

CITY OF STEAMBOAT SPRINGS

REGULAR MEETING NO. 2006-34

TUESDAY, NOVEMBER 28, 2006

MINUTES

Mr. Ken Brenner, City Council President, called Regular Meeting No. 2006-34 of the Steamboat Springs City Council to order at 4:00pm, Tuesday, November 28, 2006, in Centennial Hall, Steamboat Springs, Colorado.

Council Members Present: Ken Brenner, Susan Dellinger, Towny Anderson, Loui Antonucci, Steve Ivancie, and Karen Post. Paul Strong was absent.

City Staff Members present: Alan D. Lanning, City Manager; Tony Lettunich, City Attorney; Julie Jordan, City Clerk; Laurie Manning, City Clerk's Office; Tom Leeson, Director of Planning Services; George Krawzoff, Director of Transportation Services; Brian Berndt, Assistant Director of Planning Services; Jim Weber, Director of Public Works; Don Taylor, Director of Financial Services; Linda Kakela, Director of Intergovernmental Services; and JD Hays, Director of Public Safety.

**NOTE: All documents distributed at the City Council meeting are on file in the Office of the City Clerk.**

**1. Golf Management Committee Interviews.**

By ballot vote, Council reappointed Jim Bowers, John Marshall, Suzi Mitchell and John Vanderbloemen to serve on the Golf Management Committee. Council appointed Tom Ptach to serve as well.

**WORK SESSION (5:00 P.M.)**

**2. Joint Meeting with RRC Associates and other local work groups.**

**a. Affordable Housing Goals.**

Ms. Melanie Rees, RRC Associates, provided a PowerPoint presentation. This presentation is on file in the City Clerk's Office.

Ms. Rees stated the plan talks about rationale, goals, policies and intent. Diversity, variety, balance, quality, affordability and availability describe the

**STEAMBOAT SPRINGS CITY COUNCIL MINUTES  
REGULAR MEETING 2006-34  
November 28, 2006**

intent. She asked Council how they feel about these words and if there are any descriptive words missing?

City Council members added: sustainability, permanent affordability, location, evolution and variety.

A member of the audience asked Ms. Rees what was meant by balance. Ms. Rees answered that this term is used frequently in the jobs/housing relationship, a balance in the level of jobs and in supply and demand. Several times it is used to address diversity in income and a mix of housing types.

“Variety” is used to describe physical variety.

Ms. Rees spoke to Goals Development – Jobs/Housing Relationship, balance between primary and second/vacation homes, income diversity, and owner/renter mix.

She explained the job/housing relationship is rarely seen in balance. There are more jobs than housing available. Additionally with second/vacation homes, there is a need to understand the impacts of second homes as both positive and negative. They generate a lot of income, jobs, and a demand for housing.

Ms. Rees stated second homeowners do create jobs, but then they are shifted living further away.

City Council President Brenner stated that it looks encouraging. Our vision in the housing plan talks about that a majority of the work force will have the opportunity to live in the community. Where are we at with that? Ms. Rees answered, it's difficult to isolate the numbers that are so integrated.

Other resort communities have a mix that is much more swayed to renters. It was noted that Steamboat Springs is more family oriented, with maturing residents and has a much more stable economy.

City Council President Brenner stated that people live here because we are more of a community than most ski resorts.

**Job/Housing Relations:**

From a 2003 needs assessment: 56 percent of Steamboat Spring's workers live in the community; 44 percent commute in for work. 40 percent of commuters want to move into Steamboat Springs, generating a catch up demand for roughly 430 additional housing units. This comes from the 2003 needs assessment.

**STEAMBOAT SPRINGS CITY COUNCIL MINUTES  
REGULAR MEETING 2006-34  
November 28, 2006**

Income – Development of Goals:

Ms. Rees explained that (AMI) stands for Area Median Income levels. There are roughly 1/3, 1/3 and 1/3 between lower, middle and upper incomes. It is somewhat of a bi-model with a smaller middle class, larger upper and lower class than an average American community. This is not unusual for a service industry community.

Inclusionary Zoning applies to total units not just local units. Here we have 24 percent of households in the income range targeted by Inclusionary Zoning. We are requiring that 15 to 20 percent of units must be produced for households in the range of 60-120 percent AMI. Ms. Rees noted with the ordinance that is currently being drafted, affordable housing will only be keeping up, causing a gap.

City Council President Pro-Tem Dellinger said that's why we have to have the evolution piece. People can get more for less or have grown their family so because they can't afford Steamboat Springs they move out to where it's more affordable. If you play it out, in the end everything will sell. If not deed restricted, people will not be able to afford to buy a second time around.

City Council President Pro-Tem Dellinger said, there are other types of things besides deed restrictions; there are different types of deed restrictions. But there still has to be a way to build equity enough to get out of one house and into the next one. Council Member Antonucci doesn't think so; deed restriction doesn't offer the percentage to keep up.

Housing Needs in Steamboat Springs:

Catch Up/Keep Up: overcrowded household, cost burdened households, long distance commuters: keep up – as community grows, additional needs for housing will occur.

Catch up says 400-500 houses are needed to accommodate 40 percent of commuters, 475 are needed to address 50 percent of households with problems, and 462 are needed to address 50 percent of renters earning over 80 percent AMI.

People move around to better-matched homes.

Ms. Rees added as a future issue – Replacement.

Future Issue - What are the units being occupied?

**STEAMBOAT SPRINGS CITY COUNCIL MINUTES  
REGULAR MEETING 2006-34  
November 28, 2006**

Council Member Post said if we do 64 percent, are we going to look at a percentage of AMI, etc.?

Ms. Rees answered we need to look at the split between owner and renter, the split between second and vacation home, and the percentage for different income levels. In relative terms for the keep up goal, about 100 units per year expressed as a percentage.

Catch up is usually done in absolute terms because it's a finite number. Is Council comfortable setting a goal of that many units?

Discussion continued with "catch up" housing versus "keep up" housing of employees; what percentage of AMI is needed for housing and affordability of housing.

**GENERAL PUBLIC COMMENT**

Boy Scout Troop 194 was present. They are working on their Citizenship Community Merit Badges and attended the meeting for this requirement.

**b. Linkage.**

Specific Provisions:

- Formula or fee
- Exemptions
- Income Targets – Inclusionary Zoning and Linkage
- Mitigation Options
- Base area considerations
- Fees in lieu

Ms. Rees stated there are two different ways linkage requirements can be structured and Council needs to determine what they want to achieve. The formula incorporates all of the information we have on job generation, multiple jobs, multiple employees per unit and comes up with a number of units needed. The formula can be cumbersome to have within an ordinance but can be administratively updated each year and the formula remains intact. The fee is the amount per square foot. (i.e., \$3 per square foot). The fee formula can be a problem because there is no automatic update process done. Each year, it comes back before Council in ordinance form.

**STEAMBOAT SPRINGS CITY COUNCIL MINUTES  
REGULAR MEETING 2006-34  
November 28, 2006**

Discussion took place relative, but not limited to: proposals for exemptions; an exemption to a secondary unit to a main structure if it doesn't exceed a certain square feet and takes into consideration of over 120 percent AMI; and deed restrictions for employee units that are deed restricted to be based on income rather than residency.

**Future Issue – Deed Restrictions:**

Discussion took place relative, but not limited to: putting the burden on the people who can least afford it.

Ms. Elizabeth Black, Yampa Valley Housing Authority Director, asked if Council could use creation of a public/private land trust equity. The Land Trust Model could be used to help with the sale and resale of same unit to help get people in the unit time after time.

Future Issue – Council Member Anderson felt that a solid definition of employee housing was needed.

Ms. Rees stated that many employees gain financially by owning the unit. It's known as EAH - Employer Assisted Housing. Employers often provide down payment subsidies for their employees to buy housing, which is what Fannie May primarily deals with.

City Council President Brenner proposed to use 60-80 percent into linkage, stating if the model is 80 percent less linkage and 80-140 percent of Inclusionary Zoning, there might be a way to address the gap below 60 percent. Ms. Rees stated that with tax credits the gap may be filled.

Ms. Black said people below 70 percent have a hard time qualifying for a mortgage even at a purchase price of \$180,000. "We've told people, you have to be able to afford the payments. Even if they qualify, they are over their heads and we don't want to set them up for failure," she stated.

Council Member Anderson said that in the 2005 Community Housing Tools Techniques – Inclusionary Zoning, the Linkage program is used along with Inclusionary Zoning.

Ms. Rees said most of Inclusionary Zoning is usually produced for owner/occupancy rules. She added she would develop a model and come back and show Council with a varied mitigation rate starting low and getting up to max by size.

**STEAMBOAT SPRINGS CITY COUNCIL MINUTES  
REGULAR MEETING 2006-34  
November 28, 2006**

Ms. Rees felt based on what City Council said, is only addressing the keep up demand and City Council may want to take on additional responsibilities now in order to plan for the future.

**c. Payment in Lieu.**

Ms. Rees said for Fees in Lieu, Council should focus on dealing with Inclusionary Zoning.

City Council President Brenner asked how many units are in the calculation for the base area? Mr. Leeson stated that in the Urban Renewal Area (URA), 149 sales. Mr. Leeson said that another point is that numbers are escalating rather rapidly in the base area. In terms of \$800-900 per square foot, he is uncomfortable with fee in lieu being inadequate, particularly in base area projects.

**PUBLIC COMMENT:**

Ms. Jane Blackstone commented on the dual calculation of Citywide versus URA only at a higher rate. She understood to capture the difference cost versus what an income eligible family can pay. It seems that a uniform number throughout the City would be more appropriate and she would like Council to look forward before moving ahead with dual calculation.

Mr. Wren Martin urged Council to include the West Steamboat Springs Plan.

Mr. Richard Levy acknowledged Council's commitment to making goals and finding a way to reach them. He felt Inclusionary Zoning is more than affordable housing; it is reducing traffic patterns for those who live and work in the same areas, and creating vitality within the community.

Ms. Kristi Brown said it seems like fee in lieu takes into consideration square footage whereas Inclusionary Zoning and Linkage do not. She felt that the City was lacking homes for families that have kids and want a yard.

Mr. Steve Hitchcock felt affordable housing at the base area was not ideal.

Ms. Elizabeth Black, Yampa Valley Housing Authority (YVHA), said they recently built 30 units on time and under budget. She reminded Council they brought forth inclusionary research. Fee in lieu is another tool to buy down expensive land. Ms. Rees suggested partnering with the YVHA to help build affordable housing. She encouraged Council to take fee in lieu to buy land for future affordable housing.

**STEAMBOAT SPRINGS CITY COUNCIL MINUTES  
REGULAR MEETING 2006-34  
November 28, 2006**

**2. City Council Priority List of Items.**

Ms. Jordan noted that on December 12, 2006 Council will be looking at Boards, Committee and Commission assignments.

Ms. Jordan noted the need to schedule a meeting in January to look at vacation home rentals.

**DIRECTION:** Ms. Jordan to gather scheduling suggestions for the upcoming Council retreat.

**ADJOURNMENT**

**MOTION:** Council Member Ivancie moved and Council Member Antonucci seconded to adjourn Regular Meeting 2006-34 at approximately 9:29pm. The motion carried 6/0. Council Member Strong was absent.

**MINUTES PREPARED AND RESPECTFULLY SUBMITTED BY:**

*Julie Franklin*  
Julie Franklin, CMC  
Deputy City Clerk

**REVIEWED AND RESPECTFULLY SUBMITTED BY:**

*Julie Jordan*  
Julie Jordan, MMC  
City Clerk

**APPROVED THIS 6th DAY OF February, 2007.**