

TO: Town of Lake City Planning Commission/Board of Adjustment

FROM: Dynamic Planning + Science

DATE: March 23, 2026

SUBJECT: Lake Fork Housing Project – Conditional Use Permit and Variance Requests

Dear Planning Commissioners/BOA Members,

Dynamic Planning + Science (DP+S), as the lead consultant on the Lake Fork Housing Project, respectfully requests your consideration of 1) a Conditional Use Permit for two multi-family buildings containing more than four units and 2) Variances to four performance or dimensional standards in the Limited Multi-Family (LM) Zoning District.

Project Summary

The subject property is located on the east corner of Henson Street, just south of its intersection with State Highway 149 (SH 149, also known as the Silver Thread Scenic Byway), and along the Lake Fork of the Gunnison River. The property is known as Lots 1-11 and Lots 22-32, Block 21, of the Town of Lake City plat (Parcel ID: 450927305001 / Assessor Account Number: R002578).

The Lake Fork Housing Project consists of 28 year-round affordable dwelling units, including three four-unit buildings along Henson Street at the front of the property and two eight-unit buildings in the rear along the river. At least three units will be ADA-compliant. All buildings will be no more than 30 feet or two stories tall and will have fire suppression systems in addition to rated fire separation adequate for potential future conversion to ownership. The building architectural styles will be complimentary to the historical context of the surrounding neighborhood. Amenities offered on the site include a public recreation trail along the river, semi-private outdoor area for each unit, and a shared deck overlooking the river with tables and grill for use by the residents.

The project is anticipated to be completed in two phases, starting with the two buildings (16 units) in the rear of the property. The remaining three buildings (12 units) will be constructed when additional funding is secured. All units are currently planned for rental; however, the building designs and site arrangement will be such that the units could, in the future, be subdivided into condominiums for individual ownership.

Zoning & Site Development Requirements

The project site is located in the Limited Multi-Family (LM) Zoning District, which allows multiple-family residences that contain up to four dwelling units by right. For multiple-family residences consisting of more than four units, approval of a Conditional Use is required.

The performance and dimensional requirements for the LM District include minimum building setbacks, maximum building height, minimum unit sizes, and architectural standards. Table 1 provides a summary of the applicable requirements resulting in the need for a Conditional Use Permit (CUP) and Variances, followed by further discussion of site constraints.

Table 1: Zoning and Site Development Requirements

Section	Applicable Requirements & Standards	Development Considerations
Sec. 23-9, "LM" Limited Multi-Family District	<ul style="list-style-type: none"> Multifamily residences more than 4 units conditional use Design and performance standards include 21-foot minimum residence width 	Conditional Use Permit needed for two 8-unit buildings, and Variance needed for minimum DU width
Sec. 23-17, Dimension Standards	<ul style="list-style-type: none"> Minimum lot size: 3,000 sqft per DU Minimum lot width: 50 ft + 25 ft per additional DU 2 off-street parking spaces required per DU 	Variances needed for minimum lot area per DU, minimum lot width per DU, and off-street parking

Table Notes: DU = dwelling unit

Access, Circulation & Parking

The site is directly adjacent to and accessed from Henson Street, which runs along the west boundary and is designated and constructed as a Local Road. The platted 8th Street and Lake Street rights-of-way also abut the site along the north and east boundaries, respectively, but remain undeveloped. The 8th Street right-of-way is currently occupied by a drainage channel, and the Lake Street right-of-way is occupied by the Lake Fork of the Gunnison River; neither are anticipated to be developed in the future as public roadways.

Emergency access requirements of the International Fire Code (IFC) include an emergency turnaround and new fire hydrant at a minimum. Because there are several buildings located more than 150 feet from the access point on Henson Street, a turnaround adequate for the Fire Protection District’s largest apparatus is required, which has an approximately 30-foot length. The turnaround will be located on the far north end of the parking lot and designed as an alternate type hammerhead that utilizes the sidewalks abutting either side of the parking lot to achieve the required 70 feet. Rollover (or mountable) curb and gutter will be installed within the turnaround area with reinforced concrete to support the weight of the FPD’s apparatus.

The on-site parking requirement for residential uses is two spaces per dwelling unit. With a total of 28 units, 56 parking spaces would need to be provided. Per Section 23-17(e)(2), parking spaces should be a minimum of eight feet wide and 20 feet long. However, to meet emergency access and other requirements within the constraints of the site, a Variance to this requirement will be needed to allow approximately three fewer spaces for a total of 53, including a minimum of three ADA-compliant spaces.

Conditional Use Permit Request

A Conditional Use Permit is required in the LM Zoning District for any multi-family residential building containing more than four units. We request approval of a CUP to allow the two proposed buildings containing eight units each planned for Phase 1 of the Lake Fork Housing Project, as depicted on the attached site plan dated April 2, 2026.

Pursuant to Section 23-21, conditional uses for the various zoning districts shall be allowed only if it is determined that the following criteria are substantially met with respect to the type of use and its dimensions and other factors:

(1) The use will not be contrary to the public health, safety, or welfare.

As residential uses within a residential zoning district, the eight-unit buildings proposed will not be contrary to the public health, safety, or welfare. At the density proposed and in the arrangement depicted on the site plan, these units will feasibly provide much needed affordable housing for the community and will support the local economy through the expansion of available workforce housing.

(2) The use is not materially adverse to the town's master plan.

The Lake Fork Housing Project with its 28 new year-round affordable units will further the goals of the Town's Master Plan and, more specifically, will further the objectives of the adopted 2025 Comprehensive Affordable Housing Plan.

(3) Streets, pedestrian facilities, and bikeways in the area are adequate to handle traffic generated by the use with safety and convenience.

The subject property is directly adjacent to an existing Town-owned and -maintained roadway and is in close proximity to SH 149, providing adequate access for the anticipated vehicular traffic generated by the proposed eight-unit buildings and housing development as a whole. In addition, the surrounding area provides adequate pedestrian and bicycling facilities for the proposed property use and adjacent existing uses.

(4) The use is compatible with existing uses in the area and other allowed uses in the district.

The surrounding area is primarily a mix of residential, commercial, governmental, and tourism-serving uses at various densities. Nearby properties are zoned LM, General Business, and Tourist 2, which allow a mix of multi-family and commercial uses. The closest properties that are zoned for lower-density residential development are located across the river to the east. Therefore, the use of two multi-family buildings containing eight units is found to be compatible with the surrounding existing neighborhood and future allowed uses.

(5) The use will not have an adverse effect upon other property values.

As proposed, the subject property can accommodate 28 new affordable housing units with designs that are compatible with the surrounding neighborhood and its historical context. The entire project will be buffered on all sides by the river, rights-of-way, or non-residential uses. Further, the proposed eight-unit buildings will be located on the rear river side of the property, behind and shielded by the four-unit buildings that are allowed by-right. Therefore, no adverse impacts on property values are anticipated.

(6) *The location of curb cuts and access to the premises will not create traffic hazards.*

The subject property will be accessed via Henson Street, and the location of the development's access point will be designed in conformance with applicable standards to ensure that no traffic hazards are created and that the site has adequate emergency access.

(7) *The use will not generate light, noise, odor, vibration, or other effects which would unreasonably interfere with the reasonable enjoyment of other property in the area.*

The proposed use of two multi-family residential buildings containing eight units will not generate any light, noise, or other impacts that would interfere with the enjoyment of surrounding properties. These units will be located on the rear river side of the property, further buffering single-family residential uses in the surrounding neighborhood.

(8) *The use will comply with other applicable criteria specified in these regulations.*

Except as requested herein, the Lake Fork Housing Project will comply with all applicable Town, state, and federal requirements.

Variance Requests

A total of four Variances from Chapter 23 (Zoning Ordinance) of the Municipal Code will be necessary to accommodate the 28-unit project given existing site constraints. To allow development of the proposed Lake Fork Housing Project, as depicted on the attached site plan dated April 2nd, 2026, we request approval of the following Variances:

1. On-site parking reduced from 56 to 53 spaces
2. Minimum dwelling width reduced from 21 feet to 20 feet and 3 inches for the 12 smallest units
3. Minimum lot area per unit total reduced from 84,000 square feet to existing (68,750 square feet)
4. Minimum lot width per unit total reduced from 725 feet to existing (275 feet)

Pursuant to Section 2-179(2), to vary or modify the application of the site development regulations in the LM Zoning District it must be determined that the following criteria are met:

(a) *There are practical difficulties or unnecessary hardships in the way of carrying out the strict letter of the zoning ordinance; and*

The subject property was originally created in 1874 as part of the original Town of Lake City plat and does not meet current zoning requirements for minimum lot width or area. In addition, approximately a quarter of the property is encumbered by the FEMA 1% Annual Chance Floodway associated with the Lake Fork of the Gunnison River. These physical circumstances pose practical difficulties in meeting the zoning requirements and create unnecessary hardships in developing the property for 28 new affordable housing units.

(b) The spirit of the ordinance will be observed, the public safety and welfare secured and substantial justice done by granting the variance.

Granting the requested Variances will not create or exacerbate any public safety issues, nor will it negatively impact public welfare. On the contrary, granting these Variances will allow the Lake Fork Housing Project to proceed as designed to create 28 new affordable units to serve the community's housing needs. Further, as discussed under the CUP request, granting of the Variances is in keeping with the purpose and spirit of the Zoning Ordinance. More specifically:

- Given the project's location on the edge of the Town core, the availability of on-street parking in the vicinity, and the tendency for lower-income households to have fewer personal vehicles, the request for a Variance to reduce the off-street parking requirement by three spaces for a total of 53 is not anticipated to create any conflicts with adjacent properties or transportation routes.
- A reduction of nine inches in dwelling width will likely be undetectable without a survey or as-built drawings.
- Reductions in required lot area and width per dwelling unit would allow the project to proceed in the context of existing site constraints and support would support the Town's long-term affordable housing goals and objectives.