

Steamboat Springs Community Housing Implementation Program

December 2006

The direction provided in this document is intended to guide implementation of the Steamboat Springs Community Area Plan adopted May 2004. It is a work in progress that will continue to evolve as time and resources are spent developing methods and work plans for implementing the 18 strategies for housing specified in the Area Plan.

Vision

The vision statement in the Steamboat Springs Community Area Plan reads as follows:

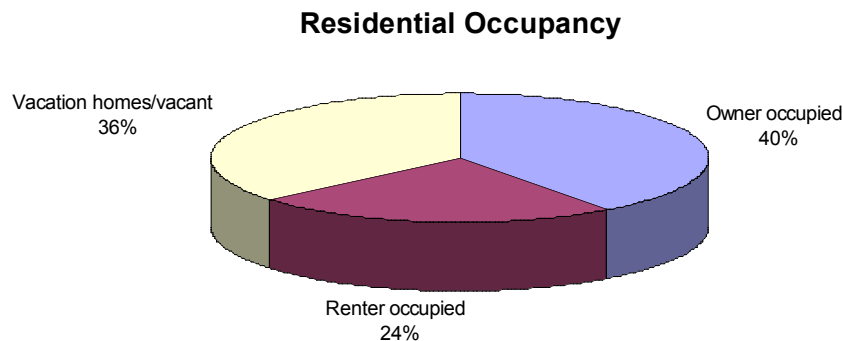
The Steamboat Springs community will allow the majority of people who work in Steamboat Springs to afford to live here, if they so choose. This also applies to those who have worked for many years in the community and have retired.

In consideration of this vision statement and the policies contained in the housing chapter, the City Council emphasizes that *permanent* affordability and sustainability are to be achieved, and that employees are *insured* the ability to live in Steamboat Springs. Housing is to be integrated into the community and dispersed throughout with opportunities to move up from entry-level into mid-range housing.

Goals

Through a combination of incentives, inclusionary zoning, requirements placed on new development to mitigate a portion of its impact on employee housing demand (linkage) and the free market, the Steamboat Springs City Council seeks to insure that:

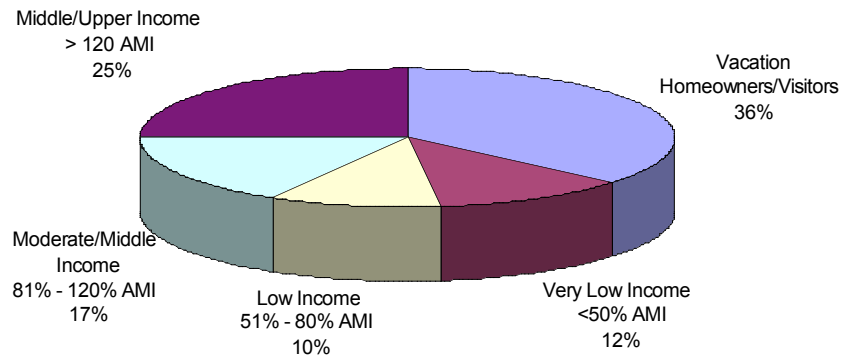
- Housing will be provided within the community for 70% of new employees, which will gradually increase the proportion of employees housed up from the level in 2000 of 56%.
- New development will preserve the relationship between primary homes, both ownership and rental units, and second homes/vacation accommodations relatively constant at 2000 levels as follows:



Source: 2000 Census

- Housing will be provided for all income levels based roughly on the historic distribution in the community as shown by the following chart with an emphasis on households with incomes less than 120% AMI so that the relative proportion of households in the moderate/middle income ranges slowly increases.

Income Distribution



Source: 2000 Census

Objectives

At present, there are two distinct, primary objectives:

1. **Catch Up** -- To address existing deficiencies by developing between 400 and 500 residential units to serve current residents or employees of Steamboat Springs who are cost burdened by high housing payments, commute in for work from homes outside of Steamboat or desire to move into entry-level homeownership.
2. **Keep Up** -- To address the increase in demand for employee housing as growth occurs by maintaining the relative proportion of households within each income category. The number of units to be produced each year will fluctuate based on development activity, the driver of keep-up demand.

A third objective is also needed to address replacement housing. Many of the employees who will be retiring or leaving their jobs in Steamboat Springs for other reasons now own their homes. Employees who must be attracted to Steamboat to fill these vacated positions will not be able to afford free-market housing. The number of units needed for these replacement employees is not considered in the estimates for catch-up or keep-up demand.

Action Plan

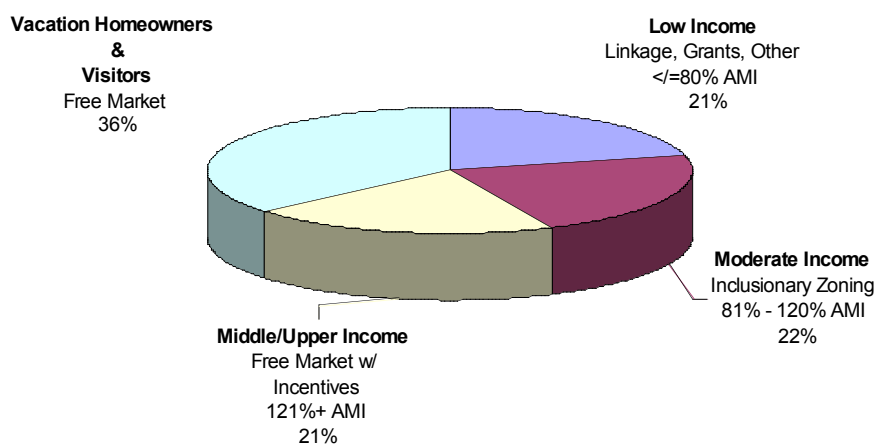
The City of Steamboat Springs will work with private developers, the Yampa Valley Housing Authority and others to accomplish Community Housing goals and objectives. To address *keep-up demand*, the following methods will be used:

- **Linkage** -- Residential and commercial linkage requirements could address, at least in part, the keep-up demand for housing for households with incomes equal to or less than 80% AMI depending upon the mitigation rates set by the Council.

Gaps that are not addressed by linkage will need to be filled with a combination of federal and state assistance, and possibly other sources.

- Inclusionary Zoning -- As currently enacted, inclusionary zoning should largely address keep-up demand for households with incomes in the 80% to 120% AMI range.
- Incentives – The free market will be relied upon to provide housing that is affordable for households with incomes greater than 120% AMI. Given land prices and development costs, incentives will likely be required to enable private developers to serve households with incomes between 120% and a level as yet to be determined (additional research on current availability by price and consultation with developers is required).

Implementation Program for Keep-Up Demand



Applying the City Council's Community Housing objectives expressed as a percentage of new residential units developed to 2005 building permits results in an approximate estimate of the number of units needed annually within each income category. While the number will vary each year depending upon construction activity, approximately 100 Community Housing units should be developed each year in which construction is similar to recent levels. This figure is closely aligned with the estimate of the number of units needed to house employees based on recent job gains. According to Colorado Dept. of Local Affairs projects, job growth between 2005 and 2010 will generate demand for 75 units per year (annual average – not seasonal peak). In order to house at least 70% of these employees within Steamboat and to also provide housing for seniors and special needs populations, producing 75 to 100 Community Housing units per year for keep up is appropriate until such time that economic conditions and development activity change.

Approximate Number of Units Needed for Keep Up

Market Segment	AMI	Objectives	Units/Yr*	Strategy
low income households	≤ 80%	21%	32	linkage, grants, other
moderate income households	81 - 120%	21%	32	inclusionary zoning
middle/upper income households	121%+	21%	32	free market w/ incentives
vacation homeowners/visitors	N/A	36%	55	free market

* Based on 2005 building permits for 152 residential units.

To address *catch-up demand*, the City Council has appropriated \$1 million in its 2007 budget for acquisition of land on which Community Housing is to be developed. The Yampa Valley Housing Authority has recently completed 36 units of Community Housing as part of the West End Village development, and plans to place an initiative on the ballot later this year for approval of a tax to support continued efforts by the Authority to address catch up needs.

Future Tasks

- **2004 Plan Strategies:** In cooperation with the Yampa Valley Housing Authority, a work plan will be developed in 2007 for implementing the remaining strategies specified in the Steamboat Springs Community Area Plan as adopted May 2004.
- **Rental Market Analysis:** In early 2007, conduct a study to determine how the supply of long-term rentals has changed since 2000/03, understand current market rents and vacancy rates and to determine the AMI level now served by the free market.
- **Ownership Market Analysis:** In early 2007, increases in home prices since 2003 and current listings will be examined to determine what AMI levels are now adequately served by the free market.
- **Replacement Demand:** A comprehensive Housing Needs Assessment will be conducted in 2008 that will determine, among other things, what the demand is for “replacement” housing – units for employees to fill positions that will be vacated by retirees, many of whom own their homes.
- **Residential Occupancy:** Through work with the County Assessor, efforts will be made on system improvements so that use/occupancy can be better monitored.
- **In-Commuter Demand:** As part of 2008 Housing Needs Assessment, demand generated by in commuters will be analyzed in depth including interest in moving to Steamboat, what type of housing in commuters are willing to live in and at what price taking into consideration housing options in neighboring communities.
- **Employee Housing Definitions:** As part of the proposed linkage ordinance, definitions will be refined so that they consistently and adequately describe the various types of “community” housing that will be developed.