

**Minturn Planning Department**  
Minturn Town Center  
302 Pine Street  
Minturn, Colorado 81645



**Minturn Planning Commission**  
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**Memorandum**

To: Minturn Planning Commission

From: Scot Hunn, Planning Director

Date: May 1, 2024

RE: Ordinance No. TBD – Series 2024 Amending Chapter 16, Article 26 Housing Regulations and Article 2 Definitions

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Pursuant to Objective 4.6 of the 2023 Imagine Minturn Community Plan, the attached draft ordinance is presented for the Planning Commission’s review and consideration as a means to 1) address the recommended community (affordable) housing-related actions of the Community Plan, and 2) to address ongoing, documented housing needs within the Town of Minturn at a time when the Town is experiencing an uptick in the number and type of residential development proposals.

Objective 4.6 of the Community Plan provides: *“Prioritize housing for full-time residents; ensure that residents of all ages and income levels are able to find housing.”*

Action 4.6.1 under Objective 4.6 recommends that the Town *“Amend the 200% AMI requirement for inclusionary housing in Minturn to promote more equitable and inclusive access to housing. Further assessment may be necessary to determine the most appropriate thresholds for the community, and many communities require units at a variety of thresholds. A 120% AMI requirement should be available for at least a portion of units.”*

Action 4.6.2 under Objective 4.6 recommends that the Town *“Use deed restrictions to require full-time residency in the community in homes created through housing regulations or preserved with public funding such as a buy-down program.”*

With these goals and recommended actions in mind, and with the direction of the Town Council and the Planning Commission, staff evaluated the current housing regulations (Article 26), as well as other housing regulations used by other jurisdictions to provide the proposed amendments.

**Summary of Amendments:**

- Reduce the Area Median Income (AMI) threshold applicable for the initial sales price for for-sale units from 200% to 140% AMI. This amendment stems directly from previous

conversations with the Planning Commission as well as with representatives from the Eagle County Housing and Development Authority since the Town's Inclusionary Housing (IH) regulations were adopted in 2020, and from recommendations of the Community Plan which state:

*“The current IH program requires housing to be affordable up to 200 percent of AMI, which is a household income of approximately \$180,000 for a three person household. This income level equates to a home purchase price of over \$750,000. The IH will therefore produce housing that is close to the market rate (albeit deed restricted) as the average sale price in 2021 was \$767,000. The Town should consider requiring a lower AMI target such as 120% or a range of AMI levels from below 100 percent to the current 200 percent requirement.”*

While staff investigated a tiered AMI structure (e.g. requiring the provision of deed restricted units with initial sales prices ranging from 100% to 200%) staff recommend lowering the initial sales price for for-sale residential units to 140% at this time. If the Town is interested in pursuing a tiered approach in the future, staff suggest that such changes could be further studied and additional amendments to Chapter 16, Article 26 can be presented.

- Provided definitions within Article 2 of Chapter 16 to define “Price Capped For Sale Housing” and “Price Capped Rental Housing.” The Town's Community Housing Guidelines (Article 26) include requirements for for-sale and for-rent units to be deed restricted (capped) and available for certain affordability levels, but the guidelines do not currently define price caps. Here are the two new definitions:

*Price Capped For Sale Housing* means housing subject to a deed restriction requiring that the Housing meet Initial Sales Prices, resale price appreciation limits, quality, and other criteria set forth in the Guidelines and Administrative Procedures.

*Price Capped Rental Housing* means rental housing subject to a deed restriction requiring that the Housing meet Rental Rate Restrictions, quality, annual compliance and other criteria set forth in the Guidelines and Administrative Procedures.

- Clarified that the Town, when evaluating housing plans for new developments, will consider the entirety of any phased development plans.
- Created a provision/requirement that deed restrictions will not only cap initial sales price but also annual appreciation that may be captured for subsequent re-sales. This (restricting price appreciation on re-sales) is typical in most inclusionary housing regulations and is one way to address affordability throughout the life of a deed restricted unit. Staff will need to update the Community Housing administrative standards (which were approved by resolution, separate from the Housing Guidelines/Article 26 originally) to provide details on eligible improvements that a unit owner can make over time while still capping appreciation.