



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Administration	Drew Nelson - City Administrator	October 4, 2022

ITEM

Resolution 2022-49 – A Resolution of the City Council for the City of Salida, Colorado Expressing its Support of Ballot Issue 6A, to Improve the Availability of Affordable Housing in Chaffee County

BACKGROUND

The Chaffee Housing Authority (CHA) was created by the City, Chaffee County, and the Town of Buena Vista in 2021 for the express purpose of acquiring and developing affordable housing for our workers. As noted in the 2022 Housing Needs Assessment recently approved by the CHA, needs and demands for housing remain at a critical level, with 1,105 new affordable homes needed by 2027 in order to catch up and keep up with demand. With average home prices increasing 41% between 2020 and the summer of 2022, the gap between market and affordability only continues to expand.

In July of 2022, the Salida City Council approved Resolution 2022-31 which consented to the Chaffee Housing Authority seeking voter for an increase in ad valorem property taxes to provide sustainable and flexible funding to support affordable and workforce housing projects in Salida and Chaffee County. The CHA Board of Directors approved ballot language in September to go on the November 8, 2022 election ballot. Per direction from Councilmember Naccarato, Resolution 2022-49 was crafted to endorse and encourage voters to vote for the CHA tax question that will appear on this November's coordinated election ballot. The State Fair Campaign Practices Act (FCPA; C.R.S. 1-45-101 et seq.) expressly authorizes public bodies to adopt resolutions of this sort.

The FCPA generally forbids the use of public funds to urge voters to vote for or against a matter on the ballot. C.R.S. 1-45-117 ("Section 117). Section 117 reflects the widely supported notion that, insofar as voters have no choice but to pay taxes, they should not thereby be forced to fund the government's side of campaigns. But recognizing that the government should not be entirely foreclosed from publicly-funded advocacy, the General Assembly provided several exceptions. One of these exceptions states that nothing in Section 117 forbids a political subdivision of the State from (in pertinent part):

- (A) Passing a resolution or taking a position of advocacy on any issue [appearing on the local ballot]...; or
- (B) Reporting the passage of or distributing such resolution through established, customary means, other than paid advertising, by with information about other proceedings of such...political subdivision...is regularly provided to the public.

C.R.S. 1-45-117(1)(b)(III)(A) and (B)

With the Chaffee County election ballot now set, the City Council can take a position of advocacy of Ballot Issue 6A, which would create an ad valorem property tax of 3.5 mills for the purpose of providing sustainable and long-term revenues to fund the Chaffee Housing Authority for workforce and affordable housing opportunities.

FISCAL NOTE

None.

STAFF RECOMMENDATION

Staff recommends that the City Council approve Resolution 2022-49 to express the City Council's support for Ballot Issue 6A, which would improve the availability of affordable and workforce housing in Salida and Chaffee County.



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SUGGESTED MOTION

A City Councilperson should state, "I move to approve Resolution 2022-49, expressing the City Council's support for Ballot Issue 6A", followed by a second and a roll call vote.

CITY OF SALIDA, COLORADO
RESOLUTION NO. 2022-49
(Series of 2022)

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO
EXPRESSING ITS SUPPORT OF BALLOT ISSUE 6A, TO IMPROVE THE AVAILABILITY
OF AFFORDABLE HOUSING IN CHAFFEE COUNTY

WHEREAS, the City of Salida (“City”) and its City Council (“Council”) pursuant to C.R.S. § 1-45-117, wish to take a position of advocacy in support of ballot issue 6A to improve affordable housing availability in our community, and

WHEREAS, the City recognizes that the community is experiencing a severe workforce housing shortage. Average home prices in Chaffee County increased 41% between 2020 and 2022, and average rents have increased about 43% since 2016. Home ownership is out of reach for 91% of county households and renters are struggling to make ends meet. If affordable/workforce housing had a market-based solution, it would have long since been undertaken already by developers. No market-based solution has been presented, and therefore the Chaffee Housing Authority was established to take on workforce housing projects and programs, and

WHEREAS, the Chaffee Housing Authority has demonstrated success in partnering with the City of Salida on projects and programs for housing solutions, resulting in seventeen rental units poised for construction, twenty-two households in secure rentals through the Rental Deposit Guarantee Program, and an additional five households in transitional housing through the City’s Open Doors RV Program, and

WHEREAS, a property tax of up to 3.5 mills will cost the average homeowner in Chaffee County about \$9/month and the average business owner \$32/month. Meanwhile, those with higher-priced homes and second homeowners will be further contributing to solutions for workforce housing, and

WHEREAS, state and federal funding for housing limits the eligibility of housing recipients by income, establishing income-restricted rental opportunities that are not accessible to nearly one third of Chaffee County workforce, and

WHEREAS, the current estimated housing need for Chaffee County is 435 new homes immediately, and to keep up with future housing needs in Chaffee over the next 5 years, an additional 670 homes, or 222 units are needed per year for a total of 1,105 units. This ballot initiative will result in the funding sufficient enough to directly contribute local, flexible funding to the construction of approximately twenty-nine additional workforce housing units per year, and the ability to leverage additional state and federal resources for additional projects and programs, and

WHEREAS, local, flexible funding for housing solutions will continue to provide jobs and support local construction and other businesses, while also creating housing opportunities for workforce across the income continuum. Without housing for employees, many small businesses may have to close in Chaffee County, and

WHEREAS, the funds generated from ballot issue 6A will be allocated as follows: 60% to housing development, 22% for housing stabilization programs, 3% for housing policy advocacy, and 15% for organizational operations, and CHA has a detailed work plan, updated annually, with focused strategies to address these goals with accountability to the City of Salida, Town of Buena Vista, and County of Chaffee for achieving these goals.

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

Section 1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations, and findings.

Section 2. The Salida City Council hereby formally endorses Ballot Issue 6A which will be presented to the voters on November 8, 2022.

RESOLVED, APPROVED AND ADOPTED this ____ of _____, 2022.

CITY OF SALIDA, COLORADO

By: _____
Dan Shore, Mayor

[SEAL]

ATTEST:

By: _____
City Clerk/Deputy City Clerk