

**BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO**

RESOLUTION NO: 2012- 09

**A RESOLUTION AMENDING THE STRUCTURE
FOR THE WORKFORCE HOUSING FEE**

WHEREAS, the Board of County Commissioners of the County of Gunnison, Colorado (hereinafter the "Board") amended the *Gunnison County Land Use Resolution* and enacted a Workforce Housing Fee (also known as the "Linkage Fee") on June 13, 2006 through Resolution No: 06-44; and

WHEREAS, the Board amended certain portions of the Workforce Housing Fee, by resolution or motion, on March 4, 2008 and April 1, 2008 and June 2, 2009; and

WHEREAS, the Board intends to adjust the methodology of calculation of the Workforce Housing Fee as identified in the document titled "Steps to Understanding and Updating the Workforce Housing Fee" as identified in Appendix "A" attached hereto and incorporated herein; and

WHEREAS, on November 1, 2011 the Board determined that such adjustment in methodology is in the best interest of the community; and

WHEREAS, the Board has determined that the adjustment in methodology should be applied retroactive to March 1, 2011 only for those Building Permit applications received on or after that date; and

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of the County of Gunnison, Colorado that:

1. The adjusted methodology for calculating the Workforce Housing Fee as identified in the document titled "Steps to Understanding and Updating the Workforce Housing Fee" attached hereto and incorporated herein as Appendix "A" shall be and hereby is adopted.
2. The *Gunnison County Land Use Resolution, Division 9-600: Essential Housing, Appendix Table 4*, titled "Workforce Housing Fees", shall be and hereby is amended and replaced with the fee chart titled "2011 Workforce Housing Fee Chart" attached hereto and incorporated herein as Appendix "B", effective retroactive to March 1, 2011 for those Building Permit applications received on or after that date for which the Workforce Housing Linkage Fee has been paid.

3. Gunnison County shall recalculate each Workforce Housing Fee paid after March 1, 2011, for those Building Permit applications received on or after that date, based on the chart identified in Appendix "B".

a. A refund shall be made if the amount paid exceeds the amount that would have been charged based upon the adjusted methodology;

b. If the amount paid is less than would have been charged based upon the adjusted methodology, no additional Workforce Housing Fee shall be required;

c. If one landowner received more than one Building Permit on or after March 1, 2011 for which the Workforce Housing Fee was paid, any refund shall be offset by any additional fee calculated, if any.

4. The Board shall revisit the methodology for calculating the Workforce House Fee in March of 2013 and then every other year thereafter.

INTRODUCED by Commissioner Swenson, seconded by Commissioner Chamberland, and adopted this 21st day of February, 2012.

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

By [Signature]
Hap Channell, Chairperson

By [Signature]
Paula Swenson, Vice Chairperson

By [Signature]
Phil Chamberland, Commissioner

ATTEST:

[Signature]
Deputy County Clerk





Gunnison County
HOUSING AUTHORITY

202 East Georgia, Suite A • Gunnison, CO 81230

APPENDIX "A"

Steps to Understanding and Updating the Workforce Housing Fee

The workforce housing fee was adopted by the Board of County Commissioners (BOCC) in June, 2006 based on the results of a Residential & Commercial Nexus study which illustrates the relationship between new or expanding business buildings and new or expanding housing to the creation of jobs and the need for additional affordably-priced workforce housing. The linkage fee was incorporated into the Gunnison County Land Use Resolution.

1. Background

- 2006 - Nexus study was completed titled "Gunnison County, Colorado Nexus/Proportionality Analysis for Commercial and Residential Linkage Programs, Final Report, dated March, 2006 created by Rees Consulting, Inc.
- The Board of County Commissioners authorized Resolution 2006-44 establishing two separate fee areas (Crested Butte and General Area)
- On March 4, 2008 by motion of the Board of County Commissioners, deferral of fees to Certificate of Occupancy were allowed and calculation of additions accordingly based on new addition only
- On April 1, 2008 by motion of the Board of County Commissioners fee areas were combined with a blended rate and refunds issued;
- Resolution No: 09-19 –t addressed square footage calculation based on Assessor's method of determining the square footage of buildings.
- 2011 – Decision by the BOCC to apply interest charges for deferred payment
- 2012 – Update linkage fee.

2. Exemptions

Six types of exemptions:

- Homes for households earning less than 120 percent of the Area Median Income and are primary residences.
- Residences that are deed-restricted to households as qualified by the Gunnison County Housing Authority (GCHA).
- Reconstruction of a pre-existing structure so long as the reconstruction is no more than 500 square feet larger than the original structure.
- The addition of 500 square feet or less to an existing structure.
- Integrated secondary residence that is deed-restricted for residents who earn less than 120 percent of the Area Median Income.
- Mobile homes, if they are deed-restricted for residents who earn less than 120 percent of the Area Median Income.

3. Annual Updates

The fee calculation must be updated annually upon publication of household income estimated by HUD and receipt of sales data for the previous year from the Gunnison County Assessor's Office. The new fee shall be prepared and adopted by the Board of County Commissioners so that it can go into effect by March 1st of every year.

4. Calculate the Affordability Gap

The Fee In Lieu Calculation is based on the following steps:



1) Use 50% Area Median Income (AMI) published annually by HUD – for a 2 Person Household
Use the lowest possible income point in order to include every household that is proposed to be targeted for assistance. Below that level it is assumed that those households will be renters. The 2-person household figure is used because that is how many wage earners there are in each Gunnison County household *on average*.

2) Calculate an affordable house payment based on this income
Use a mortgage calculator or an online calculator such as Bankrate.com or Smartmoney.com (<http://www.smartmoney.com/calculator/real-estate/how-much-house-can-i-afford-1304479817347/>) This method requires some assumptions, such as down payment amount and existing monthly debt. The rule of thumb approach is to multiply the monthly income by 30% for an affordable mortgage payment.

3) Determine Average Market Sales Price Per Unit and Per Square Foot
Use the Assessor's data base for single family, townhome and condo sales. Purge any deed restricted units.

4) The difference between the median sales price in #3 and the affordable house price in #2 is the **Affordability Gap**.

5. Calculate the Mitigation Rate

The mitigation rate is the percentage of households in the county who make \leq 80% of AMI.

- The number of 2511 households in Gunnison County making \leq 80% AMI, out of 5,777 total household, is an estimate based on the 2009 American Community Survey(ACS) <http://www.census.gov/acs> and other Census data <http://quickfacts.census.gov/qfd/states>
- $2511 / 5,777 = 43.5\%$
- The mitigation rate is rounded down to accommodate the margin of error in the U.S. Census ACS data and therefore we should use **40%**.

6. Apply the Job Creation Rate

A certain number of jobs are created in a community (usually a fraction) per square foot of new or expanded housing and per square foot of new or expanded commercial/industrial space. The jobs that are created on a per square foot basis are unique to a particular community, but typically an average from throughout a region of like-communities is use.

- The number of persons in the workforce in 2009 was 9,533 (ACS)
- Workers per household is $9,533 \text{ total workers} / 5,777 \text{ households} = 1.65$
- Total Jobs in Gunnison County is 10,451 (State Demographer estimate for 2010)
- Number of jobs worked per person is $10,451 \text{ jobs} / 9,533 \text{ workers} = 1.1$

7. Determine the number (usually a fraction) of Housing Units Needed

Multiply the Mitigation Rate by the Job Creation Rate for each size of house.

8. Calculate the Fee based on New House Size

Multiply the number (usually a fraction) of Housing Units Needed (#7) by the Affordability Gap (#4) to determine the FEE that needs to be assessed. The house size and job creation rate "jumps" at every 1,000 sq. ft., but Gunnison County has "smoothed" out these jumps by applying the per sq. ft. job generation rate per 100 square feet. The new job generation rate per 100 square feet was obtained by contacting RRC Associates directly, 4940 Pearl East Circle, Suite 103, Boulder, Colorado, 80301 • 303-449-6558.

Fee Calculation

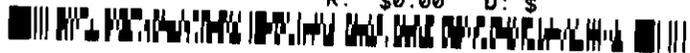
2009 Income	\$26,450	2 per HH @ 50% AMI
Affordable Payment	\$661	
Affordable Price	\$110,291	
Market Price/SF	\$261	
Size	850	Target size
Market Price/Unit	\$221,850	
GAP / Unit	\$111,559	
Worker's per household	1.65	2009 County Needs Assessment

		**Household Generation (1.65 workers per household)			
Sq Ft. of Residence	*Job Generation	per household)	Mitigation Rate	Units Required	FEE

* Job generation using 2011 CB Nexus Numbers

** Using 1.65 Employees from 2009 County Needs Assessment

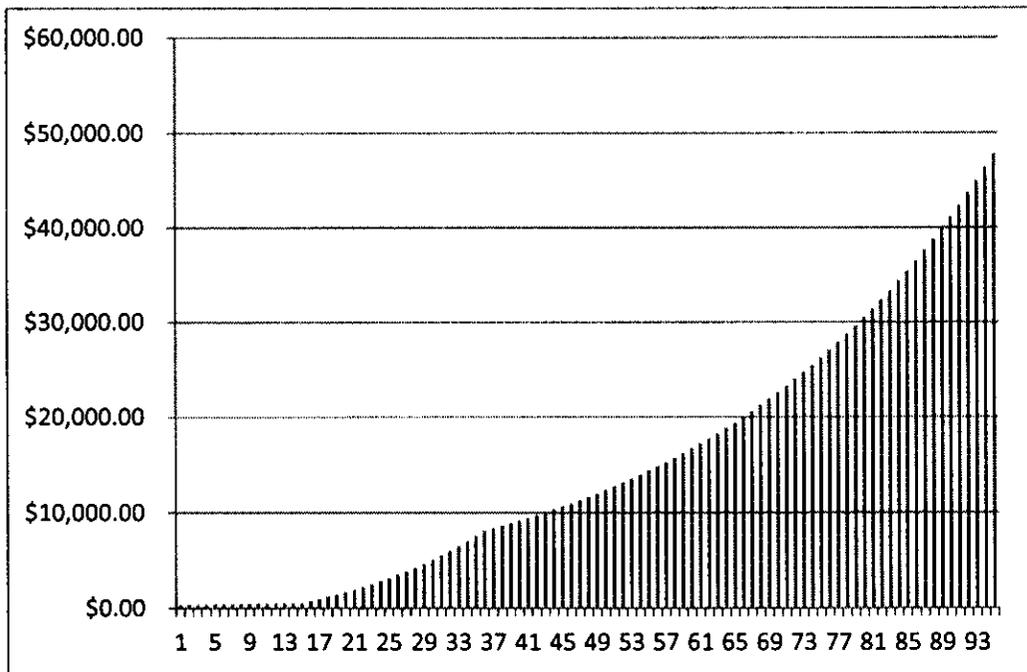
Affordability Gap		\$111,559			
500 - 599	0.11	0.063830185	0.05	0.00319151	\$356.04
600 - 699	0.11	0.065774104	0.05	0.00328871	\$366.88
700 - 799	0.11	0.067777223	0.05	0.00338886	\$378.06
800 - 899	0.12	0.069841347	0.05	0.00349207	\$389.57
900 - 999	0.12	0.071968333	0.05	0.00359842	\$401.44
1,000 - 1,099	0.12	0.074160095	0.05	0.003708	\$413.66
1,100 - 1,199	0.13	0.076418606	0.05	0.00382093	\$426.26
1,200 - 1,299	0.13	0.078745899	0.05	0.00393729	\$439.24
1,300 - 1,399	0.13	0.081144069	0.05	0.0040572	\$452.62
1,400 - 1,499	0.14	0.083615273	0.05	0.00418076	\$466.40
1,500 - 1,599	0.14	0.086161738	0.05	0.00430809	\$480.61
1,600 - 1,699	0.15	0.088785753	0.05	0.00443929	\$495.24
1,700 - 1,799	0.15	0.091489682	0.05	0.00457448	\$510.32
1,800 - 1,899	0.16	0.094275958	0.05	0.0047138	\$525.87
1,900 - 1,999	0.16	0.097147088	0.05	0.00485735	\$541.88
2,000 - 2,099	0.17	0.100105657	0.0666667	0.00667371	\$744.51
2,100 - 2,199	0.17	0.103154328	0.0833333	0.00859619	\$958.98
2,200 - 2,299	0.18	0.106295845	0.1	0.01062958	\$1,185.83
2,300 - 2,399	0.18	0.109533036	0.1166667	0.01277885	\$1,425.60
2,400 - 2,499	0.19	0.112868813	0.1333333	0.01504918	\$1,678.87
2,500 - 2,599	0.19	0.11630618	0.15	0.01744593	\$1,946.25
2,600 - 2,699	0.20	0.119848231	0.1666667	0.01997471	\$2,228.36
2,700 - 2,799	0.20	0.123498153	0.1833333	0.02264133	\$2,525.84
2,800 - 2,899	0.21	0.127259232	0.2	0.02545185	\$2,839.38
2,900 - 2,999	0.22	0.131134852	0.2166667	0.02841255	\$3,169.68



3,000 - 3,099	0.22	0.135128503	0.23333333	0.03152998	\$3,517.45
3,100 - 3,199	0.23	0.139243779	0.25	0.03481094	\$3,883.47
3,200 - 3,299	0.24	0.143484383	0.26666667	0.0382625	\$4,268.53
3,300 - 3,399	0.24	0.147854133	0.28333333	0.041892	\$4,673.43
3,400 - 3,499	0.25	0.152356962	0.3	0.04570709	\$5,099.04
3,500 - 3,599	0.26	0.156996922	0.31666667	0.04971569	\$5,546.23
3,600 - 3,699	0.27	0.16177819	0.33333333	0.05392606	\$6,015.94
3,700 - 3,799	0.28	0.166705069	0.35	0.05834677	\$6,509.11
3,800 - 3,899	0.28	0.171781995	0.36666667	0.06298673	\$7,026.74
3,900 - 3,999	0.29	0.177013535	0.38333333	0.06785519	\$7,569.86
4,000 - 4,099	0.30	0.1824044	0.4	0.07296176	\$8,139.54
4,100 - 4,199	0.31	0.187959441	0.4	0.07518378	\$8,387.43
4,200 - 4,299	0.32	0.193683658	0.4	0.07747346	\$8,642.86
4,300 - 4,399	0.33	0.199582204	0.4	0.07983288	\$8,906.08
4,400 - 4,499	0.34	0.205660387	0.4	0.08226415	\$9,177.31
4,500 - 4,599	0.35	0.211923678	0.4	0.08476947	\$9,456.80
4,600 - 4,699	0.36	0.218377715	0.4	0.08735109	\$9,744.80
4,700 - 4,799	0.37	0.225028306	0.4	0.09001132	\$10,041.57
4,800 - 4,899	0.38	0.231881438	0.4	0.09275258	\$10,347.38
4,900 - 4,999	0.39	0.23894328	0.4	0.09557731	\$10,662.51
5,000 - 5,099	0.41	0.246220186	0.4	0.09848807	\$10,987.23
5,100 - 5,199	0.42	0.253718707	0.4	0.10148748	\$11,321.84
5,200 - 5,299	0.43	0.261445592	0.4	0.10457824	\$11,666.64
5,300 - 5,399	0.44	0.269407795	0.4	0.10776312	\$12,021.95
5,400 - 5,499	0.46	0.277612484	0.4	0.11104499	\$12,388.07
5,500 - 5,599	0.47	0.286067043	0.4	0.11442682	\$12,765.34
5,600 - 5,699	0.49	0.294779082	0.4	0.11791163	\$13,154.10
5,700 - 5,799	0.50	0.303756441	0.4	0.12150258	\$13,554.71
5,800 - 5,899	0.52	0.313007202	0.4	0.12520288	\$13,967.51
5,900 - 5,999	0.53	0.32253969	0.4	0.12901588	\$14,392.88
6,000 - 6,099	0.55	0.332362486	0.4	0.13294499	\$14,831.21
6,100 - 6,199	0.57	0.342484431	0.4	0.13699377	\$15,282.89
6,200 - 6,299	0.58	0.352914635	0.4	0.14116585	\$15,748.32
6,300 - 6,399	0.60	0.363662486	0.4	0.14546499	\$16,227.93
6,400 - 6,499	0.62	0.374737657	0.4	0.14989506	\$16,722.14
6,500 - 6,599	0.64	0.386150118	0.4	0.15446005	\$17,231.41
6,600 - 6,699	0.66	0.39791014	0.4	0.15916406	\$17,756.18
6,700 - 6,799	0.68	0.410028307	0.4	0.16401132	\$18,296.94
6,800 - 6,899	0.70	0.422515529	0.4	0.16900621	\$18,854.16
6,900 - 6,999	0.72	0.435383042	0.4	0.17415322	\$19,428.36
7,000 - 7,099	0.74	0.44864243	0.4	0.17945697	\$20,020.04
7,100 - 7,199	0.76	0.462305626	0.4	0.18492225	\$20,629.74
7,200 - 7,299	0.79	0.476384928	0.4	0.19055397	\$21,258.01
7,300 - 7,399	0.81	0.490893009	0.4	0.1963572	\$21,905.41
7,400 - 7,499	0.83	0.505842927	0.4	0.20233717	\$22,572.53
7,500 - 7,599	0.86	0.521248138	0.4	0.20849926	\$23,259.97
7,600 - 7,699	0.89	0.537122507	0.4	0.214849	\$23,968.34

2011 Workforce Housing Fee Chart

7,700 - 7,799	0.91	0.553480322	0.4	0.22139213	\$24,698.28
7,800 - 7,899	0.94	0.570336307	0.4	0.22813452	\$25,450.46
7,900 - 7,999	0.97	0.587705634	0.4	0.23508225	\$26,225.54
8,000 - 8,099	1.00	0.605603935	0.4	0.24224157	\$27,024.23
8,100 - 8,199	1.03	0.624047321	0.4	0.24961893	\$27,847.24
8,200 - 8,299	1.06	0.643052391	0.4	0.25722096	\$28,695.31
8,300 - 8,399	1.09	0.662636252	0.4	0.2650545	\$29,569.22
8,400 - 8,499	1.13	0.68281653	0.4	0.27312661	\$30,469.73
8,500 - 8,599	1.16	0.703611389	0.4	0.28144456	\$31,397.67
8,600 - 8,699	1.20	0.725039546	0.4	0.29001582	\$32,353.87
8,700 - 8,799	1.23	0.747120288	0.4	0.29884812	\$33,339.20
8,800 - 8,899	1.27	0.769873488	0.4	0.3079494	\$34,354.53
8,900 - 8,999	1.31	0.793319626	0.4	0.31732785	\$35,400.78
9,000 - 9,099	1.35	0.817479806	0.4	0.32699192	\$36,478.89
9,100 - 9,199	1.39	0.842375772	0.4	0.33695031	\$37,589.84
9,200 - 9,299	1.43	0.868029934	0.4	0.34721197	\$38,734.62
9,300 - 9,399	1.48	0.894465381	0.4	0.35778615	\$39,914.27
9,400 - 9,499	1.52	0.921706907	0.4	0.36868236	\$41,129.84
9,500 - 9,599	1.57	0.949776031	0.4	0.37991041	\$42,382.43
9,600 - 9,699	1.61	0.978701017	0.4	0.39148041	\$43,673.16
9,700 - 9,799	1.66	1.008506901	0.4	0.40340276	\$45,003.21
9,800 - 9,899	1.71	1.039220508	0.4	0.4156882	\$46,373.76
9,900 - 9,999	1.77	1.070869485	0.4	0.42834779	\$47,786.05



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