

AGENDA ITEM #3.

CITY COUNCIL COMMUNICATION FORM

FROM: Tyler Gibbs, Director, Planning and Community Development

THROUGH: Gary Suiter, City Manager

DATE: January 16, 2018

ITEM: Affordable Housing Incentives.

DIRECTION
 INFORMATION
 ORDINANCE
 MOTION
 RESOLUTION

I. REQUEST/ISSUE & BACKGROUND INFORMATION:

Request:

City Council requested information on actions that the City may be able to undertake to incentivize affordable housing.

Background:

Section 26-149, Community Housing, of the Community Development Code was adopted by City Council in February 2006. This section of the code is also referred to as the Inclusionary Zoning (IZ) requirement.

On August 6, 2013 City Council suspended Section 26-149 for a period of 24 months.

In 2015 and 2016, City Council renewed the suspension for an additional one year each. On October 10, 2017 Council continued the suspension until February 28, 2018, pending a decision on further review of options and alternatives.

The purpose of the Community Housing requirements is stated as follows:

(a) *Purpose.* The purpose of this section is to ensure that a **reasonable**

amount of community housing is provided in the City of Steamboat Springs that meets the needs of all economic groups. This is accomplished through the establishment of regulations that require either (a) the set-aside of a portion of new residential development for community housing purposes, or (b) a financial equivalent, as a condition of approval. This section also provides incentives and concessions for community housing. It is the city's intent that community housing is intermingled throughout the city and is not concentrated in one area of the city. Where alternatives to the on-site provision of such housing are determined to be more practical, efficient, and equitable, this section will set forth standards for off-site housing, the dedication of land, or the payment of a fee-in-lieu or other financial equivalent as compliance methods.

The ordinance requires the provision of community housing as follows:

Inclusionary: All new developments with three (3) or more additional residential units shall set aside units for community housing, as follows:

- a. Fifteen (15) percent of all single-family units shall be developed as community housing for sale or rent to eligible households;
- b. The following percentages of all new multi-family units shall be developed as community housing for sale or rent to eligible households:

Market Rate Unit Size (GFA)	Number of Affordable Units/ Market Rate Units
< 999	.05
1,000 – 1,500	.10
1,501 – 2,000	.15
2,001 – 3,000	.17

The ordinance requires the for-sale residential units developed under the program to be affordable to eligible households with incomes between 30% and 140% AMI (Currently 79,000 annually for a family of four). Units are to be permanently deed restricted to preserve affordability.

The inclusionary requirement may be met through the development of units on-site or off-site, dedication of lots on-site or off-site, dedication of land or payment of a fee-in-lieu.

At the time of the initial suspension, City Council relieved all approved projects that had not yet been constructed of all conditions requiring the provision of affordable housing.

In addition to the release of obligations for unsatisfied affordable housing obligations under the 2013 ordinance suspension, other units have been released from deed restrictions by Council action. These include five of seven units at Sunray Meadows, all remaining units at Howelsen Place, a single-family home in West End Village and reduced restrictions on four units at the West End Village Townhomes.

The Planning Department continues to receive occasional requests to bring deed restriction releases to City Council for consideration. These cannot be dealt with in a single council action because of widely varying terms among the different projects.

Subsequently, the Routt County Community Housing Steering Committee, formed under the auspices of the Yampa Valley Housing Authority, completed a study in December 2016. The study found very significant housing needs and long term supply deficits in the thousands of units impacting four market segments, including Seasonal, Low-Income, Entry Level, and Move-Up. (See attached)

In response to that study, the Housing Authority was successful in passing a referendum in November 2017 supporting a 1.0 mill levy to provide up to \$850,000 annually to help leverage the development of affordable housing in Steamboat Springs.

City Council is continuing discussions with Brynn Grey regarding an annexation for the West Steamboat Neighborhoods which would include the development of locals' deed restricted housing units.

In addition, City staff has received numerous inquiries regarding possible apartment developments as well as "tiny home" and "micro-unit" developments. Applications for modest tiny home projects and a micro-unit project may be forthcoming in the next year.

Goals:

The Steamboat Springs Community must determine what our housing objectives are in order to craft the appropriate tools to best meet those objectives.

The stated intent of the Inclusionary Housing ordinance was: *"to ensure that a **reasonable** amount of community housing is provided in the City of Steamboat Springs that meets the needs of all economic groups."*

Steamboat Springs has always exceeded many of its peer resort communities, such as Breckenridge, in home ownership, percent of full time residents, and the percent of local work force that resides in town. Data suggests that over 70% of Steamboat residents work in or near the city based on commute times of less than 15 minutes. More than half the housing in Steamboat Springs is occupied by full time residents.

If the community believes that these are defining characteristics of Steamboat Springs as a "real town" it may be that these would be **reasonable** targets to

maintain economic diversity as the population grows.

The Routt County Community Housing Steering Committee report states the likely need to be between 3,300 and 5,200 units across the spectrum from low income to move up, as well as 500 seasonal beds by 2030. (See attached) This must also be evaluated to determine **reasonable** goals for meeting these needs locally.

II. Options

AFFORDABLE HOUSING TOOLKIT

Every housing assessment done in the Steamboat Springs community over the past 15 years has discussed a full range of tools that may be employed to help reduce costs and achieve the community's goals. Some, such as inclusionary zoning and linkage, have been tried and either questioned or discarded. Some, such as parking reductions and small lot zoning, are available but not highly utilized to date. Others, such as direct subsidies of land or development costs, have very limited or non-existent funding sources. All tools have pros and cons when considered in the Steamboat context:

Tools	Pros	Cons
Zoning Incentives		
Density/Height Bonuses	No cost to community Current zoning does not restrict density in terms of Dwelling Units/Acre	Existing zoning is generous Market may not support cost of added height, parking and building code requirements Height may be controversial
Reduce Parking near Transit	Lower development cost and cost-of-living Available land on transit routes	Uncertain market response
Increased lot coverage/Reduced setbacks, open space	May facilitate more infill development/investment and density in established core areas. Complements transit use	May be controversial in some areas.
Reduce minimum lot sizes	Most suitable for new subdivisions and isolated infill	May not be appropriate within established residential contexts
ADU Incentives	May encourage more ADUs if FAR and lot coverage are not counted Consider requiring ADUs in	May be controversial in some areas.

	new subdivisions	
Micro-Units	Lower cost to resident Density supports walkability and transit	Higher per unit development cost Untested market response
Tiny Houses	Lower cost to resident Density supports walkability and transit	Higher per unit development cost Untested market response Zoning compatibility
Co-Housing	Shared facilities reduce cost per unit	Limited test of market response to date
Secondary Units	Already allowed Greater incentives possible	Neighborhood resistance in some areas
Min/Max Unit Sizes	No minimum unit sizes in current CDC. However, IZ required 700 sf min.	Neighborhood resistance in some areas
Process Incentives	Expedited review processes are goal for all development. Reduced process time reduces carrying costs. May be outsourced?	Favoring affordable housing over other development may slow other reviews unless staffing is addressed
Financial Incentives		
Reduced or phased fees	Reduces developers carrying costs and ultimate cost to residents Align developers payment of some fees with timing of actual impact	City costs may be incurred prior to occupancy Savings may not be passed to ultimate residents.
Reduced Surety	Reduces developers carrying costs	Reduces City leverage or ability to complete unfinished infrastructure
Infrastructure Cost Assistance	Reduces developer/resident cost	Additional burden on Capital Improvements budget
Tax Incentives	Reduced developer/resident cost for Use Tax	Additional burden on limited fiscal resources
ADU Tax Incentives	May encourage more ADUs if Use Tax is reduced.	Neighborhood resistance in some area. Fiscal impacts

Land Donation	Reduces developer/resident cost	Limited City resources
Cash Match	\$600,000 Housing Funds available at end of 2017	Limited number of opportunities compared with need.

III. ALTERNATIVES:

1. Council may direct staff to provide specific zoning and process policy recommendations and analysis, including fiscal analysis, for implementation of any of the above zoning incentives for further Council review and possible code amendments.
2. Council may extend the suspension of the existing Community Housing (IZ) Ordinance.
3. Council may reinstate the Community Housing Ordinance as written.
4. Council may direct staff to prepare an ordinance to permanently revoke the Community Housing Ordinance and associated references in the Community Development Code. Such ordinance would be taken through the Planning Commission public hearing process prior to being heard by City Council.
5. Alternative 1 in conjunction with alternative 2, 3, or 4.

IV. RECOMMENDATIONS

Staff recommends Alternative 4 in conjunction with Alternative 1. Given that the ordinance has been suspended for four and one half years, it may be time to clean the slate and reexamine priorities and options. Along with this recommendation, staff requests that Council provide direction on specific policy objectives and priorities for further analysis. Staff believes that, in addition to community engagement, close coordination with builders of affordable housing product will be essential to determine which options may have the greatest benefit and produce actual housing product to address the anticipated need.

As noted, in some areas, such as the Community Commercial zone district along the Lincoln Avenue transit routes, existing allowed building heights may be more than ample and therefore density bonuses may be ineffective. However, parking requirements may currently inhibit greater unit density. Lot coverage, setbacks and landscaping may inhibit affordable development of smaller infill lots.

City code does not currently require minimum unit sizes. However, parking requirements and minimum lot sizes should receive further review to determine if

there are currently any impediments or incentives that should be addressed relative to tiny homes and micro units. Co-housing configurations may also warrant further review.

The timing of some fees may be reviewed with an eye toward reducing development carrying costs while ensuring that the City is able to provide all necessary services and amenities at the time they are needed.

Any consideration of tax incentives must be reviewed in the context of fiscal constraints.

V. FISCAL IMPACTS:

Proposed Expenditure: To be determined
Funding Source: To be determined
Risk Assessment: To be determined

VI. LEGAL ISSUES:

Without coordination with other sections of the CDC repeal of Section 26-149 may create conflicts or inconsistencies within the CDC. For example, Section 26-63 Annexation, requires the following conditions:

Consistency with applicable plans. The proposed annexation and proposed development of the land are consistent with the plans for such land shown in the adopted Steamboat Springs Area Community Plan and any other adopted plans addressing the future of the area (including, without limitation, the West of Steamboat Springs Area Plan, as applicable.)

Contribution to affordable housing. The proposed development is consistent with any adopted guidelines or requirements for the inclusion of affordable housing in new development or annexation proposals.

VII. CONFLICTS OR ENVIRONMENTAL ISSUES:

None identified at this time.

VIII. CONSISTENCY WITH COUNCIL GOALS AND POLICIES

The most current City Council Goal states:

Define city policies and processes to facilitate viable options for diverse housing opportunities.

City staff will work with community stakeholders including YVHA, local employers, associations, builders and interested citizens to review all potential tools to facilitate housing opportunities in Steamboat Springs. In the process there will be an examination of which tools may be most appropriate for, or perhaps only available for, implementation by the City. It will be incumbent on the process to identify where and why the market is not able to meet specific community housing needs and what assistance may be most appropriately provided by the City.

ATTACHMENTS:

Attachment 1: Routt County Community Housing Steering Committee, Final Report, December 13, 2016.

**Routt County
Community Housing Steering Committee
Final Report**

December 13, 2016

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INTRODUCTION

The City of Steamboat Springs City Council and the Routt County Board of County Commissioners endorsed and authorized the Community Housing Steering Committee (Steering Committee) to study the housing market in Routt County on March 15, 2016. The Steering Committee was made up of locally elected and appointed officials, business leaders and community members. The Steering Committee members are:

- Dan Pirrallo, Co-Chair, Steamboat Springs Chamber Resort Association
- Sheila Henderson, Co-Chair, Human Resources Coalition
- Doug Monger, Routt County Commissioners
- Kathi Meyer, Steamboat Springs City Council
- Roger Ashton, Yampa Valley Housing Authority Board
- Charlie McArthur, Native Excavating
- Angela Ashby, Steamboat Springs Board of Realtors Chair
- Viviana Loya, Routt County Human Services
- Karen Goedert, One Steamboat Place
- Tom Fox, Fox Construction
- Soniya Fidler, Yampa Valley Medical Center

The Steering Committee established the follow Problem Statement and Mission:

Housing demand is outpacing supply. The role of the Community Housing Steering Committee is to facilitate the identification and analysis of solutions mitigating the obstacles to housing. The role of the Working Groups is to analyze housing demand sectors through a supply and demand lens and make recommendations to the Steering Committee. Together, the Steering Committee and Working Groups will identify opportunities to address housing supply in Routt County.

METHODOLOGY

The Community Housing Steering Committee approached their study of the housing market by looking at four distinct segments of the market defined below:

- Seasonal – short term (less than 6 months), rental housing
- Low Income – long-term apartment or mobile home rentals, year round residents, up to 60% AMI includes senior citizens, homeless population and college students
- Entry Level – permanent residents in the market for bottom third of the for sale market; condos, single family homes in outlying communities
- Move Up – middle third of for sale market; larger townhomes, single family homes, permanent residents

These four market segments were all analyzed based on seven unique criteria listed below:

- Demographics

- Demand
- Supply
- Obstacles
- Consequences
- Solutions/Opportunities
- Definitions of Success

Each market segment was studied and analyzed by a Working Group, led by a member of the Steering Committee and populated by community members with interest in solving the housing challenges in Routt County. The Working Groups met for two months and produced a report on their market segment focusing on the seven criteria listed above. The following is a list of the Working Group leaders and community participants:

- Seasonal led by Karen Goedert, with participation from: Alison Brodie, Brooks Bradbury, Erin Walker, Jay Melnick, Jane Martin, Jim Clark, Trish Sullivan, Tyler Kern, and Charlie Macarthur
- Low Income led by Viviana Loya and Sheila Henderson, with participation from: Fr. Ernest Bayer, Laura Von Boecklin, Diane Brower, Lisa Brown, Catherine Carson, Cathy Maloney, Kathi Meyer, Kate Totos, and Joella West
- Entry Level led by Roger Ashton, with participation from: Ben Beall IV, Jane Blackstone, Matt Eidt, Kimberly Holm, Ryan Ross, Tim Rowse, John St. Pierre, Ulrich Salzgeber, John Spezia, and Kristy Winser
- Move Up led by Angela Ashby, with participation from: Dave Epstein, Scott Ford, Tom Fox, Gates Gooding, Tyler Goodman, Cole Hewitt, Richard Mandel, Lisel Petis, Geoffrey Petis, and Holly Rogers

What follows is a cumulative report of the Working Groups' analyses.

DEMOGRAPHICS

	<u>Seasonal</u>	<u>Low Income</u>	<u>Entry Level</u>	<u>Move Up</u>
<u>Income Range:</u>	Varies	\$0 - \$35,000	\$35,000 - \$75,000	\$75,000 - \$150,000
<u>Total Routt County Households:</u>	1,500 ↔	2,538 ↑	3,189 ↑	2,924 ↑
<u>Percent of Total Households:</u>	10% ↔	27% ↑	33% ↓	31% ↔
<u>Countywide Distribution:</u>				
• Steamboat	Data	1,469 – 58%	1,783 – 55%	1,191 – 41%
• Unincorporated Routt County	Not	636 – 25%	952 – 30%	1,407 – 48%
• Hayden	Available	242 – 10%	264 – 8%	199 – 7%
• Oak Creek		148 – 6%	151 – 5%	85 – 3%
• Yampa		43 – 2%	39 – 1%	42 – 1%
<u>Rent – Own</u>	100% Rent	45% Rent ↑ 55% Own ↓	26% Rent ↓ 74% Own ↑	17% Rent ↔ 83% Own ↔
<u>Housing as a percent of Gross Income:</u>				
• Less than 30% of Gross Income	Data	19% ↔	60% ↔	83% ↔
• More than 30% of Gross Income	Not Available	81% ↔	40% ↔	17% ↔

How to read this chart:

↔ = Stable metric

↑ = Trending upward

↓ = Trending downward

Trending information derived from 2009-2014 American Community Survey to show changes in demographics over time.

Sources: 2014 American Community Survey and seasonal employer data

SUPPLY

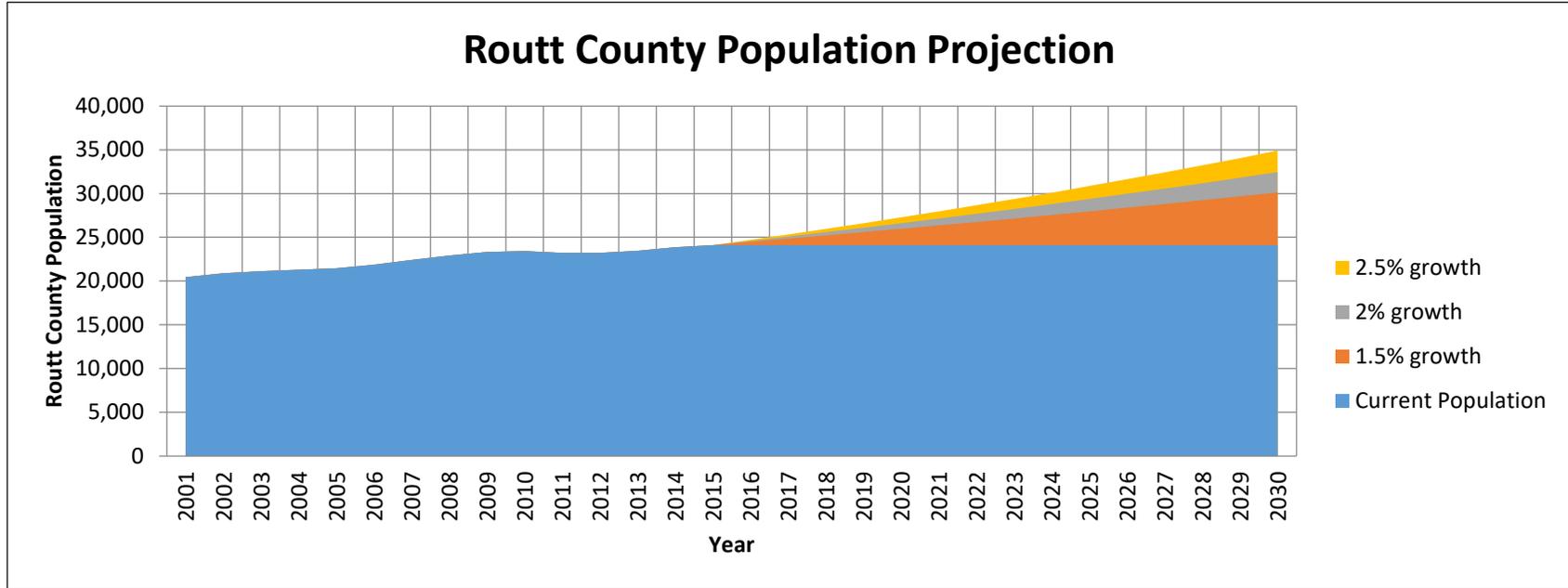
	<u>Seasonal</u>	<u>Low Income</u>	<u>Entry Level</u>	<u>Move Up</u>
<u>Total Routt County Households:</u>	1,500	2,538	3,189	2,924
Absolute Housing Available	650 Beds	2,574 Units	5,147 Units	5,040 Units
Vacancy Rate	0%	41%	41%	41%
Available Housing Units for locals	650 Beds	1,719 Units	3,036 Units	2,973 Units
Gap in Supply	179 Beds	-819 Units	-153 Units	+49 Units

Methodology:

Gap in supply data was derived by taking the household population within each market segment (excluding Seasonal) and comparing it to the available housing units in that market segment. Household population was sourced from the 2014 American Community Survey. Available housing units were determined by examining tax records provided by the Routt County Assessors and applying the vacancy rates found in the 2014 American Community Survey. Seasonal supply and demand data was derived from a survey of seasonal employers.

$$\text{Household Population} - (\text{Total Units} \times (1 - \text{Vacancy Rate})) = \text{Gap in Supply}$$

DEMAND



	<u>Seasonal</u>	<u>Low Income</u>	<u>Entry Level</u>	<u>Move Up</u>
<u>Estimated gap in housing supply:</u>				
Current	179 Beds	819 Units	153 Units	-49 Units
<u>Demand for new housing units as a result of population growth:</u>				
2020	80 Beds	215-365 Units	263-447 Units	247-420 Units
2025	100 Beds	447-779 Units	546-952 Units	513-894 Units
2030	150 Beds	697-1,247 Units	852-1,524 Units	800-1,431 Units
Total	509 Beds	1,516-2,066 Units	1,005-1,677 Units	751-1,382 Units
<i>Average new units needed per year to match demand</i>	<i>34 Beds</i>	<i>101-137 Units</i>	<i>67-111 Units</i>	<i>50-92 Units</i>

NOTE: Unit ranges based on population growth scenarios ranging from 1.5% growth to 2.5% growth

OBSTACLES

Obstacles to the development of housing identified in all segments:

- Planning/Zoning Process
- Building Code restrictions
- Cost to build new supply
 - Cost of Land
 - Building Department Fees/Taxes
 - Tap Fees
 - Cost of Construction
 - Cost of Infrastructure
- Vacation rental marketplace (Airbnb and VRBO)

Obstacles to the development of housing by housing segment:

<u>Seasonal</u>	<u>Low Income</u>	<u>Entry Level</u>	<u>Move Up</u>
High Rents	Lack of Funding	Lack of Funding	Low wages
Low Supply	Limited transportation	Resistance to annexation	Lack of community support
Tight labor market	Low wages	Limited transportation	Construction defects law
	Lack of community support	Low wages	
	Lack of infrastructure	Lack of community support	
		Lack of political leadership	
		Rapid appreciation of existing supply	
		Financial barriers for consumers	
		Lack of Infrastructure	

Note: Refer to Appendix A for additional details from each housing segment.

CONSEQUENCES

Consequences identified in all segments:

- Loss of workforce across all segments (out-migration) and employee turnover
- Loss of businesses due to inability to adequately staff
- Loss of “Community Character”

Consequences by housing segment:

<u>Seasonal</u>	<u>Low Income</u>	<u>Entry Level</u>	<u>Move Up</u>
Decreased tourism	Impact on human services agencies	Impact on infrastructure	Impact on Infrastructure
	Social impact	Rising housing costs	Rising housing costs
	Economic impact on individuals	Growth	
	Negative health outcomes		
	Impact on employment		

Note: Refer to Appendix B for additional details from each housing segment.

SOLUTIONS/OPPORTUNITIES

Solutions/Opportunities to the development of housing identified in all segments:

- **Facilitate the development of supply to match demand:** This can only be accomplished by a structured and dedicated effort to encourage the development of housing supply throughout the county including infill within the existing City of Steamboat Springs, annexation of new developable land into the City of Steamboat Springs and development of existing lots in Routt County’s designated growth centers (Hayden, Oak Creek, Yampa and Stagecoach). The City of Steamboat Springs area contains 75% of the County’s housing stock and will be the primary location for new housing supply. Development in Hayden, Oak Creek, Yampa and Stagecoach will accommodate the remainder of the housing supply needed to meet demand. The following solutions can help facilitate supply in all market segments:
 - **Funding:** Establish permanent funding source(s) to support the Yampa Valley Housing Authority’s (YVHA) development of seasonal, low income, entry level and move up housing.
 - **Planning and Zoning Process:** Create a process to amend the codes, review process and review timeline to create a more timely, flexible and predictable entitlement process at the City of Steamboat Springs and Routt County. Change the culture of those entities to prioritize our community goals and have that translate into an entitlement process that achieves those goals.
 - **Public Works Infrastructure:** Fund and construct public works infrastructure for the City of Steamboat Springs to support future infill development and development in the Urban Growth Boundary.
 - **Transportation and Infrastructure:** Explore and invest in additional transportation options between growth centers to accommodate increased transportation demand created by additional housing throughout the County.

Solutions/Opportunities to the development of housing by housing segment:

<u>Seasonal</u>	<u>Low Income</u>	<u>Entry Level</u>	<u>Move Up</u>
Seasonal employer partnership to develop new employee units	YVHA LIHTC Developments Mobile Home Communities	Developments throughout the City and County	Developments throughout the City and County

Notes: Refer to Appendix C for additional details from each housing segment.

Refer to Appendix J for additional information regarding the development potential throughout the County and within the City of Steamboat Springs

DEFINITIONS OF SUCCESS

Definitions of Success identified in all segments:

- **Match housing supply with demand:**
 - Home price and rental rates appreciate at a rate benchmarked by Area Median Income, local construction cost per square foot and Denver-Boulder-Greeley Consumer Price Index
 - **Funding:**
 - Create a funding committee to look at all dedicated funding options and to work with other groups searching for funding including taxes
 - Establish a dedicated funding source based on the funding committee recommendations
 - **Planning and Zoning Process:**
 - Measure review times and decrease review times by 25% moving forward.
 - Adopt a short term housing incentive code to promote the development of housing in all market segments
 - Rework the CDC update to focus on policies that will result in a timely, flexible and predictable entitlement process and will empower more administrative approvals and Planning Commission final decisions. This approach should consider planning, zoning, engineering, fire and building standards. To be completed by December 2017.
 - Change the construction defect law locally to facilitate the development of multi-family for sale housing as other communities throughout the state have done.
 - **Water and Public Works Infrastructure:**
 - Populate the Capital Improvements Plan at the City and County with projects that will facilitate development
 - City Council will adopt policies to secure funding to construct the redundant water supply that can accommodate new housing developments
 - Work collaboratively to fund expansions to US Highway 40 west of Downtown Steamboat Springs
 - **Transportation and Infrastructure:**
 - City Council and Board of County Commissioners will invest in roads, busses and transportation options that are safe, reliable and predictable in locations where housing developments are occurring.

Definitions of Success by housing segment:

<u>2020 Goals</u>	<u>Seasonal</u>	<u>Low Income</u>	<u>Entry Level</u>	<u>Move Up</u>
	250 Beds	200 Units	250 Units	250 Units

The goal is to produce supply that will catch up with demand and begin to provide housing supply that matches demand in all market segments.

<u>2030 Goals (cumulative)</u>	500 Beds	1,000 Units	1,000 Units	750 Units
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The goal is to establish an environment where housing supply matches demand in all market segments. 2030 goals will be reevaluated and adjusted based on actual trends in the local real estate and employment markets.

Note: Refer to Appendix D for additional details from each housing segment.

CONCLUSION, TASKS AND RESPONSIBILITIES

Conclusion

Housing supply is not keeping up with demand, leading to rapidly increasing home prices and rental rates. An environment of prolonged home price and rental rate appreciation will price out many local wage earners from our communities leading to a loss of community character and economic competitiveness. It is the recommendation of the Community Housing Steering Committee that the City of Steamboat Springs, Routt County, the Yampa Valley Housing Authority, businesses and community members in Routt County establish policies and take significant action to stimulate the production of housing supply to meet demand. Through the tasks and responsibilities listed below and by achieving the targets set forth in this report, our community can maintain reasonable home price and rental rate appreciation resulting in the retention of a talented local workforce and the preservation of community character.

City of Steamboat Springs

- Participate in Funding Committee to determine a dedicated funding source(s) to support YVHA's development of seasonal, low income, entry level and move up housing.
- Facilitate the implementation of the funding committee recommendations.
 - Immediate request to add a fee to VRBO/Airbnb to fund Community Housing
- Amend planning, zoning and building codes and processes to facilitate the development of more housing supply. Empower staff and Planning Commission to further the community goals of providing housing supply.
- Fund and construct the infrastructure to support development within the Urban Growth Boundary
- Invest in roadway and transportation options in concert with new housing development.

Routt County

- Participate in Funding Committee to determine a dedicated funding source(s) to support YVHA's development of seasonal, low income, entry level and move up housing.
- Facilitate the implementation of the funding committee recommendations.
- Fund and construct the infrastructure to support development within the Urban Growth Boundary
- Amend planning, zoning and building codes and processes to facilitate the development of more housing supply in designated Growth Centers. Empower staff and Planning Commission to further the community goals of providing housing supply.
- Invest in roadway and transportation options in concert with new housing development.

Yampa Valley Housing Authority

- Provide annual updates on the measurements of success and key housing benchmarks (price appreciation, CPI, construction costs, wages)
- Monitor the percentage of middle class households as an indicator of community character
- Update YVHA Strategic Plan to include development of units in all four market segments
- If and when appropriate, coordinate a professional scientific survey to understand community values and support for community housing initiatives.
- Identify projects and policies that impact the development of housing in all four market segments and communicate those impacts to interested parties.

Businesses

- Work collaboratively with the City, County, YVHA and other businesses to facilitate the development housing for your workforce
- Advocate that our public institutions take action to meet our housing goals

Community Members

- Get involved and advocate that our public institutions take action to meet our housing goals

Steering Committee/Working Group Participants

- Continue involvement with YVHA
- Participate in the Funding Committee
- Show up at Planning Commission, City Council and County Commissioner meetings to support new developments in the four market segments

Affordable Housing

Development Incentive Opportunities

3.22

Background

Community Housing Ordinance adopted in 2006

- Purpose: “To ensure a **reasonable** amount of community housing” for residents earning between 30% and 140% of AMI.
- 15% of single family units and 5% to 17% of multi-family units
- Suspended since August 2013.
- Resulted in construction of approximately 100 units.
- \$400,000 contribution to the Reserves
- Approximately \$600,000 in Housing Fund balance at end of 2017.

Yampa Valley Housing Authority

- 1 mil property tax levy anticipated to generate \$850,000 annually

Goals

Steamboat Springs Community must determine goals.

- What is a “reasonable” amount of community housing?
- Large majority of residents living within the City?
- Economically diverse population?

Routt County Community Housing Steering Committee

- 3,300 to 5,200 units ranging from low income to move-up by 2030
 - 183 to 290 annually (Would require 1500 \pm new market rate units/year under IZ)
- 500 seasonal beds

Tool Kit

Regulatory Incentives

- Density and height bonuses for affordable units
- Reduced parking near transit
- Increased lot coverage/reduced setbacks and open space
- Reduced minimum lot sizes
- Accessory dwelling unit incentives
- Micro units – No current minimum
- Tiny Houses – No current minimum
- Co-Housing – Not currently defined but not prohibited

Tool Kit

Process Incentives

- Expedited process – requires resources

Financial Incentives

- Reduced or phased fees
- Reduced or restructured surety
- Infrastructure assistance
- Tax incentives
- ADU fee and/or tax incentives
- Land Donation
- Cash Match - such as use for The Reserves

Alternatives

1. Direct staff to provide further analysis and recommendations
2. Extend Community Housing (IZ) Ordinance suspension
3. Revoke Community Housing (IZ) Ordinance
4. Reinstate Community Housing (IZ) Ordinance
5. #1 in conjunction with alternative 2, 3, or 4.

Recommendations

Revoke current Community Housing Ordinance with specific Council direction to staff for analysis of options for revised policies and procedures

- Consult with community housing providers to assure most affective tools are adopted to achieve desired results.
- Review options with community to gain support.
- Review fiscal impacts if financial options are considered.