

Thursday, April 6, 2017

To: Colorado Springs Planning and Zoning
From Pied Piper Properties, LLC. Via agent Amanda Miller Luciano with Synergy Realty Group
Re: Warrant application to be allowed to rebuild a single-family home at 26 E Mill St.

**W 100 FT OF LOT 5, W 100 FT OF S 30 FT OF LOT 6 BLK 4 SOUTH END ADD
COLO SPGS**

The property at 26 E Mill St. is home to an 800-square foot single-family house and an oversized garage and carport. It has been used as a residence since it was constructed in 1909.

When 80903-02 LLC purchased this home from HUD in 2011, the parties involved in the LLC did not realize the house was in the new form-based zoning district. They bought the house with cash at the time and did not find out until they tried to finance it in March of 2012 that the home would not qualify for residential financing because it's a legal non-conforming use and would not be able to be rebuilt as it is.

The property's ownership changed a few times with the same controlling party at the helm. They shifted entities around and secured a five-year commercial loan on the property because it was the most expedient solution to the problem at the time.

Over the years, the owners (now Pied Piper Properties, LLC) have invested in the home, making cosmetic improvements and completing significant structural repairs.

Now the owners are trying to sell the property. Because it is a home, the most logical buyers are residential users. And residential buyers are ogling it online. There are typically well over 100 views a day and two to seven who save it as a favorite on Zillow. The house has been marketed as both a commercial and residential property for 18 days as of April 6. In today's market, that is a long time for a house listed at \$155,000. No commercial users have looked at the home. Only a handful of potential residential buyers have looked at it because we disclose on the MLS that it will not qualify for residential financing. Those who have seen it, usually don't know beforehand that they can't get regular financing.

The home is marketed below its recent appraised value, but without being able to secure residential financing, the house is not an option for most.

Many of those who have looked at the home envision a live/work scenario, which is fitting with the vision for downtown. Many of the potential buyers who have investigated the house would live there and operate a home business. Some have grand visions for one day doing more with the property. However, right now, their businesses are start-ups. They won't be able to buy the property for commercial use.

Beyond that, they like the home because it provides an opportunity to live downtown and within easy walking distance of local businesses such as Gold Camp Brewing and Luigi's.

It's a desirable place to live. With limited residential dwelling options downtown – especially affordable homeownership opportunities like this one – it seems prudent for the city to warrant this use. There are precious few homes anywhere in Colorado Springs priced in the \$155,000 range. Enabling someone shopping for a home in this price range to purchase a home within the downtown FBZ district and become a homeowner now will help to secure downtown's long-term economic diversity as the city grows and gentrifies.

Without the warrant, the current ownership suffers because it cannot easily sell. Beyond that, the only potential buyers are investors. As the property isn't quite prime yet for redevelopment, it will likely remain a rental house for many years to come. Enabling an owner to buy the house will stabilize the neighborhood and help to enhance it long term. While the warrant makes financing possible for a residential buyer, it will not preclude it from redevelopment long term.

We hope the city will consider granting a warrant allowing a new owner to rebuild the property as is in the case of a complete loss so that the home will qualify for traditional financing.

Thank you,



Amanda Miller Luciano
Synergy Realty Group