



Focus Team: Project Economics & Stewardship #2

Date and Location: Wednesday, February 23, 2022 – Community Center East Room

Estimated Attendance: 25

Guiding Questions:

- Importance of wealth creation at Brown Ranch vs. preserving long-term affordability?
- How important is homeownership at Brown Ranch relative to simply providing housing?
- What value do we place on economic and housing mobility within Brown Ranch – is housing there a step to additional housing within broader Steamboat (gateway) or do we expect internal community mobility?
- Spatially, what does community integration/diversity look like for different income levels served and owners vs. renters?

Key Technical Information Shared:

Technical consultant Willa Williford presented on two “shared equity models” for homeownership: deed restrictions and community land trusts to start a conversation about long term affordability at Brown Ranch. See attached slides. Meeting recording available upon request.

Public Input:

Questions:

- Is workforce a broad enough term? How inclusive will it be?
- What are the rules of the road that YVHA will follow?
- Whos’ going to pay for it and how are we going to finance it?
- How do we define wealth?
- Comment on wealth building: Does it only cater towards a financial component? What is the philosophy behind the term?
- How does this address the seasonal employee who will eventually become a full-time employee aka “a local?”
- Isn’t there the opportunity to do all of it? Land lease? Deed restrictions? Rentals?
- How much is land is actually buildable?
- How do you define short term rentals?
- Do seasonal workers qualify for deed restricted housing?
- What is allowed in a hardship place?
- IF YVHA has a land trust and YVHA owns the land, but I own the structure? Can I come in a build on that parcel of land?
- How does Brown Ranch improve the economics of our town?

Comments:

- No short-term rentals should be allowed at Brown Ranch. Homes at Brown Ranch should be one's primary residence. For rentals, leases should be 6 months or longer.
- It makes sense for YVHA to create encumbrances for Brown Ranch to maintain affordability.
- The idea of individual ownership restricts the modification of the community.
- There is concern that if the community is 100% rental, that people will end up leaving the community. Some people do want to own a home and we will divide and drive people out of the community if we don't offer both rentals and for purchase options.
- We need to maintain the continuity of the community we are building.
- Through deed restrictions, we could gain a wealth of knowledge, a wealth of introduction to home ownership. Can we take the monetary component out of the word wealth?
- We need to define parameters around retiree's and how they fit into workforce housing.
- Create a priority list as to what the defines workforce housing.
- We need to not forget about the value of the people who will be moving here and still enhancing our community.
- It feels as though we are focusing all our efforts on the people that are already here.
- The mainstay of wealth is financial: we are talking about equity.
- DR cap what the wealth creation CAN be.
- Talking about habitat for humanity - built house for \$60/ sq ft 20 years ago. Struggles with the appreciation cap. Sees value in a land lease. Does not see rental restriction or a deed restriction as a viable answer.
- I think we should be giving a hand up not a handout.
- We need to be building a healthy and viable community for the long term.
- "We don't want this community to follow one ideology. We need to maintain DIVERSITY."
- We need to remember this isn't going to solve ALL of Steamboat's housing issues.
- I would hope that it would be a zero percent short term rental property.
- People in this community should not be able to monetize on the subsidy that is going into the project.
- If you only must pay 30% of income instead of greater than 30% that lets you save more money and build wealth.
- There are a lot of people in this town that do have the funds to purchase a home, it feels as though everyone is anticipating a bunch of broke people will be moving out there.
- The restrictions need to be flexible around individual changes in circumstance.
- We need to be heavy on the front end of the education. As simple as we are going to make whatever stewardship mechanism we choose, it is going to be complex for most.
- Due to the diversity that we want to have at BR, we are going to have that outreach and education because the property may have lots of different kinds of restrictions (potentially).

YVHA FOLLOW-UP FOR WEEKLY REPORT**Resources needed from technical consultants for next meeting**

- Our current blue-ribbon deed restriction. Thoughts on what HASN'T worked regarding deed restrictions?

SL BROWN RANCH

- Depreciation standards?
- Definitions of workforce housing – Demand/ Nondemand meeting. Steering committee will be working to define

Necessary Cross-Collaboration w/other Focus Teams:

Urban Design: spatially, what does community integration/ diversity look like for different income levels and owners vs renters?

Housing & Residential Demand: what do we need? How much do we need to build?

Project Economics & Stewardship Meeting #2 —

Stewardship Guiding Questions

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Project Economics & Stewardship - Meeting 1 Recap

Focus Group Meeting #1 - Feb 16th

Attendance: 22-28 people

Meeting Focus: Listening Session

Big Picture Questions

- Was workforce the term as part of the gift?
- Has there been background work on economics? State, federal, local grants?
- Housing cost been on the rise; what would prevent Brown Ranch from following suit with the rest of Steamboat?
- What are we leaning on from the past, whether it is a success or a failure, to guide us through this?
- Is it possible to build and sell homes under 500K and at least break even without grants or subsidies?
- What is the vision of Brown Ranch? Is this supposed to be used as a stepping stone? Or do you anticipate this is the final step for people once they purchase their home?

Deed Restrictions Conversation

- o Discussion of “missing rungs on the housing ladder” - affecting so many people now.
- o Need to focus on long term affordability solution. How is this going to work in 100 years?
- o Not in favor of deed restrictions for sale; opinion that housing at Brown Ranch should be 100% rental.
- o Deed restrictions are great, personal story of successes, communities where they have worked well..
- o Deed restrictions are important; investment of public dollars; keeping things in reach for future generations.
- o I fully support deed restrictions so long as there are affordability targets based on income, appreciations caps, local work requirements, and restrictions on use of the property. There are various deed restriction options, and we can tailor them to what works.
- o Lived in a DR in Aspen, I support it and it allowed me to leave with a little extra cash when it was time to sell.
- o What works for someone isn't always going to work for someone else; need variety of choices and gradation of options.

Stewardship - Value propositions

- If Brown Ranch is to play a significant role in addressing Steamboat's housing gaps, some **well crafted long term stewardship will be needed.**
- Significant public resources are anticipated in Brown Ranch, and in return, the community expects long term stewardship and **affordability for generations to come.**
- We can **learn from our peers** in resort communities and beyond to shape solutions that work for Steamboat.
- YVHA will be the **lead agency** in long term stewardship, and community collaboration and representation in governance will help **create accountability and build public trust.**

Stewardship - Shared Equity Models for Homeownership



Deed
Restriction



Community
Land Trust



Deed Restrictions

Goal: Support long term affordability of for-sale housing for local residents and employees.

How it works: Placing restrictions on use and resale attached to the property's deed. These units are often created through municipal inclusionary housing policies. This could be in the form of building incentives or requirements. (Homeownership/Rentals)

Restrictions on Resale: Often require the owner to live in the residence full-time, and to resell the property to an income-eligible buyer at below market formula-determined price. Can also include local work requirement, and/or asset test.



Deed restrictions are very common in Colorado mountain communities. For example: 1500+ in Aspen/Pitken County, 2,000+ in Eagle Valley, 400+ in Gunnison Valley, 1,000+ in Summit County, and many communities beyond Colorado.



Community Land Trusts

Goal: Creating long-term affordable housing that is supported and governed by the community and residents.

How: A community-governed nonprofit organizations that own land and lease it to homeowners or renters at affordable rates. A board that includes residents of the CLT makes decisions on the property including the resale formula. (Homeownership/Rentals)

Restrictions on Resale: There are often similar restrictions that deed restrictions have.



SIMPLICITY

- **Simple and inclusive** restrictions
- **No short-term rentals.** Foster community, make housing available for full-time locals
- Reserve for **local employees**, not for those who work remotely
- Ensure definitions are **clear and understandable** (i.e. what does “sole residency” mean?)

WEALTH BUILDING

- Ensure that residents are able to enjoy housing stability and **build wealth**
- Keep residents from “missing out” on the **benefits of homeownership**

MOBILITY

- Promote movement of residents **from LIHTC to deed restrictions**
- Offer a **range of housing options** so that there is room for mobility
- Housing for first-time homeowners, aging residents, growing families, etc.
- Ensure **rents and mortgages are affordable** so residents aren't cost-burdened

AFFORDABILITY

- Ensuring long-term affordability through **appreciation caps**, setting an appropriate and sustainable **resale formula**, and stewardship techniques
- The housing authority would own the land and **separate the economics of infrastructure from the development economics**, to make homes more affordable (only paying for the structure)

COMMUNICATION EDUCATION & RELATIONSHIPS

- Maintain **strong relationship between residents and YVHA**
- Offer **support and oversight to residents** to maintain the quality of homes and ensure residents are able to make payments
- Provide **education and clear expectations/guidelines for residents** throughout the process

Stewardship: Next Steps

- **Research and Best Practices - Deep Dive**
 - Land Trusts
 - Deed restrictions from resort communities
- **Interview subject matter experts**
- **Match best practices with Brown Ranch housing typologies & tenure:**
seasonal, low income, entry level, and move-up
- **Link stewardship findings to strategies coming from other focus areas:**
urban design, infrastructure, and sustainability
- **Touch base with this group (March 16th)**
- **Provide key findings and recommendations to the Steering Committee**

