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TO: City of Salida City Council and Staff

FROM: Chaffee County Community Foundation, Chaffee Housing Authority, Chaffee Housing Trust, and Chaffee County EDC

DATE: June 23, 2023

RE: South Ark Neighborhood Project Goals

Dear City of Salida Council Members and Staff,

The South Ark property is the last and largest city-owned property that will be developed as a complete project with community needs as the primary focus. City Leaders have the ability to leverage this chance to create an incredible impact on our community.

On behalf of the Chaffee County Community Foundation, Chaffee Housing Authority, Chaffee Housing Trust, and Chaffee County EDC, we respectfully request that the South Ark property be utilized to its fullest potential in regards to meeting the most urgent priority in our community: Housing.

In that context, we urge the City of Salida to plan this development to produce the maximum number of housing units possible in the highest allowable density to serve a variety of income levels, with an emphasis on creating affordable units for existing members of our community.

**All efforts should be made to attain the maximum number of units allowed,** calculated by the City and its consultants to be about 400 in total, for the benefit of the entire community. Anything short of this total allowable units would represent a critical missed opportunity to create housing for our community, including, but not limited to, income restricted or residency restricted affordable housing.

This project should:

- Be achieved in accordance with a thorough financial analysis to determine the appropriate mix of income ranges and rent vs. for-sale units,

- Be implemented following best practices for affordable housing developments including leveraging tools to ensure it creates a permanent housing resource, and incorporates mixed income levels and unit types.
- Legal considerations for site control in the very long term must be considered. A mix of ground leases and deed restrictions may be deployed to ensure that the highest and best use of this public resource is established now and maintained for future generations.
- Be developed with high density at the core, with diminishing density moving outward from the center
- Be implemented in a phased development process to adjust for changing needs over the duration of the project, and
- Should leverage partnerships that cross a variety of public, private, and nonprofit sectors.

While a balance of diverse and often competing interests needs to be considered, we are particularly keen to note that while recreation and open space are important to some residents, there are ample opportunities elsewhere in Salida and Chaffee County to provide for these interests. Housing has been a growing issue for decades, and remains the most urgent priority as evidenced by the Chaffee Housing Authority's recently updated Housing Needs Assessment.

The Chaffee Housing Authority's 2022 Needs Assessment reports that Chaffee County needs approximately 1105 total units to be constructed by 2027 to close the gap. And this number has only presumably increased over the past year since the study.

- 750 of those units need to be affordable for low-income households.
- The Chaffee Housing Authority currently defines "low income" as households earning less than or equal to 120% of the Chaffee County Area Median Income.
- Out of the 1105 total units needed in the County, 625 are needed for Salida residents alone with 405 of those needed to serve low-income households.
- If the City targets 400 units of housing in the South Ark Neighborhood, Salida could construct 64% of the units needed by 2027 with this project alone.
- If the City requires 50% of the 400 units to be deed restricted, Salida will close the affordable housing unit gap by nearly 50%.

All units should be priced to support a range of income levels to reflect the overall workforce income distribution in the City. This project should be designed for diversity on all blocks in the developed areas, not segregating income ranges or density into specific areas.

A financial analysis should be conducted to ascertain the correct balance of high density, affordable and single family homes to make the project work. Current designs of less than 300 units fail to consider what might be gained by more and higher density units that generate more revenue back to the City.

This project will take years to fully build out. The immediate need is for affordable rentals for all income levels, but especially on the lower end (75% AMI and below), and as such these units should be given first priority. Homeownership is desirable and beneficial to the community in giving security for the long term, however these can happen in a later phase. We have all witnessed the rapid changes of housing over the last five years. We recommend having flexibility throughout planning to fluctuate between what can be a rental and what can be for-sale. Having a variety of townhomes or condos that can easily shift to those needs would prove a valuable asset. Finally, prioritizing density and affordability will set the project up for success for community partners to work with the city to leverage state funding resources to support the financial viability of the project.

The South Ark Neighborhood can be a lasting project that supports our community as we transition toward a truly sustainable year-round economy. It is our sincere hope that Salida City Council will take advantage of this rare development opportunity to address the most urgent and greatest need - Housing, and maximize the number of units available in the project.

Sincerely,

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