

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS  
OF SAN MIGUEL COUNTY, COLORADO,  
ADOPTING LAND USE CODE AMENDMENTS  
REGARDING RESIDENTIAL IMPACT FEES  
IN THE TELLURIDE R-1 SCHOOL DISTRICT**

**Resolution 2007-11**

**WHEREAS**, in 1990, San Miguel County instituted an employee housing impact mitigation in the R-1 School District. Currently, the mitigation is assessed at a 15% rate, generally as follows:

- Residential Development: at time of residential subdivision (one out of every seven units must be deed-restricted);
- Commercial Development: (for developments over 2,250 gsf), housing for one employee for every 2,250 gsf;
- Hotel Development: 15% of the residential density equivalent;

**WHEREAS**, as a result of this regulation, a total of twenty-four (24) deed restricted lots have been set aside for employee housing as part of the Aldasoro Ranch PUD as employee housing mitigation. The ski area expansion provided additional employee housing units;

**WHEREAS**, in 2000, San Miguel County was one of four resort-based governmental jurisdictions that hired the Housing Collaborative, LLC and RRC Associates, Inc. to complete a comparative analysis to determine the number of jobs directly generated by residential units. The study covered employees in the residential construction industry as well as jobs associated with the on-going maintenance and operation of homes. This has been referred to locally as the *Residential Job Generation Study* or the *RRC Study*;

**WHEREAS**, in 2002, RPI Consulting, Inc. was hired by San Miguel County to complete the Employee Housing Mitigation Support Study in order to determine an affordable housing impact fee to be imposed on new development permits in the unincorporated County. In 2005 RPI Consulting was again retained to update the information from the 2002 study, as was recommended in the original study. That study concluded that in order to maintain the current level of service in the provision of affordable housing, a mitigation rate of 37% would be required of all new development. The current service level represents the percentage of the workforce living in deed restricted housing;

**WHEREAS**, the commercial impact fees proposed in the RPI studies are based on information provided in the RRC Study. Together, these studies provide the empirical data to justify the proposed amendments to the Land Use Code, and specifically Section 5-13;

**WHEREAS**, in early January, the consulting team of the *Elk Mountains Planning Group* and *Community Development Resources* began the process of developing land use regulations for the proposed impact fees developed from the *San Miguel County Employee Housing Impact Fee Study, Updated 2005* by RPI Consulting, Inc. that was adopted by the San Miguel County Commissioners in early 2006. The team started the process by interviewing key regional community leaders and developers to seek feedback on their perceptions of the proposed fee and how it should be assessed. The second step was providing public notice regarding a series of public meetings to discuss the proposed impact fee regulations. Notice was placed in the *Telluride Daily Planet* and *Telluride Watch* and public service announcements were read on KOTO radio in advance of the meetings;

**WHEREAS**, the consulting team joined the County Staff in a series of public meetings to present the proposed impact fee issue through PowerPoint presentations to the public and the Planning

Commission. Public Meetings were held on January 30, 2007 and February 13, 2007. Generally those in attendance indicated their support for the proposed fee. A work session with the Planning Commission was held on February 14, 2007;

**WHEREAS**, at its regular meeting on March 14, 2007, the San Miguel County Planning Commission recommended some modifications, and unanimously voted to recommend approval of the proposed Land Use Code amendments concerning the Employee Housing Mitigation additions and changes to the BOCC (CPC Resolution 2007-2);

**WHEREAS**, staff provided notice to commercial property owners on Front St. in Placerville so that they in particular are aware of the proposed changes to commercial employee housing mitigation requirements that apply to their property;

**WHEREAS**, changes to other miscellaneous sections are also proposed for consistency throughout the Land Use Code (*Sections 2-4, 2-29, 3-101, 4-212, 5-302 through 307, and Article 6 Definitions*);

**WHEREAS**, generally, the public, Staff and the consulting team were comfortable with the proposed residential impact fee (based on house size and year of construction) proposed in the RPI study. Staff suggested that small residences should be allowed an exemption because they would presumably be occupied by a working resident of San Miguel County. *Section 5-1303F.XI.e.* provides for an exemption from paying the fee for residences with less than 1,800 gsf of Floor Area. This section also notes other exemptions and clarifications;

**WHEREAS**, staff is not recommending the BOCC require units exempt from the fee be deed-restricted nor does the BOCC find that it is necessary for the County to makeup the lost exempt fee revenue;

**WHEREAS**, the commercial mitigation proposed in the RPI Update is based on employee generation for specific types of land use. These employee generation rates came from a data base created by another San Miguel County consultant, RRC Associates, which has been studying employee mitigation in resort communities for almost twenty years. There is little commercially-zoned property in the County, except for the "low intensity industrial" zoning in the Lawson Hill Affordable Housing PUD and the Front St. area of Placerville zoned Placerville Commercial (PC). However, County Staff was concerned that the commercial fees per 1,000 s.f. of development proposed in the RPI study seemed to be high, especially when increased from a 15% to a 37% mitigation rate. The consulting team subsequently researched commercial impact fees in other resort communities and found significant variances among resort communities;

**WHEREAS**, other resort communities such as Ketchum, ID (Sun Valley area) and Mt. Crested Butte require the provision of affordable/employee housing units instead of allowing the payment of a mitigation fee by commercial developers. Based on San Miguel County's desire to prioritize built units over the payment of fees, the consulting team used a similar formula to those two mountain communities to evaluate how many units would be generated as a requirement of commercial development at the 37% rate defined in the RPI study;

**WHEREAS**, staff and the consulting team are now recommending that commercial developers be given a choice in how to provide their required mitigation. A developer of a commercial property could choose to provide affordable housing units. This would allow the developer to grow their investment in their business, would provide a potential source of income from tenants, and would provide housing for their employees. Alternatively, a commercial developer may not be able to provide affordable housing units due to zoning restrictions and lack of adequate services, as an

example, and therefore paying cash-in-lieu may be a better alternative. But in order to provide some incentive for commercial developers to provide units, it is now recommended that fractions of units be rounded down, to bring the potential unit cost more in line with the proposed cash-in-lieu fee;

**WHEREAS**, the Board of Commissioners is aware that the proposed commercial mitigation eliminates the current exemption for the first 2,250 gsf of a commercial project. It is the consulting team and Staff's position that all commercial development should mitigate their impacts, and therefore no exemption is recommended for commercial development. Should the BOCC find that this could have a chilling effect on small business, it should consider keeping this exemption. However, the calculations will be quite different if the first 2,250 gsf is exempted;

**WHEREAS**, the following specific minor changes are noted: the term "other commercial uses" has been added to *Section 5-1303* to serve as a catch-all, to ensure no specific commercial use would be off the hook from paying their fair share toward employee mitigation. *Section 5-1303 A* also provides language that would allow a developer to present alternative calculations of employee generation particularly if their land use is not listed, to the BOCC for review and consideration, while *Section 5-1303* provides an appeal procedure;

**WHEREAS**, currently, the County regulates caretaker units and accessory dwelling units in terms of size, location and how these units can be used as employee housing mitigation (through deed restrictions). Because these units are often built, but are not required to be rented and may not be occupied by a qualified employee, Staff and the consulting team agreed that using these units as an alternative to the employee impact fee is not equitable. Therefore, as part of these proposed regulations, Staff and the consultants are recommending that caretaker units and ADUs should be allowed and encouraged, but should no longer be deed-restricted and that all residential development (unless exempted from payment of the employee housing Impact Fee pursuant to Section 5-1303.F.XI of this Code), be required to pay the impact fee;

**WHEREAS**, the Colorado Land Use Control Enabling Act of 1974 at §29-20-104.5, C.R.S., provides that "pursuant to the authority granted in section 29-20-104(1)(g) and as a condition of issuance of a development permit, a local government may impose an impact fee or other similar development charge to fund expenditures by such local government on capital facilities needed to serve new development, and the Board of Commissioners does hereby find and determine that the Residential Housing Impact Fee adopted in accordance with this resolution satisfies the applicable statutory requirements set forth in §29-20-104.5, C.R.S.;

**WHEREAS**, Staff recommends that the employee housing impact fees become effective upon approval and recordation of the resolution. Permit applications found to be substantially complete by the County Building Dept. prior to or upon the effective date of the resolution will not be subject to the new regulations, and would not be required to pay the impact fee (See *Section 29-20-104.5 (6)*);

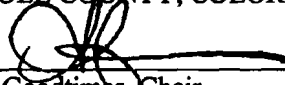
**WHEREAS**, the Board of Commissioners of San Miguel County, Colorado, considered this application, along with relevant evidence and testimony, including from the public, at a duly noticed public hearing held on May 2, 2007 in Telluride and unanimously found that the application meets the applicable Land Use Code standards in Section 5-1802.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of San Miguel County, Colorado, hereby adopts amendments to the San Miguel Land Use Code regarding Residential Housing Impact Fees attached hereto and incorporated herein by reference as Exhibit A.

**BE IT FURTHER RESOLVED** that the Board of Commissioners has not adopted the Commercial Impact Fees as presented rather the Board elected to retain the current Land Use Code provisions which require commercial development to provide employee housing units as required by the Code, until such time as Planning Department staff has an opportunity to further discuss the Impact Fee proposal for commercial development with the Placerville Commercial (PC) Zone District property owners.

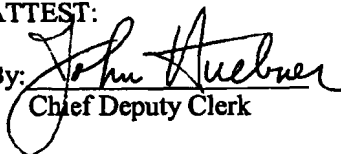
**DONE AND APPROVED** by the Board of Commissioners of San Miguel County, Colorado, on May 7, 2007.

**BOARD OF COUNTY COMMISSIONERS  
SAN MIGUEL COUNTY, COLORADO**

By:   
Art Goodtimes, Chair

Elaine R. C. Fischer	<u>Aye</u>	Nay	Abstain	Absent
Joan May	<u>Aye</u>	Nay	Abstain	Absent
Art Goodtimes	<u>Aye</u>	Nay	Abstain	Absent

ATTEST:

By:   
Chief Deputy Clerk

[text/luc/impact.fee.reso]



**Exhibit A  
Code Language Changes**

The following details revised and new sections of the current LUC for your review (~~strikethrough~~ indicates deletion; underline indicates addition):

**ARTICLE 2**

**LAND USE POLICIES**

**SECTION 2-4: COMMUNITY BALANCE**

It is the policy of the County to identify its carrying capacity to achieve and maintain a social, economic and environmental balance in the community. Additionally, the County shall seek to maintain a balance between the peak population in the community, and recreational activities and public services, taking into consideration the County's environmental carrying capacity and shall determine the appropriate service level required to maintain an adequate stock of affordable housing.

**SECTION 2-29: HOUSING**

**2-2909**

Insure that all new employee generating development contributes its fair share to the housing of local residents in order to reduce commuting traffic, create social investment and maintain vitality within our community.

**2-2910**

It is the policy of the County to provide affordable employee housing for persons working in the County. This policy has been reiterated by the Board of County Commissioners and is formally recognized in this Code and by the establishment of the multi-jurisdictional housing authority created by San Miguel County and Towns of Mountain Village and Telluride. Revisions to this Code are necessary to further the goal of the County to provide housing that is affordable to the average person employed in the County so that further degradation of our community character is prevented and that the County continues to be a viable residential community.

San Miguel County has set the following priorities to further the goal of providing affordable housing:

1. Onsite construction of affordable housing units
2. Off-site construction of affordable housing units
3. Dedication of improved lots within a subdivisions
4. Dedication of (raw or unimproved) land

5. Conversion of existing free market housing to deed restricted, appreciation capped units in a manner acceptable to the Board of County Commissioners
6. Payment in-lieu (employee housing Impact Fees), to apply to development that has not otherwise fully mitigated its employee housing impacts.

**SECTION 5-1303 Underline indicates addition; Strikethrough indicates deletion:****5-1303 Affordable Housing in the Telluride R-1 School District**

To promote affordable housing, impact mitigation shall be required as a condition of approval pursuant to this Code for the following types of development in the Telluride R-1 School District: office, restaurant and retail, hotel, residential and ski area, ~~based on the formulas in this section. In the interest of maintaining fairness and simplicity, all fractions shall be rounded down to the nearest whole number.~~ and other commercial uses, based on the formulas in this section. "Fee" refers to a monetary amount paid for Residential Development; "Mitigation" refers to required construction of an employee housing unit(s) for Commercial Development.

**5-1303 A. Office, Restaurant, Retail and other Commercial Development**

Office, restaurant ~~and retail,~~ and other commercial development has been found to generate 3 employees per 1,000 gross square feet (gsf). Developers of these use types shall mitigate 15 percent of this impact based on the amount of gsf approved pursuant to this Code, as follows:

- I. Each new office, restaurant and retail development shall be required to build deed-restricted housing for one employee for every 2,250 gsf;
- II. No mitigation shall be required for developments of less than 2,250 gsf.

**5-1303 B. Hotel Development**

The number of employees that need to be housed as impact mitigation for hotel development shall be determined using the following formula (based on the definition of "population density"):

- I. Divide the total number of hotel units by two (2) (to get the equivalent number of condominium units);
- II. Multiply that number by three (3) (to get the residential density equivalent in number of persons; 3 persons per condominium unit); and
- III. Calculate 15 percent of the residential density equivalent (and round down to the nearest whole number) to determine how many employees shall be housed to mitigate 15 percent of the impact of the hotel development.

5-1303 C. Residential Subdivision or Multi-family Development

~~Impact mitigation of 15 percent shall be required of all new residential subdivisions consisting of seven or more lots and of all new multi-unit developments comprised of seven or more units, as follows:~~

- ~~I. One of every seven lots in each new subdivision shall be deed-restricted; and~~
- ~~II. One of every seven units in each new multi-unit development shall be deed-restricted.~~
- I. One of every three Lots in each new residential Subdivision shall be deed-restricted using the R-1 Housing deed restriction specified in Section 5-1304 or as approved by the BOCC.
- II. One of every three units in each new Multi-family Development shall be deed-restricted using the R-1 Housing deed restriction specified in Section 5-1304 or as approved by the BOCC.
- III. Subdivisions that previously mitigated their impacts through the provision of deed restricted lots or cash-in-lieu shall be exempt from further mitigation.

## 5-1303 D. Ski Area Development

- I. Each ski area development that creates new base facilities in San Miguel County shall provide housing for 15 percent of its employees during all seasons; and
- II. For each new ski lift added to an existing ski area, the ski area operator shall provide housing for two ski area employees.

## 5-1303 E. Size, Location and Occupancy of Mitigation Units (revised)

Deed restricted housing constructed as affordable housing may be occupied by any person(s) qualifying under the deed restriction established by ~~the Town, County and Housing Authority. these County regulations or as approved by the BOCC.~~ Families may occupy larger units or portions thereof if at least one member of the family qualifies under the deed restriction.

- I. Deed restricted housing constructed as affordable housing impact mitigation shall provide:
  - a. At least 350 sq. ft. of space; and

- b. Full living, kitchen and sanitation facilities for each unit where an employee will be housed.
- II. Affordable housing units shall be constructed on the site of the primary development, except as allowed by the Board of County Commissioners.
- III. Affordable housing units shall be constructed simultaneously with the primary development, ~~except in residential subdivisions, in which cases the percentage of affordable housing units or lots platted shall equal or exceed the required percentage of total units or lots platted at any time.~~ In residential subdivisions, the required affordable housing lots platted shall be available to qualified employees at the same time that free market lots are offered for sale.

5-1303 F. Summary of Impact Mitigation Standards for Affordable Housing

Development Type	Employees Generated	Mitigation Level	Mitigation Required
Office	3/1,000 gsf	15%	1 / 2,250 gsf
Restaurant	3/1,000 gsf	15%	1 / 2,250 gsf
Retail	3/1,000 gsf	15%	1 / 2,250 gsf
Hotel	1.5/unit	15%	0.225 / unit
Ski Area	Year-round & Seasonal	15%	All Seasons
Residential Subdivisions		<del>15%</del> <u>37%</u>	1 / <del>7</del> <u>3</u> lots
Multi-unit Projects		<del>15%</del> <u>37%</u>	1 / <del>7</del> <u>3</u> units

5-1303 G. Employee Housing Impact Fee/Mitigation

- I. The employee housing Impact Fee/Mitigation applies to all Development for which a Building Permit application is applied for and approved by the County, unless exempted from payment of the employee housing Impact Fee/Mitigation pursuant to Section 5-1303. G. XI of this Code, or that has otherwise fully mitigated its Employee Housing Impacts in accordance with the applicable LUC provisions. The employee housing Impact Fee/Mitigation applies to:
  - a. the new construction of a Building for which a Building Permit is required under the County's Building codes;
  - b. the construction of an addition to an existing Building for which a Building Permit is required under the County's Building Code; or

- c. a change in use where the new use generates more employees than the previous use generated.
- II. The purpose of the employee housing Impact Fee/Mitigation is to require the applicable development to pay to mitigate the impacts of development and land use to the employee housing stock managed or controlled by the County or its authorized designee, the San Miguel Regional Housing Authority.
- III. The variables used in calculating the employee housing Impact Fee have been adopted by the Board of County Commissioners based upon research conducted by RPI Consulting. The variables include: the number of employees generated by the types of development, current level of service (i.e., how many employees working in the R-1 School District are living in deed-restricted housing), the subsidy needed per employee to construct employee housing, and the credit developers receive for future payment towards employee housing through Town of Mountain Village and Town of Telluride sales taxes.
- IV. The employee housing Impact Fee constitutes a fee of general applicability within the County and as such shall be applicable to all property located within the Telluride R-1 School District in the unincorporated County.
- V. Responsibility for Administration and Collection of Employee Housing Impact Fee. The employee housing Impact Fee will be determined by the County's Building Department or any other entity determined by the Board of County Commissioners to collect such employee housing Impact Fee. The Building Department will determine the Square Footage of Floor Area of a project for purposes of calculating the required employee housing Impact Fee. The Planning Office will make all other determinations and interpretations regarding employee housing Impact Fee administration required to properly implement these regulations, including, but not limited to, the calculation of any applicable credit as defined in this Code. The County intends to use the money solely for defraying the cost of capital facilities for deed-restricted, affordable housing pursuant to State of Colorado Statute 29-20-104.5.
- VI. When Employee Housing Impact Fee is Calculated and Due. The employee housing Impact Fee shall be a condition of a receipt of a Development Permit and shall be calculated and paid at time of issuance of a Building Permit.

- VII. Calculation of Employee Housing Impact Fee. The employee housing Impact Fee shall be calculated based upon the type of Development authorized to be constructed by the Building Permit, the number of employees generated by the development, and the total Square Footage of Floor Area proposed to be constructed as authorized by the Building Permit.
- VIII. Determination of Square Footage of Floor Area subject to Employee Housing Impact Fee. The determination of the Square Footage of Floor Area of a Building that is subject to the employee housing Impact Fee will be calculated based on the San Miguel County Land Use Code, and the Department's policies, procedures and methods of calculating Square Footage of Floor Area under this Code.
- IX. Mixed Use Buildings. For Buildings that are mixed use (e.g., Commercial/Industrial/Residential Buildings) the employee housing Impact Fee/Mitigation will be applied as follows:
- a. Residential area will be charged the employee housing Impact Fee for Residential Development.
  - b. Commercial area will be required to provide employee housing Impact Mitigation for that Commercial Development, Hotel Development, and Ski Area Development which ever applies.
- X. Multiple Types of Buildings on One Lot. All Buildings constructed on the same Lot or Parcel will be charged the employee housing Impact Fee/Mitigation based on the Building Permit issued for that Building.
- XI. Exemptions to the Employee Housing Impact Fee/Mitigation. An employee housing Impact Fee/Mitigation will not be required to be paid or constructed for the following categories of Development:
- a. Any Single-family Residence, Duplex, Multi-family unit or Lot that is Deed-Restricted under the County R-1 Housing Deed Restriction, Covenant or other restriction approved by the Board of County Commissioners is exempt from paying the Impact Fee.
  - b. Change of Use. Change of use without adding additional Square Footage of Floor Area or without increasing employee generation as determined herein will not result in

the assessment of an employee housing Impact Fee/Mitigation.

- c. Residential or Commercial Remodels. Commercial or Residential interior remodels that do not involve the construction of additional Square Footage or without increasing employee generation as determined herein will not result in the assessment of an employee housing Impact Fee/Mitigation.
- d. Affordable Housing in Subdivisions. Existing or proposed subdivisions that include deed-restricted affordable housing units properly restrained through deed-restrictions from open market sale or use to ensure that it is properly characterized as affordable housing, as such term is defined by this Code, may be given a level of credit to offset or mitigate the total employee housing Impact Fee assessed, unless there is an increase in the density or a change in use that increases employee generation. To evaluate and determine the level of credit assessed, the percent of deed-restricted, affordable housing units will be evaluated in relation to the impact mitigation required of that Development when approved.
- e. Single-family Dwelling less than 1,800 sq. ft. of Floor Area. The Board of County Commissioners finds that residential improvements less than 1,800 sq. ft. are presumed to be occupied by local employees, and only residential improvements with a Floor Area of 1,800 sq. ft. or larger should pay employee housing Impact Fees based on the fact that residential improvements above 1,800 sq. ft. of Floor Area have a strong tendency for non-resident occupancy, and the employee generation for non-resident occupied residential structures (second homes) is significantly greater than that for resident-occupied improvements creating impacts beyond the County's ability to mitigate without a fee assessed for the development.
- f. Other Exemptions. The Board of County Commissioners may grant additional exemptions and waivers of the employee housing Impact Fee/Mitigation when deemed to be in the public interest due to special circumstances or unique situations where the Development provides community benefit(s), or where the value of such benefit(s) meets or exceeds the mitigation that would otherwise be required.

- XII. Employee Housing Impact Fee Credit for Sales/Use Taxes to be Paid. The need for a credit arises from the fact that occupants of new Residences in the unincorporated portion of the R-1 School District will be required to pay their share of the cost of housing the employees they generate, but they are also likely to buy goods in the town of Telluride and Mountain Village and therefore pay into the sales/use taxes earmarked in those towns for affordable housing. The sales/use tax credit used in the employee housing Impact Fee calculations has been calculated by RPI consulting and adopted by the Board of County Commissioners.
- XIII. Right To Appeal Employee Housing Impact Fee Determination To Board of County Commissioners. Any person aggrieved by the decision of the Planning Office with respect to the administration of the employee housing Impact Fee under this Code will have the right to appeal such decision to the Board of County Commissioners pursuant to the Section 1-1903 of this Code. In addition, a developer may present alternative calculations of employee generation to the Board of County Commissioners for review and consideration.
- XIV. Future Revisions to Employee Housing Impact Fee Regulations. The employee housing Impact Fee regulations may be reviewed periodically and relevant mitigation requirements adjusted as determined appropriate by the Board of County Commissioners.
- XV. Employee Housing Impact Fee Calculation for Residential Development. The employee housing Impact Fee shall apply to the Development of Residences, as defined in this Code, whose housing impacts have not previously been mitigated. The employee housing Impact Fee also applies to:
- a. New additions to existing detached Single-family Buildings. The fee shall be assessed only for the additional square footage beyond the 1,800 s.f. exemption threshold;
  - b. New additions to existing Multi-family Buildings;
  - c. Accessory Dwelling Units (regardless of size); and
  - d. Caretaker units (regardless of size).
- XVI. Impact mitigation rate. All new Residential Development shall be assessed the Impact mitigation rate of thirty-seven percent (37%)

employee service level, or a level as shall be amended from time to time by the Board of County Commissioners.

a. Appendix E, Table 1, of this Code sets forth the employee housing Impact Fee (per Residential unit) by year that will be assessed based on the size (sq. ft. of Floor Area) of the unit approved for each Development, pursuant to this Code.

b. Appendix E, Table 2, of this Code sets forth the construction mitigation rate each year for residential development.

XVII. The Residential employee housing Impact Fee calculation is as follows:

$$\frac{[(.070174e^{.000322 * SF}) * (mitigation\ rate)] + [(sf * .0044) * (mitigation\ rate\ for\ that\ year)]}{40}$$

• per employee subsidy – Credit) = Impact Fee

XVIII. Commercial Development is not required to pay an Impact Fee but is required to provide Affordable Housing Units as determined in Section 5-1303 A., 5-1303 B. and 5-1303 D.

The San Miguel County Building Dept. is responsible for determining the impact fee per Section 5-1303 F. V. above.

**5-1305 Guidelines, Rules and Regulations Governing Affordable Housing in the Telluride R-1 School District**

**5-1305 B. Definitions**

III. "Affordable Housing" shall mean residential dwelling units in the Telluride Region that are permanently deed restricted by the County's R-1 Housing Deed Restriction to limit use and occupancy to persons (and their families) who live and earn their livings primarily in the R-1 School District of San Miguel County, or such other deed restriction as approved by the BOCC.

**ARTICLE 3**  
**PROCEDURES**

**SECTION 3-1: GENERAL**

**3-101 Development Permits**

No person (s) may engage in any development within the unincorporated area of San Miguel County without obtaining a development permit unless the proposed development qualifies for an exemption. Development Permits (other than those associated with buildings and signs, see Section 5-704, and Oil and Gas Development pursuant to Section 5-26) are not required in the WM Zone District. Development permits are not required in the WE Zone District, except for Oil and Gas Development pursuant to Section 5-26. Any development within the Telluride R-1 School District shall require compliance with Section 5-13 of this Code to provide appropriate employee housing mitigation for the proposed development.

No person or entity owing money to the County, in any amount or for any purpose, including any delinquent taxes certified by the County Treasurer, may be granted any development permit or any other development approval. All development shall be in compliance with the effective development permit duly issued in compliance with the Code. Failure to comply with any condition(s) of approval, as determined by the Board of County Commissioners, shall result in inability to obtain any rights granted conditionally there under, in accordance with Land Use Code Section 3-1402 and C.R.S. 24-68, and County revocation of the development permit upon 30 day notice to the Developer and opportunity for hearing and County determination of non-compliance with conditions.

**ARTICLE 4**  
**SUBMISSION REQUIREMENTS**

**SECTION 4-2: MINIMUM SUBMISSION CONTENTS FOR ALL LAND USE APPLICATIONS**

**4-212 Employee Housing Mitigation Plan**

A plan that complies with Section 5-13 of this Code to provide appropriate employee housing mitigation for the proposed development in the R-1 School District.

**ARTICLE 5  
STANDARDS**

**SECTION 5-3: ZONE DISTRICT STANDARDS**

**5-302 High Density (HD)**

5-302 D. Uses Allowed Subject to Administrative Review

- I. Accessory Dwelling Units. ~~subject to the County R-1 Housing Deed Restriction~~ The Floor Area of the Accessory Dwelling Unit shall be included in the calculation for employee housing Impact Fee mitigation as defined in, and is subject to, Section 5-13 of this Code.
- II. Day care centers - allowed only on lots of at least one acre.
- III. ~~Single family dwellings with greater than 5,000 sq. ft. but less than 12,000 sq. ft. of Floor Area. Such dwellings must include one Accessory Dwelling Unit subject to the County R-1 Housing Deed Restriction of at least 350 sq. ft. for each 5,000 sq. ft. of Floor Area. The San Miguel County Housing Authority or its designee may accept payment of \$80,000 in lieu of construction of each required Accessory Dwelling Unit.~~

**5-303 Medium Density (MD)**

5-303 D. Uses Allowed Subject to Administrative Review

- I. Accessory Dwelling Units. ~~subject to the County R-1 Housing Deed Restriction~~ The Floor Area of the Accessory Dwelling Unit shall be included in the calculation for employee housing Impact Fee mitigation as defined in, and is subject to, Section 5-13 of this Code.
- II. Day care centers - allowed only on lots of at least one acre.
- III. ~~Single family dwellings with greater than 5,000 sq. ft. but less than 12,000 sq. ft. of Floor Area. Such dwellings must include one Accessory Dwelling Unit subject to the County R-1 Housing Deed Restriction of at least 350 sq. ft. for each 5,000 sq. ft. of Floor Area. The San Miguel County Housing Authority or its designee may accept payment of \$80,000 in lieu of construction of each required Accessory Dwelling Unit.~~

**5-304 Low Density (LD)**

## 5-304 D. Uses Allowed Subject to Administrative Review

- I. ~~Accessory Dwelling Units—subject to the County R-1 Housing Deed Restriction. The Floor Area of the Accessory Dwelling Unit shall be included in the calculation for employee housing Impact Fee mitigation as defined in Section 5-13 of this Code.~~
- II. Day care centers - allowed only on lots of at least one acre.
- III. ~~Single family dwellings with greater than 5,000 sq. ft. but less than 12,000 sq. ft. of Floor Area. Such dwellings must include one Accessory Dwelling Unit subject to the County R-1 Housing Deed Restriction of at least 350 sq. ft. for each 5,000 sq. ft. of Floor Area. The San Miguel County Housing Authority or its designee may accept payment of \$80,000 in lieu of construction of each required Accessory Dwelling Unit.~~

**5-307 Forestry, Agriculture and Open (F)**

## 5-307 C. Uses Allowed Subject to Administrative Review

- I. ~~Caretaker unit - a second residential unit may be allowed on all parcels 35 acres or larger; and on parcels 5 to 35 acres in the Telluride R-1 School District, provided such units are subject to the County R-1 Housing Deed Restriction (see Section 5-1304). ~~(No (except no~~ caretaker units shall be allowed in the San Miguel Canyon Area). Such unit shall be attached to or located within 300 feet of the primary residence (as measured between the closest exterior walls). Such unit shall contain no more than one-half the square footage of the primary residence up to 2,000 sq. ft. of Floor Area, and shall contain full kitchen and bathroom facilities. The Floor Area of the caretaker unit shall be included in the calculation for employee housing Impact Fee mitigation as defined in Section 5-13 of this Code. No lease or rental of a caretaker unit shall be less than 30 days or more than five years. Caretaker units shall not be conveyed or sold separately from the remainder of the parcel and shall remain under the same ownership as the primary residence.~~

## 5-307 L. Single-family Dwellings over 12,000 sq. ft. of Floor Area on a minimum of 35 acres

- I. Such dwellings must include one Caretaker or Accessory Dwelling Unit (depending upon Zone District) ~~subject to the County R-1 Housing Deed Restriction, as provided in Section 5-1302 B. II. g.,~~

of at least 800 sq. ft. but no greater than 2,000 sq. ft. for a Caretaker Unit and of at least 700 sq. ft. but no greater than 800 sq. ft. for an Accessory Dwelling Unit.

**SECTION 5-13: ACCESSORY DWELLING UNITS AND AFFORDABLE HOUSING**

**5-1302 Accessory Dwelling Units**

5-1302 B. Standards

5-1302 B.II. An accessory unit shall:

- g. ~~Be subject to the County R-1 Housing Deed Restriction (see Sections 5-1304 and 5-1305), except that the property owner and the owner's immediate family members may occupy an Accessory Dwelling Unit constructed in conjunction with a primary residence less than 5,000 sq. ft.~~

**ARTICLE 6**

**DEFINITIONS**

**Accessory Dwelling Unit**

An additional dwelling unit, ~~subject to the County R-1 Housing Deed Restriction and~~ limited to a maximum of 800 square feet, accessory to a single-family residence in the High Density, Medium Density or Low Density Zone District. The Floor Area of the Accessory Dwelling Unit shall be included in the calculation for employee housing Impact Fee mitigation as defined in Section 5-13 of this Code.

**Affordable Housing**

Residential dwelling units in the Telluride Region that are permanently deed restricted by the County's R-1 Housing Deed Restriction to limit use and occupancy to persons (and their families) who live and earn their livings primarily in the R-1 School District of San Miguel County, or such other deed restriction as approved by the BOCC.

**Deed Restricted Housing**

Affordable Housing with the Deed Restriction set forth in Section 5-1304 R-1 Housing Deed Restriction, or as approved by the BOCC. See definition for affordable housing.

**Employee Housing**

See definition for Affordable Housing.

Employee Housing Impact Fee

A fee paid in lieu of the provision of required deed restricted housing in order to mitigate the impacts of development and land use to the employee housing stock managed or controlled by the County.

Employee Housing Mitigation Plan

A plan that complies with Section 5-13 of this Code to provide appropriate employee housing mitigation for a proposed development.

Improvement

The addition of one or more structures or utilities on a vacant parcel of land. Any additions to raw land or buildings such as structures, infrastructure (i.e. streets, sewers, etc.)

**SAN MIGUEL COUNTY**  
**LAND USE CODE**  
**APPENDIX E**  
**EMPLOYEE HOUSING MITIGATION FEE**  
**CALCULATION TABLES**

The following table outlines the employee housing Impact Fee (per Residential unit) that will be assessed each year based on the size of the unit (sq. ft. of Floor Area) approved for each Development, pursuant to this Code:

<b>TABLE 1: EMPLOYEE IMPACT FEE BASED ON SIZE OF RESIDENTIAL UNIT AND YEAR OF CONSTRUCTION</b>			
<b>FLOOR AREA (sq. ft.)</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
1,000	\$ 1,643	\$ 1,698	\$ 1,754
2,000	\$ 2,350	\$ 2,461	\$ 2,572
3,000	\$ 3,275	\$ 3,441	\$ 3,608
4,000	\$ 4,500	\$ 4,722	\$ 4,944
5,000	\$ 6,139	\$ 6,417	\$ 6,695
6,000	\$ 8,350	\$ 8,684	\$ 9,017
7,000	\$11,350	\$11,739	\$12,128
8,000	\$15,439	\$15,883	\$16,328
9,000	\$21,029	\$21,529	\$22,030
10,000	\$28,692	\$29,248	\$29,804
11,000	\$39,215	\$39,826	\$40,437
12,000	\$53,683	\$54,350	\$55,017
13,000	\$73,596	\$74,319	\$75,041

**Table 2**

The following outlines the mitigation rate for construction employees that is projected out to 2015 using a 37% mitigation rate:

<b>TABLE 2: CONSTRUCTION MITIGATION RATE BY YEAR</b>	
<b>Year</b>	<b>Construction Mitigation Rate</b>
2005	0
2006	0.015
2007	0.029
2008	0.041
2009	0.053
2010	0.064
2011	0.074
2012	0.084
2013	0.093
2014	0.101
2015	0.109