals including land donations or market reduced sales, infrastructure subsidies and multi-modal transportation improvements (e.g. bike lanes, stop signs, road improvements). Several comments also encouraged the City to focus on high-impact strategies, including infrastructure investments and subsidies (outside of the Fair Share program) to support completion of the final phase of the Three Springs project.

What development incentives would you want to change or add to the program? Respondents offered the following feedback on incentives:

- Increase density bonus for projects that build Fair Share Units (FSUs) on site;
- Deeper parking incentives\(^1\) for multifamily projects that include FSUs on site;

\(^1\) One commenter suggested full elimination of parking requirements for multifamily developments including FSUs, others suggested a variety of thresholds below current code.
Fee waivers for FSUs and/or financial subsidies that fully offset the cost of FSUs;
- Energy efficiency programs to reduce monthly expenses for FSU occupants; and
- Eliminate the fee in lieu option to incentivize building FSUs.

**Incorporating Feedback into Program Recommendations**

Most of the feedback received supports the provisions of the initial policy proposal including a programmatic focus on affordable unit production, creating incentives for developers complying with Fair Share, and adapting the policy to address housing needs more broadly in the city (including rental). Commenters also expressed specific support for the attainable housing exemption.

The City also acknowledges and appreciates the feedback for additional modifications to the policy recommendations, outlined below, along with a note about how the City is considering the comments through policy action:

- Request for additional zoning incentives (e.g. deeper parking reductions and bigger density bonuses) for developers building FSUs.
  
  *Policy response:* the City is evaluating deeper incentives than originally proposed for the Fair Share program. Proposed code language includes parking reductions of up to 10% in development where all required rental or for-sale Fair Share Homes are provided as Fair Share units. The reduction applies to all units in the development but there must be at least one parking space per unit after the reductions.

- Financial incentives that fully offset the cost of FSUs by bridging the cost difference between market rate and affordable units.
  
  *Policy response:* The City is offering development incentives that improve development proformas and is standardizing financial incentives to improve transparency and predictability. The City is also lowering the set-aside requirement and upping the number of units subject to Fair Share to better align the policy with market realities. However, the City is not in a position to guarantee full gap coverage to Fair Share developments. **The feasibility analysis conducted by Root demonstrates that the financial impact of the proposed policy to typical project proformas is modest and is not likely a driving factor in overall project feasibility.**

- Policies, programs, or revenue sources outside of Fair Share to address housing needs. Some commenters called for additional policies/programs while others would prefer the City to end Fair Share and focus solely on other strategies.
  
  *Policy response:* the City views Fair Share as one tool in the toolkit of housing strategies to address affordability needs across the City. In addition to Fair Share, the City's Housing Innovation Division is currently focused on public-private-partnerships, leveraging city owned assets (land) to create tangible outcomes for housing, housing preservation (maintain existing affordable housing stock), adaptive reuse (conversions), land banking/ acquisitions, unique housing programs, and partnerships with community organizations for a broader approach to addressing housing needs in our community.

A summary of the revised Fair Share Policy Proposal shown on the following page.
### Figure 1.
Summary of Fair Share Policy Proposal, Revised February 2024

<table>
<thead>
<tr>
<th>Current Fair Share Policy</th>
<th>Objective of Proposed Changes:</th>
<th>Recommended Fair Share Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Applicability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For-sale developments with &gt;4 units</td>
<td>Extend program to rental</td>
<td>For-sale and rental developments with &gt;4 units</td>
</tr>
<tr>
<td><strong>Affordability Requirements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16% of for-sale units at specified tiers of affordability (averaging 100% AMI)</td>
<td>Simplify AMI targets and reduce set-aside (to align with market and encourage on-site FSUs)</td>
<td>12% of units at &lt;100% AMI (for-sale) 12% of units at &lt;80% AMI (rental)</td>
</tr>
<tr>
<td><strong>Affordability Requirement Flexibility</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>Offer more flexibility to developers and ensure the program does not impede attainable ownership production</td>
<td>1) Income averaging for a mix of units; 2) Reduced set-asides for deeper AMIs; 3) Exemptions for attainable ownership developments</td>
</tr>
<tr>
<td><strong>Compliance Options</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Build Fair Share Units (FSU); Land donation; or Fee in Lieu by tier and bedroom count</td>
<td>Raise fee in lieu per FSU (offsets reduced set-aside and encourages on-site FSUs) and simplify calculation/application</td>
<td>1) Build FSUs; 2) Land donation; 3) Fee in Lieu--standardized and increased per FSU; or 4) Other FS Proposals or Agreements as approved by City Council</td>
</tr>
<tr>
<td><strong>Offsets and Incentives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial incentives (fee rebates)</td>
<td>Standardize financial incentives and add development incentives</td>
<td>Standardized fee rebate per FSU and new development incentives (density bonus, parking reduction, and prioritized review)</td>
</tr>
</tbody>
</table>

**Note:** FSU means Fair Share Unit; AMI means HUD Area Median Income. Restructured Fee in Lieu is proposed per unit instead of per bedroom.