

“EXHIBIT A”

New definitions, to be added to Article 2:

AREA MEDIAN INCOME (AMI) means the median income for Gunnison County adjusted for household size, as established and defined in an annual schedule published by the U.S. Department of Housing and Urban Development (HUD).

DEED RESTRICTION OR DEED RESTRICTED means a provision in a deed, recorded in the records of the Clerk and Recorder of Gunnison County, mandating, limiting or prohibiting certain uses of a parcel of real property and/or structures, in perpetuity.

ESSENTIAL HOUSING means housing for qualified households as determined by the Gunnison County Housing Authority.

ESSENTIAL HOUSING PROJECTS are housing developments in which all residences are deed-restricted Essential Housing.

GUNNISON COUNTY HOUSING AUTHORITY means the agency of Gunnison County created pursuant to C.R.S. 29-4-503 *et seq.*

HOUSEHOLD, for the purposes of Essential Housing, means one person living alone or two or more persons sharing residency whose income, time of residency and place of employment are considered to determine eligibility and housing payment requirements for Essential Housing.

SQUARE FEET means the measurement of square footage as established by the applicable Building Code adopted and amended by Gunnison County.

QUALIFIED HOUSEHOLD means a household that earns less than 120 percent of the AMI as qualified by the Gunnison County Housing Authority.

WORKFORCE means persons who are employees in Gunnison County whose household incomes are categorized as low income (i.e. a household whose annual income does not exceed 80 percent of the area median income as published annually by the U.S. Department of Housing and Urban Development) or moderate income ((i.e. a household whose income is between 81 percent and 120 percent of the area median income as published annually by the U.S. Department of Housing and Urban Development).

WORKFORCE HOUSING FEE means that fee enacted by Gunnison County and assessed to certain new construction in the unincorporated areas of the County, based upon the number of new employees generated by it.

A new Division (to be numbered to conform with the recodified *Resolution*) would be added; Section 1-119: *Waiver of Standards to Facilitate Affordable Housing* and 3-201: *Employee Housing Provided with Other Uses* would be deleted.

DIVISION 9-600: ESSENTIAL HOUSING

SECTION 9-601: PURPOSES.

Future demand for Essential Housing that is affordable for Gunnison County’s workforce and residents is impacted by a myriad of variables including population growth, housing market trends, and employment trends. While these variables cannot be accurately predicted, it is unlikely, given current conditions and funding availability, that future demand for Essential Housing in Gunnison County will decrease. It is probable, given rapidly increasing housing prices, that demand will increase.

The wellbeing of the residents and visitors in Gunnison County is dependent upon a supply of affordable workforce housing being available for including emergency services personnel, medical practitioners, teachers and other employees crucial to our economy and community so they can live within reasonable proximity to their worksites and provide necessary public- and private-sector services. The documented trend of increasing housing and land prices in Gunnison County has resulted in an inadequate supply of Essential Housing for county residents. This jeopardizes the ability of local employers to hire and retain employees, thus negatively impacting business operations.

Employees are not the only residents whose health, safety and welfare are negatively impacted by the insufficient supply of affordable housing. Seniors, persons with disabilities and other residents who may be unemployed, living on low to moderate incomes are not provided adequate, affordable housing opportunities by the free market.

- A. TO ENCOURAGE AFFORDABLE/ESSENTIAL HOUSING.** To encourage and ensure the development and availability of safe, affordable housing for low-income and moderate-income households within Gunnison County.
- B. TO ACHIEVE AND MAINTAIN VARIED HOUSING SUPPLY.** To achieve and maintain a housing stock which meets County-defined targets for income groups and owner/renter ratios.
- C. TO ADD ESSENTIAL HOUSING PROPORTIONAL TO NEW DEVELOPMENT.** To promote the County's goal to add essential residences in proportion to the housing impacts generated by new residences and commercial and industrial uses to provide a basis for economic development and job growth.
- D. TO ENSURE GROWTH PAYS ITS PROPORTIONATE SHARE.** To ensure that growth contributes a proportionate share of funding, land and/or construction to increase and maintain a sufficient supply of essential housing residences.
- E. TO MITIGATE IMPACTS BY PROMOTING BALANCE OF JOBS AND HOUSING.** To mitigate impacts that accompany new residential and non-residential development by protecting diversity of the County's housing stock, promoting a balance between jobs and housing, and reducing the demands placed on transportation infrastructure.
- F. TO ENCOURAGE LOCATION OF ESSENTIAL HOUSING NEAR WORK SITES.** To encourage essential housing to be located near central work sites and public transportation.
- G. TO ENSURE DEVELOPMENT THAT ENHANCES THE EXISTING SENSE OF "COMMUNITY" IN GUNNISON COUNTY.** To ensure that development of Essential Housing Projects and residences integrates new and current residents and does not isolate Essential Housing Residences from free-market residential development.

SECTION 9-602: RELATIONSHIP OF DEVELOPMENT AND ESSENTIAL HOUSING NEED

- A. BASIS FOR REQUIREMENTS.** Multiple sources of data indicate a need for Essential Housing in response to escalating free-market housing prices and rents that are not affordable to essential employees who are crucial to the economic well-being of Gunnison County but who earn low to moderate incomes and others, including seniors, who live on fixed incomes. These sources include the 2000 U.S. Census for Gunnison County; *Gunnison County Housing Needs Assessments* completed in 1992 and 1999; the *Gunnison County Residential Job Generation Study* completed in 2000 by Rees Consulting, Inc and the Housing Collaborative, and the *Nexus/Proportionality Analysis for Commercial and Residential Linkage Programs* 2006 Rees Consulting, Inc. Based on this information, and as further identified by *Board of County Commissioners' Resolution 20 06-44*, there is a demonstrable nexus between the impact of new non-residential and residential developments, the jobs generated by those developments, and the need for Essential Housing in Gunnison County, and an accurate mechanism to establish an appropriate and proportional workforce housing fee for new commercial, industrial and residential development.
 - 1. HOUSING OPPORTUNITIES LIMITED TO QUALIFIED HOUSEHOLDS.** Analyses of the housing situation in the County, particularly in the corridor that encompasses the area between the City of Gunnison and Towns of Crested Butte and Mt. Crested, reveal that with the exception of housing developed in partnership with the assistance of public or non-profit entities, residential development does not provide adequate housing opportunities for low- and moderate-income households. There is a demonstrated market price gap between free-market housing prices and what households within those income categories can afford.
 - 2. DATA IS BASIS FOR ESSENTIAL HOUSING REQUIREMENTS.** This Division uses data which includes the average number of employees per household; the target income levels for workforce housing development; the estimated multiple jobs held by workers; the estimated affordable rents and sales prices for workforce housing-- and other such data necessary to construct reasonable methodologies to provide for workforce housing.
 - 3. ECONOMIC DEVELOPMENT BENEFITS.** A permanent supply of Essential Housing is a necessary component of an economic development strategy that seeks to retain employers and employees and bring new jobs to Gunnison County.

SECTION 9-603: WORKFORCE HOUSING LINKAGE.

- A. PURPOSE.** New construction or expansion of residential, commercial and industrial buildings or uses in the unincorporated areas of Gunnison County will result in new workers employed by or within those buildings or uses. This Section is intended to ensure that commercial and industrial development and construction of individual free market residences provide constructed residences and installed infrastructure, or contribute to the construction of a reasonable and appropriate percentage of Essential Housing to mitigate impacts to the county's housing supply as growth occurs.
- B. APPLICABILITY.** Unless otherwise exempted, this Section shall apply to all proposed residential, commercial, and industrial development that is subject to the requirements of this *Resolution*, and for which an application is submitted for a Building Permit after June 13, 2006.
- C. EXEMPTIONS.** The following shall be exempt from the Workforce Housing Fee:
- 1. SAME-SIZE RECONSTRUCTION OF PRE-EXISTING STRUCTURE.** The reconstruction of any pre-existing structure pursuant to Section 1-108: *Non-conforming Uses* if the reconstruction does not increase the size more than 500 square feet, or as applicable, the number of residences within it, except when the structure was not a legally habitable residence before the reconstruction; or
 - 2. ADDITION OF 500 SQ. FT. OR LESS TO PRE-EXISTING STRUCTURE.** The addition of 500 square feet or less to a structure, whether it is a residential, commercial or industrial use; or
 - 3. INTEGRATED SECONDARY RESIDENCE.** An integrated secondary residence as allowed pursuant to Section 9-102: F.: *Standards for Integrated Secondary Residence*, provided that it is deed-restricted for occupancy by Qualified Households with incomes not exceeding 120 percent of the Area Median Income.
 - 4. MOBILE HOMES.** Individual mobile homes and mobile home communities as defined by this *Resolution*, provided that the homes are deed-restricted for occupancy by Qualified Households with incomes earning less than 120 percent of the Area Median Income.
 - 5. ESSENTIAL RESIDENCES.** Residences that are constructed and deed-restricted as Essential Housing.
 - 6. EXEMPTION FOR INCOME-QUALIFIED HOUSEHOLDS.** Households earning less than 120 percent of AMI, as qualified by the Gunnison County Housing Authority, that are building homes for their own occupancy.
- D. WORKFORCE HOUSING FORMULA AND FEES.** Unless exempted by this Division, additions or remodels to existing residences of more than 500 square feet, and all residential, commercial and industrial construction for which a Building Permit is required to pay after June 13, 2006, the Workforce Housing Fee identified in Appendix Table 4, *Workforce Housing Fees* shall apply as follows:
- 1. RESIDENTIAL DEVELOPMENT.** Workforce Housing Fees for single-family residences, multiple-family residences, manufactured homes, secondary residences that are not integrated secondary residences, and sleeping quarters, are identified in Appendix Table 4, *Workforce Housing Fees*, as "residential linkage fees".
 - 2. COMMERCIAL AND INDUSTRIAL.** Workforce Housing Fees for commercial and industrial construction are identified in Appendix Table 4, *Workforce Housing Fees*, as "commercial linkage fees".
 - 3. AREA FEES.** The Crested Butte Area Fee shall apply to development north of the entrance to the Roaring Judy Fish Hatchery, within the East River Valley. The General Area Fee shall apply to development in the remainder of unincorporated Gunnison County.

SECTION 9-604: INCENTIVES TO PROVIDE ESSENTIAL HOUSING

- A. REQUIRED INCENTIVES.** Notwithstanding any other requirements of this *Resolution*, the decision-making body shall provide one or more of the following incentives for an Essential Housing Project or a residential or mixed-use development in which a minimum of 40 percent of the residences are Essential Housing, and, because of deed restriction, will remain Essential Housing:
- 1. EXPEDITED REVIEW PROCESS FOR ESSENTIAL HOUSING PROJECTS.** Conforming and complete applications submitted pursuant to this Division generally shall be given priority over other applications that are being reviewed by staff, the Planning Commission or the Board. At each phase of its review, each application shall be placed on the first scheduled Commission or Board agenda for which it can be properly noticed.
 - 2. INCREASE IN ALLOWABLE RESIDENTIAL LIVING AREA.** An increase of 15 percent in maximum residential living area allowed pursuant to Section 13-105: C.: *Parcels Smaller Than 6,500 Sq. Ft.*, and Section 13-105: D.:

Parcels Equal To or Larger Than 6,500 Sq. Ft. when a secondary residence is included that is deed-restricted as an Essential Housing residence.

3. **INCREASE IN BUILDING HEIGHT.** An increase of 25 percent in the maximum structure height allowed pursuant to Section 13-103: G.: *Allowed Structure Heights*, when such increase is found to not interfere with solar access or potential solar access of existing adjacent structures, and the County determines the increase to be in the public benefit in its allowance for additional and/or larger residences and that are deed-restricted pursuant to this Division.
4. **REDUCED SETBACK REQUIREMENTS.** An exception pursuant to Section 13-104: *Setbacks from Property Lines and Rights-of-Way* shall be allowed by reducing front setbacks to 15 feet, and side/rear setbacks to 10 feet, subject to approval by the applicable fire protection district.
5. **DEFERRED FEES.** Fees for Essential Housing residences may be deferred as follows:
 - a. **PROJECTS THAT INCLUDE CONSTRUCTED ESSENTIAL HOUSING RESIDENCES.** A proposed land use change includes the construction of Essential Housing Residences, and the installation of infrastructure to service them. The applicable decision-making body may defer all related County fees, such as Building Permit Fees, ISDS Permit fees, Access Permit fees, and Reclamation Permit fees for Essential Housing that is to be constructed by the Land Use Change Permit applicant, until the applicant receives a Certificate of Occupancy for each of the constructed residences. Payment of fees may be in whole for all the residences in the development when a Certificate of Occupancy is obtained for the first residence, or in part for each residence at the time each residence receives a Certificate of Occupancy thereafter.
 - b. **PROJECTS IN WHICH UNIMPROVED LOTS WILL BE SOLD FOR FUTURE CONSTRUCTION.** In Essential Housing Projects in which construction of individual single-family or multiple-family residences will be accomplished by persons who purchase lots within the project, fees for each Building Permit may be deferred until each Essential Housing residence receives a Certificate of Occupancy.
6. **MODIFIED DEVELOPMENT STANDARDS.** The decision-making body shall approve modifications to the design requirements of Article 10: *Locational Standards*, Article 11: *Resource Protection Standards*, Article 12: *Development Infrastructure Standards*, and Article 13: *Project Design Standards* for Essential Housing, provided that the requested modification will result in residences that will be more energy-efficient, will provide more amenities, or improved design, and will not jeopardize public health, safety or welfare.
 - a. **STANDARDS THAT CANNOT BE MODIFIED.** The following standards shall not be waived:
 1. **SECTION 11-103:** *Development in Areas subject to Flood Hazards.*
 2. **SECTION 11-104:** *Development in Areas subject to Geologic Hazards.*
 3. **SECTION 11-107:** *Protection of Water Quality.*
 4. **SECTION 12-105:** *Water Supply.*
 5. **SECTION 12-106:** *Sewage Disposal/Wastewater Treatment.*
 6. **SECTION 12-107:** *Fire Protection.*
 7. **SECTION 11-109: D:** *Domestic Animal Controls*; and Section 11-106: F. 6.: *Domestic Animal Controls.*
 8. **SECTION 13-107:** *Installation of Solid Fuel-Burning Devices.*
 9. **SECTION 13-114:** *Exterior Lighting.*
 10. **SECTION 13-106:** *Energy and Resource Conservation.*
- B. **POSSIBLE ADDITIONAL INCENTIVES.** Notwithstanding any other requirements of this *Resolution*, the decision-making body may provide one or more of the following incentives for an Essential Housing Project or a residential or mixed-use development in which a minimum of 40 percent of the residences are Essential Housing, and, because of deed restriction, will remain Essential Housing:
 1. **REDUCED PARKING SPACE REQUIREMENTS.** A reduction in the number of parking spaces required pursuant to Section 13-110: *Off-Road Parking and Loading*, depending upon location, bedroom mix, the availability of public transit and other pertinent factors.
 2. **REDUCTION IN REQUIRED AMOUNT OF OPEN SPACE.** A reduction in the amount of open space required pursuant to Section 13-108: *Open Space and Recreation Areas.*

Under all applicable sections addressing requirements for Final Plan submittal would be the following:

To Section 7-401:

M. ESSENTIAL HOUSING PROJECT OR ESSENTIAL HOUSING DESIGNATION. When the development is an Essential Housing Project, or otherwise includes Essential Housing Residences, the Final Plat and Final Plan shall identify each lot that is designated as an Essential Housing lot and shall identify the number of Essential Houses on each Essential Housing lot.

The following table will be added to the Appendix:

APPENDIX TABLE 4: WORKFORCE HOUSING FEES

RESIDENTIAL LINKAGE FEES							
SQUARE FOOTAGE	JOB GENERATION	HOUSEHOLD GENERATION	MITIGATION RATE	UNITS REQUIRED	GENERAL AREA FEE	CRESTED BUTTE AREA FEE	
0	999	0.17	0.094	10%	0.009	\$ 586*	\$ 1,971*
1,000	1,999	0.21	0.117	10%	0.012	\$ 781*	\$ 2,627*
2,000	2,999	0.26	0.144	10%	0.014	\$ 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	X,XXX	1.06	0.589	45%	0.265	\$ 17,252	\$ 58,022

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	

* Notwithstanding any other provision of this Division, if the construction costs as defined in the *International Building Code* 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.

Calculation for multiple-family residences: 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

Square footage measurement: Square footage shall be measured as required by the applicable building code adopted and amended by Gunnison County