VAIL HOUSING 2027

“A Strategic Plan for Maintaining and Sustaining Community through the Creation and Support of Resident Housing in Vail”

Adopted - September 6, 2016. Resolution No. 29, Series of 2016
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Ensuring the availability of homes for Vail residents has been a long standing challenge in the community. To date, adopted housing policies, programs and practices have not yielded desired results. To realize different results the community must change its approach to housing policies, programs and practices.

Presently, the Town’s housing policies, programs and practices lack an attainable goal, are without adequate financial means, are reactive in implementation and contain a decision making structure that does not result in increased housing opportunities. Vail Housing 2027 sets in motion a strategic plan that proactively addresses the housing needs of the community. It is actionable in its implementation and changes the decision-making approach towards maintaining and sustaining homes for residents within the community.

Vail Housing 2027 takes a three-part approach to improving the availability of housing in Vail and increasing the number of deed restricted homes for residents of the community; 1) Goal, 2) Means and 3) Method. Similar to a three-legged stool, the plan falls flat and can not be successful without all three parts in place.

The single goal of the Plan is clear and concise…”acquire 1,000 additional resident housing unit deed restrictions by the year 2027.” When achieved, this goal, along with the more than 698 existing deed restricted homes, ensures homes for more than 3,736 Vail residents.

A goal can not be accomplished without the means for doing so. In this instance means is an adequate and ongoing source of funding. Funding is necessary to acquire deed restrictions. The Plan recommends the use of existing Housing Program funds to launch the deed restriction program in the initial years and recommends annual appropriations from the Town’s Capital Projects Funds in future years. Additional funding sources should be pursued simultaneously.
Finally, the Plan recommends a new method for achieving the goal. Like the goal, the method is clear and concise...“implement a new decision-making structure which is singular in focus, proactive, empowering and results-oriented, and is nimble enough to be effective at achieving the goal.”
An Eye on the Future

We envision Vail as a diverse, resilient, inclusive, vibrant and sustainable mountain resort community where year-round residents are afforded the opportunity to live and thrive. We take a holistic approach to maintaining community, with continuous improvement to our social, environmental, and economic well being. We create housing solutions by recognizing and capitalizing on our unique position as North America’s premier international mountain resort community in order to provide the highest quality of service to our guests, attract citizens of excellence and foster their ability to live, work, and play in Vail throughout their lives.

Our strategic solutions and actions result in the retention of existing homes, creation of new and diverse housing infrastructure, and collaboration with community partners. For Vail, no problem is insurmountable. With a consistent, community-driven purpose and an entrepreneurial spirit, Vail will lead the industry in innovative housing solutions for the 21st century. The Town is well positioned financially to undertake this significant challenge.
MISSION

Maintaining and Sustaining Community

“We create, provide, and retain high quality, affordable, and diverse housing opportunities for Vail residents to support a sustainable year round economy and build a vibrant, inclusive and resilient community. We do this through acquiring deed restrictions on homes so that our residents have a place to live in Vail.”
POLICY STATEMENT

Resident Housing as Infrastructure

“We acknowledge that the acquisition of deed restrictions on homes for Vail residents is critical to maintaining community. Therefore, we ensure an adequate supply and availability of homes for residents and recognize housing as infrastructure in the Town of Vail; a community support system not unlike roads, bridges, water and sewer systems, fire, police, and other services of the municipal government.”
PURPOSE of the PLAN

Vail Housing 2027 is an action-oriented, results-based strategic planning document that is to be used as a decision-making guide for taking critical next steps towards addressing the resident housing needs in Vail. The Plan takes a proactive approach to addressing the housing need. To that end, the Plan identifies a vision for housing for year round residents of the community, a mission for maintaining and sustaining community and a single policy statement that acknowledges homes for residents as critical infrastructure, thereby reinforcing the importance of housing to the long term success of Vail. Further, the Plan articulates a 10-year goal to acquire deed restrictions on homes within the community.

The Plan presents a road map for acquiring deed restrictions for resident housing through the year 2020. Given the dynamic nature of the factors affecting the Town’s ability to achieve the ten year goal, such as global markets, interest rates, changes in regional housing supply, financial lending practices, etc. the Actions for Implementation focus on the first three years following the Plan adoption. The Plan should be revisited at least every three years to evaluate progress and to make adjustments, as needed.

The Plan is a living document that is to be used proactively, adjusted as needed and reported upon twice annually to the Vail Town Council. It recommends a number of actions that must be implemented to ensure the realization of the Plan goal.
TEN YEAR GOAL

“The Town of Vail will acquire 1,000 additional resident housing unit deed restrictions by the year 2027.”

These new deed restrictions will be acquired for both existing homes as well as for homes that are newly constructed by both the Town of Vail and private sector developers.

By virtue of the occupancy requirements of the deed restrictions, the Town of Vail does not need to own resident homes to forward its mission of maintaining and sustaining community.

Title to real estate can change ownership often. Once recorded, a deed restriction transfers with the title and survives changes in ownership over time, thus assuring long term resident housing.
2016 HOUSING STATISTICS

7,209 Homes

Since 2010:
- nearly 90% of homes for sale in Vail were sold to Unoccupied Home Owners
- approximately 10% were sold to Occupied Home Owner

Source: Eagle County Assessor’s Office

1,753 Occupied Homes
(2 - 3 people per home)

Owner Occupied
Renter Occupied

5,305 People

4,758 Unoccupied Homes

688 Deed Restricted Homes
To effectively achieve the goal of acquiring 1,000 additional resident housing unit deed restrictions by the year 2027, adequate financial resources are needed. For the purpose of this plan, the resources required include regular and ongoing annual appropriations. The funds appropriated will be used to purchase and acquire deed restrictions for resident housing. Deed restrictions will be acquired from a wide range of sources. Likely sources include existing homeowners, potential home buyers, business owner’s, large and small employers, real estate developers, existing and potential investment property owners, etc.

In recognizing that resident housing is valued as critical infrastructure within the community it is imperative that it must be funded adequately. Given that the availability of resident housing is an important issue for the community, then funding from the Town’s annual budget should reflect housing as a priority.

![Figure 1 Town of Vail Community Survey 2016](image)
Therefore, annual appropriations in the form of both dedicated housing funds and capital projects funds require allocation. And, as this is a community-wide issue, the community as a whole should financially support housing solutions.

Figure 2 Town of Vail Community Survey 2016
A dedicated funding source is important to the long term success of meeting the established housing goal by year 2027. A dedicated funding source such as sales tax or property tax increase live on over time as political sentiment changes, and supports the issuance of long-term bonds to move the revenue forward.

A tax-based funding source for housing should be supplemented with the collection of fee in lieu funds received. However, in order to initiate immediate action towards the realization of the goal of the Plan, it is necessary in the near term that additional funding comes from reallocation of the Town’s General and Capital Projects Funds.

It is difficult at this time to determine precisely the annual budgeting requirements of the Plan, especially as related to potential capital expenditures for deed restriction acquisition. The Town’s Housing Program Funds, however, currently maintain a fund balance of nearly $3.2M. In an effort to create, grow and maintain a healthy fund balance and establish a pattern of annual appropriation towards housing programs, the Town should appropriate a minimum of $500,000 into the 2017 Housing Program Funds within the Capital Projects Funds and make regular and ongoing annual appropriations for the purpose of acquiring new resident housing deed restrictions. It is recommended
that a minimum of $5M be appropriated in future budget years 2018, 2019, and 2020. Allocations beyond 2020 should be evaluated based upon results achieved in each of the first three years of the Plan implementation. As each year’s results are reviewed, adjustments in allocation may be necessary to remain on target of achieving the Plan goal. Circumstances unknown at this time may require the Town to accelerate its funding obligations in future years to remain on target for realizing the Ten Year Goal.
METHODS

To efficiently achieve the goal of acquiring 1,000 additional resident housing unit deed restrictions by the year 2027 a new structure for decision-making is needed. The current decision making structure contains multiple layers of bureaucracy, is costly and time consuming, inefficient, indecisive, reactive in approach and does not achieve the Town’s desired results of addressing the resident housing needs of the community.

A new decision-making structure is needed to get better results. The new structure must include a new decision-making body that is:

- singular in mission and focus,
- empowered and results-oriented,
- time sensitive and responsive in its actions,
- adaptable to an ever dynamic real estate market,
- consistent and predictable, and
- timely within the Town’s development review process.

The new structure requires built-in mechanisms of accountability for decision making and twice annual reporting requirements. It must be built on a foundation grounded by predetermined criteria for sound decision making and evaluation when deciding on the acquisition of deed restrictions. It requires participation from experts in the fields of real estate finance and development, residential property lending, real property acquisition, affordable housing policy and program implementation, public finance and administration, and real property analysis, valuation and appraisal. Each of these characteristics ensure that the new structure is organized and aligned in such a way that the Town achieves its Ten Year Goal for housing.

Most importantly, the decision-making structure must ensure that the decision-making body, acting as a special agent of the Town of Vail, has the authority to take action towards achieving the goal and dispense the funds needed to acquire deed restrictions.
The five-member Vail Local Housing Authority (VLHA) should be appointed as the new decision-making body authorized as a special agent to act on behalf of the Vail Town Council. There are numerous compelling reasons to appoint the VLHA as the Town’s special agent. Those reasons include:

- The VLHA is a statutory authority created under Colorado Revised Statutes (CRS 29-4-204) and granted powers of authority (CRS 29-4-209) which include, in part,
  - to grant or lend moneys or otherwise provide financing to any person, firm, corporation for any project or any part thereof,
  - to pledge or otherwise encumber any of its moneys in support of or on connection with a project, and
  - to purchase, lease, obtain option upon, or acquire any property, real or personal, or any interest therein from any person, firm, corporation, the city, or a government.

- The VLHA is uniquely positioned to fill this role due to its singular purpose and focus.

- The VLHA members are appointed by the Vail Town Council, and therefore, its membership can include experts with the appropriate background and experiences.

- The VLHA was created to focus its efforts on maintaining and expanding the supply of resident housing opportunities in the community.

- The VLHA members serve five year staggered terms.

Figure 4 illustrates an example of the new decision-making structure.
ACTIONS FOR IMPLEMENTATION

1. Deed Restriction Acquisition
   - Establish deed restriction acquisition criteria
   - Work with mortgage lenders and title companies to develop mutually acceptable deed restriction language
   - Collaborate with The Valley Home Store and the Vail Board of Realtors to market and communicate the Town’s interest in acquiring deed restrictions
   - Evaluate dedicated deed restriction acquisition revenue sources to ensure adequate funding exists

2. Land Use Tools
   - Establish a No Net Loss of Deed Restrictions Policy
   - Create a Housing Overlay District that allows for increased density
   - Evaluate the effectiveness of the EHU Exchange Program and make adjustments as needed
   - Update the 2007 Rational Nexus Study to ensure changes in land use are consistent with current employee generation rates
   - Amend the Fee in Lieu calculation to represent cost of construction instead of affordability gap

3. Performance Measurements
   - Update existing deed restricted property database to include additional factors such as cost, location and deed restriction language type
   - Prepare a twice annual report summarizing progress towards the goal
   - Maintain newly acquired deed restriction data such as unit type, location, cost, etc.