

Town of Breckenridge

Workforce Housing Action Plan – 2008 FINAL (Endorsed by Council March 11, 2008)

This document is intended to guide efforts to achieve a sufficient amount of workforce housing to preserve the town's character and support its economy. It incorporates and builds upon key elements of the Town of Breckenridge Vision Plan adopted August 28, 2002 and the Affordable Housing Strategy adopted May 23, 2000. It is a work in progress that will continue to evolve over time as specific work elements are completed and additional opportunities arise.

Vision

To have a diversity of permanently-affordable housing integrated throughout the community, which provides a variety of housing options to sustain the local economy and preserve the character of the community.

Policies

- Assure that workforce housing is comprised of a variety of densities and styles, and is accessible to all members of the community, both dispersed throughout the town and concentrated in neighborhoods of primary residences.
- Seek a balance between population growth and housing for employees who work in the community, with an emphasis on reducing the impacts of in commuting and providing the labor force needed for local businesses to succeed.
- Strive to ensure that ownership and rental housing for the workforce is provided for a wide diversity of income levels that support the local economy and preserves a vibrant middle class.
- Place priority on housing for employees who work in the Upper Blue providing products and services within the local economy. It is not the intent to utilize limited resources to provide housing for telecommuters, location-neutral remote workers, or residents who are unemployed.
- Utilize strategies that place top priority on development of units by the private sector, followed by acquisition of land for housing; payment of fees to the Town is third in terms of the options through which the responsibility for workforce housing will be shared.

Goals and Objectives

The primary goal of the Breckenridge Town Council is to insure that 900 additional workforce housing units are approved and/or constructed in the Upper Blue by the time the community reaches full build out. This goal is to be achieved through a combination of Town resources, impact fee and sales tax revenue, incentives, policies placed on new development, and partnerships. Approximately 60% of these units will address existing needs while 40% or 360 units will partially keep up with the demand for workforce housing as the community grows. Approximately 66% (600 units) should be ownership units and 33% (300) should be rental units.

The Breckenridge Town Council also seeks to insure that key characteristics of the community are preserved or enhanced through the adoption of these specific objectives:

- The proportion of employees who work in Breckenridge and also live there will not drop below the current level of 47%.

- The relationship between primary homes and second homes/vacation accommodations will not significantly change; at least 25% of all units will be occupied as primary residences at build out.
- Renters will be provided increased opportunities for ownership with the homeownership rate moving upward from its current level of 41%.
- Housing will be provided for all income levels up to 180% AMI with intent to preserve the middle class (80%-180%) based roughly on the income distribution as follows:

Income Distribution to be Targeted by Workforce Housing Initiatives

AMI	% of Total Need	% of Households 2000	Targeted Distribution	Number of Units
<50% AMI	30.1%	21.1%	25.60%	231
50.1 to 60% AMI	4.3%	2.6%	3.40%	31
60.1 - 80% AMI	6.0%	17.3%	11.70%	109
80.1 - 100% AMI	29.0%	19.3%	24.20%	216
100.1 - 120% AMI	6.9%	8.2%	7.60%	69
120.1% -140% AMI	14.9%	7.5%	11.30%	99
140%-180%	8.8%	24.0%	16.40%	145
Total	100.0%	100.0%	100.0%	900

2008 Work Plan

1. Annex the Stan Miller parcel to provide approximately 100 workforce housing units.
2. Amend relative requirements for new commercial development to partially address the keep-up demand it generates; remove the exemption for projects of less than 5,000 square feet and consider incentives to provide workforce housing on site though negotiated parking requirements, fee waivers, residential density and public subsidies/partnerships.
3. Amend the relative requirement for multi-family development removing the exemption for projects of less than 5,000 square feet to partially address the keep up demand it generates and consider incentives to provide workforce housing on site though negotiated parking requirements, fee waivers, residential density and public subsidies/partnerships.
4. Create a new relative requirement for single-family homes that encourages the construction of accessory dwelling units (ADU's) in units of 3,500 square feet or larger, possibility through -10 points if not provided and +10 points if provided. Minimum and maximum sizes for the ADU's should be established (400 to 800 sq ft) with covenants restricting occupancy to employees and an administrative system with enforcement procedures. Target – 50% of all units \geq 3,500 sq ft, or 150 units by build out.
5. Amend the relative requirements for lodging (condo hotels, timeshare, hotels, etc,) so that development of accommodations is required to produce workforce housing more proportional to the number of jobs it generates.
6. Preserve market units that are now occupied by employees for occupancy as workforce housing in the future through buy downs, acquisition and resale/rental, buying the right to impose deed restrictions or other methods that might be identified. Evaluate the cost of this strategy and implement a program to evaluate the rate of loss by monitoring rental vacancies/availability, use

of second homes, retirement trends, etc. Develop an annual target considering the projected loss and cost of the preservation program.

7. Create a partnership with a private developer for development of at least 40 workforce housing units on the Valley Brook parcel to partially address existing (catch-up) demand for workforce housing; amend LUGS to be consistent with the recently completed Valley Brook Master Plan.
8. Develop a concept, phasing plan, schedule and approximate budget for future development of the Block 11 parcel with at least 325 workforce housing units.
9. Pursue the acquisition of the Claimjumper parcel.
10. Negotiate with developers for construction of Phase 2 of Pinewood Village to add approximately 30 apartments.
11. Formalize incentives such as fee waivers, funding assistance, density transfers, supplying land and utility taps, tax rebates, and other methods for new construction and conversion of existing free market to affordable units.
12. Continue to work with the School District on partnerships for production of employee housing.
13. Continue to respond to opportunities for annexation with application of guidelines calling for 80% of the units to be workforce housing.
14. Consider expanded down payment assistance programs to increase home ownership opportunities such as the Funding Partners program proposed by the Summit County Housing Authority.
15. Utilize the Summit County Housing Authority for administration of deed restrictions, sale and rental of workforce housing units, homebuyer education and other specific tasks associated with managing the growing inventory of units. Work with the SCHA to develop a manual/procedural guide for use by the SCHA.
16. Revisit and update the standard deed restriction template and the Administrative Guidelines/Procedures to insure that deed restrictions and the guidelines are current, are standardized, and that they insure permanent affordability for local employees.
17. Track progress annually – number of units produced and preserved, age groups served, incomes served and number of units lost annually; modify strategies as appropriate.

Future Actions

1. Identify and land bank sites appropriate for workforce housing.
2. Evaluate opportunities for other Town-owned parcels that have been identified as potential sites for housing including the Ice Rink, Stillson and McCain sites.
3. Evaluate the effectiveness of the housing assistance offered to Town employees.
4. Work with the business community to create programs through which employers can help provide housing for their employees, known as employer-assisted housing (EAU).
5. Explore options for housing members of the workforce as they age and retire.

6. Expand efforts to acquire existing free-market units and convert them to permanently affordable workforce housing.
7. Explore other mechanisms for no net loss of units that function as workforce housing.
8. Work with the Housing Authority to make sure that renters who want to buy have adequate homebuyer education and resources to qualify for mortgages.

Accomplishments

The following table is an inventory of the employee housing units that have been produced through 2007 as a result of the implementation of strategies used alone or in combination including:

- The relative development code;
- Fee waivers;
- Density for employee units;
- Land banking;
- Annexation policy;
- Out of town water service.

This information should serve as a baseline for measuring the effectiveness of future programs.

Property	Price Cap	Avg AMI	pre-1999	2000	2001	2002	2003	2004	2005	2006	2007	Subtotal	Future	Total
Dispersed in Town	No	none	99	2	6		1	1		6	1	116		116
Wellington 1	Yes	99%		14	20	17	15	17	8	7		98		98
Wellington 2	Yes	110%								7	16	23	105	128
GibsonHeights	Yes	71%			1	34	5					40		40
Vista Point	Yes	113%				9	5	5				19		19
Kennington	No	none	36									36		36
Farmers Grove*	No	none				2	4	7	2			15		15
Monarch Townhomes	Yes	90%		3	4		1	4	1			13		13
Breck Terrace	Both	90%		20		11	5			15		51	129	180
Pinewood Village	Yes	83%			74							74		74
Vic Landing	Yes	86%										0	24	24
Maggie Placer	Yes	106%										0	18	18
Stan Miller	Yes	117%										0	100	100
Pinewood #2	Yes	TBD										0	30	30
Valley Brook	Yes	TBD										0	40	40
Block 11	Yes	TBD										0	325	325
Annual Increase			135	39	105	73	36	34	11	35	17	485	771	1,256

* Farmers Grove includes 35 additional units that are restricted for no short-term rental.

Other Options - The following options have been considered and are not recommended at this time:

1. Inclusionary Zoning, which would require a percentage of the units in new subdivisions to be deed restricted as workforce housing. This was not included in the work plan because all developable land within the Town is already subdivided. Therefore, inclusionary zoning is not viewed as a viable effective strategy at this time.
2. Commercial and Residential Linkage, which would have required new development to provide housing for a portion of the demand generated by new employees, was eliminated since the

amount of new development is limited and the number of units that could be produced given legal constraints would be low relative to the amount of effort required to create and administer the requirements.

2008 Housing Budget

Revenue		Expenses	
Interest	\$10,000	Acquisition of Block 11 parcel	\$960,000
Rental Income	\$28,000	Town Down Payment Assistance	\$60,000
Mortgage Payments	\$20,000	Town Rental Assistance	\$12,500
Impact Fee	\$800,000	Claimjumper parcel acquisition	TBD
Sales tax	\$285,600	Valley Brook development subsidy	TBD
Capital Funds	\$1,500,000	Buy Down Program	TBD
Transfers	\$462,441	County-wide Down Payment	TBD
Total	\$3,106,041		

The Town has budgeted \$1.5m from Capital funds through 2012 for a total of \$7.5m for capital housing development; the Impact Fee is effective for 10 years and will generate an estimated \$10m for housing projects.