

Town of Crested Butte 5 Year Affordable Housing Plan 2019-2024

November 5, 2018



Goals for Town's Affordable Housing

- ▶ To ensure our community's residents are successful in attaining long-term safe and energy efficient housing
- ▶ Residents residing in deed restricted housing are active year round members of our community and 75% of the Town's residential units are occupied
- ▶ Build an additional 93 units of housing in the next 5-7 years or 30% of our Town's housing stock to have deed restrictions for locals (18 Built from 2016-2018)
- ▶ Look for partnerships to build rental projects
- ▶ Town Build a total of 15 units for Town Employees (currently 8)
- ▶ Work on regional collaboration for future housing projects

2016-2018 Housing Effort Recap*

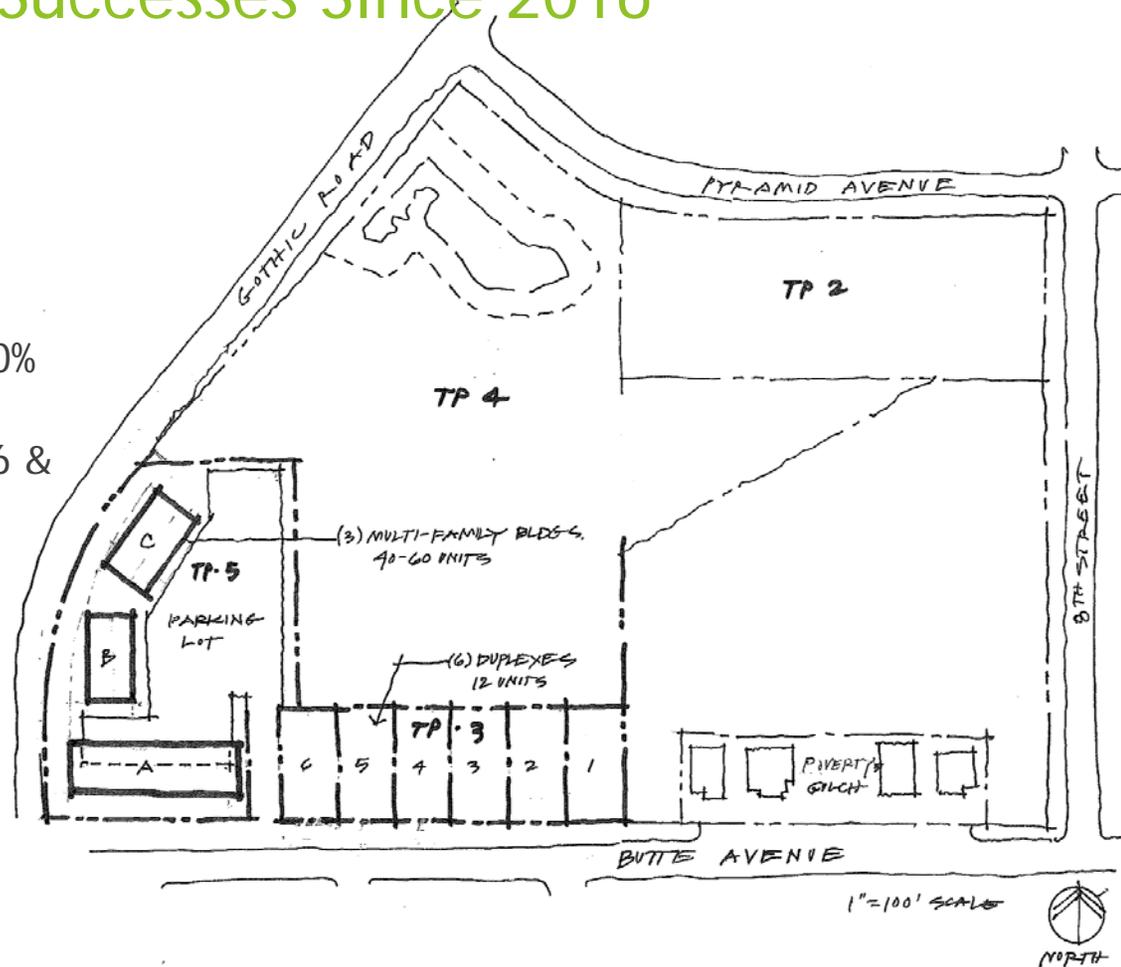
2016-2018 Affordable Housing Recap			
	Approved	Built/Under Construction	
ROAH	5	4	
ADU	11	6	
Deed Restricted Units	3	13	
Town Rental	2	1	
Total	21	24	45



Units Approved or Built Since 2016 Needs Assessment*

Other Affordable Housing Successes Since 2016

- ▶ Vacation Rental Tax/Regulations
 - ▶ 5% tax or projected \$255,000 to Affordable Housing Fund
- ▶ Hiring of GVHRA Director
- ▶ ROAH fee Mitigation Rate increased to 20% in 2016
- ▶ Deed Restriction Compliance Survey 2016 & 2018
- ▶ 2016 Gunnison Valley Needs Assessment
- ▶ 2 Acres Land Banked at the Slate River Annexation
- ▶ Yearly 1st Time Homebuyer Classes
- ▶ GVRHA Regional Tax (Pending)
- ▶ Regional Housing Plan (Pending)



Current Policies and Strategies

<i>Land Use, Housing Initiatives, and Housing Programs</i>				
Housing Tools	City of Gunnison	Crested Butte	Gunnison County (including CB South)	Mt Crested Butte
Land Banked Land	X	X	X	X
Update land use code to remove barriers	In process		In process	
Density bonuses	X	X		X
Linkage Fees		X	X	X
Expedited Development Review for affordable housing	X		X	
Short term rental regs, fee and/or excise tax		X	In discussion	
Consistent Deed Restriction	X	X	X	
Property maintenance code	Under consideration	X	Under consideration	
Annexation policy		X		
Accessory dwelling units	Under consideration	X	X	
Workforce housing in commercial zones		X	Case by case	
Fee waivers or reduction	X	X	X	
Inclusionary Zoning		X		

New Policies for Council Consideration

- ▶ Expedited BOZAR Review
 - ▶ Town Staff has Implemented a max of 6 BOZAR projects per month
 - ▶ 2 Spaces reserved for Projects containing Affordable Housing Components
 - ▶ Other Projects bumped down the schedule to accommodate these projects
- ▶ Deed Restriction Purchase Program?
 - ▶ Should the Town investigate Deed Restriction Buy Downs?
 - ▶ Funds earmarked for this effort?
 - ▶ ROAH contribution up to \$75,000 per Year?
- ▶ Water and Waste Water Enterprise Fee Tap Reduction
 - ▶ Can a user approved reduction for affordable housing tap fees be investigated freeing up funds to go directly into vertical construction without jeopardizing the enterprise fund status?

Reduction in Green House Gas Emissions for Block 76

▶ Maximizing Energy Efficiencies

- ▶ Should the Town investigate energy offsets such as solar or geothermal to offset energy use in new units?
- ▶ Work with GCEA on Solar Farm Banking for Homes?
 - ▶ Roof forms and area not adequate for enough power generation per unit in Block 76
- ▶ Gas Main extension Savings \$75,000 in Block 76
 - ▶ Atmos not installing Mains in Block 76
- ▶ Need to fully understand heating and other energy needs for each unit
- ▶ Must equate to less than an average \$100 per month utility bill for Residents
- ▶ Rough estimate of \$150,000-\$220,000 for enough panels for 15 units in Block 76
 - ▶ Possible to use \$100,000 of Green/Sustainability Projects
- ▶ Pilot project could help reduce other electric bills for other existing deed restricted units
 - ▶ Could be used as an incentive to fix deed restrictions in the future
- ▶ Are Tax credits available for developer or buyer?

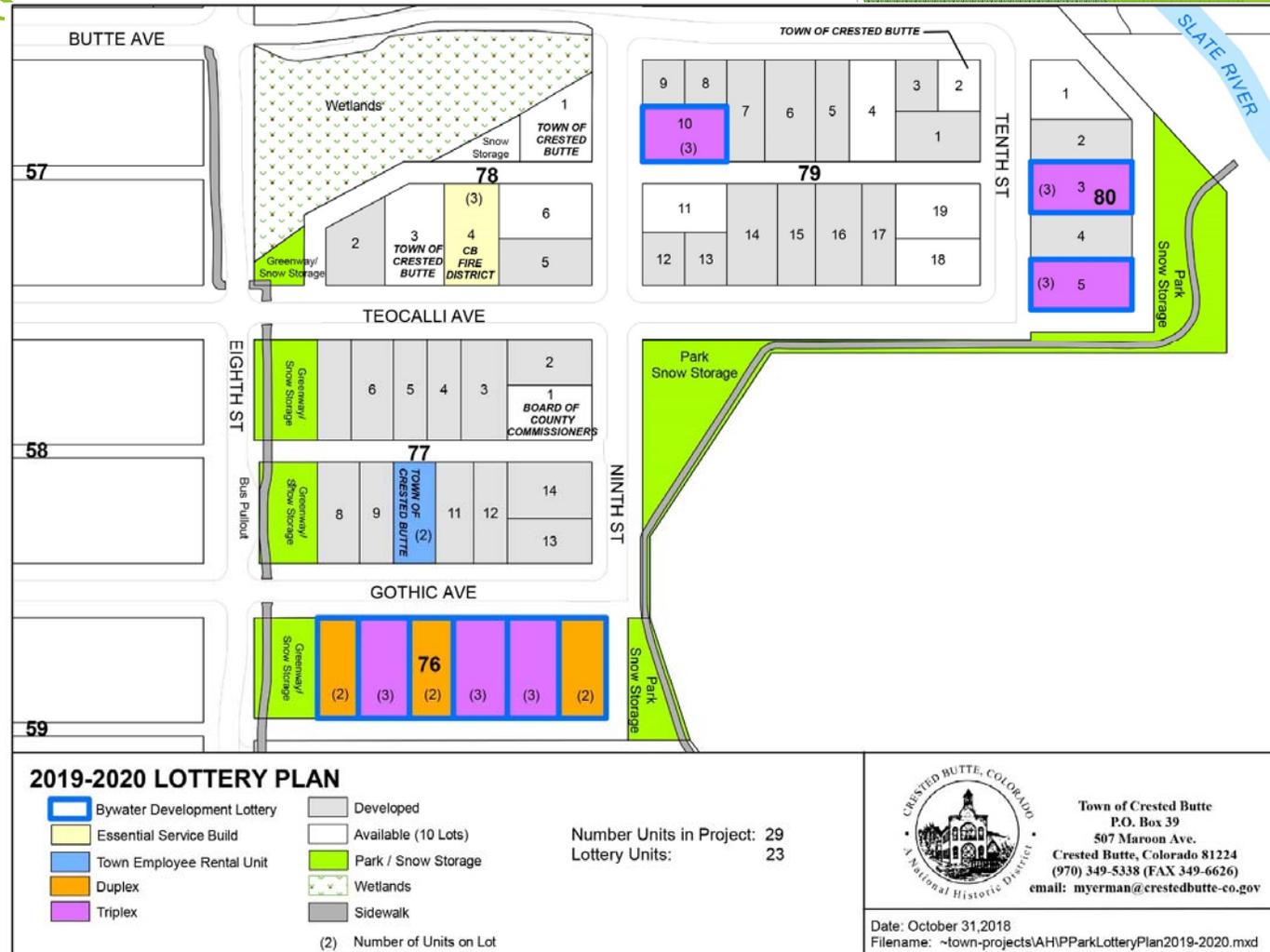
2018 Current Projects

- ▶ 2 Single-Family Lot Builds Under Construction
- ▶ 2 Rental Units for School District \$590,000
- ▶ 4 Duplex Units Under Construction for Lottery \$275,000
- ▶ 3 Additional single-family Lots in Lottery \$135,000



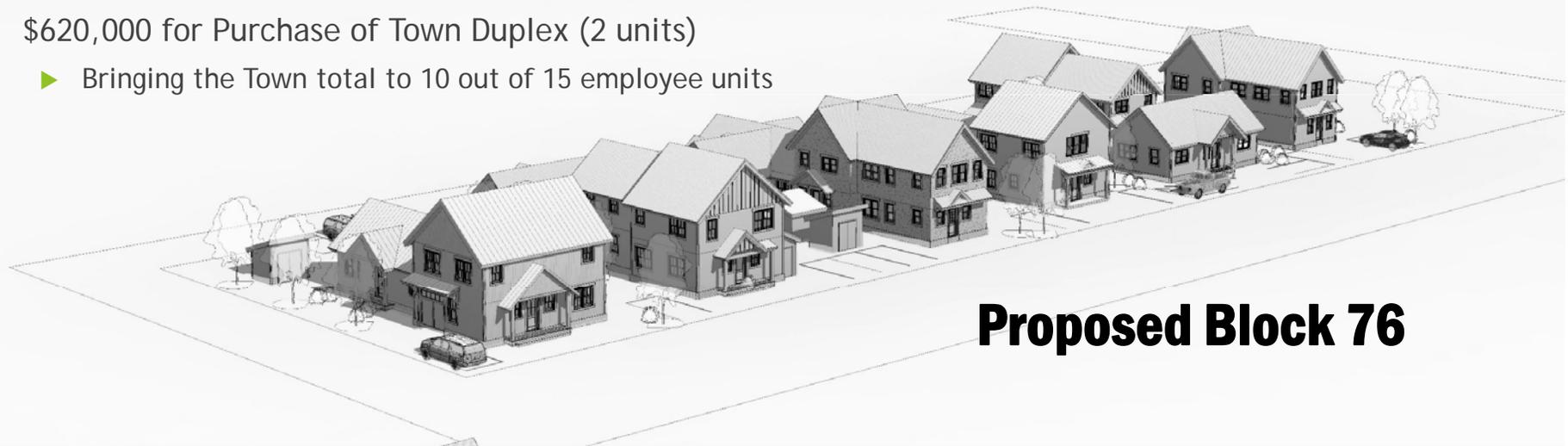
2019-2020 Projects

- ▶ 6 Triplexes for lottery (18 Units)
- ▶ 3 Duplexes for lottery (6 Units)
- ▶ 1 Duplex for Town Employee Rental (2 Units)
- ▶ 1 Triplex for Fire District (3 Units)
- ▶ 29 Total Units Constructed
- ▶ Lot 5 Block 80 may need further review



2019 Affordable Housing Budget Highlights

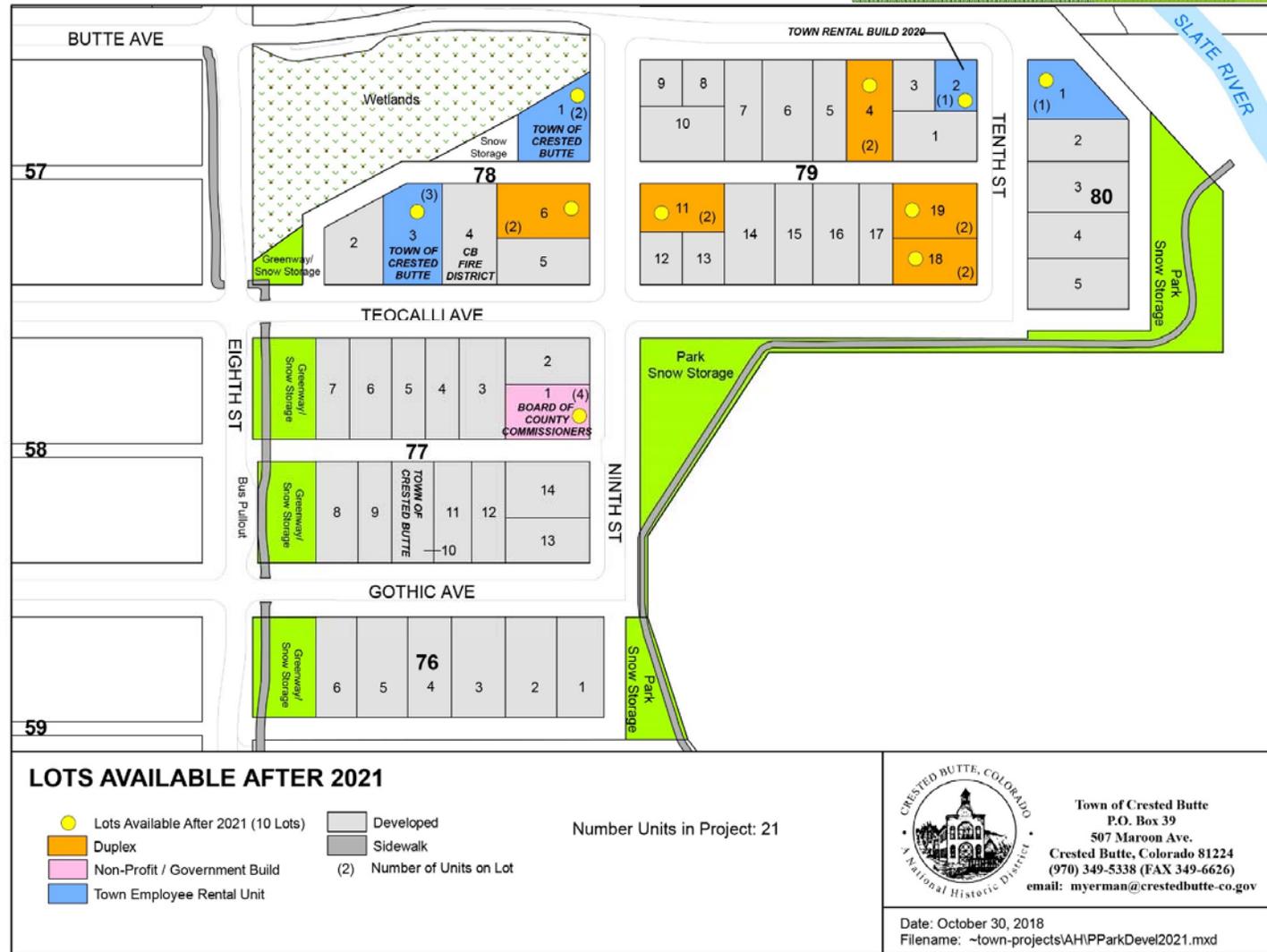
- ▶ RETT contribution of \$550,000
- ▶ STR Tax \$255,000
- ▶ Revenue of \$135,000 for Sale of 3 Deed Restricted Lots
- ▶ Revenue of \$1,690,000 for Duplexes
 - ▶ Up to \$75,000 additional subsidy to ensure units hit the 120% AMI Threshold
- ▶ \$400,000 for sale of Lot 5, Block 80?
- ▶ \$528,000 in tap fees for deed restricted units
- ▶ \$58,000 contribution to GVRHA
- ▶ \$50,000 Contribution Towards Block 76 engineering, Survey, and Legal work
- ▶ \$620,000 for Purchase of Town Duplex (2 units)
 - ▶ Bringing the Town total to 10 out of 15 employee units



Proposed Block 76

2021 and Beyond

- ▶ 21 Units left in Paradise Park
- ▶ 7 Possible Town Rental Projects
- ▶ 4 Units BOCC
- ▶ 5 Duplex Lots



2021 Budgeting and Beyond

- ▶ Town has annual Revenue of approximately \$350,000 per year earmarked for housing
 - ▶ Town Council should target a minimum fund reserve prior to beginning a new build
 - ▶ Yearly RETT contribution is not a sustainable funding source given the long list of capital project and Council priorities
- ▶ Tap fee deferrals are an annual cost regardless of Town projects
 - ▶ ADUs, ROAH Units, and Commercial Units
 - ▶ Approximately \$400,000 in tap fees remaining in Paradise Park alone
- ▶ Deed Restriction Purchase Program
 - ▶ Recommending a \$75,000 contribution beginning in 2020 of ROAH Fees per year earmarked for this program
 - ▶ Sale of Lot 5 Block 80 as only resident occupied could help begin this program- Min Bid \$400,000
- ▶ GVRHA \$58,000 yearly contribution
- ▶ Need Regional Tax to assist with additional Builds into Future

2021 and Beyond Cont'd

▶ Slate River Annexation

- ▶ Needs Planning \$200K
 - ▶ 6 Years of Required Planning and Construction
- ▶ Dump Clean up of 1 Acre \$350K-\$500K
- ▶ Up to 12 units ready for development
- ▶ Focus should be for Major Rental Project on the Corner of Butte and Gothic Avenue
- ▶ Need Regional Partnerships to make project successful
- ▶ Close to \$1,000,000 in tap fee deferrals
- ▶ Estimated \$1.5 Million in total horizontal costs

