

# THE VIEW FROM COLORADO

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# DOES THIS SOUND FAMILIAR?

## Similar Challenges

- Inadequate Housing Supply
- Low Wages Relative to Cost of Living
- Pressure from 2<sup>nd</sup> HO / Vacationers
- High Construction/Labor Costs
- Loss of Long-term Rentals
- Employees Retiring “In Place”
- Regulatory Barriers

## Different Locations



Summit County, Colorado



Gunnison County, Colorado

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# Resources to Tackle the Challenges

Build Our Way Out!! *(How do we do that?)*

## Tools to Fund New Development:

Density Bonus Programs

Buy-down Practices

Fee Waivers

Tax Credits

Tax Abatements

Land Donations

Grants/Loans

Workforce Housing Linkage Fees

Fee-in-Lieu Program / Mitigation Units

Sales/Use Tax

Impact Fees



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## Gunnison County's **Workforce Housing Linkage Fee Program:**

- Adopted in 2006, uses a Nexus Study to show the jobs generated by new construction of commercial, residential and industrial projects and units needed to mitigate that impact
- The larger the home the more jobs are generated, thus fees increase with size
- Commercial development generates more jobs, thus the mitigation rates are higher
- A mixed soup of mitigation rates, workers/household, cost gaps, base costs/sq ft, job generation rates, and through a magical cooking process = Linkage Fee \$\$ by project size!
- Revenues generated from 2006 – 2017 Q3 = **\$2,036,873**
- Leveraged to create 26 new homes, partnered with Habitat for Humanity for 2 new homes and assisted with several Mutual Self Help Build homes

## Sample of Crested Butte's **Mitigation Units and Fee-in-Lieu** Calculation

<b>Unit Range</b>	<b>Size of Unit (Square Feet)</b>		<b>Job Generation Rate</b>	<b>÷ Employees per Household</b>	<b>x Mitigation Rate</b>	<b>= # of Units Required</b>
	<b>Minimum</b>	<b>Maximum</b>				
A	I	499	0.096	1.71	3%	0.0017
B	500	999	0.112	1.71	11%	0.0072
C	1,000	1,499	0.130	1.71	17%	0.0129
D	1,500	1,999	0.151	1.71	23%	0.0203
E	2,000	2,499	0.175	1.71	29%	0.0297
F	2,500	2,999	0.204	1.71	35%	0.0418
G	3,000	3,499	0.237	1.71	41%	0.0568
H	3,500	3,999	0.275	1.71	47%	0.0756

Fee-in-Lieu for less-than-whole units = \$1.82/Residential & \$2.08/Commercial

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## Summit County's **Sales/Use Tax and Impact Fee Program:**

- .125% sales tax & \$2.50/sq ft impact fee with a 10-yr sunset approved by voters in 2006
- Generated **\$13,700,000** in 9 years
- Leveraged to create over 350 new homes – rental and for-sale, land banking, program funding, buydown opportunities
- Renewed in perpetuity in 2015 by 77% of the votes!

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# Resources to Tackle the Conundrums

What if We Can't Build Our Way Out?

## Tools to Increase Affordable Housing Supply

Accessory Dwelling Units

Annexation Policies

Infill/Rehab Opportunities

Reduce Regulatory Barriers

Master Lease Program



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# Summit County's **Master Lease Program**

(Formally known as The Housing Works Initiative)

Individuals and families at risk of homelessness

- Complete intake form to match up with available homes for rent

- Complete Ready to Rent curriculum to learn how to overcome barriers to leasing up

- Executes occupancy agreement with the housing authority

  - Doesn't require first, last and security deposit sitting in the bank

Owners of homes in the short-term rental market

- Execute master lease with the housing authority who guarantees rent for lease term

  - Only requires first month's rent, 1/2 of security deposit from tenant (housing authority guarantees repairs to owner)

  - Property inspected monthly to ensure no damage, lease compliance

Local funding streams support a reserve account for housing authority if needed for repairs, vacancy

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THANK YOU!

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