

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.

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TOWN OF BASALT MEETINGS
Basalt Affordable Community Housing (BACH)
Thursday, September 15, 2022

Basalt Town Hall

101 Midland Avenue

- 12:00 PM Roll Call**
- 12:01 Approval of Minutes- July 28, 2022**
- 12:03 Update on BACH Membership Changes**
- 12:15 Election of Chair and Vice-Chair**
- 12:25 Discussion of Options Related to Changes in Income Limits for
Category Level Affordable/Community Housing Units**
- 12:55 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.

BACH Meeting
July 28, 2022
12:00 pm – 1:00 pm
Via Zoom

BACH Member Attendees: Doug MacDonald, Mike Kosdrosky, Cathy Click
Staff Attendees: James Lindt, Michelle Bonfils Thibeault, Sara Nadolny
Guest: Elyse Hottel, Town Councilor

Agenda items

1. Approval of Meeting Minutes from July 7, 2022
2. Update on Regional Housing Coalition from Elyse Hottel
3. Request for Income Waiver – recommendation to SHEC

The meeting was called to order at 12:02 pm

1. Approval of Meeting Minutes

Mike suggested an edit to the July 7th meeting minutes; he would like to amend the statement about his not wanting for-sale housing. Mike explained that he supports for-sale units within the Town's inventory, but thought it was a mistake with this specific project given how far along the project is in the review process. He suggested this to be amended to say Mike did not agree with for-sale portion of the Parcel 5 project.

M/S Cathy and Doug to approve the meeting minutes as amended. Motion passed 3 to 0.

2. Regional Housing Coalition – Update from Councilor Hottel

Council Hottel expressed appreciation for the BACH board members and their work on the Commission.

Councilor Hottel said that the Regional Housing Coalition is looking to change their name to West Mountain Regional Housing Coalition to be more inclusive of communities within the Colorado River Valley. They are currently looking into this to ensure there will not be any concern with others using the West Mountain moniker.

The Coalition has formed as a 501 C3 and includes a Board of Directors. Councilor Hottel sits on the board for the Town of Basalt, and each member community has a representative. Member communities include those who have entered into a Memorandum of Understanding and paid a membership fee, which includes Colorado Mountain College as well as a number of local governments. She said that other large employers may also join.

The Coalition currently has three committees – Programs & Services, Strategic Planning, Marketing & Development.

Councilor Hottel said that at this time, interested parties are being invited to listen into meetings, but a more strategic plan needs to be in place before the Coalition will consider adding more board members. The Coalition has received a grant from DOLA to be used for strategic planning of the non-profit

organizational structure. Next steps will include hiring a consultant to help with goal setting and five-year planning. The funding structure and staffing needs will be determined thereafter.

Councilor Hottel reported that the Coalition has also submitted a grant to CHFA. Funding from the grant will be used for background research and to develop an application for ARPA funding for housing. CHFA funding will go toward programs and services.

Councilor Hottel said there is a third grant opportunity through IHOP that would be used specifically for looking at policies within the region that can be improved or distributed across the various communities. The Coalition is working with a consultant to develop a community framework of programs already being implemented. The consultant will make suggestions on initiatives to deliver more broadly across the region, ideas to upload into IHOP policy consideration, and understand what is not working. The Coalition is looking to support development neutral programs.

Mike asked about the composition of the Board of Directors, and how many communities have signed on to the MOU. Councilor Hottel replied that Colorado Mountain College, Pitkin County, Snowmass Village, Aspen, Basalt, Carbondale, Glenwood Springs, and the Eagle County Housing Authority currently make up the Board of Directors. Conversations are being had with Silt, New Castle, Rifle, Gypsum, and Town of Eagle.

Mike said he is interested in reviewing the bylaws. Councilor Hottel said that the website is under construction, but the bylaws will be available on the website once it is complete. The name change needs to be resolved before the website goes live.

Councilor Hottel confirmed that the 2023 fiscal ask from the Town would be \$10,000.

Cathy asked if the idea of a land bank is being considered as it was in the past. Councilor Hottel said it is not currently a focus, but it is not outside of the realm of possibilities. She said the Coalition is not looking to create a taxing district at this time.

The Coalition does not have an Executive Director or administrative staff at this time. Kara Silbernagel with Pitkin County is volunteering time administratively right now.

The Coalition is working with Planning consultants Bohannon Huston out of the Denver area.

3. Request for Income Waiver

James introduced the item as a BACH recommendation to the Special Housing Evaluation Committee (SHEC) for a waiver from the income qualifications for the affordable housing at the Willits 7 apartments. The letter of request has been provided to BACH in the packet. There is a couple who lives there; one works at Whole Foods and the other is a Police Officer with the City of Aspen. Both organizations have provided an inflationary raise across the board, which has pushed them above the income limits for their requalification. Staff is starting to see other similar situations as employers combat inflation to keep employees. Staff suggests BACH consider a short-term income waiver and then direct Staff to look at increases to the maximum income levels program-wide to keep pace with what is happening in the community. James noted that APCHA is also examining increasing incomes for their program.

Cathy said that raising the income cap will help to keep the missing middle for those living in Basalt's affordable housing units. She suggested BACH recommend to SHEC to approve a temporary income waiver and for Staff to review the maximum income caps for the affordable housing program.

Mike asked how much the applicants are over the income cap, wanting to ensure the request is within reason. James said in this case the increases were not merit based, and with the salary increases the applicants are \$10,000 over the income cap, in 8-12% range. Mike thinks this is within a reasonable range.

James expects a couple more requests with those requalifying this year.

Doug said APCA is looking at an increase in AMI of approximately 10%. Mike suggested BACH make a recommendation to Council to increase the AMI used for affordable housing units. He said the regulations should be so the Town could collect more in rent in conjunction with the salary.

Cathy would like a meeting on this topic and to see how these requests play out over the next few months.

James said Staff recommends a temporary four-month waiver from the income cap to begin with and that the Town would look at the existing regulations during this time. A temporary waiver means that for those four months they would have an extended lease and then would need to requalify after that period. However, if the guidelines are changed during this time they would not need to requalify.

Cathy suggested extending the waiver to six months.

M/S Cathy and Mike to make a recommendation to SHEC to provide a six-month income waiver for the subject requalification application and for Staff to review the existing income qualifications. Motion passed 3 to 0.

4. Member Updates

Mike reported that he watched the Council meeting the other night for Parcel 5 Sopris Meadows which was approved at first reading. James said second reading is set for August 9th. Council will allow missing middle building to be built first (after the third free market building), but the second affordable housing building of Category 2 rental units must be constructed before the certificate of occupancy is granted for the fifth free market building. Mike wants the minutes to reflect that he feels this is a bad decision by the Town Council making policy on the fly. He feels that this is an example of the Applicant's attorney writing the Code during this process. The Town is making a policy mistake and putting town in legal jeopardy. The Council is accepting a definition of missing middle from Lipkin which was informed by poor and limited data in a very volatile market environment. Mike believes this opens the Town up to litigation by other developers as it is an inequitable treatment of the applicants.

James clarified the Code amendment request is no longer on the table as the category mitigation is being provided. Mike said there is a clear disconnect between BACH and the Council.

M/S Doug and Mike to adjourn at 12:55 pm. Motion passed 3 to 0.

MEMORANDUM

To: Basalt Affordable Community Housing Commission (BACH)
Thru: Michelle Bonfils Thibeault, Planning Director
From: James Lindt, Assistant Planning Director
Date: September 15, 2022
RE: Affordable Housing Incomes

I. Background

Staff reviewed an income waiver request with BACH at the July meeting that was submitted by a couple applying to requalify for their deed-restricted rental unit in the Willits Seven development. This couple had each received an increase in income because their employers had provided organization-wide wage increases as is becoming common due to inflation and the need to retain their employees. BACH recommended approval of this couple's income waiver request and directed Staff to bring back options for consideration related to maximum income increases to adjust for this issue that many employers are increasing wages across their organizations.

II. Discussion Items

Administrative Waiver: Staff recommends that BACH direct Staff to process income waivers administratively (as the Special Housing Evaluation Committee (SHEC)) without the need for a BACH recommendation for the next six months for renters requalifying for deed-restricted rental units as long as the Applicants satisfy the following:

- a. Demonstrate that they are over the income limits due to employer organization-wide increases in income; and
- b. Demonstrate that their incomes are less than 10% over the maximum income limit applying to their unit.

Income Adjustments: Staff has provided some draft options (attached) to start the discussion on how to appropriately increase income limits to deal with the significant changes in the local and national economic conditions that Basalt has experienced over the last couple of years. Staff anticipates that this discussion will take time and include multiple meetings with BACH and potentially with the P&Z and Town Council.

Attachments:

Options for Increasing Income Limits

Options for Income Increases Related to Allowing Existing AH Tenants that are getting Income Increases to Requalify (Chosen Option(s) would sunset and be incorporated into future Housing Guideline Updates)

1. Could change the max. incomes for the income categories back to pre-2015 levels as follows:

Category 1- 80% of AMI

Category 2- 120% of AMI

Category 3- 150% of AMI

2. Could change the max. incomes for the income categories back to pre-2015 levels as described in No. 1 above for households that have at least one employee working in Basalt, but maintain the current income categories for households that do not have any employees working in Basalt

3. Add a provision similar to APCHA's two-year average as follows:

A two-year average is used if household income from the past 2 calendar years immediately preceding the year in which the application shows a difference greater than 20%. If less than 20% difference, household income from the year immediately preceding the application is used. (Currently, the Town has a provision for individuals purchasing a unit that allows averaging the current income with the previous year's tax returns in determining income when it is 20% more than reported on the tax return)

4. Could bump the number of people used for each household type up to 1.5 people per bedroom consistent with the Eagle County's Housing Guidelines, which would increase the maximum incomes allowances for existing tenants in the approximate range of \$7K-10K per unit type
5. Could use asset cap only to determine eligibility rather than both income and asset caps (and continue to require minimum employment requirements)