

Housing



Vision

Community Workforce Housing is a cornerstone for our strong year-round community and a healthy economy.

Community Workforce Housing: Housing created to support a healthy year-round community and a healthy workforce. Also known as deed-restricted housing, and Affordable Housing.

Philosophy

We believe it is important to continue to provide Community Workforce Housing because it promotes:

- A reliable workforce in the Aspen area;
- Opportunities for people to live where they work, thereby reducing adverse transportation impacts and growth pressures throughout the Roaring Fork Valley;
- Environmental and economic sustainability;
- A stable community that is invested in the future of the Aspen Area;
- Lights-on neighborhoods;
- Increased citizen participation;
- A better visitor experience, resulting in an appreciation of our local identity; and
- A more diverse community, including singles, families and seniors.

Aspen Area Housing History

In the early 1970's, free-market housing that had primarily housed local employees was being demolished and redeveloped as second homes. By 1974, the City and County began addressing this trend by establishing separate affordable housing programs and 14 years later formed the joint Aspen/Pitkin County Housing Authority (APCHA). APCHA is currently funded through a City of Aspen sales tax and a Real Estate Transfer Tax (RETT).

The State enacted legislation in 2001 granting Housing Authorizes across the state specific powers to raise revenue through sales taxes, use taxes, an ad valorem (property) tax, and/or a development impact fee. To date, APCHA has not pursued these revenue sources.

APCHA operates under the 4th Amended Intergovernmental Agreement between the City of Aspen and Pitkin County. This agreement has eliminated APCHA's role as an active developer of workforce housing; that role has been assumed by the City of Aspen.

Currently, APCHA is principally involved in the qualification, sales, and enforcement of the workforce housing program and is involved in the oversight of over 2,800 units of deed-restricted housing. The APCHA Board of Directors alone, or in concert with other entities, suggests new policy, programmatic changes, and legislation, or makes recommendations, as required by the City, County or State.

The creation of Community Workforce Housing is the responsibility of our entire community, not just our government. Living in Community Workforce Housing is not a right or a guarantee, but a privilege, carrying with it responsibilities to future generations, such as long-term maintenance and regulatory compliance.

We must stop the loss of free-market workforce housing that has occurred over the years. Continuing economic pressures in the form of high real estate prices, shifts in the national economy, limited public funds, and limited available land in the geographical “bowl” at the top of the Roaring Fork Valley are all critical factors in our ongoing effort to maintain a healthy housing program. We cannot solely build our way out of this problem; we should also be using our existing buildings and housing stock more effectively.

We need to focus our efforts on growth policies that limit or reduce the need for more housing. These policies should include expanding our ability to limit annual growth, maximizing our ability to require housing mitigation, and limiting the types of uses that result in excessive job generation. We believe it is important to mitigate our impacts within the UGB, rather than pushing them elsewhere. This means increasing mitigation requirements and continuing to pursue greater private sector participation in the creation of Community Workforce Housing.

We continue to believe, as was stated in the 2000 AACP, that, “Our housing inventory should bolster our economic and social diversity, reinforce variety, and enhance our sense of community by integrating affordable housing into the fabric of our town. A healthy social balance includes all income ranges and types of people. Each project should endeavor to further that mix and to avoid segregation of economic and social classes ... Housing should emphasize quality construction and design even if that emphasis increases [initial] costs and lessens production.” New Community Workforce Housing should be compatible with and integrated into our existing neighborhoods.

Loss of Workforce Housing

Since 2000, we have built or approved 850 new affordable housing units. However, in that same time period approximately 600 free-market housing units that housed local working residents have been lost -- mostly due to residential redevelopment and conversion to second homes.

On the Horizon

As the community continues to provide Community Workforce Housing, it is important to recognize and understand the challenges on the horizon.

- We must continue to track changes to the Colorado Common Interest Ownership Act (CCIOA) and update our housing policies on a timely basis.
- APCHA should vigorously promote adoption of CCIOA by existing associations, and require new associations to adopt CCIOA.
- Lending practices are changing, resulting in new and potentially difficult financing.

CCIOA: The Colorado Common Interest Ownership Act (CCIOA) was created by the Colorado State Legislature and became effective on July 1, 1992. All HOA’s created after July 1, 1992 are bound by this Act. It was created to promote the availability of funds for financing the development of such homeowner associations by enabling lenders to extend the financial services to a greater market on a safer, more predictable basis because of standardized practices and prudent insurance and risk management obligations. The Act helps to protect the rights of each homeowner.

Policies and Action Items

The following policies and action items are adopted to address the following critical issues: 1) Sustainability and Maintenance, 2) Development and Program Needs, 3) Development and Funding, 4) Land Use and Zoning, and 5) Regulatory.

I. SUSTAINABILITY AND MAINTENANCE

Policies

I.1. Ensure all Community Workforce Housing (CWH) has adequate capital reserves for maintenance and significant capital projects.

I.2. Ensure all deed-restricted housing units are utilized to the maximum degree possible.

I.3. Emphasize the use of durable and environmentally responsible materials, while recognizing the realistic lifecycle of the buildings.

I.4. Ensure all deed-restricted housing units are used and maintained for as long as possible, while considering functionality and obsolescence.

Action Items

I.1.a Require new CWH to complete a Capital Reserve Study and regular updates. *(I – APCHA)*

I.1.b Ensure CWH assess adequately for maintenance and reserves based on the study. *(I – APCHA)*

I.1.c Conduct Capital Reserve Studies of publicly-owned rental inventory and set priorities for maintenance of existing housing stock. *(I – APCHA, City Manager, County Manager)*

I.1.d Create a requirement for existing HOAs to prepare Capital Reserve Studies. *(I – APCHA)*

I.2.a Update and standardize deed restrictions as practically possible upon new sales. *(I – APCHA)*

I.2.b Review seasonal and rental usage of CWH to ensure the policy is being implemented. *(I – APCHA)*

I.3.a Create incentives for CWH residents to improve the energy efficiency and safety of their units. *(I – APCHA, EH, CI, B)*

I.3.b Amend the Housing Guidelines to establish standards for materials, equipment and utility systems that emphasize durability, environmental stewardship, and safety. Allow for amendments to keep pace with technological improvements. *(I – APCHA, P, B, EH)*

I.4.a Conduct a cost/benefit study of housing inventory to determine whether it is more cost effective to maintain existing housing stock or to rebuild it. *(I – APCHA)*

I. SUSTAINABILITY AND MAINTENANCE, cont.

Policies

I.5. Provide educational opportunities to potential and current homeowners regarding the rights, obligations, and responsibilities of homeownership.

Action Items

- I.5.a Create and implement an education program for buyers and existing owners of CWH that addresses the issues of funding, buyer’s rights and obligations, and homeowner’s responsibility to maintain units for future generations. *(LT – APCHA)*
- I.5.b Create and implement an education program that outlines the purpose of the CWH program and the trade-offs made by the community to build CWH. *(LT – APCHA)*
- I.5.c Educate applicants regarding all costs and ongoing expenses related to living in CWH, including taxes, heating and water rates, snow removal, special assessments, etc. *(LT – APCHA)*
- I.5.d Revise APCHA guidelines to ensure applicants can only purchase the category that is within their financial means. *(I – APCHA)*
- I.5.e Require professional home inspections by CWH home buyers when housing units are purchased. *(I – APCHA)*

II. DEVELOPMENT & PROGRAM NEEDS

Policies

II.1. Ensure the housing inventory bolsters our socioeconomic diversity.

Action Items

- II.1.a Review and revise APCHA Guidelines to reflect current and future category demand using 3-5 year projections. *(I – APCHA)*
- II.1.b Create options to provide greater flexibility for movement of existing residents within APCHA inventory to accommodate shifts in housing needs. *(I – APCHA)*
- II.1.c Review current mix, categories, and incentives to ensure opportunities for a broad spectrum of workers. *(I – APCHA)*
- II.1.d Study the model used by Aspen Volunteer Fire Department for possible implementation. *(I – APCHA)*

II. DEVELOPMENT & PROGRAM NEEDS, cont.

Policies

II.2. Ensure Community Workforce Housing (CWH) is prepared for the growing number of retiring Aspenites.

II.3. Promote private involvement in the creation of Community Workforce Housing (CWH).

Retirees in Housing Trends

In a trend tied to the demographics of Aspen's workforce, a growing share of Aspen employees are nearing retirement age or are projected to enter retirement in the foreseeable future. Assuming that a significant share of these residents choose to remain in Aspen, the net effect will be that the existing affordable housing stock will house a reduced number of workers.

Modeling conducted by APCHA staff indicates that up to 1,142 retirees will be living in APCHA's existing affordable housing stock in 2032, up from 207 retirees today. It would take approximately 634 additional units in 2037 to house an equivalent number of active employees, assuming 1.8 employees per unit.

II.4. Increase the rate of occupancy for existing Accessory Dwelling Units & Caretaker Dwelling Units and ensure new ADUs and CDUs are occupied by local working residents.

Action Items

II.2.a Gather data on the current and future trend of retiring Aspenites and analyze the potential impacts on CWH. Amend the Housing Guidelines to implement the findings. *(LT – APCHA)*

II.3.a Establish a working group of people who represent the City, County, public agencies, and the private sector in the development of CWH to implement the policy. *(I – APCHA, Housing Frontiers, City and County Managers, private sector, taxing districts)*

II.3.b Explore the creation of a program where the City or County would provide a tax benefit, payment or life estate planning or other financial incentive to a free-market homeowner to include their property in the City/County's land banking of future CWH. *(I – City Manager, County Manager)*

II.3.c Explore creating a program for short-term deed restrictions. *(I – APCHA)*

II.3.d Explore the benefits of expediting specific projects through the development and construction phase. *(I – P, B, APCHA)*

II.4.a Determine the relative value of the City ADU and County CDU programs versus other mitigation methods. If the programs are determined to be ineffective, then discontinue the programs or establish new incentives or occupancy requirements to generate increased utilization of units. *(I – APCHA, P)*

II.4.b Amend the City and County land use codes to ensure mandatory occupancy of new ADUs and CDUs by local workers. *(I – P, AO)*

II.4.c Explore incentives and penalties to ensure existing ADUs and CDUs are occupied by local workers. *(I – P, APCHA)*

II. DEVELOPMENT & PROGRAM NEEDS, cont.

Policies

II.5. Ensure employers participate in the creation of seasonal rental housing.

II.6. Ensure employers who provide housing for their workers through publicly-owned seasonal rental housing assume proportionate responsibility for the maintenance and management of the facility.

II.7. Redefine and improve our policy of re-using existing housing stock.

Buy-Down: When a free-market unit is turned into a deed-restricted unit or a deed-restricted unit is turned into a lower category unit.

Buy-Out: When the deed-restriction on a unit is purchased and eliminated, making the unit free-market. The money gained from eliminating a deed-restriction on one property can be used elsewhere in the housing program.

Action Items

II.5.a Create a working group of interested parties to explore the creation of new seasonal rental housing. *(I – APCHA, Housing Frontiers, City Manager, County Managers, private sector)*

II.6.a Explore methods to place proportionate responsibility on employers for the management and use of existing seasonal housing. *(I – APCHA, City Manager, County Managers, private sector)*

II.7.a Amend the City and County land use codes and Housing Guidelines to clarify the parameters of buying down a property to address issues such as requirements of condominium declarations, allocation of assessments, physical condition and long term maintenance. *(I – P, APCHA)*

II.7.b Explore amending the City and County land use codes to define the parameters of a “buy-down” mitigation unit, in other words, whether buy-down applies solely to free market units, or can also occur within CWH categories. *(I – P)*

II.7.c Conduct a study to determine the financial feasibility of the public sector engaging in the buy-down of free-market units compared to constructing new affordable housing units. *(LT – P, APCHA)*

II.7.d Explore the creation of a buy-out program. *(I – APCHA)*

II.7.e Require a Capital Reserve Study, plan and adequate assessments for maintenance and proportionately-funded reserves when a buy-down or buy-out is being considered. *(I – APCHA)*

III. DEVELOPMENT & FUNDING

Policies

III.1. Ensure fiscal responsibility regarding the development of publicly-funded housing.

Housing Funding

Combined, the city's 1 percent real estate transfer tax (RETT), its portion of the 0.45 percent housing/day care sales tax, and the county's housing impact fee, together generate approximately \$5 to \$6 million in annual revenue for affordable housing development. Annual revenue fluctuates with the economy

Action Items

- III.1.a Evaluate current funding sources for sustainability and develop a list of potential funding options. *(I – APCHA, City Manager, County Manager)*
- III.1.b Explore APCHA's taxing authority as an option to fund CWH. *(I – APCHA)*
- III.1.c Explore the potential to obtain grants from FHA and other entities. *(I – APCHA)*
- III.1.d Update housing cash-in-lieu fees to reflect the total cost of development. *(I – APCHA)*
- III.1.e Establish criteria or attributes that help identify and rank desirable housing locations. *(I – APCHA, City Manager, County Manager)*
- III.1.f Conduct a cost/benefit analysis in order to prioritize existing publicly-owned property to be developed for CWH within the UGB. *(I – APCHA, City Manager, County Manager)*
- III.1.g Identify all housing that carries expiration on its deed-restrictions, such as Centennial, Castle Ridge, and evaluate the feasibility of keeping them in the inventory. *(I – APCHA, City Manager, County Manager)*
- III.1.h Require the City and County engage a local real estate broker, appraiser, and inspector as buyer's agents before the purchase of any real estate. *(I – City Manager, County Manager)*

IV. LAND USE & ZONING

Policies

IV.1. All development should provide housing to accommodate 100% of its employees.

Housing Mitigation

Currently, the City Land Use Code requires new commercial development to provide housing for 60% of the employees generated.

IV.2. On-site mitigation is preferred.

Action Items

IV.1.a The City and County shall conduct an updated study on job generation impacts for all types of development, including part-time and full-time residential development. The study should include consideration of different property types and neighborhoods, and should be updated as needed. *(I - P, APCHA)*

IV.1.b Explore the creation of a partial exemption process if clearly defined community housing benefits are provided (see 1.d). If a partial exemption process is pursued, consider a minimum threshold of required housing mitigation. *(LT - P, APCHA)*

IV.1.c Develop and codify review standards that allow the mix of on-site versus off-site community housing to be evaluated objectively based on the community housing benefits list (see IV.1.d). *(LT - P)*

IV.1.d Define Community Housing Benefits. *(I - P&Z, APCHA)*

IV.1.e Amend the City and County codes to incorporate the 100% mitigation policy and job generation study (see 1.a), while allowing for exemptions for projects with community housing benefits. *(I - P)*

IV.1.f Amend the City and County codes:

- i - to ensure, to the greatest extent possible, the categories of housing mitigation / cash-in-lieu fees match the income level of the jobs created by the development.
- ii - to require housing mitigation to be provided prior to or concurrent with the development that generates it.
- iii - to ensure that public sector projects are subject to housing mitigation requirements.

(I - APCHA, P)

IV.2.a Amend the city and county codes to include the following prioritization for housing mitigation for all types of development:

- i. on-site
- ii. off-site (buy-down, buy-out, and Housing Credits)
- iii. cash-in-lieu *(I - P)*

IV.2.b Amend the city and county codes to prohibit the conversion of existing lodge units to affordable housing. *(I - P)*

IV.2.c Update the Housing Guidelines to provide a mechanism to reject mitigation offered by developers when it does not meet APCHA guidelines/policies. *(I - APCHA)*

IV.2.d Amend the City and County codes to allow off-site housing only through a special review process. *(I - P)*

IV.2.e Amend the City and County codes to require all development that generates jobs within the Aspen UGB to provide mitigation in the UGB. *(I - P)*

IV. LAND USE & ZONING, cont.

Policies

IV.3. The design of new Community Workforce Housing (CWH) should be compatible with the massing, scale and character of the neighborhood, while optimizing density.

IV.4. CWH should be designed for the highest energy efficiency and livability.

IV.5. Ensure that residents of Community Workforce Housing (CWH) and free-market housing in the same neighborhood are treated fairly, equally, and consistently regarding quality of life issues.

IV.6. Track trends in housing inventory and job generation to better inform public policy discussions.

Action Items

IV.3.a Amend City and County codes to ensure that all new CWH is compatible with the massing, scale and character of the neighborhood. *(I – P)*

IV.4.a Amend the Housing Guidelines to establish standards for materials, equipment and utility systems that emphasize durability, environmental stewardship, while keeping pace with technological improvements. *(I – APCHA)*

IV.4.b Amend the Housing Guidelines to establish livability standards that promote pride of living in CWH. These could include soundproofing, and storage that meets the needs of a community that enjoys an active, outdoor lifestyle. *(I – APCHA)*

IV.5.a. During the review of any new CWH development, the prohibitions, constraints, and permissions generally found in the neighborhood, such as those regarding parking and pets, should be consistently applied to the proposal. New CWH development must not be the subject of discrimination. *(I – P)*

IV.6.a Develop and implement a system to reliably track the gain and loss in free-market housing traditionally used by local workers. *(I – P, City Manager, County Manager, APCHA)*

V. REGULATORY

Policies

Action Items

V.1. Ensure the rules, regulations and penalties of Community Workforce Housing (CWH) are clear, understandable and enforceable.

Housing Guidelines: A set of rules that govern the development of, admission to, and occupancy of deed-restricted units for Aspen and Pitkin County.

V.2. Ensure effective management of CWH assets.

- V.1.a Rewrite the Housing Guidelines (APCHA rules, regulations, and penalties) in a clear and concise format. *(LT – APCHA)*
- V.1.b Review and revise enforcement methods with specific placement of authority, recognizing monetary resources needed to implement. *(I – APCHA)*
- V.1.c Clarify the roles and authority of APCHA in the City-County Inter-Governmental Agreement (IGA), and revise as necessary. Review the objectives of the IGA and determine how the IGA should operate. This should be a meeting that is facilitated by an independent party. *(LT – APCHA, City Manager, County Manager)*
- V.1.d Amend the Housing Guidelines to require people to sell their free-market home before they are able to move into CWH. *(I – APCHA)*
- V.2.a Create a formal governance/management agreement between APCHA and individual homeowners associations. *(I – APCHA)*
- V.2.b Review local, state, and federal guidelines and laws related to homeowners associations to ensure compliance. *(I – APCHA)*
- V.2.c APCHA should vigorously pursue requiring all associations to adopt the Colorado Common Interest Ownership Act (CCIOA). *(I – APCHA)*
- V.2.d Actively review state law, and lobby when appropriate regarding the development and funding of CWH. *(LT – APCHA, City Manager, County Manager)*