



# Employee Housing in the Town of Vail

January 10, 2007



# Purpose of Today's Meeting

- To provide information on employee housing needs and tools so that your participation in the public process can be most effective
- Answer your questions on employee housing needs and tools



# Events to Date

## ■ April, 2006

- Town Council directs staff to develop a series of actions to create and maintain employee housing in the Town of Vail
- Town Council authorizes expenditure for a Rational Nexus Study to understand the correlation between new development and job growth

## ■ September, 2006

- The results of the Rational Nexus Study are presented to Town Council

## ■ October, 2006

- Staff and Consultants present various tools and policies to create and maintain employee housing in the Town of Vail
  - Acknowledgement of two goals
    - Keep up with new employee housing demand as it is generated
    - The Town of Vail will be tasked with catching up on existing demand – regulations can not do this for the Town of Vail
  - Town Council directs staff to bring specific recommendations for Inclusionary Zoning, Commercial and Residential Linkage Ordinances

## ■ November, 2006

- Town Council passes an Emergency Ordinance stating their intent to pass Employee Housing Regulations and put property owners on notice that all future development will be subject to these requirements

## ■ December, 2006

- Town Council directs staff to focus more specifically on Inclusionary Zoning and Commercial Linkage to provide employee housing as new demand is generated
- Town Council directs staff to provide various scenarios that reduce the impact on commercial development

## ■ January, 2007

- Town Council directs staff to revise the draft Ordinance to include a Commercial Linkage requirement of 20% and an Inclusionary Zoning requirement of 30%



# State of Housing & Jobs Today

- 6,400 Dwelling Units in Vail
  - 1,500 employee households in Vail (Rental or Ownership)
    - 624 dwelling units are deed restricted
    - 876 employee occupied dwelling units/non deed restricted
- 9,100 jobs held by 6,100 employees (Average employee holds 1.3 jobs)
  - 4,500 jobs are entry level (\$9 - \$12 hour)
- Where do employees live?
  - 30% of Vail employees live and work in Vail today
  - 34% of Vail employees live between Eagle Vail and Edwards
  - 14% of Vail employees live in Lake County
- 1,500 new jobs/1,154 new employees needed by approved projects
  - 257 new beds to offset new jobs, 385 new beds needed to maintain 30% status quo (short 128 beds to maintain current status)
- Anticipated 2,115 new jobs/1,627 new employees in future redevelopment
  - Overall, this is a 40% increase from existing jobs today
- Anticipated job growth between Eagle Vail and Edwards is 7,370
  - 37% of Vail's workforce currently lives between Eagle Vail and Edwards
- Anticipated Job growth in Eagle and Gypsum



# Housing Needs

- There are distinctly different housing needs for all employees in Vail
  - Seasonal Rental Units
  - Long Term Rental Units
  - Entry Level For Sale Units
  - Step Up For Sale Units
  - Mid and Upper End For Sale Units



# The Challenge

- Job Growth in Vail and Eagle County
  - With current and future redevelopment Vail will add approximately 3,600 new jobs. There are about 9,100 jobs in Vail today. That is a 40% increase in Vail alone.
- Loss of Existing Employee Occupied Housing
  - Increased ownership by non-employees
  - Increasing property values – owners are moving down valley or out of the County
  - New owners are not typically renting their units



# The Challenge

- Current MLS listings show 17 whole ownership units listed at \$500,000 or less from East Vail to West Vail
  - 3 are studios
  - 4 are one-bedroom
  - 10 are two-bedrooms



# The Goal

- Today, approximately 30% of Vail's workforce lives within the Town of Vail
- Town Council determined the status quo is the lowest percent of the workforce that should live in Town
  - If employees do not live in Town - parking, transit, economic, and environmental impacts will become unbearable





# Tools to Achieve the Goal

- “Keep Up” Tools – generate employee housing as new demand is created
  - Commercial Linkage
    - Zoning provisions that require commercial development to provide funds or housing to meet some percentage of employment positions generated by the new development
  - Residential Linkage
    - Zoning provisions that require residential development provide funds or housing to meet some percentage of employment positions generate by the new development
  - Inclusionary Zoning
    - Zoning provisions that require mandatory inclusion or set-aside of a set percentage of residential development as employee housing units. Program may allow cash-in-lieu, land-in-lieu, purchase/renovation of existing units or off-site housing as options for compliance, typically in a given order of preference



# Other Resort Communities

- Inclusionary Zoning

- Aspen/Pitkin County (30%),
- Boulder, Eagle County (20%)
- Carbondale, Glenwood Springs, San Miguel County, Steamboat Springs (15%)
- Garfield County, Longmont (10%)
  - Average 17%



# Other Resort Communities

- Commercial Linkage
  - Aspen/Pitkin County (30-60%)
  - Snowmass Village (45%)
  - Town of Telluride (40%)
  - Basalt, Eagle County (20%)
  - TOV 15%/30%
    - Average = 28%
- Residential Linkage
  - Aspen/Pitkin (100%)
  - Snowmass Village (45%)
  - Telluride (40%)
    - Average = 62%



# Tools to Achieve the Goal

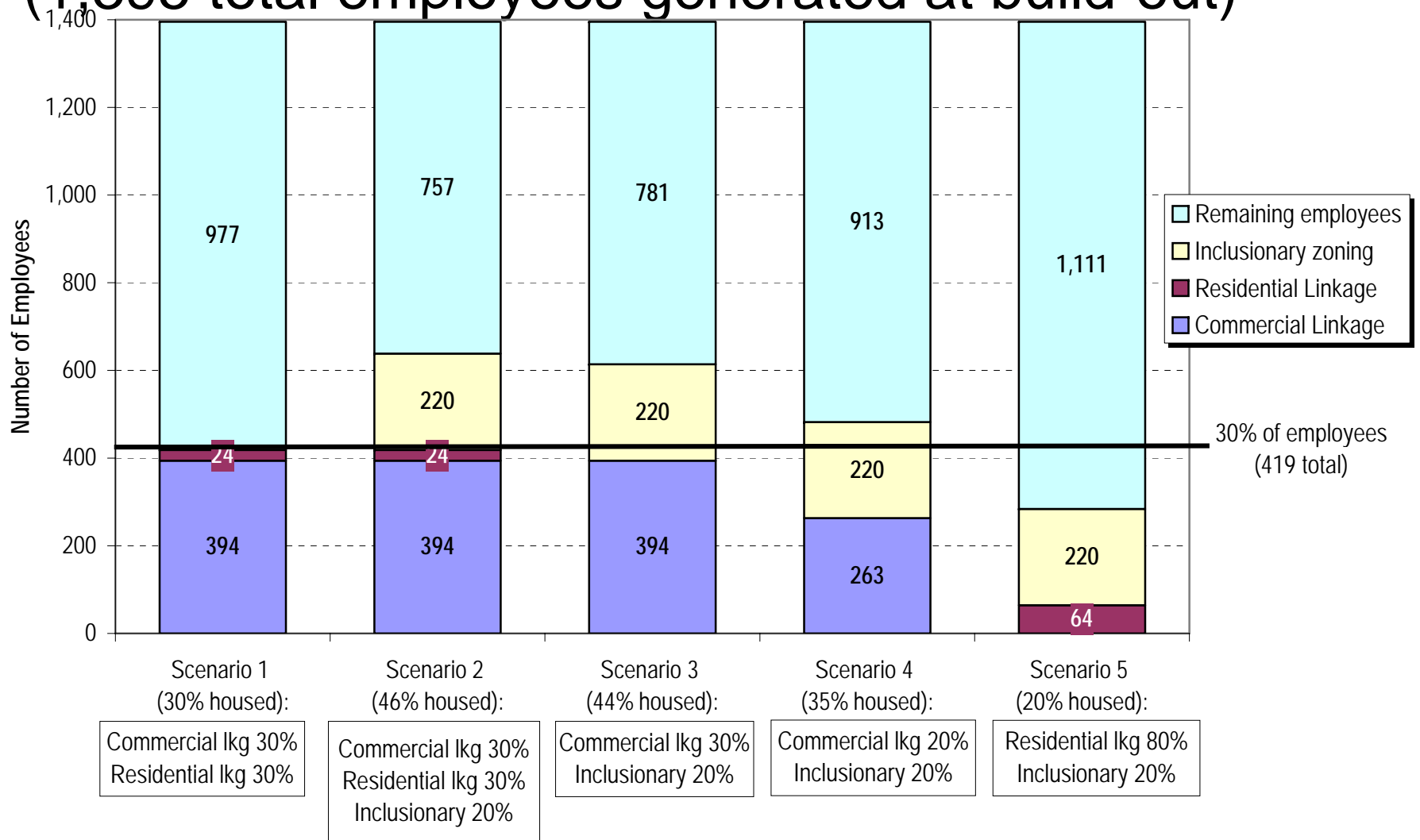
- “Catch Up” Tools (Town will need to bear this responsibility)
  - Redevelopment of Timber Ridge represents the largest opportunity today
  - Development on other Town owned lands
    - Chamonix and Arosa Drive
    - Municipal Building, etc.
  - “Buy Down” of existing units
  - Down Payment Assistance



# What the Town has done

- Commercial Linkage
- Town built developments
  - North Trail Townhomes (6 for-sale units)
  - Vail Commons (53 for-sale and 18 rental units)
  - Buzzard Park (21 rental units)
- Partnerships
  - Red Sandstone Creek (18 for-sale units)
  - Middle Creek (142 rental units)
- Acquisition by the Town
  - Timber Ridge (198 rental units)
  - Creekside Apartments (12 rental units)
  - “Buy Down” Units (3 rental units and 4 for-sale units)

# Scenario Development: Linkage and Inclusionary (1,395 total employees generated at build-out)





# If Vail Does Nothing

- Loss of Community
- Increased direct cost to employer to hire employees
- Inadequate staffing to maintain service levels
- Increased cost and demand for parking and transit
- If current real estate trends continue and there remain only 624 deed restricted employee units, **only 10%** of Vail's future workforce needs will live in Town



# Next Steps

- Town Council evening meeting on January 16, 2007
- Planning and Environmental Commission hearing(s)
- Two readings of an Ordinance