January 12, 2023





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Board approves housing project

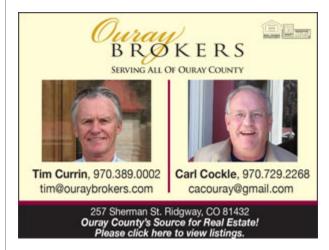
By Liz Teitz on Wednesday, January 11, 2023

Waterview project would add up to 70 homes in north Ouray



This aerial photo and rendering shows the location of the proposed





Waterview affordable housing development in north Ouray. The gray roofs in the middle of the bottom of the photo are the former Biota building. The housing project would be located to the north. Image courtesy Rural Homes

The Ouray Planning Commission voted unanimously Tuesday to approve the sketch plan for the Waterview Planned Unit Development, an affordable housing development with up to 70 homes on the north end of the city.

Rural Homes, a nonprofit project initially launched by the Telluride Foundation in 2021, plans to build the neighborhood on a nine-acre parcel north of the former Biota building, between the Uncompander River and Highway 550.

The sketch plan proposed 65 to 70 units, in a mix of single homes, duplexes and triplexes built in two phases, with about 23 in the first phase. Three units are intended to be designed for in-home licensed child care facilities, which could serve about 18 children total; the developer plans to recruit homebuyers who are interested and assist them with the licensing process.

The homes will be deed-restricted and, like Rural Homes' other projects in Norwood and Ridgway, which are already under construction, are expected to be sold to buyers earning 60% to 120% of the area median income. Homes in Pinion Park, the nonprofit's Norwood development, were priced from \$225,000 to \$385,000.

The plan also calls for recreational green space, open space and stormwater detention ponds, all of which are intended to be dedicated to the city for ownership and maintenance.

Despite opposition to the development from members of the public during the meeting, all five members of the planning commission voiced support and easily agreed to approve it.

Commissioner Glenn Boyd, who served eight years as

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a city councilor, said he constantly heard that the city "talked and talked" about affordable housing without any progress. "This is an opportunity for the city to have action," he said.

"If we do it right, I think it's going to be a plus for the city," said Commissioner J. Gary Dunn. When teachers, government employees and other local workers can afford to live where they work instead of commuting from Ridgway or Montrose, "it makes for a more vibrant community," he said.

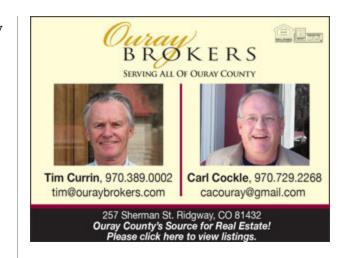
Chairman Jeff Skoloda called it the best plan for housing he's seen in two decades, and refuted a neighboring property owner who doubted that housing would help the city's workforce shortage.

"I do believe this is a big part of our employee problem," he said. "When I started my business, everyone lived here, and I no longer employ anyone who lives in the city of Ouray because it is just unattainable for some."

Applicant David Bruce told the commission that the specifics of the deed restrictions for the Ouray project are still to be determined, but are expected to include income qualifications, a work requirement, and a mandate that the units be owner-occupied. Entities such as the city, county or school district may also be able to purchase the units and rent them to employees. Rural Homes has used a lottery process for the Norwood homes, and is also planning to run one for the Ridgway homes, which he anticipates will be completed by the end of this summer.

Commissioners asked if the houses would be resold at market rates, and said ensuring that they remain affordable in perpetuity is crucial. The homes in Norwood have a 3% annual appreciation cap; details on how that would be implemented in Ouray will follow later in the process, Bruce said.

While the developer previously hoped to build the entire neighborhood at one time, the decision to split



construction into phases was made due to the city's limited sewer capacity. Ouray has capped the number of available sewer taps until the completion of its new wastewater treatment plant, which is currently under construction.

But while the city has previously said there were only 22 remaining sewer taps, City Administrator Silas Clarke told the commission Tuesday that isn't a hard number, because actual capacity is based on loading, or the amount of wastewater in the system.

"It's more complicated than just a simple number of taps," he said. "I do believe that we will be fine for phase one with those units." He told the commission the new treatment plant is expected to be online in the spring of 2024, at which point there would be sufficient capacity for the second phase of construction in the Waterview development.

Rural Homes plans to build the first phase of homes on the southern end of the lot, closest to the Biota building and to the existing access point to Highway 550. The design calls for one road through the center of the parcel, with a roundabout in the middle and a cul-de-sac at the northern end, where there would also be an entrance with a gate for emergency access.

City staff recommended approval, and said in a memo the proposal aligns with the city's 2021 community plan, including multiple housing-related goals.

The lot is currently zoned C-2, commercial industrial, and most recently, part of the lot was used by Ouray Silver Mines for equipment storage and parking. Neighboring properties to the north are zoned R-2, for high-density residential.

The nearest residential property owners, the Chautauqua Subdivision Homeowners Association, wrote a letter to the planning commission, focused primarily on the visual impacts of the project.

HOA President David Smith wrote in the letter that zoning regulations require development to mitigate negative impacts on adjacent properties. The proposed housing "will have a material adverse impact on the members of the HOA, in some cases completely obliterating the view plane to the south and the mountains within that view plane," he wrote. Smith asked the commission to require the developer to submit a design "that does not impair the view plane to the south." The view includes Mt. Abram.

Smith also listed other concerns including "infrastructure, health, safety, human services" and the costs of those to city residents, traffic and environmental impacts, increased needs and costs for police and fire protection, "the preservation of Ouray's northern gateway," and "project aesthetics in general."

The HOA urged the city to wait to consider the project until the completion of a housing study, which was commissioned in December by the city council.

The city is spending up to \$38,500 for a study by consultant Economic & Planning Systems, which is aimed at collecting data to identify housing needs, goals and policies. The funds come from the city's excise tax on short-term rentals.

"It does not make sense to us to be considering a project of this magnitude at a time when the only evidence we have relative to affordable housing is anecdotal," Smith said.

During the meeting, another Chautauqua Lane property owner, Mike Bollig, questioned if housing would help the city's workforce issues. He lives in Phoenix, where he owns a business, he said.

"Housing is not the problem, employees are a problem right now, it's a problem all across the nation," he said.

"What's important to us, my wife and I and our

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family, is preservation of Ouray. It's unique, it's a gem, it's the Switzerland of America. Will this change the landscape of that?" he asked. He also said he was concerned it would affect the property values of his home and others nearby.

Former County Commissioner Ben Tisdel and Ouray Brewery owner Erin Eddy both urged the commission to approve the plan, citing the need for places for local workers to live.

Tisdel said the lack of housing is "cascading to the point where it is a crisis."

The median sale price for a home in the city in the first 11 months of 2022 was \$850,000, according to the Colorado Association of Realtors, while the median price for a townhouse or condo was \$583,333.

To be effective in providing long-term affordable housing, the deed restrictions must be in perpetuity and "ironclad," Skoloda said, echoing a concern from Commissioner Mike Fedel.

The board also urged the developer to consider the design, which currently is planned to have garages on the back sides of homes, facing the highway. They suggested landscaping, fencing or a berm to serve as a barrier between the road and residents' yards, because they are at the entrance to the city.

"I understand the fear that you might lose some of your views," Skoloda said. But he noted that because the lot is zoned for commercial industrial use, a 35-foottall factory could be built as a use-by-right. "This, I think, is a much better scenario," he said.

The board voted to approve the plan 5-0 without any conditions. The development will come back to the commission again and to the City Council in a preliminary plat application, and Skoloda encouraged residents to come back for those subsequent hearings.

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Office address:

1075 Sherman St., #200 Ridgway, Colorado 81432 970-325-4412

Mailing address:

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Ridgway CO 81432

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