



## CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Planning	Bill Almquist - Community Development Director	February 1, 2022

### **ITEM**

Resolution No. 2022-04: A Resolution of the City Council for the City of Salida, Colorado Amending the 2022 Fee Schedules

### **BACKGROUND**

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 constructed housing. City Council approved the most recent Inclusionary Housing fee-in-lieu adjustment in July of 2021 via Resolution No. 2021-22. At that time, Council requested that the fee-in-lieu calculation be reviewed for possible adjustment approximately every six (6) months, due to the rapidly changing local housing market.

The fee in-lieu for for-sale units is currently determined by the difference between the year-to-date Chaffee County median sales price for all residential units (as provided by Realtors of Central Colorado) and the calculated sales price of a home to a 4-person household making 80% AMI. The latter figure is determined using numbers provided by the U.S. Department of Housing and Urban Development (HUD) and Colorado Housing and Finance Authority (CHFA).\*

The July 2021 adjustment (to \$16.51/SF for units within Annexations, Planned Developments, Major Subdivisions, and Condo Plats of Five Units or More; and to \$8.26/SF for units within Minor Subdivisions) used the YTD median sales price of all residential units through May of 2021, which was approximately \$505,000. The latest data (through December of 2021) shows that the YTD median sales price of all residential units was approximately \$557,000—an increase of approximately \$52,000 since the beginning of June. This Resolution amends the Fee Schedule to include the revised fees-in-lieu for Inclusionary Housing, based upon the most current information available, to \$20.46/SF for units within Annexations, Planned Developments, Major Subdivisions, and Condo Plats of Five Units or More; and to \$10.23/SF for units within Minor Subdivisions.

The current fee-in-lieu for rental units created through any of the above land use application types is \$3.00/SF, as set via Resolution No. 2021-22. No additional data regarding median rental unit rates has been collected since the last update, and therefore no changes to that fee-in-lieu are currently proposed. Staff intends to revisit this fee-in-lieu as part of future amendments to the Inclusionary Housing policy.

\*The next HUD/CHFA housing affordability numbers will not be released until April 2022, and therefore the price of home for a 4-person household at up to 80% AMI remains the same (approx. \$287,000), for now.



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### **FISCAL NOTE**

There will likely be a direct (upward) impact to the Inclusionary Housing Fund, although some of the gains could possibly be offset by a developer's choice to actually build and deed-restrict Inclusionary Housing unit(s), depending upon the economics.

### **STAFF RECOMMENDATION**

Staff recommends that the updated fee-in-lieu of constructed Inclusionary Housing units be approved by Council.

### **SUGGESTED MOTION**

A Council person should move to "Approve Resolution No. 2022-04 Amending the 2022 Fee Schedules."

#### **Attachments:**

Resolution No. 2022-04

2022 Inclusionary Housing Fee Schedule as amended

Central Colorado Realtors report on median home values through December 2021

Calculation sheet for new fees-in-lieu

**RESOLUTION NO. 04**  
**(Series 2022)**

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO**  
**AMENDING THE 2022 FEE SCHEDULES**

**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**, the City relies upon fees to provide many services to its customers and citizens; 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 December 21, 2021, the City Council adopted the 2022 Fee Schedules via City Resolution No. 2021-43; and,

**WHEREAS**, City Council requested that Inclusionary Housing fees-in-lieu for for-sale units be reviewed and updated approximately every six months based upon the difference between the median sales price for a residential unit in Chaffee County and the calculated sales price for an affordable unit at up to 80% area median income (AMI) in Chaffee County; and

**WHEREAS**, since the previous Inclusionary Housing fee-in-lieu update adopted via City Resolution No. 2021-22 (using YTD sales data through May 2021), the difference in median sales price for a residential unit in Chaffee County and the calculated sales price for an affordable unit at up to 80% AMI in Chaffee County has increased by over \$52,000 (using YTD sales data through December 2021); 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 determined the amended 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, are appropriate as an option for the satisfaction of the Code's Inclusionary Housing requirements.

**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 Inclusionary Housing fees-in-lieu are intended to supersede all previous Inclusionary Housing fees-in-lieu adopted by the City Council.
3. Effective upon approval, the City hereby adopts the amended Inclusionary Housing fees-in-lieu (attached hereto as Exhibit A) as part of the overall 2022 City of Salida Fee Schedules.

**RESOLVED, APPROVED, AND ADOPTED this 1st day of February, 2022.**

CITY OF SALIDA

By: \_\_\_\_\_  
Dan Shore, Mayor

[SEAL]

ATTEST: \_\_\_\_\_  
City Clerk/Deputy City Clerk

**Exhibit A**  
**2022 Inclusionary Housing**  
**Updated In-Lieu Fees**



## Inclusionary Housing In-Lieu Fees:

If an applicant chooses to pay an in-lieu fee for all or part of the inclusionary housing required for the project, the fee shall be calculated as described here and be due no later than issuance of the building permit.

- (a) Annexations, Planned Developments, Major Subdivisions, and Condominium Plats of Five (5) Units or More: The in-lieu fee shall be the following for each non-restricted for-sale unit within the development:

$$\frac{AHR - AHP}{AHR} \times \$20.46 \text{ per square foot of the principal unit (excluding garage)}$$

Where: AHR = Affordable Housing Units Required

AHP = Affordable Housing Units Provided

\* The in-lieu fee for attached rental units (duplex units and greater) under single ownership and on the same lot 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.

- (b) Minor Subdivisions: The in-lieu fee shall be the following for each non-restricted for-sale unit within the development:

$$\frac{AHR - AHP}{AHR} \times \$10.23 \text{ per square foot of the principal unit (excluding garage)}$$

Where: AHR = Affordable Housing Units Required

AHP = Affordable Housing Units Provided

\* The in-lieu fee for attached rental units (duplex units and greater) under single ownership and on the same lot 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.

# Local Market Update for December 2021

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.

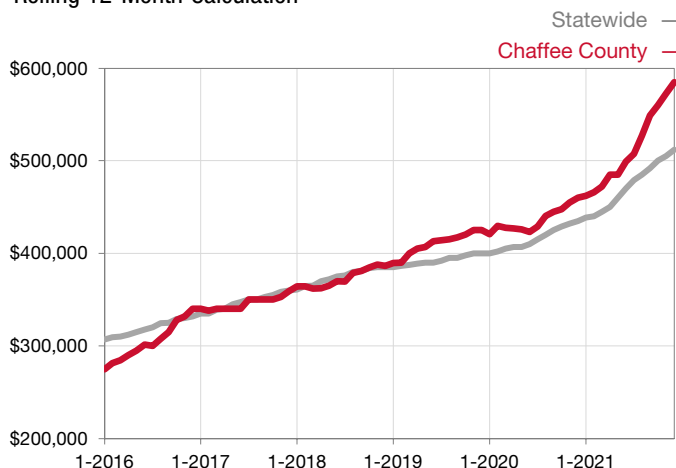
Single Family	December			Year to Date		
Key Metrics	2020	2021	Percent Change from Previous Year	Thru 12-2020	Thru 12-2021	Percent Change from Previous Year
New Listings	38	26	- 31.6%	548	540	- 1.5%
Sold Listings	56	33	- 41.1%	501	493	- 1.6%
Median Sales Price*	\$512,000	\$595,000	+ 16.2%	\$460,000	\$585,000	+ 27.2%
Average Sales Price*	\$597,484	\$664,171	+ 11.2%	\$516,929	\$651,752	+ 26.1%
Percent of List Price Received*	97.5%	99.6%	+ 2.2%	97.5%	99.0%	+ 1.5%
Days on Market Until Sale	57	27	- 52.6%	74	35	- 52.7%
Inventory of Homes for Sale	81	45	- 44.4%	--	--	--
Months Supply of Inventory	1.9	1.1	- 42.1%	--	--	--

\* 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	December			Year to Date		
Key Metrics	2020	2021	Percent Change from Previous Year	Thru 12-2020	Thru 12-2021	Percent Change from Previous Year
New Listings	9	9	0.0%	131	104	- 20.6%
Sold Listings	4	7	+ 75.0%	121	92	- 24.0%
Median Sales Price*	\$415,000	\$412,500	- 0.6%	\$328,500	\$407,500	+ 24.0%
Average Sales Price*	\$465,281	\$549,929	+ 18.2%	\$366,579	\$444,288	+ 21.2%
Percent of List Price Received*	99.8%	93.9%	- 5.9%	99.0%	99.8%	+ 0.8%
Days on Market Until Sale	71	19	- 73.2%	57	13	- 77.2%
Inventory of Homes for Sale	10	7	- 30.0%	--	--	--
Months Supply of Inventory	1.0	0.9	- 10.0%	--	--	--

\* 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

