



CITY COUNCIL WORK SESSION MEMO

DEPARTMENT Planning	PRESENTED BY Kathryn Dunleavy - Planner	DATE March 20, 2023
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ITEM: Inclusionary Housing Update

BACKGROUND In 2018 the City of Salida City Council passed an Inclusionary Housing ordinance. That ordinance was revised in April of 2022. The following are all the deed-restricted units (some pre-date the IH ordinance), categorized by Completed (72), Units with active Building Permits (26), and Committed Units in Approved Projects (+/- 49), for a total of 147 units. This does not include additional previously existing affordable projects, such as Riverbend Apartments, Salida Apartments, and the Salida Housing Authority Apartments.

Completed Built Units	# Income-restricted units	Maximum AMI	Year Completed / Anticipated	Unit Type / Status
Confluent Park Apartments	48	30% - 50%	2022	LIHTC rental apartments in 2 multi-family bldgs
River Ridge	8	80%	2022	Chaffee Housing Trust- for-sale condos in 2 bldgs
Magpie	4	80%	2022	Rental Duplex Apartments - 32 total units
Two Rivers (Northh) (pre IH)	8	70% or 80%	2018-19	Chaffee Housing Trust- for-sale townhouses
Blue Jay Apts (pre-IH)	4	80%	2018-19	Rental Apartments
Total Completed Units	72			
Building Permits in Progress				
Old Brick Condominiums	1	140%	2023	For-sale condo, C.O. anticipated this spring
3rd & M	6	80% & 100%	2023	Chaffee Housing Trust - 4 for sale, 2 for rent. C.O. this summer. Formerly City-owned property utilized for 100% affordable housing
Holman Court	2	120%, 140%	2023	CO on duplex anticipated this spring/ summer
Jane's Place	17	N/A	2024	Transitional housing by CHA (rent=30% of income)
Total Units Under Construction	26			
Future Built Units Committed to in Approved Developments				
Salida Crossings	2	160%	2024	For-sale townhomes (out of 20) bldg permits soon
	22	100% - 140%	2025	11 IH condos - permit later in 2023;
			2026	another 11 IH condos in future phase
West End Subdivision	2	5 @ 80%, 1 @ 140%	2024	Chaffee Housing Trust - 1st IH duplex Bldg Permit planned this fall (2 units).
	4		2024-2025	2 additional duplexes (4 units) in future phase.
505 Oak Street PD	8	80% - 160% (per IH Ord)	2024-2025	AMI per IH Ord. 2 for-sale townhomes and 6 rental apts
Two Rivers South- MF Lot- pre IH	~ 5	80%		12.5% of units constructed on Lot 48 (~40's)
Two Rivers South- Remainder-pre IH	6	80%		Lots 25 and 44 - min. of 3 IH units on each
Total future units in approved subdivisions:	~ 49			

Approximately \$175,000 has been collected through the end of 2022 from fees-in-lieu (FIL) for prior projects. The following Major Subdivisions and Planned Developments are required to pay fees-in-lieu as they develop, in addition to any minor subdivisions, condominium plats, etc.

Fees-in-lieu per IH Ordinance		f-i-l required		
Holman Court PD + Major Sub		+/- \$60,000	ongoing	0.33 of an FIL to be collected with market rate unit bldg permits
Cherry Grove Major Subdivision		\$7.87 per square foot	ongoing	All primary units owe FIL at CO. 3 lots paid; 4 lots remaining
Green Heart PD		at current per sq. foot rate		4 lots yet to be developed
Other: Minor Subs, Condo Plats, etc			ongoing	

Future Inclusionary Housing:

Staff anticipates that when the updated Area Median Income (AMI) levels are released later this year (anticipated in May/June) they will increase due to inflation. Increases in income levels then filter down to increases in maximum rents and allowable sales prices at each AMI%. A sizable increase is possible. Staff has estimated how this may affect the maximum rents and sales prices. (Note: this is a simplified estimate for illustrative purposes only).

IH Sales & Rental maximums currently in effect:

Maximum RENT (including utilities) by AMI %				Maximum SALES PRICE by AMI %			
	60%	80%	100%	100%	120%	140%	160%
Studio	\$864	\$1,152	N/A	\$233,905	\$270,858	N/A	N/A
1 bed	\$926	\$1,234	\$1,543	\$254,052	\$295,035	\$355,673	N/A
2 bed	\$1,110	\$1,480	\$1,850	\$314,494	\$367,565	\$440,292	\$513,018
3 bed	\$1,283	\$1,710	\$2,138	\$371,005	\$435,378	\$519,407	\$603,435
4 bed	\$1,431	\$1,908	\$2,385	\$419,653	\$493,756	\$587,514	\$681,273

Estimated IH Sales & Rental maximums with potential 10% AMI increase:

Maximum RENT (including utilities) by AMI %				Maximum SALES PRICE by AMI %			
	60%	80%	100%	100%	120%	140%	160%
Studio	\$950	\$1,267	N/A	\$253,715	\$294,948	N/A	N/A
1 bed	\$1,018	\$1,357	\$1,697	\$275,159	\$320,681	\$385,222	N/A
2 bed	\$1,221	\$1,628	\$2,035	\$339,491	\$397,879	\$475,287	\$552,695
3 bed	\$1,411	\$1,881	\$2,351	\$399,639	\$470,057	\$559,494	\$648,931
4 bed	\$1,574	\$2,099	\$2,624	\$451,418	\$532,192	\$631,985	\$731,779

The deed-restriction documents have been prepared by City Attorney Nina Williams working closely with the Chaffee Housing Authority. Nina will be available to discuss that document and answer questions. Staff appreciates any feedback you have and is happy to answer any questions.