

# **APPENDIX E**

## **SAN MIGUEL COUNTY LAND USE CODE**

### **EMPLOYEE HOUSING IMPACT FEE METHOD & CALCULATION TABLES**

## EMPLOYEE HOUSING IMPACT FEE METHOD

The Employee Housing Impact Fee Method is based on the difference between the free market price of housing in the Telluride Region and the price that is affordable to households with incomes equivalent to the Area Median Income (AMI). The following procedures shall be used by County Planning staff to calculate Employee Housing Impact Fee, which shall be updated by April 30 each calendar year.

**Step 1 – Area Median Income** is currently determined by the following procedure:

1. Use the most recently updated US Department of HUD “Very Low Income” figures for San Miguel County, Colorado for 2- and 4-person households. These are 50% of Area Median Income, so Area Median Income is double these figures. The 100% AMI is used to establish the AMIs for the Impact Fee.
2. Planning staff shall update the fee annually as new US Department of HUD “Very Low Income” figures are released.
3. Based on this procedure, the Area Median Incomes for San Miguel County are:

**Table 1. San Miguel County Area Median Income (AMI\*)**

Area	Fiscal Year	Persons in Family		Income Limit	Persons in Family	
		2	4		2	4
SMC	2018	\$ 68,000	\$ 84,900	50%	\$ 34,000	\$ 42,450
SMC	2019	\$ 68,200	\$ 85,200	50%	\$ 34,100	\$ 42,600
SMC	2020	\$ 65,200	\$ 81,500	50%	\$ 32,600	\$ 40,750
SMC	2021	\$ 68,400	\$ 85,500	50%	\$ 34,200	\$ 42,750
SMC	2022	\$ -	\$ -	50%		
SMC	2023	\$ -	\$ -	50%		
SMC	2024	\$ -	\$ -	50%		
SMC	2025	\$ -	\$ -	50%		
SMC	2026	\$ -	\$ -	50%		

\* This AMI calculation is pursuant to the County Employee Housing Impact Fee Mitigation

### **Step 2 – Determine the Maximum Affordable Dwelling Unit Price**

1. Using the 100% Area Median Income from Table 1 determine the Affordable Monthly Housing Payment (30% of Monthly Income).
2. Determine the Affordable principal and interest (80% of payment) and HOA dues, property taxes, and insurance portion (20% of payment).
3. Calculate the Maximum Affordable Mortgage using assumed mortgage interest rate (5%).
4. Calculate the Maximum Affordable Price of Dwelling Unit (5% down payment).

### **Step 3 – Compile Free Market Dwelling Unit Sales Prices**

1. Utilize the Telluride Multiple Listing Service (MLS) to find and compile real estate sales that fit the following parameters:

- i. Sales that occurred within the three (3) previous calendar years; and
- ii. Free Market\* Dwelling Units; and
- iii. Duplex and multi-family occupancy; and
- iv. Studio, one (1), two (2), and three (3) bedrooms; and
- v. Within Telluride Region as defined in the County Master Plan.

\* Free Market = housing units that are not subject to use or occupancy restrictions, such as deed-restricted housing or time share restrictions.

#### **Step 4 – Determine the Market Dwelling Unit Average Sales Price per Square Foot**

1. Determine the average of the three (3) previous calendar years' annual average sales price per square foot of Free Market Dwelling Units from Step 3.
2. Calculate the Free Market Price per Unit. Multiply the Market Price per square feet (s.f.) of heated Floor area determined in this step by the Assumed Affordable Unit Size (1075 s.f. for four-person household, 850 s.f. for two-person household).


#### **Step 5 – Calculate the Market-Affordability Gap/Fee**

1. Subtract the Free Market Unit Price from the Maximum Affordable Price to determine the Market–Affordability Gap per unit.
2. Divide the Market –Affordability Gap per unit by Assumed Affordable Unit Size (1075 s.f. for four-person household, 850 s.f. for two-person household) to determine the Employee Housing Mitigation Fee per SF.
3. (For reference only) Determine the per employee gap fee. Divide the Market – Affordability Gap per unit by 1.6 (employees per unit).

**Table 2 Impact Fee Calculation**

San Miguel County Fee Calculation Model		2021	
2/10/2022			
<b>Income Targets</b>			
Area Median Income (AMI) 100% - household size	2	4	
Maximum Income	\$ 65,200	\$ 81,500	Enter data here (HUD)
<b>Affordable Price</b>			
Affordable Monthly Payment (30%)	\$ 1,630	\$ 2,038	
Affordable principal and interest (80% of pmt)	\$ 1,304	\$ 1,630	
HOA dues, property taxes, insurance (20%)	\$ 326	\$ 408	
Assumed Mortgage interest rate	5.0%	5.0%	
Maximum mortgage	\$ 242,911	\$ 303,639	
Maximum affordable price - 5% down	\$ 255,696	\$ 319,620	
<b>Market Price</b>			
Market Price per SF of heated floor area	\$ 824	\$ 824	Enter Market Price per SF here
Assumed Affordable Unit Size	850	1075	
Market Price per Unit	\$ 700,256	\$ 885,618	
<b>Market-Affordability Gap/Fee</b>			
per Affordable Unit	\$ 444,560	\$ 565,998	
Per SF of affordable unit (per unit gap/Unit Size)	\$ 523	\$ 527	
Per Employee (per unit gap/1.6 employees per unit)	\$ 277,850	\$ 353,749	
Components of the model are summarized below			
<b>Income Targets</b>			
based on 2019 HUD Area Median Family Income (AMI) for San Miguel County -100% AMI is \$85,200 4 person household			
2020 Household persons per occupied unit: San Miguel County - 2.24, Telluride - 2.16, Mountain Village 1.94			
<b>Affordable Price</b>			
A mortgage interest rate of 5.00% is used for 2020 calculation.			
affordable housing payment = 30% of income			
mortgage principal and interest = 80% of affordable payment			
HOA fees, property taxes and insurance = 20% of affordable payment			
mortgage term is 30 years at a fixed rate			
<b>Market Sales Price per Square Foot</b>			
Area Covered: Sales within the Telluride Region Master Plan Area are used for San Miguel County's fee calculation			
Free market sales of units with duplex and multi-family buildings, ad with no housing deed-restrictions or occupancy restrictions			
Time Period of Sales: prior three year period			
Unit Sizes: Avg of Min. and Max SF for 2Br and 3Br units Tell Aff Hsg Guidelines 8/13/2019			
<b>Conversion Factors</b>			
Factor of 1.6 employees per unit was used. This figure was generated in 2005 Employee Housing Impact Fee Support Study. 1.6 per 2011; 1.56 per 2018 Housing Needs Asses			
To convert into per-square foot fee amounts: used Assumed Affordable Unit Size square fee per affordable Unit			

**Table 3 Impact Fee Calculator 2022**

Affordable Housing Mitigation Fee Calculator Single-family Residence / Duplex				
Project Name				
Address/Location				
Property Owner				
Date				
<b>Calculation of residential affordable housing mitigation required</b>				
<b>New Construction</b>				
		Square	Footage	Mitigation Rate
		0	2000	0%
<b>Variables</b>		2001	5000	(C13*0.00024)-0.3
	Residential Floor Area (Type SF in yellow box)	5001	12000	90%
	Affordable Housing Floor Area (Type SF in yellow box)			
<b>Constants</b>				
	Maintenance FTE's Coefficient			0.070174
	Exponential Coefficient			0.000322
	Average Construction FTE's			0.0044
	Sq. Ft. Per Employee per LUC § 5-1303 E I a			400
	Impact Mitigation Rate per LUC § 5-1303 G xv			0%
	Per SF of affordable unit (per unit gap/Unit Size)			\$ 527
<b>Mitigation Calculation</b>				
	Employees Generated			0.070174
	Employee Housing SF to be provided			-
	Impact Fee			\$ -
	Credit for Affordable Housing Unit constructed			\$ -
	50% Phasing Credit available til 5/31/2023			\$ -
	Net Impact Fee			0
<b>Additions</b>				
		Square	Footage	Mitigation Rate
		0	2000	0
<b>Variables</b>		2001	5000	(C42*0.00024)-0.3
	EXISTING Residential Floor Area (Type SF in yellow box)	5001	12000	0.9
	ADDITIONAL Residential Floor Area (Type SF in yellow box)			
	Total Residential Floor Area			
	Affordable Housing Floor Area (Type SF in yellow box)			
<b>Constants</b>				
	Maintenance FTE's Coefficient			0.070174
	Exponential Coefficient			0.000322
	Average Construction FTE's			0.0044
	Sq. Ft. Per Employee per LUC § 5-1303 E I a			400
	Impact Mitigation Rate per LUC § 5-1303 G xv			0%
	Per SF of affordable unit (per unit gap/900 SF)			\$ 527
<b>Mitigation Calculation</b>				
	Employees Generated			-
	Employee Housing SF to be provided			-
	Impact Fee			\$ -
	Credit for Affordable Housing Unit constructed			\$ -
	50% Phasing Credit available til 5/31/2023			\$ -
	Net Impact Fee			0