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Information Sheet: Workforce Housing Linkage Fee

The Gunnison County Board of Commissioners has adopted a “workforce housing linkage fee” for all new residential, commercial and industrial construction. The fee became effective June 13, 2006.

“Workforce Housing” would provide residences for people who earn their living in Gunnison County serving our community in professional or service capacities (i.e., health care service providers, waiters, janitors, teachers, small business owners, and mechanics). Gunnison County also calls this “Essential Housing,” because these employees are essential to the wellbeing of the community and it is critical that the county has reasonably-priced housing available for them. In an economy that is seeing skyrocketing real estate costs, it has become impossible for many workers to continue to live in and around Crested Butte and Mt. Crested Butte. Even in other parts of the county, housing costs are rising and housing availability for low and moderate income workers is limited.

As part of an overall housing program to ensure that the community is able to keep its service and professional employees, the Board has adopted this impact or “linkage” fee to create a fund that would establish programming that would provide rental and homeownership opportunities for people who are employed in Gunnison County whose annual incomes do not exceed 120 percent of the area median income established by the U.S. Department of Housing.

The fees are deposited into the Gunnison County Housing Fee Fund.

What is a “Workforce Housing Linkage Fee” and why has it been added to Building Permit fees?

The Workforce Housing Linkage Fee (also known as a “housing impact fee”) is charged to new residential, commercial or industrial construction. Studies conducted over the past 15 years in Gunnison County have shown that development results in new jobs, and those additional jobs often create the need for additional housing, including housing affordable to working residents (the “workforce”) who earn low or moderate incomes. The fee has been added to Building Permit fees because new construction creates the new jobs that create the need for new affordable housing. The fee is used to help produce that affordable housing.

Who pays the fee?

The fee is added to the fee collected for a Building Permit for new construction, or for an addition that is larger than 500 square feet, for any commercial, industrial or residential building in Gunnison County outside the city of Gunnison and towns of Crested Butte, Mt. Crested Butte, Marble and Pitkin.

When is the fee paid?

For most construction, the fee is paid as part of the Building Permit fee. However, residences smaller than 2,000 square feet that cost less than \$150 per square foot to construct may pay when a Certificate of Occupancy is issued when construction is completed.

A lien may be placed on the property for the amount of the fee and released when the fee is paid and Certificate of Occupancy issued.

How much is the fee?

Because real estate and housing costs differ in the Upper East River valley the affordability gap is greater from those in the rest of the county, the amounts of the fees have been set at different levels. Fees are based on square footages of a building, which are measured as required by the building codes adopted by the County.

The fees are:

RESIDENTIAL LINKAGE FEES FOR NEW RESIDENCES:							
TOTAL SQUARE FOOTAGE OF RESIDENCE	JOB GENERATION	HOUSEHOLD GENERATION	MITIGATION RATE	UNITS REQUIRED	GENERAL AREA FEE	CRESTED BUTTE AREA FEE	
0--999	0.17	0.094	5%	.005	\$326	\$1,095	
1,000--2,499	0.21	0.117	5%	.006	\$391	\$1,314	
2,500--2,999	0.26	0.144	10%	.014	\$911	\$3,065	
3,000--3,999	0.32	0.178	15%	0.027	\$1,758	\$5,912	
4,000--4,999	0.39	0.217	30%	0.065	\$4,232	\$14,232	
5,000--5,999	0.47	0.261	45%	0.118	\$7,682	\$25,836	
6,000--6,999	0.58	0.322	45%	0.145	\$9,440	\$31,748	
7,000--7,999	0.71	0.394	45%	0.178	\$11,588	\$38,973	
8,000--xxxx	1.06	0.589	45%	0.265	\$17,252	\$58,022	
RESIDENTIAL LINKAGE FEES FOR ADDITIONS TO EXISTING RESIDENCES							
SQUARE FOOTAGE OF ADDITION	MITIGATION RATE	GENERAL AREA FEE	CRESTED BUTTE AREA FEE	SQUARE FOOTAGE OF ADDITION	MITIGATION RATE	GENERAL AREA FEE	CRESTED BUTTE AREA FEE
501--999	5%	\$326	\$1,095	3,000--3,999	15%	\$1,758	\$5,912
HOUSEHOLD GENERATION 0.094	10%	\$586	\$1,971	HOUSEHOLD GENERATION 0.178	30%	\$3,450	\$11,604
	15%	\$911	\$3,065		45%	\$5,208	\$17,516
	30%	\$1,823	\$6,131	4,000--4,999	30%	\$4,232	\$14,232
	45%	\$2,734	\$9,196	HOUSEHOLD GENERATION 0.217	45%	\$6,380	\$21,457
1,000--2,499	5%	\$391	\$1,314	5,000--5,999	45%	\$7,682	\$25,836
HOUSEHOLD GENERATION 0.117	10%	\$781	\$2,627	HOUSEHOLD GENERATION 0.261			
	15%	\$1,172	\$3,942	6,000--6,999	45%	\$9,440	\$31,748
	30%	\$2,279	\$7,663	HOUSEHOLD GENERATION 0.322			
	45%	\$3,450	\$11,604	7,000--7,999	45%	\$11,588	\$38,973
2,500-2,999	10%	\$911	\$3,065	HOUSEHOLD GENERATION 0.394			
HOUSEHOLD GENERATION 0.144	15%	\$1,432	\$4,817	8,000--xxxx	45%	\$17,252	\$58,022
	30%	\$2,799	\$9,415	HOUSEHOLD GENERATION 0.589			
	45%	\$4,232	\$14,232				
	COMMERCIAL AND INDUSTRIAL LINKAGE FEES:						
JOB GENERATION PER 1,000 SQ FT	EMPLOYEE GENERATION PER 1,000 SQ FT	HOUSEHOLD GENERATION PER 1,000 SQ FT	UNITS REQUIRED PER 1,000 SQ FT	GENERAL AREA FEE PER 1,000 SQ FT	CRESTED BUTTE AREA FEE PER 1,000 SQ FT		
2.9	2.522	1.401	0.014	\$912	\$3,067		
<ul style="list-style-type: none"> Notwithstanding any other provision of this Division, if the construction costs as defined in the <i>International Building Code</i> as adopted and amended by Gunnison County are less than \$150 per square foot for these residences, the Workforce Housing Fee shall be collected when the Certificate of Occupancy is issued. <p>Calculation for multiple-family residences: Residential Linkage Fees for multiple-family residences shall be calculated by dividing the gross square footage of the multiple-family structure by the total number of units in it.</p> <p>Calculation for additions to existing residences: The Residential Linkage Fee is charged against the square footage of only the addition. If the total square footage of the house, including the addition, is less than 2,500 sq. ft. the fee is based on the 5% mitigation rate. If the total square footage of the house, including the addition, exceeds 2,500 sq. ft., the fee is based on the higher mitigation rate applied to the applicable total square footage of the residence.</p> <p>Square footage measurement: Square footage shall be measured as required by the applicable building code adopted and amended by Gunnison County.</p>							

For instance, the Workforce Housing Fee for a 2,500 square foot house constructed at a cost of \$100 per square foot or more amounts to less than one percent of the overall cost of construction, in either fee area.

Fees for multiple-family residences are calculated by dividing the gross square footage of the structure by the number of residences in it.

Is anything exempt from the fee?

Six types of structures are exempt:

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

How will the money be used?

The funds will be used to buy land, install infrastructure and build new essential housing, rehabilitate and preserve older homes for essential housing, support for first-time homebuyer programs, provide for some administration expenses, and assist with financing essential housing developments for private and non-profit developers.

Why should more homes, especially at affordable sales prices or rental rates, be built?

Gunnison County has for many years had fewer affordable homes than needed for low and moderate income families. The problem is worsening because development of affordable housing is not keeping up with job growth, and land prices and building costs are escalating so fast that purchasing a modest home is no longer possible for most residents. There is an urgent need for actual affordable housing units for sale or rent, and for land on which to build them.

What is the Gunnison County Housing Fee Fund?

As linkage fees are collected by the county, they are deposited into the fund, which the Gunnison County Housing Authority (GCHA) manages. This is a restricted fund which can be used only for essential housing. GCHA and its Advisory Board will solicit proposals from private, public, and nonprofit developers for projects that will create new or preserve existing essential housing, leveraging fee fund dollars with public and private investment dollars. Annually, the GCHA and its Advisory Board will issue reports on how much money was collected and how it was used.

Where to go for help?

- For an estimate of the Workforce Housing Linkage Fee for a specific project, or for questions about the Essential Housing section of the *Gunnison County Land Use Resolution* contact the Gunnison County Planning Department, (970) 641-0360, in the Blackstock Government Center, 221 N. Wisconsin, Ste. D in Gunnison.
- For help in determining if your household and your construction project may be exempt because of the level of your income, contact the Gunnison County Housing Authority, (970) 641-7900, in the Courthouse, 200 E. Virginia in Gunnison.
- If you would like to talk with a County Commissioner about the Board's position on the need for the County to be involved in a housing program in general, or about this fee in particular, contact the Gunnison County Administration Office, (970) 641-0248.

Additional essential housing and contact information for the Planning Department, the Housing Authority, and the Board of Commissioners is available on the Gunnison County Website: www.gunnisoncounty.org.