AFFORDABLE HOUSING IN BRECKENRIDGE COLORADO (REALLY?!?)

Laurie Best -Garfield County Housing Summit February 22, 2024

TOPICS:

- Evolution of Breckenridge-the Town and the Housing Program
- Overview/Challenges/Issues
- Development of Plans, Strategies, Tools
- Implementation-Review Projects and Programs (examples)
- Lessons and Keys
- Discussion- Q& A

Evolution of Breckenridge and Workforce Housing Program:

- Settled 1859-mining town thru 1942
- 1880- Incorporated as a Town-population 1,652
- 1950-pretty grim-population 296
- 1960s-70s Ski Area/Tunnel/Recreational Tourism- population 393-548
- 1980s/90s Construction Booms -population 818-1,285
  - First Housing Codes
- 2000 Approximately 97 deed restricted units-population 2,851
  - 2000 Affordable Housing Strategy
  - 2006 Housing Childcare Council sub-committee
  - 2006 Sales Tax/Impact Fee ($1m/year)
- 2010 Approximately 747 deed restricted units-population 4,540
  - 2016 Sales Tax/Impact Fee ($5.5m/year)
- 2020 Approximately 1,138 deed restricted units-population 5,096
  - Short Term Rental Fee-2022 ($7m/year-4,300 STR units and 9,000 bedrooms)
  - Workforce Housing Blueprint-2023
  - Approximately 1,400 deed restricted units-2023 (7181 residential units/1746 occupied units)
  - Pipeline of Projects 650 (150-200 a year)

CHALLENGES

Failure of the free market to provide housing that is affordable to households who earn their living in the community and need to be in the community to provide products or services. Not a lack of housing units, but a lack of units that serve the needs of locals.

Average SF price-$2,400,000 to $3,050,000
Average Townhome price-$870,000 to $1,100,000
Median Income- $100,000 (4 person household) can afford $450,000
Current Need- 426 rentals at $800-$1,000mo and 222 for sale at $350K to over $800K (assuming all our projects in the pipeline come to fruition)

CHALLENGES

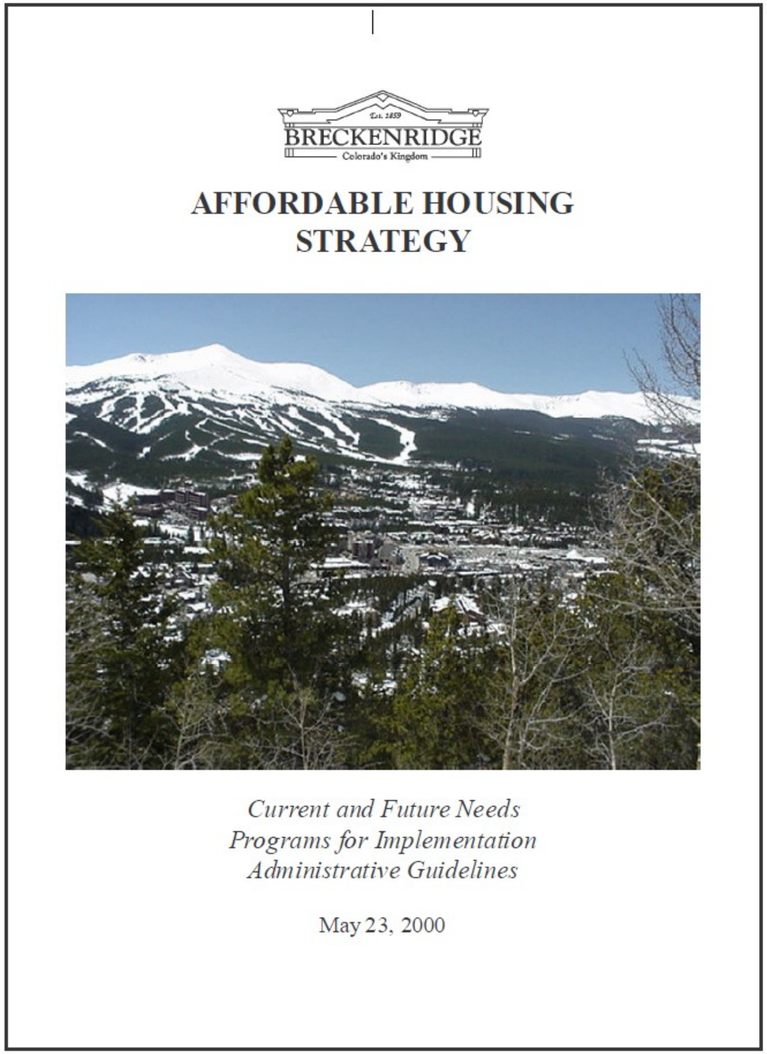
Overcrowded households
Commuting (congestion and VMT)
Housing insecurity-impact to employees and families
Loss of fulltime residents-impact business, services, emergency services and sense of community
Quality of Workforce-employee engagement, satisfaction
Imbalance of resident occupied units to vacation homes

Challenges continue to evolve impacted by demographics, technology, pandemics

PLANS, STRATEGIES, TOOLS

Different communities will have different visions for their community and require different approaches.
How much public intervention if any?
Needs Assessment/Data to identify deficiencies, needs, opportunities.
Identify housing types, price points not addressed by the market.
Evaluate incentives verses requirements.
Adopt plans and set goals
Vision Plan and Affordable Housing Strategy
Commitment of resources.
Find Funding-Grants, Fees, Taxes, Partners.

When moving forward to address Housing, timing is everything BUT so is funding and political will and community support and housing advocates/heros/partners and on and on……


BRECKENRIDGE
Colorado's Kingdom

AFFORDABLE HOUSING STRATEGY

Current and Future Needs
Programs for Implementation
Administrative Guidelines

May 23, 2000

Milestones

1980s/90s-Code required housing-commitment to deed restrictions
2000-Affordable Housing Strategy and Vison Plan, Annexation Policies, Land Banking, Out of Town Water Service Agreements
2006-Council Priority/Committee/Funding
2006- Sales Tax/Impact Fee
2006-Goals-35% resident occupied units and 50% of jobs filled by residents
2010-TOB as developer and partnerships
2016-Sales Tax (2046)
2022-STR fee
2023-Blueprint 2023

Strategy #1-Incentivize the Private Sector to construct Housing on Their Land thru Policies=621 units +/- (Annexation, Out of Town Water, etc.)

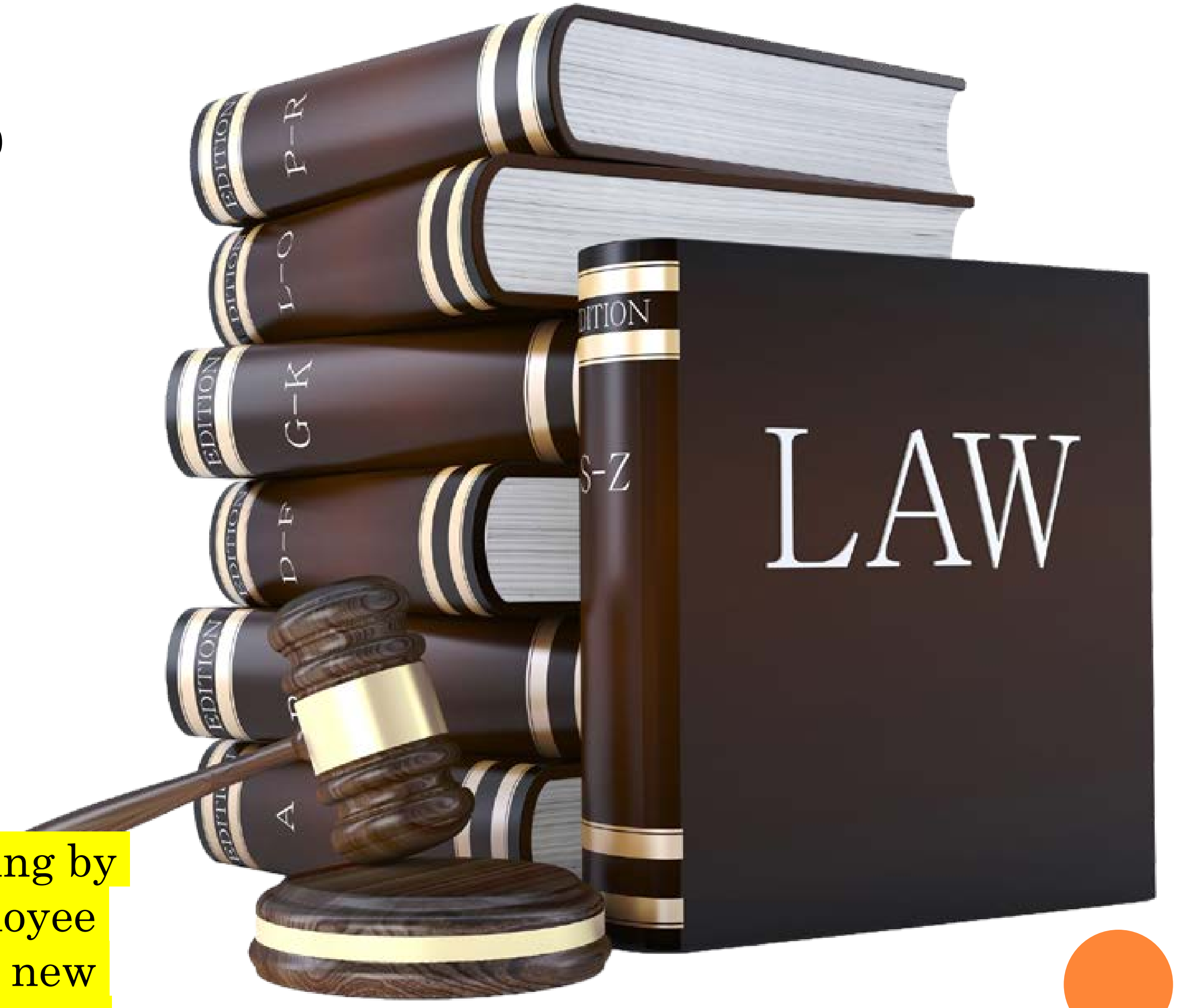
- Kenington Townhomes-36
- Wellington Neighborhood-98
- Vista Point-18
- Gibson Heights-40*
- Farmers Grove-50
- Monarch Townhomes-13
- Wellington 2-66
- Lincoln Park-62
- Vic's Landing-24
- Maggie Placer-9
- BGV-100 (est)**
- Stan Miller-105 (pipeline)

Key is TOB provided density, fee waivers, market rate units, or other incentives

- *private land donated to SHA
- ** employer provided housing

Strategy #2-Private sector builds Housing on Their land because of Code Requirements = 474 units +/-

- Kings Ridge-35
- Dispersed Units-140
- Welk-6 rentals
- Breck Terrace-180
- Moose Landing-32
- Welk-6
- BGV-75 (est)



Key is mandatory housing by the private sector (employee mitigation code 25% for new development or inclusionary codes)

Strategy # 3-Town as Developer and/or Partnerships on Town-Owned Land (Land Banking)=866 units +/-

- Pinewood Village 1-74
- Valley Brook Neighborhood-41
- Denison Commons-30
- COTO Flats-18
- Huron Landing-26
- Pinewood 2-45
- Blue 52-52
- LOGE-38
- Justice Center-52 pipeline
- Alta Verde 1-80
- Alta Verde 2-172 pipeline
- ULLR-27
- Stables Village (under construction)-61est
- Block 11 Neighborhood (pipeline)-100 est
- Public Works (pipeline)-50 est

Key is TOB land!
Land Banking-Partners with Land-CDOT/School Districts
Development Agreements and Town Project Process

Valley Brook Neighborhood-2011-2012

Project:
41 Townhomes
4 & 5 plexes
Solar Panels included
Park/Bike Path
$165,000-$328,000
80-120% AMI
Income Restricted for
80-100% AMI

Highlights:
First Town as Developer w/owner's rep-utilized Housing Authority
Town Land-land banking
Cost- $10.7m (hard cost $7.15m)
Sales Revenue-$9.9m
Grant-$1m
Cost per unit=$265,853

Stables Village-under Construction 2023-2025

Project:
- 61 homes
- 3 and 4 bedroom
- SF, Dup, TH
- 80-140% AMI
- Missing Middle
- $373K-$800,411
- 4 phases
- Lottery
- Carbon neutral

Highlights:
- Town Land-8 acres
- Partnership-Private Developer (est. $57m)
- TOB-land and infrastructure
- Plus per unit subsidy

Block 11 Neighborhood-kick off Oct 2023

PINEWOOD 2 2014-2016

Project:

45 units (apartments)
Studios and 1 bedroom
595-599 sf
Rents- $915/$990 mo
60% AMI

Highlights:

Town Land-land banking (Forest Service Land Trade)
Town HA as developer w/owner's rep
Cost- $10.47m
LIHTC $5.16 million
TOB loan- $6million-Dedicated Housing Funds-sales tax, impact fee
Cost per unit/bedroom-$248,186 (expensive site)

Huron Landing 2017

Highlights:
Town/County Land Partnership (IGA)
Town/County as Developer w/owner's rep
Cost $8.05m
Funded thru COPs
Debt Service-$600k
Rental Revenue-$300k
Town/County-$150k ea
Conversion of underutilized land-annexation
On transit-walking distance

Project:
26 Apartments
2 bed units
80% AMI rents
Local workforce
Flexible income cap
$309K/unit
$154K/bed

Alta Verde 1 80 Apartments- Opened Winter 2023
Plus Alta Verde 2 172Apartments-mid 2024

Alta Verde 1 and 2-Highlights

Project:

- 80 Apartments- 1, 2, 3 bed units- Phase 1
- 172 Apartments- studios, 1 bed, 2 bed, 3 bed-Phase 2
- Rents- 30% AMI + (starting at $700m/3 bed apartment up to market)
- Net Zero
- Deed Restricted- local workforce with some rental/income caps
- Hard cost-GC $250 sf
- **Total project cost per bedroom-$240,000-$275,000**

Highlights:

- Town Owned Land
- Public Private Partnership-$**116m investment- AV1 and AV2**
  - Long term land lease to Gorman (Developer/Operator)
  - 9 % LIHTC (Phase 1)
  - Mineral Assistance Grant for Phase 1 Solar ($1.3m)
  - Division of Housing Infrastructure Grant for Phase 1 ($960k)
  - MF Mortgage Backed Bonds-M-TIBs by Housing Authority
  - CHFA, etc.
  - **Town loans: $15m to AV1 and AV2**
  - **Town: $4.8m in off-site infrastructure/flood**

JUSTICE CENTER-UNDER CONSTRUCTION

Project:

- Planning and Entitlements- 2022
- Site Work and Vertical 2023 (scheduled to open early 2024)
- 54 Apartments (studios, 1, 2 beds)

Highlights:

- County/Town Partnership-County land
- Town-COP Financing
- Modular construction to reduce cost!!!
- $21.5m budget ($18.5m COP/$2.5m grant)
- $423K per unit ($354/bedroom)

Hotel Conversions

- Wayside Inn-acquired jointly by the Town and Summit County for $6m
- 38 single occupancy rooms
- Opportunity for redevelopment- 2025ish

PRIVATE SECTOR-(NOT TOWN LAND)
621 UNITS /12 NEIGHBORHOODS

Employer provided housing

Preserving Existing housing Housing Helps & Buy Down programs

New construction is only one strategy. Construction of new inventory is expensive, can be risky, and there are limits to how much land is available and how much new inventory can be added. Summit County and Town of Breckenridge are also committed to preserving existing housing stock for locals by acquiring deed restrictions on existing market rate units especially in neighborhoods that traditionally served locals, but at risk of converting to retirement, vacation, seasonal, remote, etc.

Housing Helps :

HH-Owners, buyers, investors, etc are compensated for a deed restriction-typically value is 15%-30% of market value. Average cost to Town per property-$89,999 per unit (total is split between Town and County)- 70 units since 2021-goal is 20/year

Buy Down Program

Town acquires market units-deed restricts and flips to qualified buyer. Average gap $210K-43 units since 2021- goal is 10/year

Notes:

Less expensive than construction and quick!

Incentivizing private investment in workforce housing!

Preserves existing neighborhoods!

County/Town share costs

Lease to Locals program/employer master leases

Even temporary solutions are on the table. Incentives to landlords to lease local without a deed restriction:

Lease to Locals is a program to convert short term rentals to long term rentals- landlords are provided cash incentives for long term leases. The Town and County launched a pilot program in fall of 2019 and we've been able to convert 30 STRs into LTR (54 bedrooms)-average cost $8,200 per bedroom.

Master Lease Program (in the works) is a program to match landlords, employees, employers, and Town/County to share in cost of subsidizing rents while keeping landlords whole.

KEYS

Patience
Flexibility
Foresight/Goals
Nimble
Innovative (Construction)
Political Will
Community Support
Partners and Heroes

Timing-fortunate to establish deed restricted neighborhoods early, so much of the community resides in deed restricted properties-helps with pre-conceptions.

Thank you

Questions????