

The Basalt Affordable Community Housing (BACH) Meeting will be held by Teleconference – The Public may access the meeting by calling the number below and entering the Meeting ID when prompted.

Phone Number: 16699006833

Meeting ID: 89157479797

Passcode: 118054



TOWN OF BASALT MEETINGS

Basalt Affordable Community Housing (BACH)

Thursday, October 12, 2023

Basalt Planning Department

99 Midland Avenue

- | | |
|-----------------|--|
| 12:00 PM | Roll Call |
| 12:03 | Affordable Housing Needs Assessment Update Kick-off Discussion with Economic and Planning Systems (EPS) |
| 12:50 | Proposition 123 Update |
| 12:55 | Staff & Member Updates & Other |
| 1:00 | Adjourn |

Public Comment is limited to 3 minutes. Those who wish to speak should email james.lindt@basalt.net before the meeting starts with their name, phone number, and identify what item they would like to address. During the meeting those wishing to comment may also email james.lindt@basalt.net, but it is not guaranteed that the email will be seen in a timely fashion.

BASALT HOUSING NEEDS ASSESSMENT

BACH Meeting

September 21, 2023



ABOUT US

EXPERTISE

REAL ESTATE ECONOMICS

PUBLIC FINANCE

LAND USE & TRANSPORTATION

ECONOMIC DEVELOPMENT & REVITALIZATION

FISCAL & ECONOMIC IMPACT ANALYSIS

HOUSING POLICY

PUBLIC-PRIVATE PARTNERSHIP (P3)

PARKS & OPEN SPACE ECONOMICS

HOUSING EXPERIENCE

Housing Needs Assessments

- Roaring Fork Valley
- San Miguel County
- Summit County
- Clear Creek County
- Archuleta County

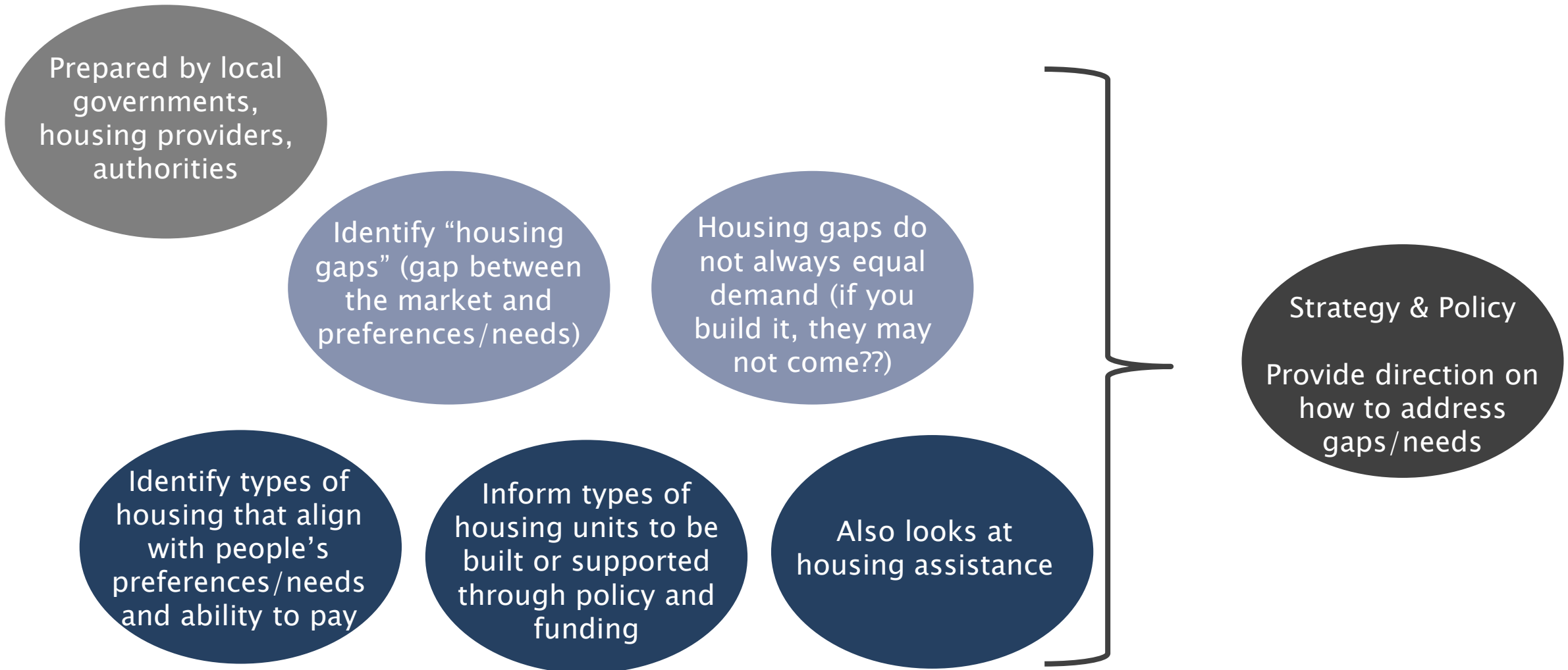
Housing Strategies

- Glenwood Springs
- Eagle
- Chaffee County
- Lake County
- Fort Morgan
- Fruita

Housing Feasibility Studies

- Frisco
- Bozeman
- Durango
- Leadville
- Los Alamos, NM
- Pagosa Springs
- Red Lodge, MT

WHAT IS A HOUSING NEEDS ASSESSMENT?



NEEDS ASSESSMENT OUTCOME – HOUSING STRATEGY

A housing strategy may include:

- Housing production
 - Leverage private sector and use public support where needed
 - Meet needs at various levels of affordability
- Preservation and stewardship
 - Preserving existing lower-cost housing
 - Permanent affordability tools with public investment
 - Understand the depth of second home market
- Funding and resources
 - Are new local sources possible?
 - Using state and federal funding
 - Identifying local partners
- Address impediments
 - Consider where land use code can enable more housing types



WHY DO THIS STUDY? WHY NOW?

Town's needs assessment hasn't been updated since 2015

- 2015 Basalt HNA
- 2019 Roaring Fork Valley Regional Housing Study

Market conditions have changed since the onset of the pandemic

- Home prices
- Rental rates
- Employment and local need

Many Town regulations have not been updated in several years

- Inclusionary zoning AMI targets (prices and income/wages have shifted)
- Employment generation rates (changing economy)
- Fee in lieu options (outdated costs)

Study will help achieve key goals

- Understand the gaps in the mid-valley housing inventory
- Continue to link housing to economic vitality
- Determine priorities for future affordable housing projects

Desire to update action plan/strategy

- Town
- Housing providers
- Nonprofit organizations
- Neighboring municipalities

HOUSING NEEDS ANALYSIS

Study goals include:

- Identify changes in the market and economy
- Understand current housing preferences and needs
- Update target AMI ranges
- Inform policies and resource allocation

Deed-restricted housing survey



Interviews and outreach



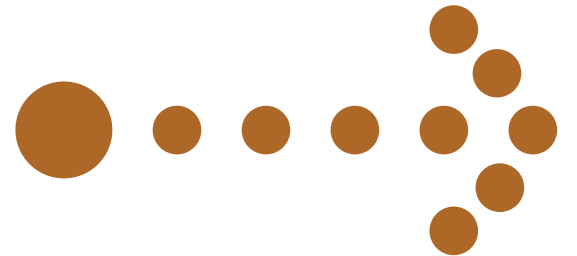
Demographics and economy



Housing market analysis



Recommendations and Implementation Strategies



ANTICIPATED OUTCOMES



Action Plan

- Timeframe
 - Short term (1–3 years)
 - Medium term (4–5 years)
 - Longer-term
- Lead department or partner agency
- Resources needed

Use action plan to develop annual work programs and track progress on implementation

ADDITIONAL ANALYSIS

Short term rental study

- Understand how STRs are affecting the housing market and the Town's economy
- Understand how use of units as STRs may be impacting the housing supply for the local workforce
- Calculate a defensible regulatory fee on STRs based on their impact on employee housing demand
- Provide options and recommendations for adoption and implementation

Inclusionary zoning mitigation rate and cash-in-lieu update

- Determine if the 20% set aside in the current IZ regulations should be modified (increased or decreased)
- Update the cash-in-lieu (CIL) fee calculations in the IZ to reflect current costs and market conditions

QUESTIONS AND DISCUSSION

DISCUSSION QUESTIONS

- What are the most pressing housing needs in Basalt?
- Do you perceive that short-term rental has had an impact on the available attainable housing in the Basalt area?
- What other factors have you observed impacting the affordable/attainable housing problem in the mid-valley?
- How do you view Basalt's role in the region, in terms of both need and opportunity?

Sec. 16-411. - Purpose.

- (a) Basalt is located in a unique and highly desirable valley. The Town recognizes that having a supply of community housing attainable by households earning lower and median incomes in the Town is critical to retaining a diversified and sustainable Town having the character and sense of community of a Town where people can live and work in the same area. The citizens of the Town do not want Basalt to become an exclusive community. Historically, persons earning lower and median incomes have been able to attain housing in the Basalt area, and the Town currently reflects a mix of socioeconomic backgrounds. The Town further recognizes that there is a growing gap between housing costs and wages in Basalt. Therefore, the Town Council has determined that it needs to develop and maintain an community housing program.
- (b) The intent of this community housing program is to require new development to mitigate for a portion of the employees generated by such development and to reflect and maintain the Town's small town character and enhance the livability of the Town. The goal of these regulations is to require new development to provide community housing attainable by persons having lower and median incomes paying not more than approximately thirty percent (30%) of their household income for total housing expense.
- (1) All new residential developments will integrate community housing into the development or, if integration is impractical or not desired given the specific circumstance as determined at the sole discretion of the Town, provide meaningful community housing in or near the Town; methods will be developed to maintain the affordability of existing housing in the Town; nonresidential projects will mitigate for impacts they create by providing community housing; and existing community housing will not be lost through displacement or demolition.
 - (2) Community housing should be dispersed throughout the community and, where possible, integrated into the existing community fabric.
 - (3) The Town encourages community participation in solving and benefitting from solutions to the community housing concerns. The Town intends to supplement the provisions of this Article by developing a program that looks at the total benefits to a neighborhood and to the community while relying less on numerical standards and limitations.
 - (4) The Town will emphasize programs that will result in the creation of community housing units - by units being constructed or by existing units being permanently restricted for community housing, either through deed restrictions or other methods. As an example, the Town has

identified as a priority an Accessory Dwelling/Employee Dwelling Unit Program. This will include an educational program on the benefits and workings of the Accessory Dwelling/Employee Dwelling Unit Program.

- (5) Community housing will be transit friendly, integrate with intermodal transportation connections and perpetuate the Town's history of pedestrian walkability and ease of mass transit use.
- (6) The Town will look at the total costs for all housing, including life cycle costs, such as painting, building materials and energy costs. The Town will work toward a zero energy footprint for all housing.
- (7) The Town's housing program should acknowledge regional issues and encourage coordination among jurisdictions, including community housing standards and requirements. The Town will seek out partnerships with other entities supporting community housing and develop reciprocal agreements. The Town will discourage jurisdiction shopping for development proposals.
- (8) The Town will support creative housing solutions, including projects that include sweat equity by those benefiting from the housing subsidy.

(Ord. 6 §C, 1999; Ord. 26 §2, 2001; Ord. 33 §B1, 2003; Ord. 05 §B, 2009)

Sec. 16-412. - Definitions.

The following definitions shall apply to the following terms and phrases:

Accessory dwelling unit or ADU shall mean a deed-restricted community housing unit typically required to mitigate for single-family residential development which is a separate dwelling unit that contains not less than four hundred fifteen (415) square feet and not more than one thousand (1,000) total square feet, comprises not more than thirty-three percent (33%) of the total floor area on the lot and: (1) is located within or attached to a principal dwelling unit, but has a separate entrance from such principal dwelling unit; or (2) is detached from the principal dwelling unit but located on the same lot. ADUs shall be subject to a deed restriction requiring occupancy in accordance with the Community Housing Guidelines then in effect.

Community housing shall mean dwelling units deed-restricted with initial sales price and appreciation caps corresponding to the housing sizes and types set forth in the Community Housing Guidelines. Community housing units shall be: (1) owned or rented; and (2) occupied by individuals and households meeting income, employment and occupancy requirements set forth in the Town's Community Housing Guidelines.

Community Housing Guidelines shall mean guidelines adopted by resolution of the Town Council which may include, but shall not be limited to, standards concerning the procedure for qualifying to obtain community housing; the limitations (e.g., income and asset) and requirements (e.g., residency) for qualifying to obtain community housing; forms of approved deed restrictions; limitations on appreciation of sale prices of community housing; procedures for sale and rental of community housing; priorities for persons bidding to purchase community housing; occupancy requirements; size and price limitations; maximum price increases; employee generation standards for commercial land uses; standards for numbers of residents per dwelling unit; land dedication standards; quality of construction requirements for new community housing; ; and formula for calculating any payment of a fee-in-lieu of provision of community housing. The Community Housing Guidelines and any subsequent amendments thereto shall be adopted only after a duly noticed public hearing at which such guidelines are considered. Other terms used in this Article but not defined in this Code are defined in the Community Housing Guidelines.

Employee dwelling unit or EDU shall mean a deed-restricted community housing unit typically required to mitigate for multi-family, mixed-use and commercial development, which separate dwelling unit contains not less than four hundred fifteen (415) square feet and not more than one thousand five hundred eighty-five (1,585) total square feet and: (1) is located within or attached to a commercial development, but has a separate entrance from such commercial development; or (2) is detached from the commercial development but located on the same lot. EDUs shall be subject to a deed restriction requiring occupancy in accordance with the Community Housing Guidelines then in effect.

Net commercial square footage shall mean those areas within a commercial, industrial or office building, which are or which are designed to be operated by the owner or leased to a tenant and occupied for commercial, industrial or office purposes. *Net commercial square footage* shall not include areas dedicated to bathrooms, stairways, circulation corridors, mechanical areas and storage areas so long as these areas are used solely by the commercial owner or tenants on the site.

Net square footage (feet) shall mean a calculation based on interior area that is measured from the interior walls, including all interior partitions, habitable basements (including unfinished basements that have the potential to meet habitability standards once finished), interior storage areas and closets and laundry area. Such calculations shall not include mechanical areas, exterior storage, stairwells, garages (either attached or detached), patios, decks and porches. Exterior storage exclusions may not exceed ten percent (10%) (twenty percent [20%] of the net square footage) of the total net square footage of the community housing or resident-occupied housing.

New residential development or new commercial development shall mean any development for which a building permit has not been issued prior to the effective date of the ordinance codified herein, except the following:

- a.

Development which has a vested property right pursuant to Section 17-125 of this Code; or

- b. Applications for site specific development plan approval which have been determined by the Town prior to the effective date of the ordinance codified herein to be complete; and
- c. The following applications (which were exempt from the development moratorium preceding adoption of this regulation). If any of these applications are withdrawn or denied, then any new application is subject to these regulations. If the application fails to comply with any subsequent submittal deadline, the Town Council may require the application to be subject to the new community housing regulations:
 1. Basalt Design District.
 2. Arbaney/Kittle.

New commercial development shall include the development of new public and nonprofit facilities that include the uses listed in Section 16-28(3) of this Chapter. Upon a recommendation from the Town Planner, the Town Council may assess, waive or partially waive community housing mitigation requirements on new public facilities by governmental and quasi-governmental agencies as is deemed appropriate and warranted for the purpose of promoting civic uses and in consideration of broader community goals. The employee generation rates may be used as a guideline, but each operation shall be analyzed for its unique employee needs.

(Ord. 6 §C, 1999; Ord. 26 §3, 2001; Ord. 33 §B1, 2003; Ord. 05 §B, 2009; Ord. 19 §B(Exh. A), 2015)

Sec. 16-413. - Employee Impact and Housing Mitigation Report.

Unless waived in part or whole by the Town Planner, in order for the Town to be able to assess the need for housing mitigation generated by new nonresidential development, any application for site plan review (Sections 16-111 through 16-113), planned unit development (Section 16-65), subdivision (Sections 17-83 and 17-84), rezoning (Section 16-267), Community Priorities Scoring System (Section 16-481) or special review (Section 16-43) containing nonresidential development shall include an Employee Impact and Housing Mitigation Report prepared by a professional qualified to prepare such report and approved by the Town using recognized standards which provide, at a minimum, the following items:

- (1) An analysis of the number of full-time equivalent employees which will be added to the Town as a result of the applicant's proposed nonresidential development, including employees during and necessary for construction of the project, as well as employees necessary after complete build-out of the project;
- (2) An analysis of the number, size, type and configuration of all housing on the property as of January 1, 1999, which was generally attainable by households having low and median incomes (household income less than fifty thousand dollars [\$50,000.00] in 1999) paying not

more than twenty-eight percent (28%) to thirty-six percent (36%) of their household income for total housing expense, including debt service or rental payments, homeowner's or renter's insurance, real estate taxes and utilities;

- (3) A description of the manner in which the applicant proposes that employees will be housed, including any on-site or off-site housing the applicant will provide;
- (4) A description of the methodology by which the applicant will ensure that the housing to be provided by the applicant will be maintained as housing available for employees of the Town;
- (5) A written statement verifying that the proposed development is in compliance with the then-existing master plan; and
- (6) A written statement describing how the proposed development is consistent with the adopted Community Housing Guidelines and community housing requirements established in this Article.

(Ord. 27 §1, 1998; Ord. 6 §C, 1999; Ord. 26 §4, 2001; Ord. 05 §B, 2009)

Sec. 16-414. - Waiver or additional information.

The Town Planner may waive the requirement of preparing and submitting the Employee Impact and Housing Mitigation Report in instances when the Town Planner finds that the preparation and filing of the report for a particular application is unduly burdensome, duplicative or unnecessary because the applicant conclusively demonstrates there will be no impacts on the employees of the community or the availability of housing in the Town generated by the proposed development; or the Town Planner conclusively finds that the applicant has proposed a plan for community housing that satisfies all of the requirements of Sections 16-416, 16-417 and 16-418 below. The Technical Review Committee, Planning and Zoning Commission and Town Council may require the applicant to provide additional or supplemental information not provided in such report prior to granting any approval, denial or approval with conditions for the application.

(Ord. 27 §1, 1998; Ord. 6 §C, 1999; Ord. 26 §5, 2001; Ord. 33 §B1, 2003; Ord. 05 §B, 2009)

Sec. 16-415. - Mitigation methods.

Except as otherwise provided in this Article, a requirement to provide community housing shall require construction of newly deed-restricted community housing or recording a deed restriction against title to existing housing not previously deed restricted. The applicant shall, in its development application, propose the location and the mixture of type, size and configuration of the community housing which shall be subject to the review and approval, approval with conditions or denial by the Town in accordance with this Article. The Town, with information provided by the Town staff and the applicant, shall require community housing in a location and a mixture of unit types, sizes and configurations which, based on the location and nature of the development, is most likely to offset the impacts of the specific development on a case-by-case basis.

The proposed community housing shall meet the minimum average size, sale/rent price and tenant/owner qualification requirements established in the Community Housing Guidelines and the average pricing requirements set forth in this Article and the Community Housing Guidelines. Additionally, in determining the location and mix of unit types, sizes and configurations, the Town shall consider the then-perceived needs of the community for housing. Applicants are encouraged to be creative with community housing proposals. In accordance with CRS 38-12-301, rental housing subject to rent controls will only be approved by the Town if it is provided (1) pursuant to a voluntary agreement between the Town and a permit applicant or property owner, and/or (2) it includes the placement on the title to such housing units of a deed restriction that limits rent on the property or unit or that is otherwise designed to provide affordable housing stock pursuant to a voluntary agreement between the Town and a permit applicant or property owner. The requirement to provide community housing pursuant to the following residential, commercial and replacement housing sections may be satisfied in full or in part through the creation of ADUs or EDUs. This may include the construction of new ADUs or EDUs at off-site properties (i.e., properties other than the property which is the subject of the new development), the construction of new ADUs or EDUs on-site, the recording of new deed restrictions on existing accessory units, or other mechanisms subject to approval of the Town Council that will create dwelling units that are assured to meet the Town's affordability criteria on a permanent basis. In the sole and absolute discretion of the Town Council, a requirement to provide community housing may be satisfied in whole or in part by the dedication of land to the Town or an entity designated by the Town for community housing. Developers may dedicate land to the Town in lieu of providing community housing at the Town Council's sole discretion, as long as the land dedicated meets the following criteria:

- (1) Located within the Town's Urban Growth Boundary as defined in the Town's Master Plan; and
- (2) Located in an area determined to be more appropriate for community housing than the property proposed for development that generates the need for community housing mitigation; and
- (3) The land to be dedicated in lieu of providing community housing units shall be equal to or more than the value of the community housing units required for mitigation, including total development costs such as the land, structures and utilities. The development costs of the community housing units that the land is being dedicated in lieu of and the value of the land being dedicated shall be determined by an appraisal from a real estate appraiser licensed in the state. An applicant proposing to dedicate land shall pay the cost of the appraisal.

At the discretion of the Town, development projects may use affordable housing credits pursuant to Town Code Section 16-420(4), certificates of community housing credits or pay fees-in-lieu of providing community housing pursuant to the payment-in-lieu schedule set forth in the Town's Community Housing Guidelines, for a portion or all of their community housing mitigation, inclusionary housing requirements, or replacement housing requirements as follows:

(1) Commercial development.

- a. Commercial development projects required by the Town Code to provide seven thousand (7,000) square feet or less of community housing, and that are not proposing to include a free-market residential component, may satisfy all or a portion of their community housing mitigation through use of certificates of community housing credits or by paying fees-in-lieu, or through a combination thereof.
- b. Commercial development projects required by the Town Code to provide greater than seven thousand (7,000) square feet of community housing and that are not proposing to include a free-market residential component, may satisfy all or a portion of their first seven thousand (7,000) square feet of community housing mitigation, and up to seventy-five percent (75%) of the additional community housing mitigation required through the use of certificates of community housing credits or by paying fees-in-lieu, or through a combination thereof. Additionally, up to one hundred percent (100%) of the community housing mitigation for a commercial development project requiring more than seven thousand (7,000) square feet of community housing may be satisfied through the use of certificates of community housing credits or through payment of fees-in-lieu, if authorized through special review pursuant to the review process established in Town Code Section 16-44, Special review application procedures.

(1) Mixed use or residential development.

- a. Mixed use or residential development projects that are required by the Town Code to provide seven thousand (7,000) square feet or less of community housing, may satisfy all or a portion of their community housing mitigation or inclusionary housing square footage through use of affordable housing credits or by paying fees-in-lieu, or through a combination thereof.
- b. Mixed use or residential development projects that are required by the Town Code to provide greater than seven thousand (7,000) square feet of community housing, may satisfy all or a portion of their first seven thousand (7,000) square feet of community housing mitigation, and up to fifty percent (50%) of the additional community housing mitigation through the use of affordable housing credits or by paying fees-in-lieu, or through a combination thereof.

In the event that an application to mitigate for community housing by the use of housing credits or cash-in-lieu where development of a property is being considered in conjunction with other development review applications which require review by the Planning and Zoning Commission or the Town Council, the final decision maker shall make the final determination on a project's ability to use housing credits or pay cash-in-lieu after a recommendation from the Town's housing advisory board, if one (1) exists. If an application to use housing credits or cash-in-lieu for development of a property does not have any associated

development review actions that require review by the Planning and Zoning Commission or the Town Council, the Town Planner will issue the certificate of community housing credit if it meets the technical and legal requirements set forth in Town Code Section 16-420, certificates of community housing credits, after a recommendation from the Town's housing advisory board, if one (1) exists. All community housing required for a particular development approval shall be available for occupancy prior to or simultaneous with issuance of a certificate of occupancy for any of the non-community housing components of the development, except upon approval of the Town Council of a specific phasing schedule for the development. All community housing shall be located within the urban growth boundaries as defined in the then-current master plan and shall otherwise be consistent with the goals and objectives of the then-current master plan.

(Ord. 6 §C, 1999; Ord. 33 §B1, 2003; Ord. 05 §B, 2009; Ord. 05 §1(Exh. A), 2014)

Sec. 16-416. - Residential inclusionary requirements.

- (a) All new residential development comprised of two (2) or more units or lots unless exempted by the provisions below, including the residential component of a mixed use development shall satisfy residential inclusionary requirements by providing deed-restricted, category-level housing in the form and amount described below:
 - (1) Community housing equal to at least twenty-five percent (25%) of total net square footage of the residential development and twenty percent (20%) of the total residential units.
 - (2) Residential or mixed use developments creating three (3) or fewer new residential units are exempt from the residential inclusionary housing requirements set forth above if they consist of detached residential dwelling units not exceeding three thousand (3,000) total square feet each or attached residential dwelling units not exceeding one thousand four hundred (1,400) total square feet each.
- (b) Category-level community housing units constructed within a development to satisfy inclusionary zoning requirements shall have an average initial sales price not to exceed a sales price that is affordable to those individuals or households making one hundred percent (100%) of Basalt's Area Median Income (AMI) as is updated periodically pursuant to the method established in the community housing guidelines. By way of example, if there are three (3) community housing units constructed in a development to satisfy inclusionary zoning requirements, one (1) community housing unit could be priced to be affordable to those individuals or households making one hundred percent (100%) of AMI, the second community housing unit could be priced to be affordable to those individuals or households making one hundred twenty percent (120%) of AMI, and the third community housing unit could be priced to be affordable to those individuals or households making eighty percent (80%) of AMI so that they do not average an initial sales price greater than would be affordable for those individuals or households making one hundred

percent (100%) of AMI. The bedroom mix of unit types and the breakdown of for-sale and rental units used to meet the inclusionary zoning requirements shall be at the discretion of the Town Council as is set forth in Section 16-415, mitigation methods.

- (c) When an applicant seeks to create only residential lots, the inclusionary housing requirement shall be based on the applicant's estimate at the time of the land use application of the net square footage of residential development that will be constructed on such lots. The inclusionary housing requirement from lot creation shall generally be imposed at the time of subdivision, except upon showing of good cause to the Town Council. If additional net square footage is later requested and approved, an additional housing or in-lieu payment shall be required at that time. If purchasers build smaller units than the estimate, they may sell their unused housing allocation as community housing credits.

(Ord. 6 §C, 1999; Ord. 05 §B, 2009; Ord. 19 §B(Exh. A), 2015; Ord. 09 §2(Exh. A), 2022)

Sec. 16-417. - Commercial linkage requirements.

- (a) Except as provided elsewhere in this Chapter, all new commercial development, except for remodeling of existing structures which results in no more additional countable floor area, shall satisfy commercial mitigation requirements by providing deed-restricted, category-level housing for fifteen percent (15%) of the new employees generated. If a development provides one hundred percent (100%) of its net commercial square footage as being deed restricted such that it is to be sold in commercial units of one thousand (1,000) square feet or less that cannot be combined, then the mitigation rate will be reduced by half to ten percent (10%).

If a development provides one hundred percent (100%) of its net commercial square footage as being deed restricted such that it is to be sold in commercial units of one thousand (1,000) square feet or less that cannot be combined, and restricts the occupancy to uses identified as retail uses, then the mitigation rate will be reduced to zero.

- (b) For mixed-use projects, only the higher of the (1) inclusionary housing requirement established in Town Code Section 16-416(a), residential inclusionary requirements, or (2) the commercial linkage requirements established in Town Code Section 16-417(a), commercial linkage shall apply at the lowest applicable AMI-affordability levels. By way of example, if a mixed-use project of one hundred thousand (100,000) net square feet of total residential development and fifty thousand (50,000) net square feet of commercial development were proposed, the community housing obligation would be thirty-five thousand (35,000) square feet at an average price point affordable to a household earning eighty percent (80%) AMI. This represents the higher net square footage requirement of inclusionary housing, thirty-five thousand (35,000) or commercial mitigation, twenty-one thousand nine hundred thirty-five (21,935), at the eighty percent (80%) AMI level required by commercial mitigation.

- (c) Community housing units within a development constructed to satisfy commercial linkage requirements shall have an average initial sales price not to exceed a sales price that is affordable to individuals or households making eighty percent (80%) of Basalt's AMI as is updated periodically pursuant to the method established in the Community Housing Guidelines. By way of example, if there are three (3) community housing units constructed in a development to satisfy commercial linkage requirements, one (1) community housing unit could be priced to be affordable to individuals or households making eighty percent (80%) of AMI, the second community housing unit could be priced to be affordable to individuals or households making one hundred percent (100%) of AMI, and the third community housing unit could be priced to be affordable for those individuals or households making sixty percent (60%) of AMI so that they do not average an initial sales price greater than would be affordable to those individuals or households making eighty percent (80%) of AMI. The bedroom mix of units and the breakdown of for-sale and rental units used to meet the commercial linkage requirements shall be at the discretion of the Town Council as is set forth in Section 16-415, mitigation methods.
- (d) The community housing demand generated by a commercial development shall be determined by utilizing an average job generation rate of four (4) employees per one thousand (1,000) net square feet of commercial space with adjustments for multiple job holding and multiple employees per household. Job generation rates and mitigation rates are based on the 2014-2015 Town of Basalt Housing Needs Assessment. The mitigation requirements shall be discounted by taking into account multiple job holdings of 1.24 jobs per employee and multiple employees per household of 1.43 employees per household as is demonstrated in the example below.

By way of example, below is the housing demand requirement for a new three thousand (3,000) net square foot of commercial space:

Three thousand (3,000) of net leasable square feet divided by one thousand (1,000); multiplied by a job generation rate of four (4) full-time employees per one thousand (1,000) net square feet of commercial space; divided by 1.24 jobs per employees, divided by 1.43 employees per household; multiplied by .15 (fifteen percent (15%) of employees generated) mitigation requirement equals 1.01 community housing units required, multiplied by nine hundred fifty (950) net square feet per community housing unit equals nine hundred fifty-nine (959) net square feet of community housing required.

- (e) If the applicant can document, to the TRC's reasonable satisfaction, that the proposed commercial development will generate fewer jobs per one thousand (1,000) net square feet than the rate of jobs identified above for the life of the project, then the Town may allow the applicant to use the anticipated lower job-generation rate in calculating commercial mitigation obligations. The TRC may require a request to use a lower job generation rate to be reviewed by the Town

Council or an applicant may appeal the TRC's determination to the Town Council. The bedroom mix of units used to meet the commercial linkage requirements shall be at the discretion of the Town Council as set forth in Section 16-415, mitigation methods.

(Ord. 6 §C, 1999; Ord. 05 §B, 2009; Ord. 07 §B7, 2009; Ord. 24 §1, 2011; Ord. 19 §B(Exh. A), 2015; Ord. 09 §2(Exh. A), 2022)

Sec. 16-418. - Replacement housing requirements.

- (a) General Requirement. The development and/or redevelopment of any property within the Town or to be annexed thereto, on which, as of January 1, 1999, there were located four (4) or more residential housing units, the occupancy of which was financially attainable by persons with household incomes of fifty thousand dollars (\$50,000.00) on January 1, 1999, hereinafter referred to as "lower-income housing," must comply with the requirements of this Section.
- (b) Compliance Alternatives. The applicant shall be required to provide relocation assistance as described in Subsection (1) below or replacement housing as described in Subsection (2) below, or some combination of relocation assistance and replacement housing, as approved by the Town Council. Relocation assistance shall be due from the applicant to tenants of mobile homes and other lower-income housing units and to owners of mobile homes. Replacement housing may also be required of the applicant, as described below.
 - (1) Relocation Assistance. For each lower-income housing unit that is occupied on the date the application is submitted, whether by tenants or by mobile home owners, the applicant shall make a payment for relocation assistance to each such tenant or the owner of a mobile home in amounts to be determined below.
 - a. In determining the amount of the relocation assistance to be provided by the applicant to a tenant (leasing any stick built unit or a mobile home unit), the Town shall consider the following factors:
 1. Duration of tenant's occupancy (one hundred dollars (\$100.00) per year up to two thousand dollars (\$2,000.00));
 2. Annual rental rates paid by tenant (one (1) year's rent at average of prior two (2) years);
 3. Number of persons occupying the premises in accordance with the applicable lease and based on proof of residency (five hundred dollars (\$500.00) per person up to three thousand dollars (\$3,000.00)); and
 4. Responsibility for, and amount of, costs associated with relocating to a new location of five thousand dollars (\$5,000.00).
 - 5.

The sum of the amount of compensation referred to in subparagraphs (b)(1)a.1. through (b)(1)a.4. above will be the maximum required by the Town unless the Town Council determines that unusual circumstances justify additional compensation.

- b. In the event that an Owner occupies mobile home unit the owner shall receive the compensation outlined in Subsection (b)(1)a.4. above for the tenant plus an additional amount for the mobile home. In determining the amount of additional relocation assistance to be provided by the applicant, to the owner of a mobile home who occupies the home, the Town will consider the following factors:
 1. Value of the home;
 2. Whether the home can be relocated for future use; and
 3. Responsibility for, and amount of, costs associated with the relocating or removing the home from the property.
 4. However, unless the Town Council determines that unusual circumstances justify additional compensation, the Town shall not require an applicant to pay more than seven thousand five hundred dollars (\$7,500.00) to a owner where the owner moves the mobile home off the site, and two thousand five hundred dollars (\$2,500.00) to an owner where the applicant is required to move the mobile home off the site in addition to the amount of compensation required by the Town to be paid pursuant to this Subsection (b)(1)a. above.
- c. In determining the amount of relocation assistance to be provided by the applicant, to the owner of a mobile home who does not occupy the home, the Town shall consider the following factors:
 1. Value of the home;
 2. Whether the home can be relocated for future use; and
 3. Responsibility for, and amount of, costs associated with the relocating or removing the home from the property.
 4. However, unless the Town Council determines that unusual circumstances justify additional compensation, the Town shall not require an applicant to pay more than seven thousand five hundred dollars (\$7,500.00) to an owner where the owner moves the mobile home off the site, and two thousand five hundred dollars (\$2,500.00) to a owner where the applicant is required to move the mobile home off the site. For clarification, the applicant will also be required to provide relocation assistance to the tenant as provided in Subsection (b)(1)a. above.
- d. In determining the amount of relocation assistance to be paid as provided above, the Town may require that tenants and mobile home owners provide to the Town the information reasonably necessary to document an entitlement to the type and amount of

relocation assistance to be required.

- e. The applicant may offer non-cash assistance to tenants of occupied lower-income housing units or the owner of a mobile home, and if accepted by the tenant or owner, such non-cash assistance shall reduce the amount of payment. Non-cash assistance may include, for example, locating housing, loans, and professional housing and financial counseling.
- f. Payments shall be made to the tenant listed on the ground lease for the mobile home site and to the mobile home owner listed on the title to the mobile home. The tenant or mobile home owner-occupant shall be responsible for relocation of all individuals residing in the lower-income housing unit. Final payment may be withheld by the applicant until inspection has been made to ensure that all property is removed pursuant to the final payment agreement between the applicant and the tenant or mobile home owner.

(2) Replacement Housing.

- a. For each lower-income housing unit that is vacant or has been removed from the property on the date of the application, the applicant shall provide as specified in this section unless (i) the applicant demonstrates that the last tenant of the lower-income housing unit (or the owner of a mobile home occupied by the owner) was provided relocation assistance consistent with the provisions of Section 16-418(b)(1) relocation assistance above.
- b. If replacement housing is required, the applicant shall provide replacement housing equal to forty-five percent (45%) of the lower-income housing units that were vacant or removed on the date of the application and which do not qualify for one (1) of the two (2) exceptions listed in Subsection (b)(2)a. above. In the event that this calculation includes a fraction, the applicant shall pay a fee-in-lieu for the fractional amount as determined in accordance with the Basalt Community Housing Guidelines.
- c. Replacement housing defined. Each required replacement housing unit must meet the following requirements:
 1. The new unit must be of a type, size, configuration, and quality that are comparable to the unit being replaced;
 2. The new unit must be subject to a sale price or rental rate that is lower-income, i.e., affordable to individuals or households earning no more than seventy percent (70%) of area median income;
 3. The replacement unit must be subject to a deed restriction to ensure that the sale and resale price will remain affordable, pursuant to the community housing guidelines, unless the replacement unit is a mobile home and the Town Council determines that

there is a reasonable expectation that the mobile home will remain affordable to households earning no more than seventy percent (70%) of the area median income for at least that period stated in the community housing guidelines.

4. The replacement units must be in one (1) of the following locations, subject to approval by the Town Council:
 - (i) The property being redeveloped; or
 - (ii) The urban growth boundaries as identified in the then-current Master Plan; or
 - (iii) The urban growth boundary or urban service boundary of the 1999 Basalt Master Plan and identified with a future land use designation on the Future Land Use Plan Map in the then-current Master Plan; or
 - (iv) An existing dwelling unit within the Town's three-mile planning area included in its then-current Master Plan that is within one thousand five hundred (1,500) feet from the nearest bus stop (as measured to the upvalley or downvalley stop that is closest to the dwelling unit); or
 - (v) A mobile home pad with an existing mobile home park that is located within the Town's three-mile planning area included in its then-current Master Plan provided that the pad is within one thousand five hundred (1,500) feet from the nearest bus stop (as measured to the upvalley or downvalley stop that is closest to the dwelling unit).
 - (vi) In the case of Subsections (b)(1)d. and (b)(1)e. above, the Town Council is permitted to approve a distance greater than one thousand five hundred (1,500) feet from the existing unit to the nearest bus stop if the Town Council finds there are compelling circumstances that justify the greater distance.
 5. If the replacement unit is a mobile home, it must be located in accordance with applicable land use and building code requirements.
- (d) Variances. The Town Council may approve variances from the strict application of the requirements of this Section where it is found to be appropriate to achieve the purposes of this Section.
- (e) Relationship to housing mitigation requirements. The relocation assistance and replacement housing provided by an applicant in accordance with this Section shall reduce the requirements of Section 16-416 and 16-417 on a proportional basis, as determined by the Town Council.

(Ord. 6 §C, 1999; Ord. 33 §B1, 2003; Ord. 05 §B, 2009; Ord. 15 §B, 2011; Ord. 14 §B(Exh. A), 2013; Ord. 19 §B(Exh. A), 2015)

Sec. 16-419. - Fee exemptions.

Community housing, including deed-restricted ADUs and EDUs, may be reduced or exempted by the Town Council from the payment of certain fees required by this Code, such as fees or land dedications required for park land dedication, school land dedication, building permit fees, the water tank surcharge, special improvement fees and water tap fees in special circumstances. The Town Council shall consider the financial impacts of any waiver or reduction on the Town's operations in evaluating a request for a reduction or a waiver.

(Ord. 6 §C, 1999; Ord. 33 §B1, 2003; Ord. 05 §B, 2009; Ord. 19 §§B(Exh. A), C(Exh. B), 2015)

Sec. 16-420. - Certificates of community housing credits.

This section describes the process for establishing, transferring and extinguishing a certificate of community housing credit.

- (1) Applicability and issuance. The Town Planner, in accordance with the procedures, standards, and limitations of this section, shall issue a certificate of community housing credit ("CCHC") to the developer of deed restricted, community housing units that are not required for commercial mitigation or inclusionary housing, upon the issuance of a certificate of occupancy on such units. At the time of issuance of a CCHC by the Town, a letter acknowledging the receipt and acceptance of the certificate shall be submitted by the owner to the Town Planning Department.

CCHC's are issued to reflect credits based upon net square footage and are not to be based upon unit count. CCHC's may only be issued for the net square footage in the units developed in excess of any applicable housing mitigation requirements. The term net square footage as used herein means the interior calculation of the actual square footage of a project and shall not include common circulation space or floor area located outside of the actual applicable dwelling unit(s). The CCHC shall contain the following information:

- a. A number of the certificate in chronological order of their issuance.
 - b. Parcel identification number, legal address and the street address of the affordable housing.
 - c. The category designation and the net square footage of the community housing credit.
- (2) Transferability. A CCHC may be sold, assigned, transferred, or conveyed. Transfer shall be evidenced by an assignment of ownership on the actual certificate document. Upon transfer, the new owner may request that the Town Planner reissue the CCHC acknowledging the new owner.
 - (3) Market for certificates. The market for CCHC's is unrestricted and the Town shall not prescribe or guarantee the monetary value of a CCHC.

(4) Using CCHC credits. Pursuant to the review procedures established in Section 16-415, Mitigation methods, the Town may permit the use of a CCHC to serve as community housing mitigation for a development project. A certificate that is being used within the Town of Basalt to satisfy community housing requirements in-lieu of developing community housing shall provide community housing credit in the amount of the net square footage and for the category designation listed on the certificate. The Town Planner may allow the conversion of a certificate of a certain category designation for a certificate of another category designation pursuant to the payment of a fee to the Town based on the following calculation methodology:

Step 1. Calculate the difference between the per square foot cash-in-lieu amount for the category designation listed on the certificate and for the desired category designation as the per square foot cash-in-lieu amounts are listed in the Town's Community Housing Guidelines.

Step 2. Multiply the net square footage listed on the CCHC by the difference in cash-in-lieu amounts yielded in Step 1. The developer wishing to exchange the CCHC for another lower category shall pay the amount yielded from this calculation.

Example: An owner of a Category 3 certificate wishes to exchange the certificate for a Category 2 certificate. The existing certificate is for one thousand (1,000) square feet of Community Housing.

Step 1. Category 2 cash-in-lieu per square foot = \$139.53

Category 3 cash-in-lieu per square foot = \$106.12

Per square foot difference = \$33.41

Step 2. \$33.41 per square foot difference × 1,000 square feet = \$33,410.00 to convert from a Category 3 certificate to a Category 2 certificate for one thousand (1,000) square feet.

Upon approval of a category designation conversion and the associated payment of any required amount to the Town, the Town Planner shall reissue the certificate with the new category designation.

A developer or credit certificate holder wishing to exchange a certificate of community housing credit in place of a higher category requirement may do so without paying an additional fee. By way of example, if a developer is required to build a one thousand (1,000) square feet of Category 3 housing and they use a Category 2 CCHC for one thousand (1,000) square feet, the developer would not be required to pay an additional fee.

(5)

Appeals. An individual aggrieved by a determination made by the Town Planner, may appeal the decision to the Town Council pursuant to the procedures and standards of Chapter 16-11, General Appeal Procedures. (Ord. 05 §1(Exh. A), 2014; Ord. 19 §B(Exh. A), 2015)

Sec. 16-421. - Voluntary deed restriction.

This Section describes the process for a property owner that wants to voluntarily deed-restrict their free-market dwelling unit or dwelling units not in connection with a development application and not to satisfy community housing mitigation requirements for free-market development.

- (1) Applicability and issuance. The Town Planner, in accordance with the procedures, standards, and limitations of this Section, may review and approve of a deed restriction proposed by a property owner that is not in connection with a development application and not used to satisfy community housing mitigation requirements for free-market development through the issuance of an administrative determination notice. Such administrative determination and corresponding voluntary deed restriction instrument shall be recorded in the public record and not require public notice.
- (2) Rescinding a voluntary deed restriction. The Town Planner, in accordance with the procedures, standards, and limitations of this Section, may rescind a voluntary deed restriction that is not in connection with a development application and that was not established to satisfy community housing mitigation requirements for free-market development by issuing an administrative determination notice for recording in the public records. Such rescinding of a voluntary deed restriction shall not require public notice.

(Ord. 09 §2(Exh. A), 2022)

Secs. 16-422—16-430. - Reserved.

Underlined language shows language to be added to the Code. ~~Strikethrough~~ language is language to be deleted.

- f. At least 10 square feet of counter space
 - g. 80 square feet of kitchen floor area for studio and 1-Bedroom Units
 - h. 120 square feet of kitchen floor area for 2-Bedroom Units or Larger
-
- 2. Adequate dining space per the size of the units as determined by the Town
 - 3. One full bathroom that includes a tub for Studio and 1-Bedroom Units
 - 4. One and ½ bathrooms that include at least one tub for 2-bedroom Units
 - 5. Two full bathrooms with at least one tub for 3-Bedroom Units or Larger
 - 6. At least one off-street parking space for each unit
 - 7. Adequate storage space as determined by the Town.

The Special Housing Evaluation Committee (SHEC) may approve variations from the above requirements on a case by case basis after considering a recommendation from the Basalt Affordable Community Housing (BACH) Committee.

PART I. COMMUNITY HOUSING CATEGORIES

A. Area Median Income (AMI) Categories Required. The average price for all community housing sale units to be provided shall be dispersed over a range of unit prices affordable to individuals and households making below ~~150~~ 120% of Basalt's AMI. Community Housing rental units also may be developed to satisfy commercial mitigation or inclusionary housing requirements as established in Article XIX of the Town Code. Applicants shall provide housing in the following three categories, in accordance with the distribution described below:

Category 1- Only those households earning between 60% to 80% of the Area Median Income (AMI) for Basalt (as defined in the definitions section of these guidelines), may qualify to purchase or rent a community housing unit which has been priced based on Category 1 AMI levels. Units developed and deed restricted as Category 1 units shall meet the following requirements:

- 1. For-sale units shall not have a maximum initial sales price greater than would be affordable for individuals or households making 70% of Basalt's AMI using the pricing methodology established in Section 1(B) and 1(C); and,
- 2. Rental units shall meet the maximum rent requirements set forth in Table II, Section 8(B) of these guidelines; and,
- 3. When built in combination with other community housing in a development, all of the community housing units shall meet the maximum average pricing

Underlined language shows language to be added to the Code. Strikethrough language is language to be deleted.

requirements established in Town Code Section 16-416(b), *Residential Inclusionary Requirements* and Town Code Section 16-417(c), *Commercial Linkage Requirements*.

Category 2- Only those households earning between 81% to ~~120~~ 100% of the Area Median Income (AMI) for Basalt (as defined in the definitions section of these guidelines), may qualify to purchase or rent a community housing unit which has been priced based on Category 2 AMI levels. Units developed and deed restricted as Category 2 units shall meet the following requirements:

1. For-sale units shall not have a maximum initial sales price greater than would be affordable for individuals or households making 100% of Basalt's AMI using the pricing methodology established in Section 1(B) and 1(C); and,
2. Rental units shall meet the maximum rent requirements set forth in Table II, Section 8(B) of these guidelines; and,
3. When built in combination with other community housing in a development, all of the community housing units shall meet the maximum average pricing requirements established in Town Code Section 16-416(b), *Residential Inclusionary Requirements* and Town Code Section 16-417(c), *Commercial Linkage Requirements*.

Category 3- Only those households earning between ~~121~~ 101% to ~~150~~ 120% of the Area Median Income (AMI) for Basalt (as defined in the definitions section of these guidelines), may qualify to purchase or rent a community housing unit which has been priced based on Category 3 AMI levels. Units developed and deed restricted as Category 3 units shall meet the following requirements:

1. For-sale units shall not have a maximum initial sales price greater than would be affordable for individuals or households making ~~135-120~~% of Basalt's AMI using the pricing methodology established in Section 1(B) and 1(C); and,
2. Rental units shall meet the maximum rent requirements set forth in Table II, Section 8(B) of these guidelines; and,
3. When built in combination with other community housing in a development, all of the community housing units shall meet the maximum average pricing requirements established in Town Code Section 16-416(b), *Residential Inclusionary Requirements* and Town Code Section 16-417(c), *Commercial Linkage Requirements*.

DEED RESTRICTED RENTAL UNITS

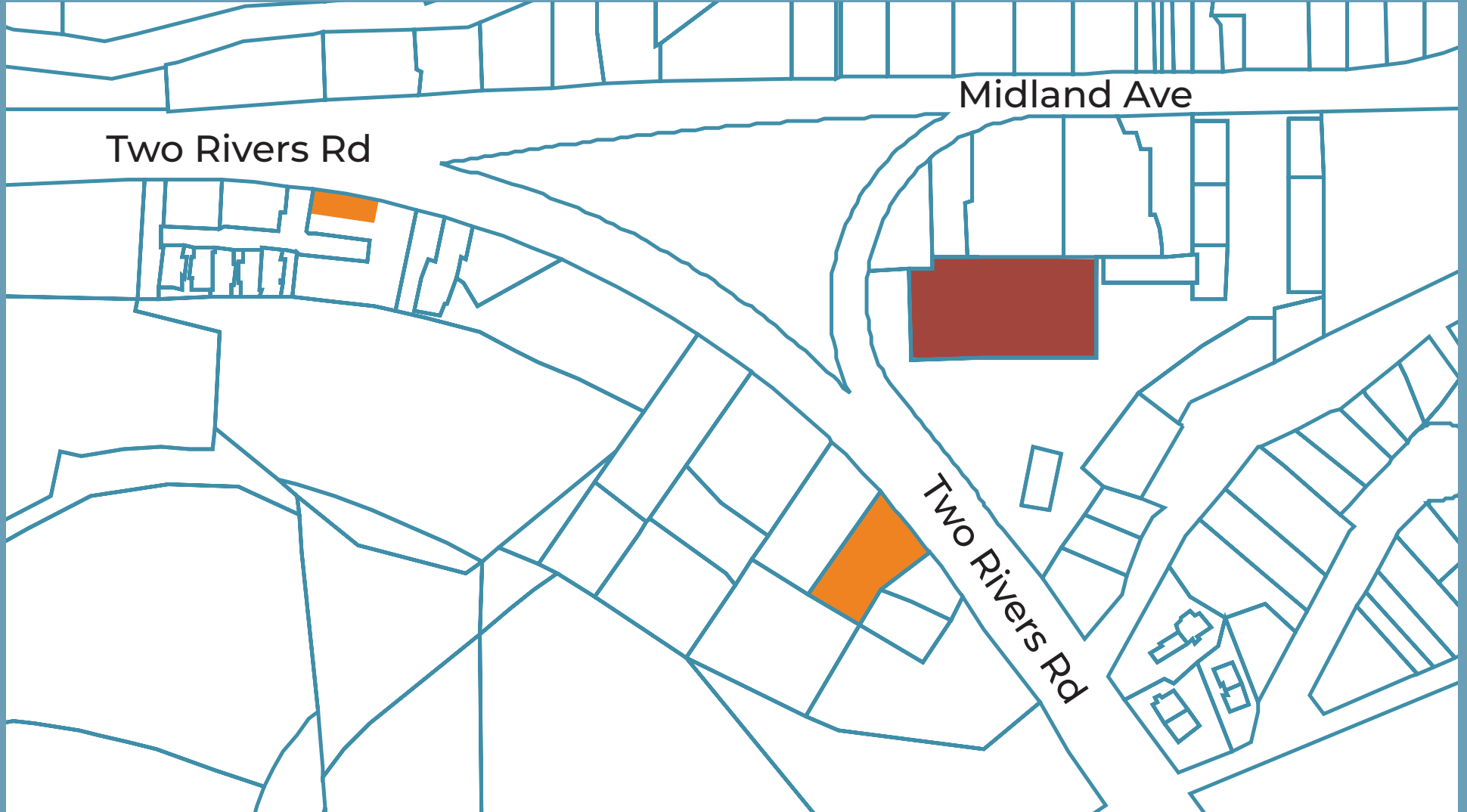
PROJECT	NUMBER OF UNITS	CATEGORY	Yr Built
Riverside Plaza	8	Town-Owned Rental Policy	2000
Lakeside	1	Town-Owned Rental Policy	1999
Valley Pines	1	Town-Owned Rental Policy	1999
Basalt Commercial Park	1	Category 3/Town-Owned	2006
Willits Block 7 South	2	Category 3/Town-Owned	2017
Villas at Elk Run	1	Town-Owned Rental Policy	1995
Southside	1	Category 3	2003
Block 7 Willits Fire District Unit	1	Category 3	2017
Roaring Fork Club	41	Modified Category 2	2018
Basalt Industrial Park/BBC	8	Mix of Categories	Varies
Willits Seven Project	50	Avg. Cat. 2/3	2017
Roaring Fork Apartments	56	Mix of Categories 1, 2, 3	2017
Block 7 South Willits	25	School District Rental Policy	2017
525 Basalt Avenue	4	Category 2	2020
Block 9, Willits (Ski CO)	8	Categories 1 and 2	2020
Basalt River Park	4	Category 2 + 8 RO in Maker Building	2022
Stott's Mill	19	Average Category 2 (6 Category 1, 8 Category 2, 5 Category 3)	2022-2023
TOTAL	231		

DEED RESTRICTED FOR-SALE UNITS

PROJECT	NUMBER OF UNITS	CATEGORY	
Valley Pines	8	No Category/Price Caps Similar to Category 1	1999
Basalt Vista	27	Category 1 and Category 2	2019-2021
Southside Townhomes	1	Category 2	1998
Market Street Lofts RO Units	2	No Category/RO – Prior Approvals Given to Remove Deed Restrictions, Removal of Deed Restriction Never Filed	2008
Stott’s Mill	4	Category 2	Vacant Lots
TOTAL	42		

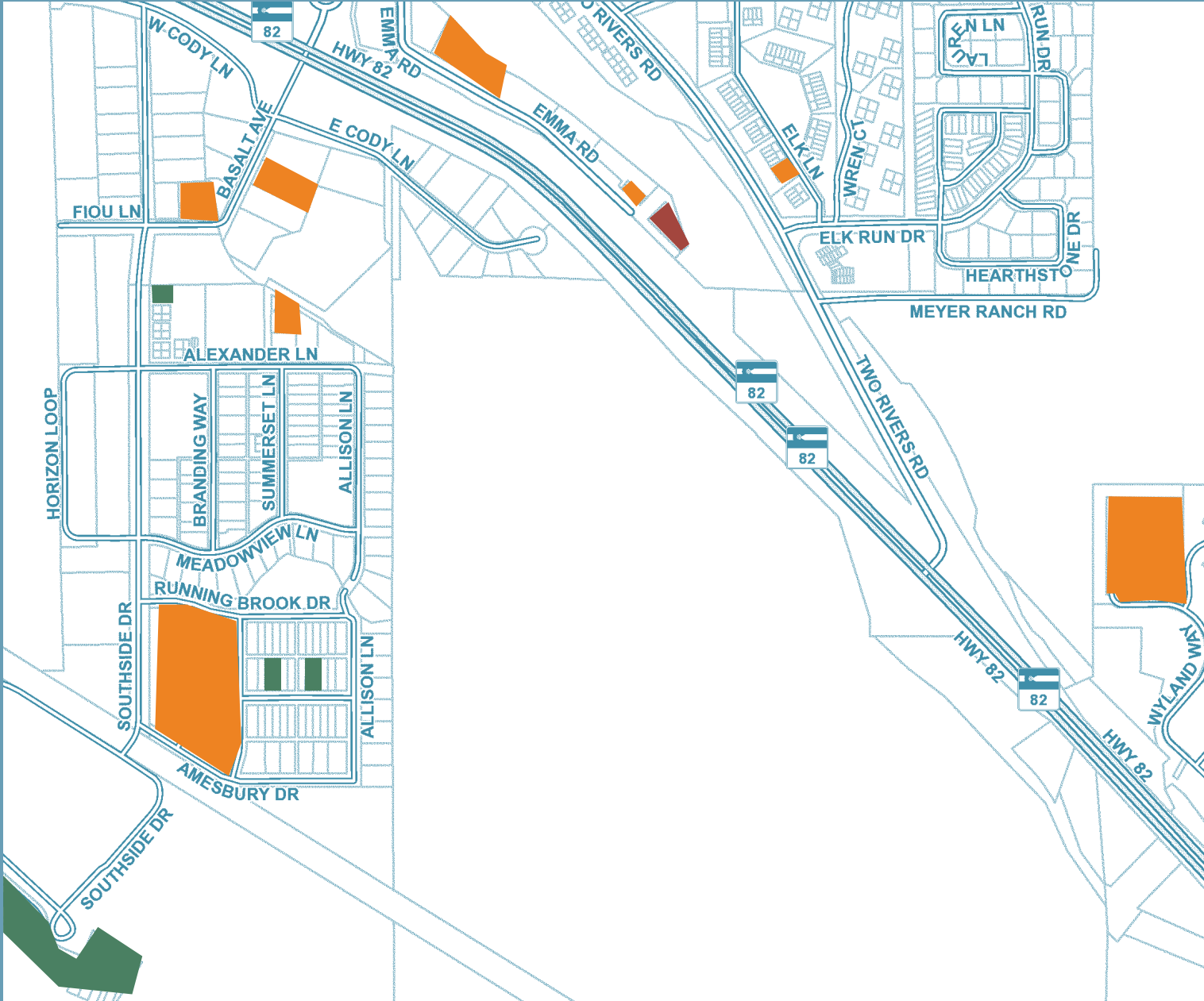
DEED RESTRICTED APPROVED/UNBUILT UNITS

PROJECT	NUMBER OF UNITS	CATEGORY
Sopris Meadows Parcel 5	46	9 - Max Income 120% AMI 9 - Max Income 150% AMI 4 - Max Income 200% AMI 1 - Max Income 250% AMI
		23 For Sale
Basalt Center	17	23 Category 2 - Rental
		11 Category 1, 6 Category 3 - Rental 40 of 65 units (including 17 AH units) - RO
Lot J - Basalt Commercial Park	3	1 Category 1, 1 Category 2, 1 Category 3
TOTAL	66	



 Rental Units

 Approved/Unbuilt



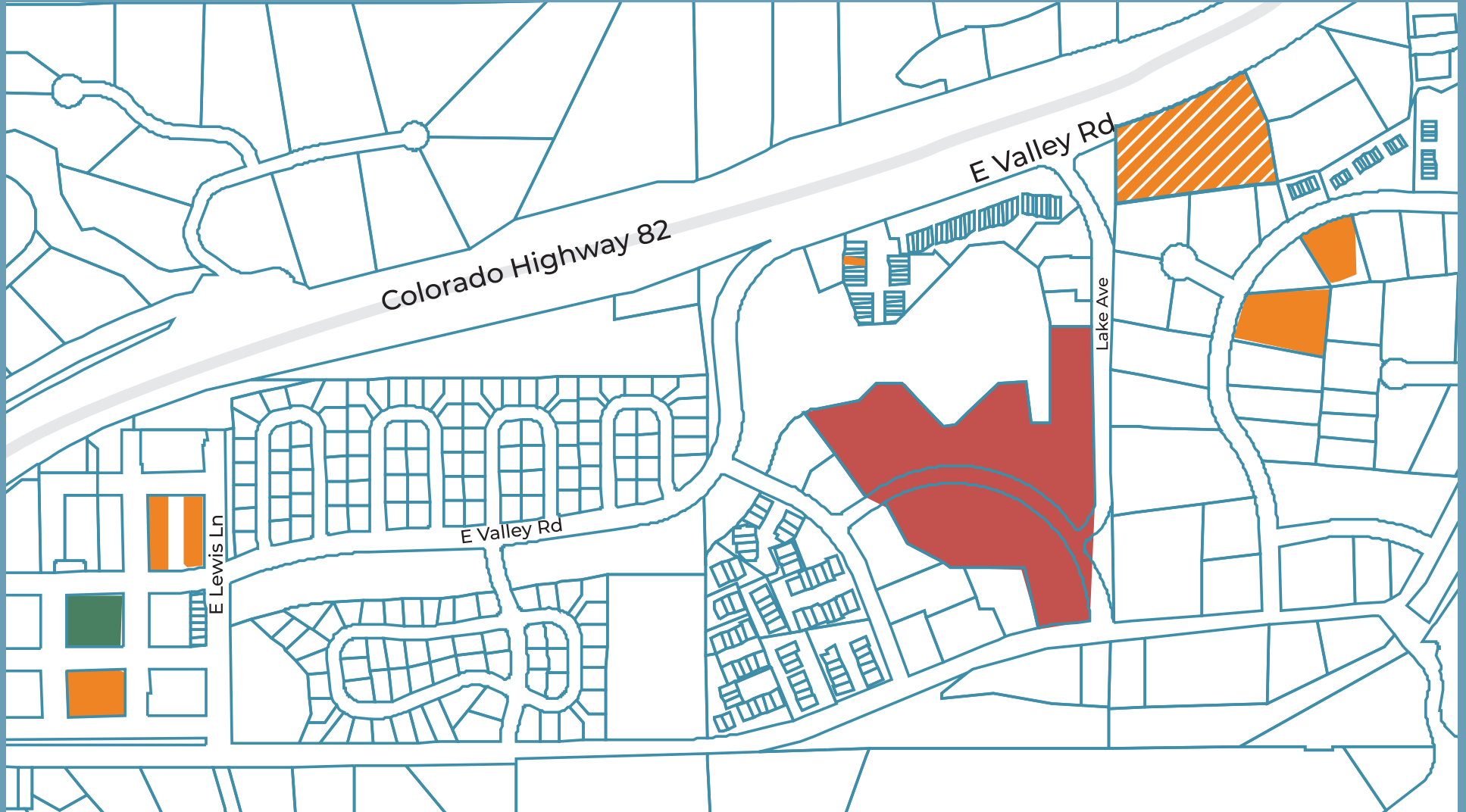
Rental Units



For Sale Units



Approved/Unbuilt





MEMORANDUM

TO: Basalt Attainable Housing Commissioners

FROM: Michelle Bonfils Thibeault, AICP, Planning Director

DATE: October 12, 2023

RE: Opting-In to Proposition 123

I. SUMMARY

Colorado Proposition 123 will provide an estimated \$300 million annually to fund affordable housing projects, including up to \$58 million dollars annually for affordable homeownership efforts (i.e. downpayment assistance, and grants or loans to nonprofit organizations). Municipalities must “opt-in” to be eligible for funding. The opt-in process includes establishing a “baseline” of affordable housing units per jurisdiction; followed with a commitment to increase the baseline by 3% annually. The requirement to expedite the development approval process of affordable housing developments to a maximum of 90 days has been postponed to the 2027-2029 session.

Staff from City of Aspen, Town of Basalt, Town of Snowmass Village, and Pitkin County have jointly participated in DOLA webinars and meetings to understand the Prop 123 legislation opportunities for our individual and regional affordable housing needs. The surrounding municipalities of Pitkin County, Snowmass Village, Eagle County, Town of Eagle, and Town of Vail have opted-in to Proposition 123. **On September 26, 2023 Basalt’s Town Council also opted-in to Proposition 123.**

II. BACKGROUND

November 2022 Colorado voters approved Proposition 123 which dedicates 0.1% of state income tax revenue to fund the State Affordable Housing Fund. During the 2023 state legislative session, modifications were made to the Prop 123 language that clarified aspects of the legislation and adjusted the requirements to be more accommodating of rural resort communities including the option to apply for an income requirement waiver. The Prop 123 funds are divided 60% to OEDIT and 40% to the Division of Housing for disbursement. \$160M are estimated to be available in the 2022-2023 fiscal year and \$318M in the 2023-2024 fiscal year. (See Attachment A for DOLA hand-outs on Proposition 123.)

III. DISCUSSION

Municipalities, counties, tribal governments, for and nonprofit developers, and nonprofit organizations are eligible for Prop 123 funds. The first step for is DOLA’s local governments to “opt-in.” Eligibility for ODEIT-CHFA affordable housing funding programs is based on opting-in.

By opting-in, the Town of Basalt agrees to commit to increasing affordable housing by 3% annually or 9% total by December 31, 2026. This increase can be achieved through buy-downs and/or new construction. There is no clawback clause if this requirement is not met, however the Town would be ineligible to request funds again in 2027. DOLA has a standardized baseline calculation for every area of Colorado from

which each jurisdiction agrees to increase housing by the required 3% annually or 9% total over three-years. **For the Town of Basalt, six units are required annually per the baseline calculation or 18 units by the end of 2026.**

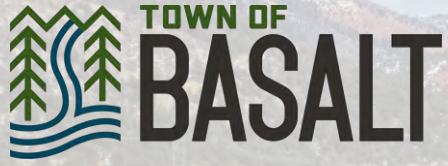
By participating in Prop 123, the Town of Basalt opens the opportunity for developers and residents to access Prop 123 funds including downpayment assistance and grants for nonprofit entities and developers, as well as access to funding for the Town to pursue affordable housing goals outlined in the 2020 Basalt Master Plan. Additionally, opting-in allows the Town to partner with neighboring jurisdictions to meet regional housing goals. Partnership for advancing affordable housing is a key goal of the 2020 Basalt Master Plan.

IV. RECOMMENDATION

Staff recommends BACH direct Staff to work with Eagle County and Pitkin County for partnership opportunities to develop housing on available Town and/or County owned properties in Basalt.

Attachments:

- A. Proposition 123 Presentation



Affordable Housing Funding Opportunity

Opt-In to Proposition 123

Proposition 123 Overview

- November 2022 approval to dedicate 0.1% of state income tax revenue to fund State AH Fund.
- \$160M est. available in 2022-2023 fiscal year, \$318M est. for 2023-2024

Proposition 123 Programs

Residents
Developers
NPOs
Town



AFFORDABLE HOMEOWNERSHIP PROGRAMS
Down Payment assistance, grants and loans for homeownership



PROGRAMS SERVING PERSONS EXPERIENCING HOMELESSNESS
Funding for people experiencing or at risk for homelessness



LOCAL PLANNING CAPACITY GRANT PROGRAM
Grants to local governments to increase capacity of local government planning departments



LAND BANKING
Grants and forgivable loans to acquire and preserve land for affordable housing development.



EQUITY
Equity investment to support the creation or preservation of low- and middle- income multifamily rental development



CONCESSIONARY DEBT
Loans to support the creation and preservation of affordable rental housing.

Opting-In

- To be eligible for funding, municipalities must “opt-in” by establishing a baseline.

Opting-in establishes:

1. eligibility for *residents, developers, non-profits and the Town* to apply for funding
2. opportunity to partner with other jurisdictions to achieve regional AH goals and meet Prop 123 funding commitment requirements.

Baseline Commitment

DOLA Baseline Tool uses data such as household size, inflation, available unit count, units sales, rental units, AMI, American Community Survey data, and such variables.

1. Establish AH baseline – *59 units*
2. Commit to increase baseline by 3% annually for 3-year cycles (or 9% total over 3-years). – *2 units annually or 5 per cycle.*
3. Submit baseline commitment to DOLA for approval
 - Updated Resolution No. 33 -- clarification from the Technical Assistance session held today

Next Steps

After DOLA approves baseline commitment can decide, or not, to apply for funding.

- Return to Council for approval to apply for funding.

Questions?