



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Planning	Kathryn Dunleavy - Planner	October 3, 2023

ITEM

Resolution No. 2023-41: A Resolution of the City Council for the City of Salida, Colorado Amending the 2023 Fee Schedule

BACKGROUND

With this Resolution, staff is proposing to update the Inclusionary Housing Fee-in-Lieu on the 2023 Adopted Fee Schedule. The City Council requested periodic update to the Inclusionary Housing fee-in-lieu to account for current median home sales prices, and staff has been doing this on an approximate semi-annual basis.

Per Section 16-13-30 of the Salida Municipal Code, a developer may satisfy the requirement for providing Inclusionary Housing units by paying a fee-in-lieu of built housing *only if* the development proposes five (5) units or less *or* if the calculation for built Inclusionary Housing units results in a fractional portion above a whole unit. City Council approved the most recent Inclusionary Housing fee-in-lieu adjustment in February of 2023 via Resolution No. 2023-06 to a rate of \$19.97/SF for for-sale units and \$3.00/SF for rental units. Using median sales price data for 2023 year-to-date through August, this amendment to the fee schedule is for a \$2.57 reduction to the per square foot for-sale fee-in-lieu, down to \$17.40/SF. This reflects the reduction in Chaffee County year-to-date median sales price that is shown on the attached Local Market Update. No change from the current rental unit fee-in-lieu of \$3.00/SF is proposed.

For reference, the for-sale fee-in-lieu is calculated as follows: The proposed fee in-lieu on for-sale units has been determined by the delta between the year-to-date median sales price for all residential units in Chaffee County and the maximum calculated purchase price of a 3-bedroom home for a household making 100% AMI, based on numbers provided by CHFA. This number is then multiplied by 1/6 (the required built IH unit quotient) and then further divided by 1650, the average square footage of a newly built home in Salida over the last few years, to determine the per square-foot fee.

FISCAL NOTE

This reduction will have some fiscal impact on the City's Affordable Housing fund. However the Inclusionary Housing ordinance puts the emphasis on built units over reliance on the fee-in-lieu. The fee-in-lieu is designed to track with median sales prices which have decreased over the past year.



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STAFF RECOMMENDATION

Staff recommends that the updated City of Salida fee schedule be approved by Council.

SUGGESTED MOTION

A Council person should move to “Approve Resolution No. 2023-41 amending the 2023 Fee Schedule.”

Attachments:

Resolution No. 2023-41

2023 Fee Schedule as amended

Calculation sheet for new IH fee-in-lieu

Central Colorado Realtors report on median home sales prices through August 2023

RESOLUTION NO. 41
(Series 2023)

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO
AMENDING THE 2023 FEE SCHEDULE

WHEREAS, the Salida Municipal Code (“Code”) establishes rules and regulations for the operations of the City of Salida (“City”) and provides for the establishment of fees for various City services throughout the Code; and,

WHEREAS, fees associated with the services provided by the City require adjustment from time to time to account for the increase in the costs to provide such services, as well as for the implementation of new services and regulations, or applicable amendments to the Code; and,

WHEREAS, on February 7, 2023, the City Council adopted an amendment to the 2023 Fee Schedule via City Resolution No. 2023-06 that amended the Inclusionary Housing fee-in-lieu; and,

WHEREAS, since the adoption of the previous Inclusionary Housing fee-in-lieu via City Resolution No. 2023-06 (using YTD sales data through December 2022), the median sales price for all residential units in Chaffee County has decreased (using YTD sales data through August 2023), leading to a \$2.57 decrease per square foot in the fee-in-lieu; and,

WHEREAS, no additional data has been collected regarding median rental unit rates in Chaffee County since the last Inclusionary Housing fee-in-lieu update, and therefore no changes to the Inclusionary Housing fee-in-lieu for rental units are currently proposed; and,

WHEREAS, Council has directed staff to periodically update the Inclusionary Housing fees-in-lieu, as included in Exhibit A, attached hereto and incorporated herein and included as part of the City’s overall Fee Schedules, as appropriate to track with the market rate sales prices.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO THAT:

1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations and findings.
2. This resolution and accompanying amended Fee Schedules are intended to supersede all previous fee schedules adopted by the City Council.
3. Effective upon approval, the City hereby adopts the amended 2023 Fee Schedule (applicable updated portions are attached hereto as Exhibit A).
4. Effective upon approval, the City hereby adopts the updated Inclusionary Housing Fees-in-Lieu in full (attached hereto as Exhibit B).

RESOLVED, APPROVED, AND ADOPTED this 3rd day of October, 2023.

CITY OF SALIDA

By: _____
Dan Shore, Mayor

[SEAL]

ATTEST: _____
City Clerk/Deputy City Clerk

Exhibit A
2023 Inclusionary Housing
Updated In-Lieu Fees



Inclusionary Housing In-Lieu Fees:

Inclusionary housing requirements apply to Annexations, Planned Developments, Minor and Major Subdivisions, Condominium Plats, Duplex Conversion Subdivisions, and Multi-Family rental projects of five (5) or more units. The in-lieu fee option is only available for the fractional portion above the number of inclusionary housing units required to be built and deed-restricted in a development and where the total number of proposed built primary units in a development is five (5) or less.

If an applicant opts to pay an in-lieu fee to satisfy the inclusionary housing requirement as permitted by Sec. 16-13-30 of the Salida Municipal Code, the fees shall be calculated as described here, based upon the date of building permit application submittal, and shall be due no later than issuance of the certificate of occupancy for each unit:

- (a) The in-lieu fee for each for-sale unit within the applicable development shall be:

\$17.40 per square foot of the principal unit (excluding garages)

- (b) The in-lieu fee for each unit within a multi-family rental project of five (5) or more units under single ownership and on the same lot (whether attached or not) shall be:

\$3.00 per square foot of the rental unit (excluding garages)*

*Should such a unit be converted to a saleable unit (via subdivision, condominiumization, etc.), the applicant shall be responsible for paying the difference between the rental unit in-lieu fee originally paid and the for-sale unit in-lieu fee applicable at the time of such conversion, unless the requisite number of inclusionary housing units are then deed-restricted.

Local Market Update for August 2023

A Research Tool Provided by the Colorado Association of REALTORS®

Make Sure
Your Agent is a REALTOR®

Not all agents
are the same!



Chaffee County

Contact the REALTORS® of Central Colorado for more detailed local statistics or to find a REALTOR® in the area.

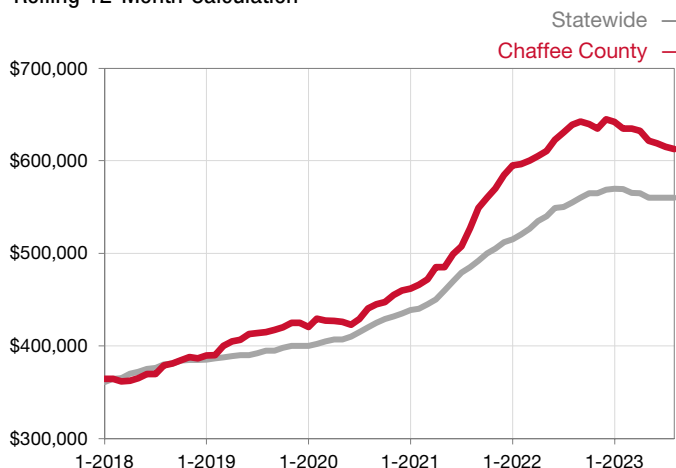
Single Family	August			Year to Date		
Key Metrics	2022	2023	Percent Change from Previous Year	Thru 08-2022	Thru 08-2023	Percent Change from Previous Year
New Listings	46	59	+ 28.3%	440	420	- 4.5%
Sold Listings	49	45	- 8.2%	297	250	- 15.8%
Median Sales Price*	\$639,000	\$650,000	+ 1.7%	\$650,000	\$602,500	- 7.3%
Average Sales Price*	\$763,869	\$736,960	- 3.5%	\$754,800	\$712,770	- 5.6%
Percent of List Price Received*	97.2%	96.8%	- 0.4%	98.6%	97.1%	- 1.5%
Days on Market Until Sale	46	63	+ 37.0%	35	62	+ 77.1%
Inventory of Homes for Sale	176	180	+ 2.3%	--	--	--
Months Supply of Inventory	4.6	5.7	+ 23.9%	--	--	--

* Does not account for seller concessions and/or down payment assistance. | Activity for one month can sometimes look extreme due to small sample size.

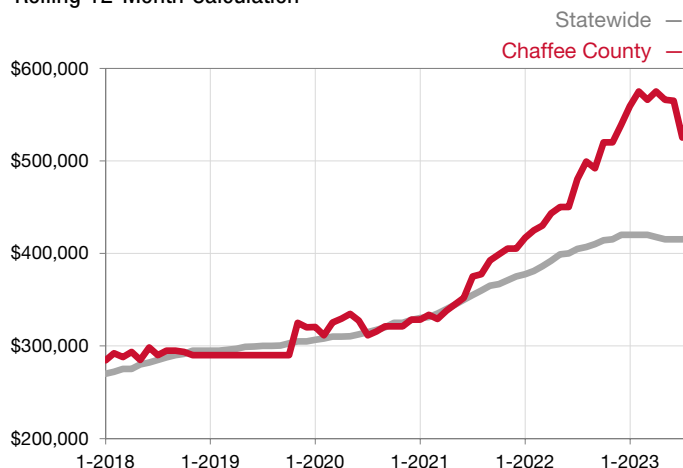
Townhouse/Condo	August			Year to Date		
Key Metrics	2022	2023	Percent Change from Previous Year	Thru 08-2022	Thru 08-2023	Percent Change from Previous Year
New Listings	11	9	- 18.2%	79	80	+ 1.3%
Sold Listings	2	8	+ 300.0%	53	62	+ 17.0%
Median Sales Price*	\$717,500	\$605,500	- 15.6%	\$520,000	\$525,000	+ 1.0%
Average Sales Price*	\$717,500	\$604,219	- 15.8%	\$557,795	\$547,515	- 1.8%
Percent of List Price Received*	94.5%	97.7%	+ 3.4%	99.2%	98.8%	- 0.4%
Days on Market Until Sale	28	79	+ 182.1%	31	70	+ 125.8%
Inventory of Homes for Sale	37	34	- 8.1%	--	--	--
Months Supply of Inventory	5.6	4.6	- 17.9%	--	--	--

* Does not account for seller concessions and/or down payment assistance. | Activity for one month can sometimes look extreme due to small sample size.

Median Sales Price – Single Family
Rolling 12-Month Calculation



Median Sales Price – Townhouse-Condo
Rolling 12-Month Calculation



SALIDA INCLUSIONARY HOUSING FEE CALCULATOR

Project	Total No. of Units	No. of IH units required	Units of IH Provided in Project	Median Home Value*	IH Price for 3BD Home @ 100% AMI**	Affordability Gap (D-E)	Per Unit	Per SF of market units	Per Market Unit Charge:		
									If Units are 1650 SF	If Units are 1200 SF	If Units are 2000 SF
For projects <6 units/lots and for partial IH units	6	1	0	\$ 587,099	\$ 414,852	\$ 172,247	\$ 28,708	\$ 17.40	\$ 28,708	\$ 20,878	\$ 34,797

* All home types sold in Chaffee County, per Realtors of Central Colorado (thru August 2023)

** Using 2023 HUD/CHFA data (calculated \$250/mo. credit for taxes, insurance, etc. removed from price for consistency)