



ARCHITECTURE and ENGINEERING

January 11, 2023

Town Council
Town of Pagosa Springs
551 Hot Springs Blvd.
Pagosa Springs, CO 81147

Dear Town Council

Eagle Mountain Development is requesting a density bonus for the proposed project at 232 Pagosa Street. At the September 22, 2022 the Design Review Board unanimously approved the project including, support of the density bonus.

The Project will consist of a three-story building with a below ground parking garage. The main level will be office space (1,956 square feet), restaurant (3,300 square feet) and an additional parking garage. The second and third floors will be condominiums (4 units per floor). There will be a roof top deck (749 square feet). Each condominium is approximately 1850 s.f. +/-.

The current zoning is mixed use town center (MU-TC) and the current use is vacant. The new proposed use would be residential and commercial. This is a permitted use per Table 4.1.4 of the LUDC. Zoning currently allows 16 DU/gross acre. The development is allowed 7 dwelling units as the property is (.43 acres x 16 DU/gross acre). Eagle Mountain Development is requesting 1 additional until, for one workforce unit located at 262 Pagosa Street. The workforce until is the current office of RA+A, that will be converted into a studio at the time of completion. The unit is approximately 800 s.f. Unit would be considered a higher end studio that will include all major appliances and 2 parking spots. Eagle Mountain would rent this unit a 120% Area Median Income (AMI) with a property restriction period of 30 Years.

The density bonus requested at 232 Pagosa Street will require an additional density bonus at 262 Pagosa Street for the change of use from RA+A's office to a workforce residential unit. With Town Council's approval the Development Team will work with the Town of Pagosa Springs Community Development Office to complete the proper applications.

The request meets the following requirements as outlined in the Density Bonus Policy adopted by the Town Council on 4/22/21.

- A. *Policy Goals:*
 - 1. Provide an **incentive for developers to achieve more units** that will serve low- or moderate-income individuals and thereby address an important gap in the local housing market.

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2. **Maximize the buildable area on a lot**, therefore assisting with the provision of additional units.
3. Provide **transparency** and predictability in the development process for establishing additional density or development standards waivers.
4. **Provide an avenue for developers to voluntarily add units to assist in creating workforce housing.**
5. Providing incentives that have little or **no direct cost to taxpayers** for housing options.
6. Implement policy recommendations from the Smart Growth America Report (2017), Town Comprehensive Plan (2018), and Pagosa Housing Partners' Roadmap to Affordable Housing (2019).

Other Considerations:

- i. *All units, including those allowed and additional proposed, shall be subject to all other building code and land use and development standards.*
Plan meets or exceeds adopted codes.
- ii. *Additional units may increase the building height above allowable height restrictions, encroach into setbacks, require additional parking, etc. Any variance or waiver from the provisions of the LUDC shall only be considered with a proposed and acceptable mitigation plan, which the Town Council/Planning Commission may accept in their reasonable discretion.*
Development is not asking for any additional variances currently. Parking exceeds requirements for the development and is adding value to the community by opening on street parking spots for other businesses.
- iii. *The property owner shall, at its expense, provide for an annual monitoring report by a chosen firm to ensure that the development conforms to the agreement for the duration of the deed restriction.*
Developer understands that this is an owner's responsibility.
- iv. *Density bonus additional units shall be of similar quality to allowable units. The developer may elect to have a range of sizes, rates, and finishes that are similar in scope to the allowable units.*
The unit is similar in quality as noted in the summary it would be considered a high-end studio.
- v. *Additional units may not be used as short-term rentals during the restriction period.*
Developer understands that the work force unit will not be used for short-term.

We are pleased to submit our request to Town Council for the density bonus as we believe there is great public benefit from creative parking solutions to providing an additional workforce housing unit in downtown Pagosa Springs.

Please let us know if you need any additional information.

Thank you,

Brad Ash, AIA