

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

RESOLUTION NO: 2018-22

A RESOLUTION AMENDING THE WORKFORCE HOUSING LINKAGE FEES

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 Fees, by resolution or motion, on March 4, 2008 and April 1, 2008 and June 2, 2009 and February 21, 2012; and

WHEREAS, the Board intends to adopt the methodology of calculation for updating the Workforce Housing Linkage Fee, as identified in the report titled *Gunnison County Workforce Housing Linkage Fees Update*, prepared by RRC Associates, dated May 1, 2018 and the Excel document titled *Steps For Updating the Workforce Housing Linkage Fees and Workforce Housing Linkage Fees*; and

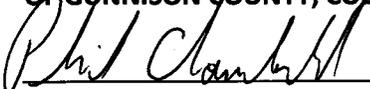
WHEREAS, the Board determines that such update and amendment to the fee structure is in the best interest of the community; and

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

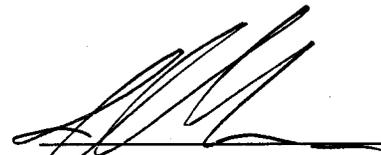
1. The amended Workforce Housing Linkage Fees, as identified in the Excel document titled *Steps For Updating the Workforce Housing Linkage Fees and Workforce Housing Linkage Fees* attached hereto and incorporated herein as "Appendix A", is hereby is adopted.
2. The Community Development Department shall update the Workforce Housing Linkage Fees, using the adopted calculation methodology, by the end of May, annually.

INTRODUCED by Commissioner Houck, seconded by Commissioner Messner, and adopted on this 3rd day of July, 2018.

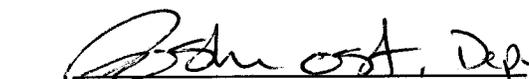
**BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY, COLORADO**


Phil Chamberland,
Chairperson


Jonathan Houck,
Commissioner


John Messner,
Commissioner

ATTEST:


Gunnison County Clerk and Recorder



STEPS FOR UPDATING THE WORKFORCE HOUSING LINKAGE FEES AND WORKFORCE HOUSING LINKAGE FEES

This spreadsheet can be used to update the Gunnison County affordability gap per unit on an annual or other periodic basis. See Table 1 and enter numbers where shown to update affordability gap. It can also be used to calculate Gunnison County fees-in-lieu for commercial development, new residential units, and residential additions. See Tables 2 - 4 for these calculations. To calculate the fees, enter the square footage where shown in the respective tables. The resulting fees are shown at the bottom of each table.

1. Calculation of affordability gap per unit:

Factor	2018 Update Information
1) Calculation of affordable price:	
Gunnison County, 50% AMI, 2 person HH	\$28,500 Enter data here (HUD)
Affordable monthly hsg payment (30% of income)	\$712.50
Share for property tax & mortgage insurance	20%
Share for mortgage principal & interest	80%
Affordable mortgage pymt (principal & interest)	\$570.00
Mortgage term (years)	30
Mortgage term (months)	360
Annual mortgage interest rate	5.73% Enter data here (Bankrate.com +1%)
Monthly mortgage interest rate	0.4775%
Principal paid over life of the loan	\$97,887
Down payment as a share of purchase price	5%
Affordable purchase price	\$103,039
2) Calculation of market price:	
Avg sales price per sqft (2018: units <= 1700 sqft; between \$100 - \$700/sqft only)	\$270 Enter data here (Assessor)
Assumed square footage of affordable unit	850
Market price per unit	\$229,500
3. Affordability gap per affordable unit (market price minus affordable price)	\$126,461



**STEPS FOR UPDATING THE WORKFORCE HOUSING LINKAGE FEES
AND WORKFORCE HOUSING LINKAGE FEES**



2. Calculation of commercial fee-in-lieu:

Calc. Factor	2018
/1000	
x Jobs / 1000 sqft	3.3
= Jobs generated	3.300
/ Avg jobs per employee	1.24
= Employees generated	2.661
/ Avg employees per HH	1.77
= Households generated	1.504
x Affordable housing mitigation rate	1%
= Mitigation units required	0.015
x Affordability gap per 850 sqft affordable unit	\$126.461
=	

3. Calculation of residential fee-in-lieu for a NEW project:

Calc. Factor	2018
Employment generation formula for <=8000 sqft homes (y=FTEs; x=sqft)	$y = 0.0893e^{0.0003x}$
Constant	0.0893
Exponent	0.0003
Employment generation formula for 8000+ sqft homes (y=FTEs; x=sqft)	$y = 0.0000807039*(x - 8000) + 0.984369650791295$
= Employment generated	0.400
/ Employees per household	1.77
= Households generated	0.226
x Mitigation rate	40.00%
= Affordable units required	0.090
x Affordability gap per 850 sqft affordable unit	\$126.461
=	

STEPS FOR UPDATING THE WORKFORCE HOUSING LINKAGE FEES AND WORKFORCE HOUSING LINKAGE FEES

Explanation of approach: The fee-in-lieu of an addition is calculated based on the incremental additional square footage added to a home. The calculations below calculate this incremental fee by comparing the fees-in-lieu that would be charged on two hypothetical homes: 1) a new home equal in size to the existing subject home, and 2) a new home equal in size to the subject home after the addition has been

4. Calculation of residential fee-in-lieu for an ADDITION:

Calc. Factor 2018

Employment generation formula for <=8000 sqft homes (y=FTEs;

$$y = 0.0893e^{0.0003x}$$

Constant 0.0893
Exponent 0.0003

Employment generation formula for 8000+ sqft homes (y=FTEs;

$$y = 0.000807039 * (x - 8000) + 0.984369650791295$$

Step 1: Calculate hypothetical (not actual) fee-in-lieu associated with unit BEFORE addition

=	Employment generated	0.984
/	Employees per household	1.77
=	Households generated	0.556
x	Mitigation rate	40.00%
=	Affordable units required	0.222
x	Affordability gap per 850 sqft affordable unit	\$126,461
=	Fee-in-lieu	\$28,132

Step 2: Calculate hypothetical (not actual) fee-in-lieu associated with TOTAL SQFT of unit AFTER addition

=	Employment generated	1.115
/	Employees per household	1.77
=	Households generated	0.089
x	Mitigation rate	40.00%
=	Affordable units required	0.252
x	Affordability gap per 850 sqft affordable unit	\$126,461
=	Fee-in-lieu	\$31,872

