

# Affordable Housing Five Year Plan

Council Update - December 21, 2020

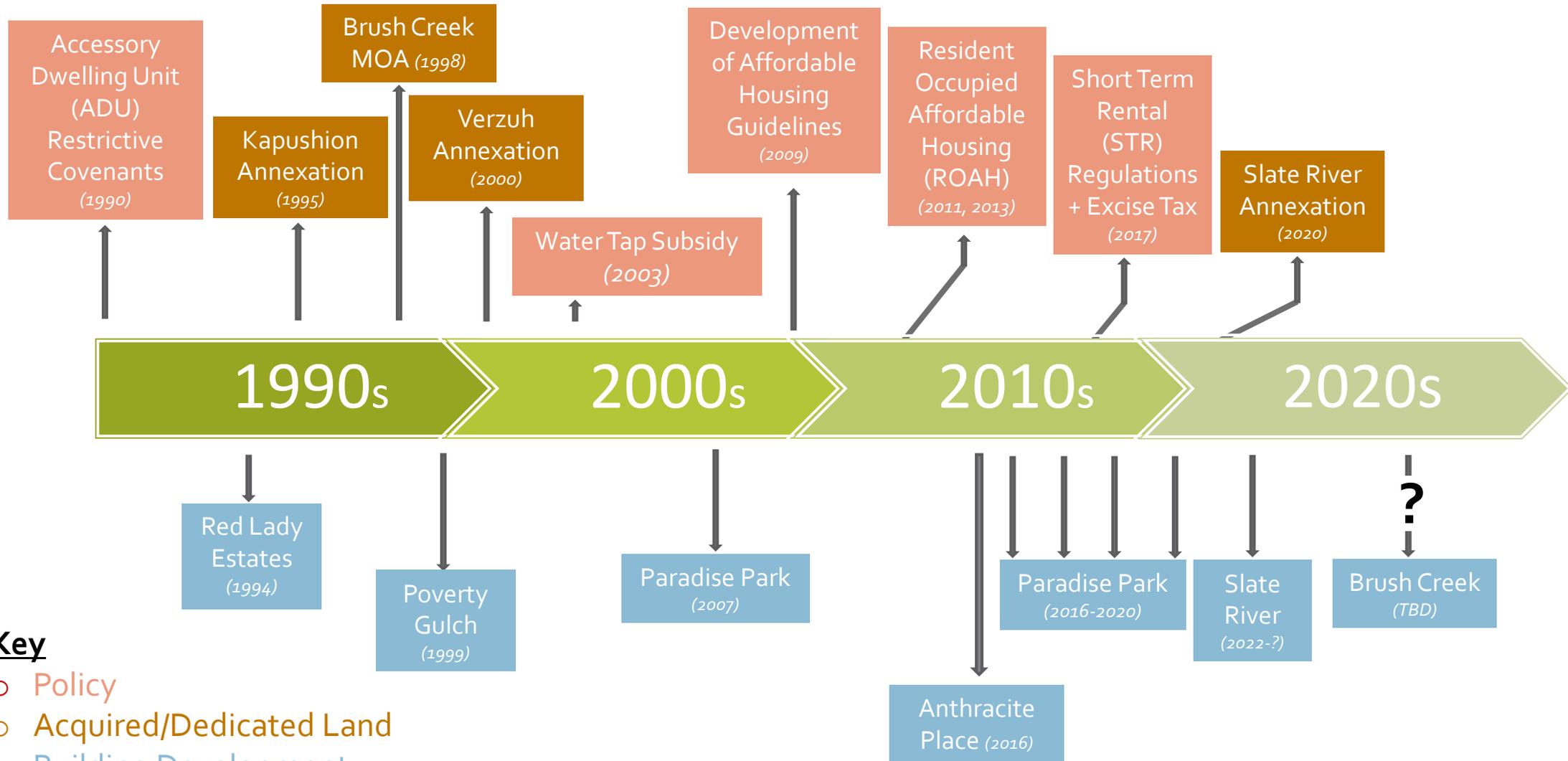
# Presentation Outline

- **Crested Butte's Affordable Housing Program**
- **Best Practices**
  - **Telluride's Affordable Housing Solutions**
- **Regional Initiatives**
- **Five Year Work Plan**

CB's Affordable Housing

**Program**

# Crested Butte's Affordable Housing History

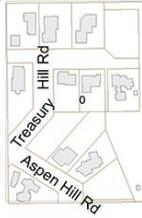


## Key

- Policy
- Acquired/Dedicated Land
- Building Development

# Affordable Housing Inventory

**KAPUSHION**  
 5 Affordable Housing Lots  
 5 SFRs  
 1 ADU



## Affordable Housing Units

- Single Family Residence (SFR)
- Mobile Home
- Accessory Dwelling Unit (ADU)
- Duplex
- Multi-Family Housing
- Residential Unit in a Commercial Building
- Employee Rentals



# Affordable

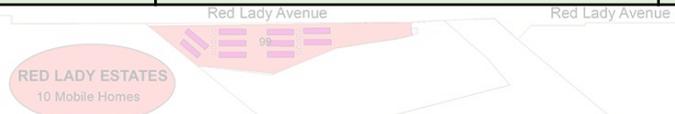
KAPUSHION  
5 Affordable Housing Lots  
5 SFRs  
1 ADU



Town Housing Stock	Total Units	% Deed Restricted Units	% Occupied Full Time
Total	1,178	22%	65%
Single Family Homes	538	4%	46%
Mobile Homes	41	24%	95%
Multifamily Residential Units	216	20%	83%
Duplex Units	178	17%	66%
Accessory Dwelling Units	114	80%	57%
Units in Commercial Buildings	91	67%	89%

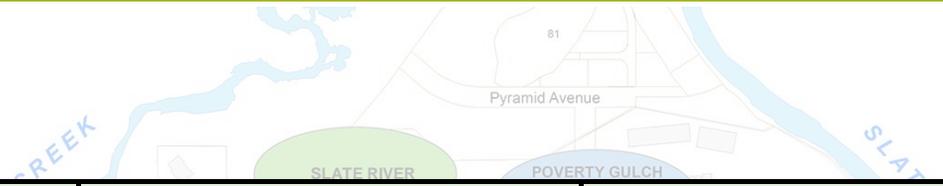
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Employee Rentals



# Affordable

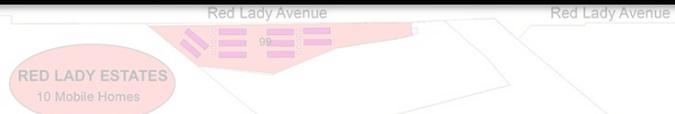
KAPUSHION  
5 Affordable Housing Lots  
5 SFRs  
1 ADU



N. Valley Housing Stock	Total Units	% Deed Restricted Units	% Owner Occupied
Total	4,394	7%	45%
Single Family Homes	2,012	2%	47%
Mobile Homes	43	23%	95%
Multifamily Residential Units	1,916	5%	34%
Duplex Units	197	15%	66%
Accessory Dwelling Units	114	80%	57%
Units in Commercial Buildings	108	56%	88%

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Employee Rentals

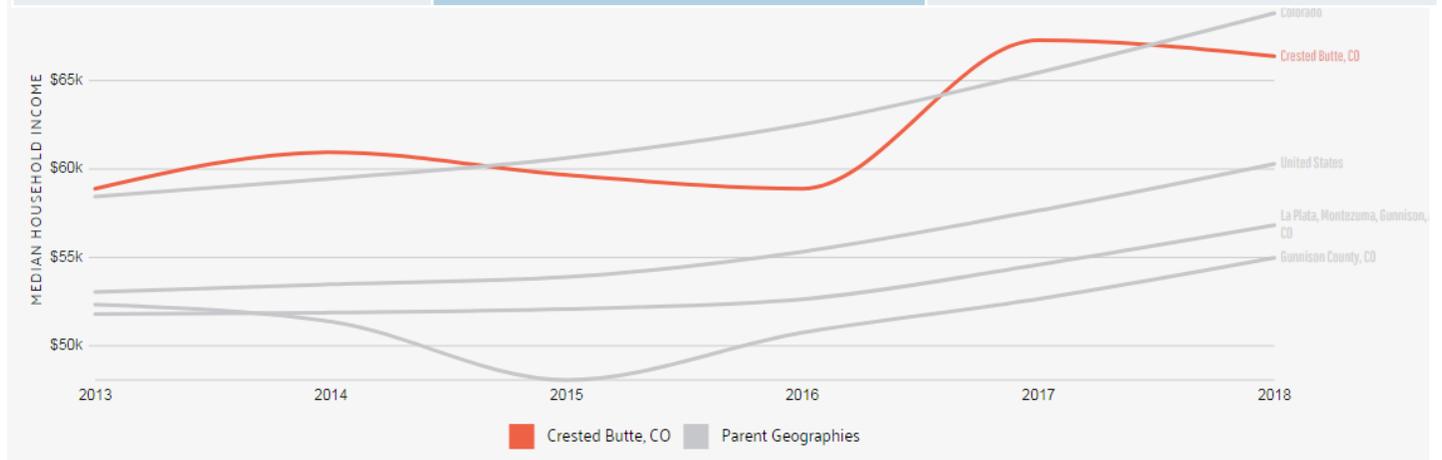


# Housing Challenges + Needs



## Income Data

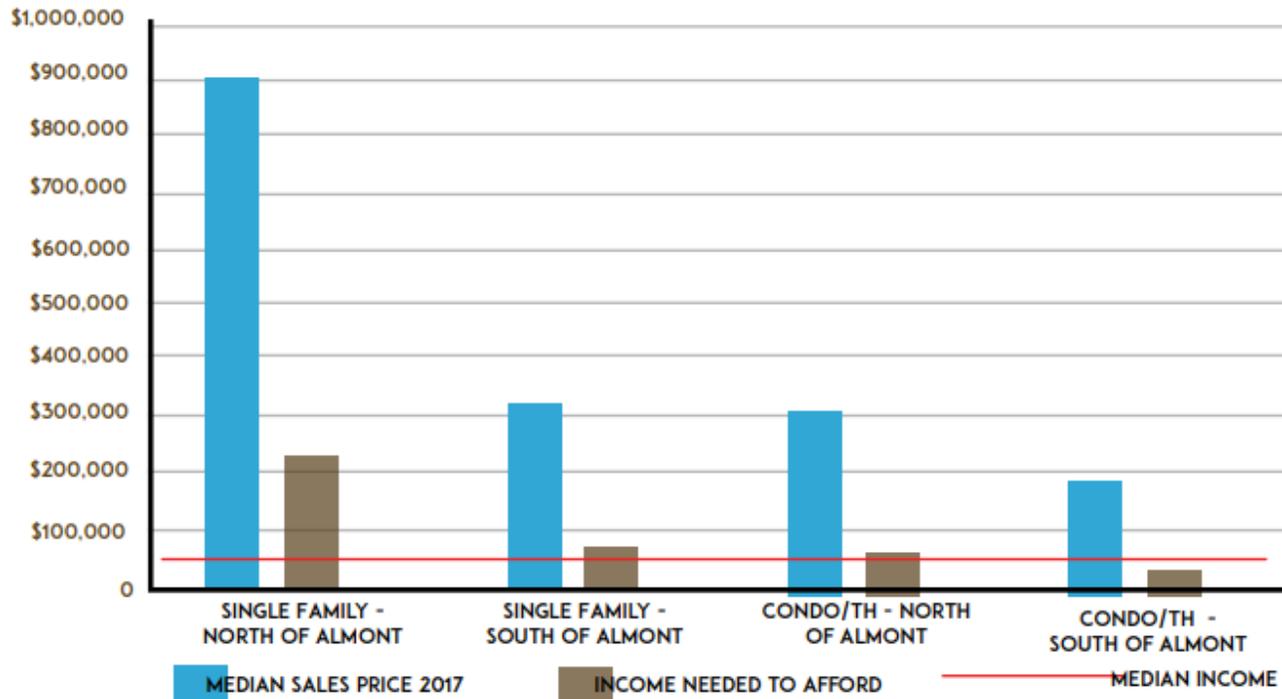
Economic Indicator	Crested Butte, CO	United States
Recent Job Growth (1 year)	4.60%	1.60%
Future Job Growth (10 years)	57.70%	33.50%
Income per capita	\$34,983	\$31,177
Household Income	\$67,279	\$57,652



(USA Census Data - 2018)

# Housing Challenges + Needs

Affordability Gap - Homeownership (2018 OVPP State of the Valley)

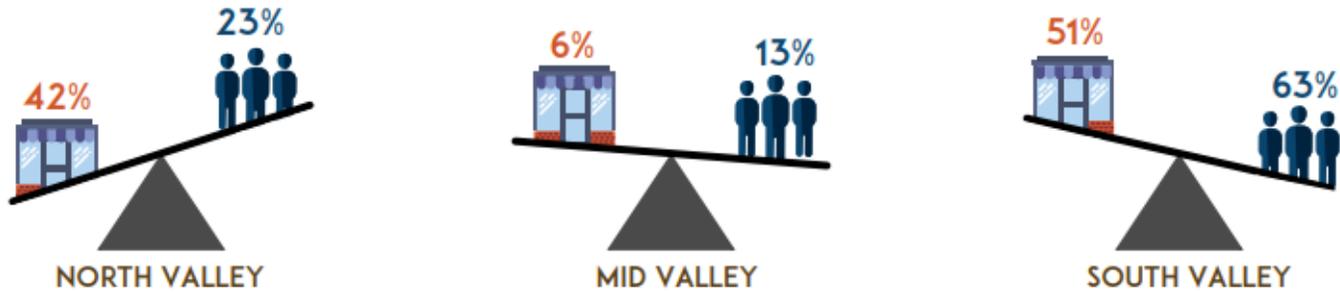


## 2020 Home Sales through Dec 8

Property Transactions	105
Average Price	\$902,308
Average Price ( <i>excluding Bywater</i> )	\$1,209,215
Highest Price	\$3,900,000
<b>Median Price</b>	<b>\$1,000,000</b>
> \$3 million	3
> \$2 million	9
> \$1 million	38

# State of Housing – North Valley

Jobs/Housing Balance in Gunnison County:



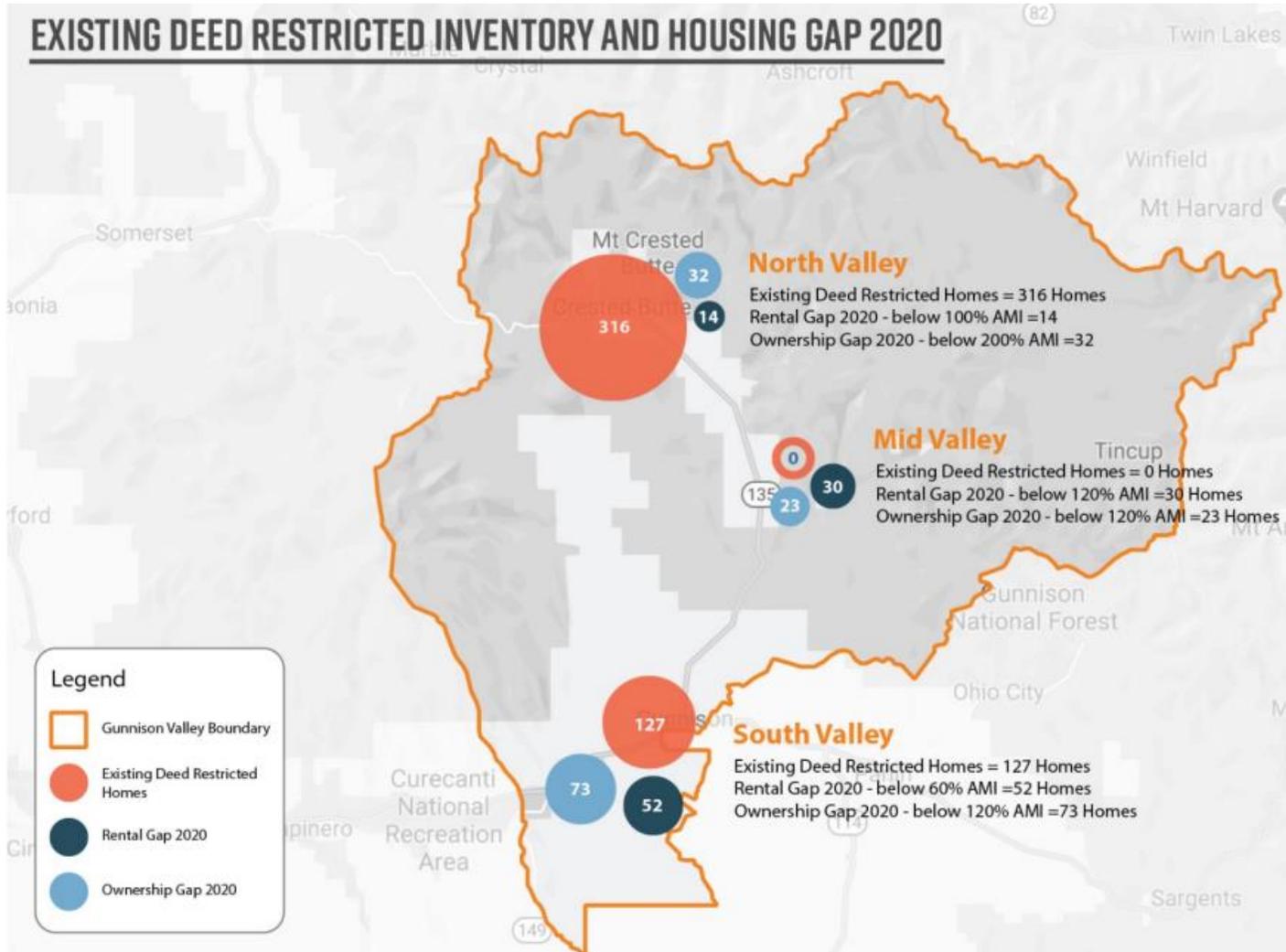
% OF JOBS IN AREA



% EMPLOYEES LIVING IN AREA



# Housing Challenges + Needs



(2019 GVRHA Housing Plan)



# Town Council's Housing Goals



## Five Year Goals to complete by 2023

- Increase percentage of residents living in Town by achieving a 75% housing fulltime occupancy
  - Current Fulltime Occupancy is at 65%
  - 120 more units to reach this goal
- 30% of units in Town are deed restricted
  - 23% of Housing Stock is Deed Restricted
  - 75 more deed restricted units to reach this goal
- 15 rental units for Town employees
  - Currently lease 10 units to Town Employees
  - 5 more units needed to reach this goal

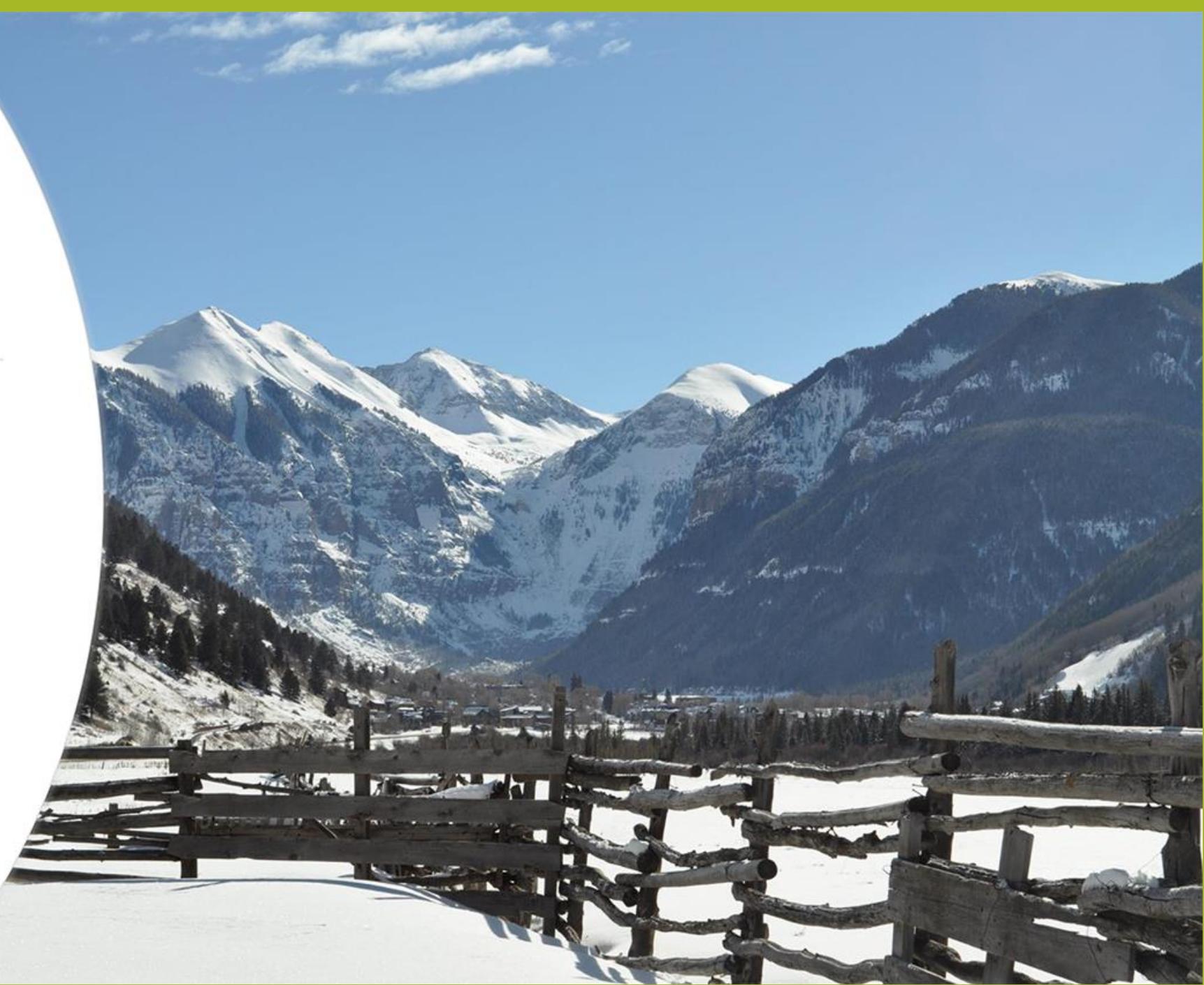
Best Practices

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**TELLURIDE**

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# Telluride, Colorado: Affordable Housing Solutions

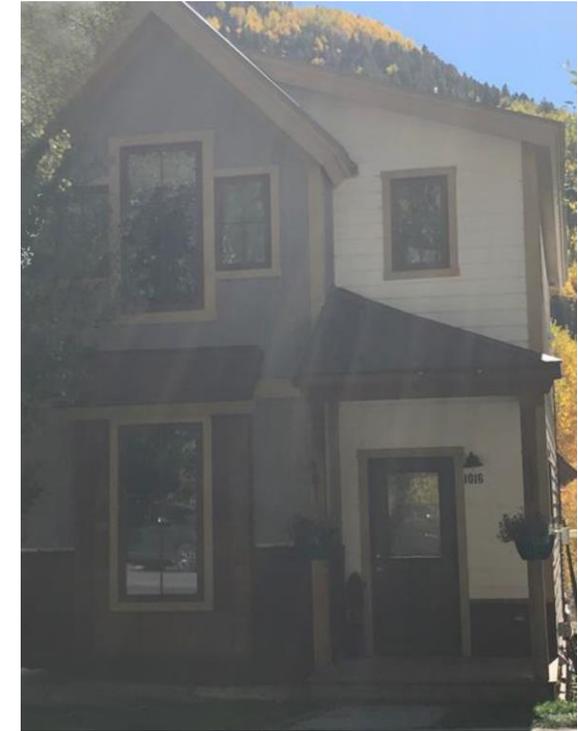


# Telluride, Colorado: Affordable Housing Solutions

- Growth in tourism and recreation in Telluride region has accounted for approximately 60% of total employment growth since 2010.
- Free Market Homes
  - San Miguel County \$600 / sqft
  - Telluride \$775 / sqft
  - Recent sales up to \$2,000 / sqft



- Free Market – Example
  - 2,972 sf house + 250 guest house
  - \$4.7m
  - \$1,458 per sq. ft



- Deed Restricted – Example
  - 2,000 sf house
  - \$330,000 (2010)
  - \$400,000 (2020)
  - \$200 per sq. ft

# Long-term Focus on Affordable Housing

- **1990's**

- Focus on enhanced Affordable Housing in Region.
- Dedicated Affordable Housing Fund
- 400 units of deed restricted housing in Town of Telluride
- Building approximately 15 units per year.

- **2000's**

- Approximately 31% of all dwelling units deed restricted in Telluride
  - 70% is rental; 30% owner occupied.
- 530 units of deed restricted housing in Town of Mountain Village
- 280 Units in Unincorporated San Miguel County County.

# Example – Virginia Place - \$8m



- Apartment – 18 units
  - 1/2 Bedroom Units

- Boardinghouse 32 units
- Dorm style rooms.
  - 18 single
  - 14 double,

- Tiny homes

# Two models: Rental & Owner Occupied

- **Ownership Model**

- **Town built on Town owned land, or land acquired for specific project.**
- **Built in Subsidy 80/90% Return on Investment**
  - Example Building a unit for \$350,000, selling for \$280,000 (\$70k is the subsidy).
- **Deed restriction then limits who can purchase:**
  - Limits on income;
  - Work full time locally;
  - Net worth restrictions;
  - Cannot own other residential property

- **Rental Model**

- **Town builds the project with significant capital outlay from bond.**
- **Debt payments on bond are supported by rental proceeds from the project.**
  - Be sure to bonds are paid off before maintenance costs increase over time.
  - After bonds paid off, rental proceeds can build reserves for capital/maintenance obligations.
  - Be careful to maintain occupancy for bond payments

# AH Program Revenue sources:

- **1/2 cent sales tax - 1994**
  - \$5m bonded indebtedness
  - Revenue growth (25 years) - over \$13m total.
  - 1995: \$300k / 2019: \$888k
- **2 mill levy (property tax) - 2018**
  - \$8.1m bonded indebtedness
  - 2019: \$556k / 2020: \$612k.
- **2.5% Short term rental tax**
  - \$9.9m bonded indebtedness
  - \$200k to \$300k year

# Thoughts / Advice

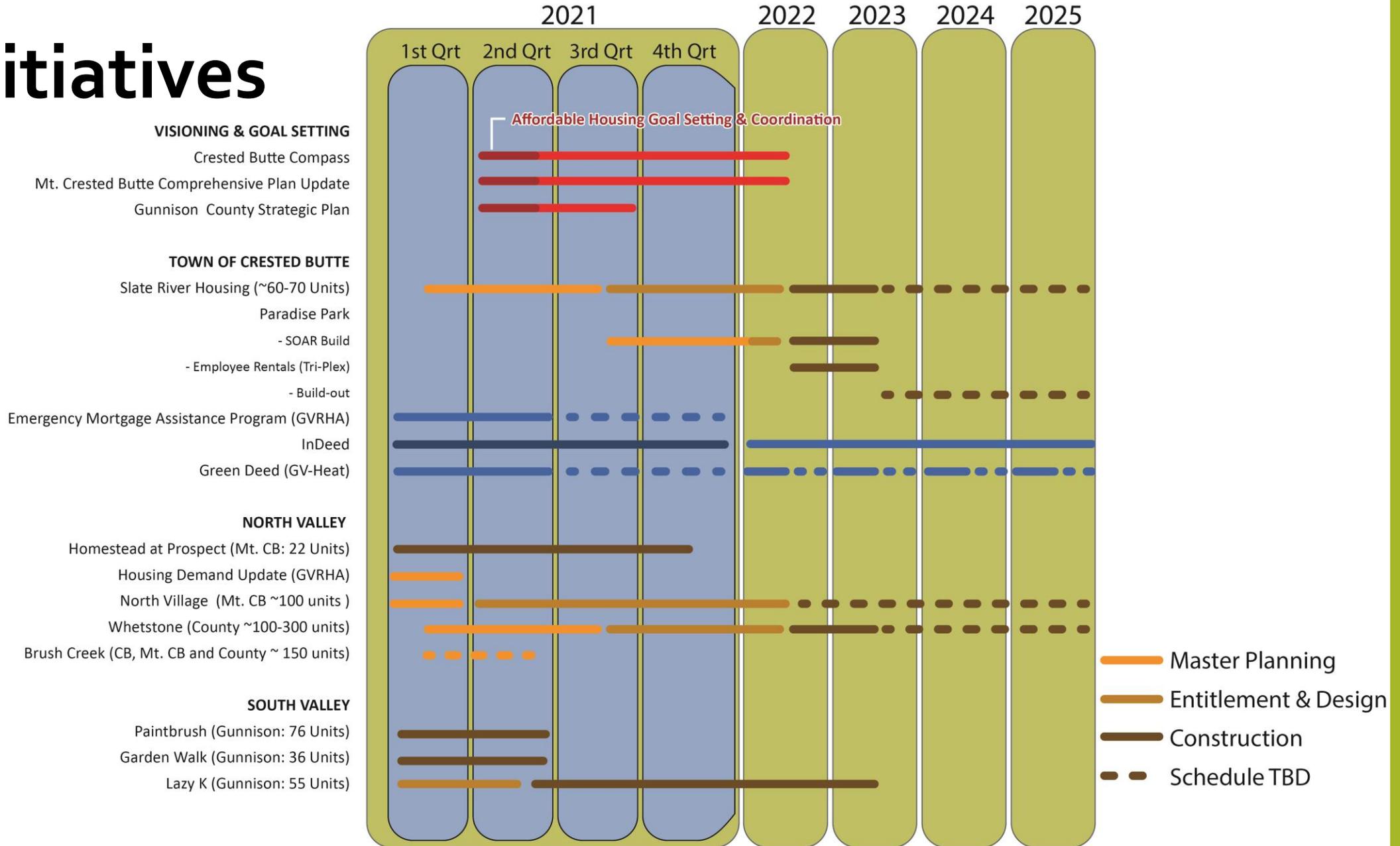
- Build a base workers (electorate).
- Think into the future! Establish measures/revenue even if it doesn't seem significant now.
  - Sales Tax - 1995: \$300k / 2019: \$888k
- Include BOND authorization
  - \$8.1m bonded indebtedness
  - 2019: \$556k / 2020: \$612k.
- Ensure Equity
  - Require sale / Resale of units into a "blind" lottery process administered by the Town.
- Understand employment and growth
  - San Miguel County estimated at 760 new jobs in County by 2026, this will generate the need for 325 additional housing units in County by 2026.
- Stay focused
  - Efforts since 1980s (1200 units in 25 years)
  - Need another 300 in the next 5 years just to keep pace.

Regional

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**Initiatives**

# AH Initiatives



Five-Year

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# Work Plan

# CB's Community Compass

- Establishes a Shared Vision and Core Values for the Community
- Outlines the Goals, Objectives and Success Measures for each town building element of the community, including:
  - 1) Land Use and Community Form
  - 2) Community Culture
  - 3) Environmental Stewardship
  - 4) Parks, Recreation, Open Space, and Trails
  - 5) Affordable Housing
  - 6) Transportation
  - 7) Economic Development, etc..
- Outlines a Community Decision Making Framework

# Budget Predictions and Constraints

## Short Term Rental Excise Tax

	<u>2020 Balance</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Five Year Total</u>
STR Excise Tax*	\$558,767	\$344,332	\$361,548	\$379,626	\$398,607	\$1,812,048

## Capital Funding from RETT

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Five Year Total</u>
RETT Revenue*	\$2,887,500	\$3,031,875	\$3,183,469	\$3,342,642	\$15,195,486
Allocation:					
Open Space 50%	\$1,443,750	\$1,515,938	\$1,591,734	\$1,671,321	\$7,597,743
<b>Capital: Housing, Parks, Other 50%</b>	<b>\$1,443,750</b>	<b>\$1,515,938</b>	<b>\$1,591,734</b>	<b>\$1,671,321</b>	<b>\$7,597,743</b>
"What if scenario" 1/3 to Housing	\$476,438	\$500,259	\$525,272	\$551,536	\$2,507,255
"What if scenario "1/2 to Housing	\$721,875	\$757,969	\$795,867	\$835,661	\$3,798,871

# Five Year Work Plan

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Community Compass					
<b>COMMITMENTS</b>					
Slate River Housing Study	\$50,000	TBD	TBD	TBD	TBD
InDeed Program	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Green Deed (GV-Heat)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
EMAF (GVRHA)	\$50,000				
Soar Build		\$500,000			
Employee Housing Tri-Plex		\$800,000			
<b>Sub-total</b>	\$180,000	\$1,380,000 + (?)	TBD	TBD	TBD
<b>POTENTIAL COMMITMENTS</b>					
Redden (?)		\$65,188	\$29,188	\$29,188	\$29,188
North Village (?)		TBD	TBD	TBD	TBD
Whetstone (?)		TBD	TBD	TBD	TBD
Brush Creek (?)				TBD	TBD
<b>Sub-total</b>					
<b>POTENTIAL AVAILABLE</b>		\$1,481,068*	TBD	TBD	TBD

**\* Assumes AH get ½ of available RETT**