



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Planning	Bill Almquist - Community Development Director	April 16, 2024

ITEM

Second Reading and Public Hearing for Ordinance 2024-04: An Ordinance of the City Council for the City of Salida, Colorado Amending Section 4-2-30(a)(8) of the Salida Municipal Code to Modify the Terms of the Affordable Housing Fund

BACKGROUND

The Affordable Housing Fund was created in 2018 concurrent with Council's initial adoption of an Inclusionary Housing policy. At the time, inclusionary housing (and language regarding the housing fund) specifically addressed local workforce households earning only up to 80% area median income (AMI) or less. In 2018, rental unit market prices were generally considered affordable to households making as high as 80% - 100% AMI and for-sale unit market prices were considered affordable to households making approximately 100% AMI and higher. Today, rental unit market price affordability generally starts at 100% -140% AMI, and for-sale unit market price affordability generally starts at 180% AMI and above.

Furthermore, the 2022 Chaffee County Housing Needs Assessment identified a broad spectrum of additional affordable housing needs across the County. Basically, very little was/is available to renting households making up to 100% AMI and practically nothing was available to households making up to 180% AMI (virtually all "middle-income" earners) looking to purchase a home. In response to this data and other factors, the City of Salida updated its inclusionary housing policy via Ordinance 2022-05 to require built units for projects of six units or greater and also expanded the target household incomes up to include up to 100% AMI for rental units and up to 160% AMI for ownership units (with other requirements that evenly disperse target AMIs across developments). Coincidentally, the state of Colorado, in recognition of the unique challenges experienced by "rural resort" communities like Salida, also expanded its rules around affordability to allow grant funding for projects with rental units priced up to 120% AMI and ownership units up to 160% AMI.

While changes were made to Chapter 16 of the Salida Municipal Code to account for this greater spectrum of need for the local workforce, the defined terms of the Affordable Housing Fund—which assists in creating housing across that entire spectrum—were inadvertently left unchanged from the original reference to "at or below 80% AMI". This ordinance simply aligns the terms of the Fund with the existing inclusionary housing policy and relevant households (as high as 160% AMI) that the City intends to assist. This is important, as some City-initiated projects, especially, are expected to include housing deed-restricted up to 160% AMI (e.g. South Ark Neighborhood), where such funds could potentially be utilized.



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SUGGESTED MOTION

A council person should make the motion to “approve Ordinance 2024-04: An Ordinance of the City Council for the City of Salida, Colorado Amending Section 4-2-30(a)(8) of the Salida Municipal Code to Modify the Terms of the Affordable Housing Fund.”

Attachments:

Ordinance 2024-04
Ordinance 2022-05
Proof of Publication