

Focus Team: Housing & Non-Residential Demand #3

Date and Location: Monday, February 28, 2022 – Community Center West Room

Estimated Attendance: 22

Guiding Questions:

- Do we feel comfortable with the idea that almost all affordable households will be renters, and preserving mostly move-up ownership?
- How do we feel about each product type and the households served? Do these appropriately address the need?
- Who are we missing and what types of housing would be suitable for them? How do we capture those needs and voices?

Key Technical Information Shared:

Dana Schoewe, Vice President RCLCO, shared preliminary findings in RCLOC's housing demand study, with a focus on household segmentation. See attached slides.

Public Input:

Questions:

Q: Will there be rent to own opportunities?

A: TBD

Q: Does the demand analysis include people who live in Moffat County but work in Routt County?

A: RCLCO didn't specifically look at demand from outside the county.

Q: Will data compiled in other community outreach (employers, marginalized folks, etc.) be shared with focus teams?

A: That data will be shared with the technical consultants and factor heavily into the Comprehensive Development Plan.

Q: How do we preserve homeownership opportunities?

A: Deed restrictions and community land trust (come to Stewardship/Econ meeting this Wednesday 3/2).

Comments:

Homeownership vs. Rental Mix

L BROWN RANCH

- If we concentrate on serving the large numbers of renters, we may accommodate the tourism/service industry, but not the jobs necessary to serve the health and welfare of the community.
- I work in non-profit healthcare. Many of my peers in education/human service/public safety may be okay renting now, but if the need for ownership stability is neglected, this population will be at risk of leaving.
- People in essential jobs: teachers, police, nurses, fire, etc. typically want to buy, not rent.
- Considering Phase 1 will not be delivered for a few years, by the time we offer ownership options, a large number of professionals in community will be lost.
- I prefer the third column- ownership prioritization, given that YVHA already prioritizes renter units in other developments.
- Not just “move up” segment should have opportunity to purchase housing (“affordable” segment should be able to, too).
- Concern that prioritizing renters will impact community character because people have less stake in where they live.
- I think to cultivate a community, we need homeownership.
- Be careful about saying renters don't cultivate community.
- Would it be possible to have a weighted lottery that supports health and welfare workers...like teachers, police officers, restaurant workers?

Product Type Mix

- Product mix: need options for all.
- I'm less concerned about the housing type, so long as it has amenities that support long term living: access to gardening space, yards for pets, and garages to store our outdoor toys. Most high-density places don't have any of this. That being said, I like the idea of duplexes and single family attached style to strike a balance between independence and smart space usage.

Other Comments

- Question for the group: If your only opportunity is to buy deed restricted home ownership, would you do that, or prefer to rent?
 - Yes. “I just want to buy a house.”
 - Yes, I would start by buying a deed restricted house, then in 5 years or so, hope for the stability/mobility to buy a market-rate house, because that's how you build equity/make money.
- All units should be deed restricted but with varying levels of deed restriction (for example, all owner-occupied)
- Who are we missing?
 - Healthcare workers who do not live here fulltime.
- We need to provide plenty of affordable housing to support the community. But with such a large block of land, if the focus is 100% affordable housing, we are at risk of exacerbating



income disparity. Employers will be well off because they'll have housed employees. But with deed restrictions, people may become stuck. Be sure not to leave out the middle income.

- As to the last question, I think that live/work units should be considered for local business owners- space for creative industries, manufacturing, personal training, that sort of space, as is found in the west side
- Will the inventory created by Brown Ranch create more opportunities for housing elsewhere in the community?
 - Yes.
- Brown Ranch will contain numerous projects, phases, funding sources, etc., not just "One thing" that will be built out over the entire area.
- Consider fulfilling need with more tax credit projects?
- Narrow in on "problem determination" before determining a solution.
- Two other types of historical housing in Routt County for affordable/entry level are small cabins and mobile homes.

Recommendations to the Steering Committee: N/A

Next Steps and Action Items: N/A

YVHA FOLLOW-UP FOR WEEKLY REPORT

Resources needed from technical consultants for next meeting

- Include data from Mountain Migration Survey to account for lag in national data.

Necessary Cross-Collaboration w/other Focus Teams:

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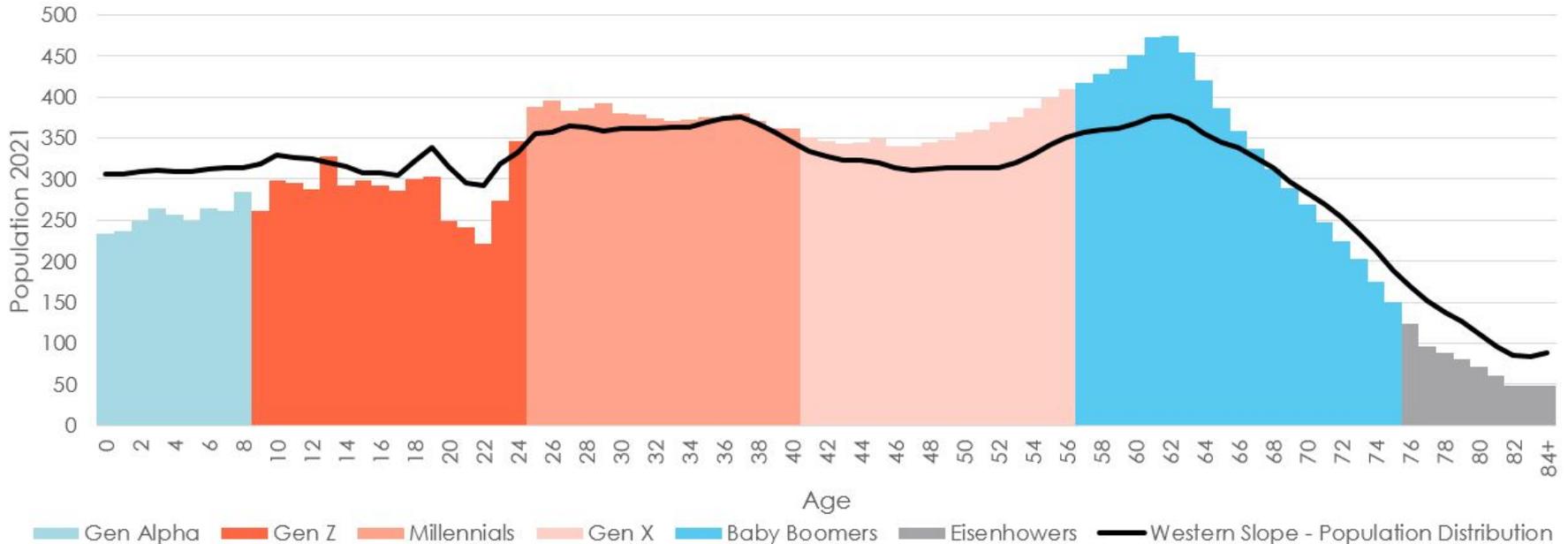
Household Segmentation Key Takeaways

- Today, there are a large number of families and empty nesters in the Steamboat area
- In the future, there will be more small families and more seniors
- There are trade-offs between the degree to which Brown Ranch caters to existing households vs. expected new households
- There are trade-offs between the amount of housing and types of housing Brown Ranch can provide

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Household Segmentation by Age

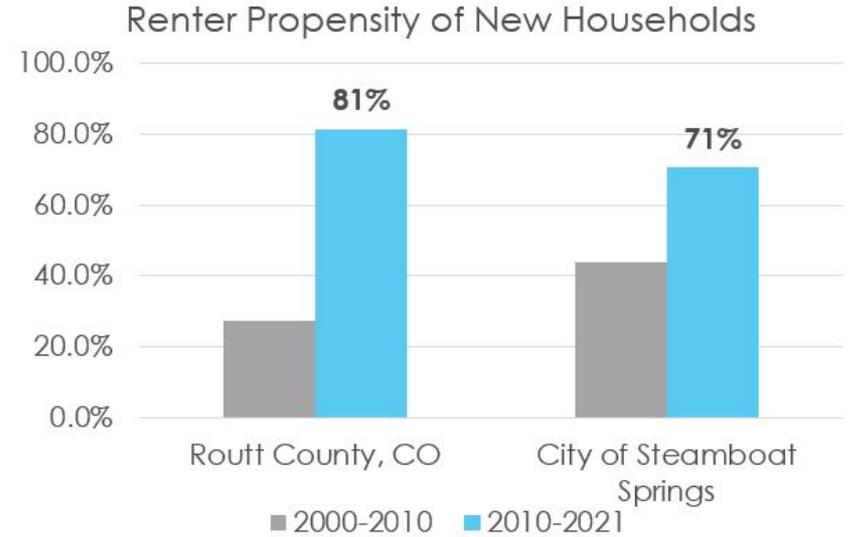
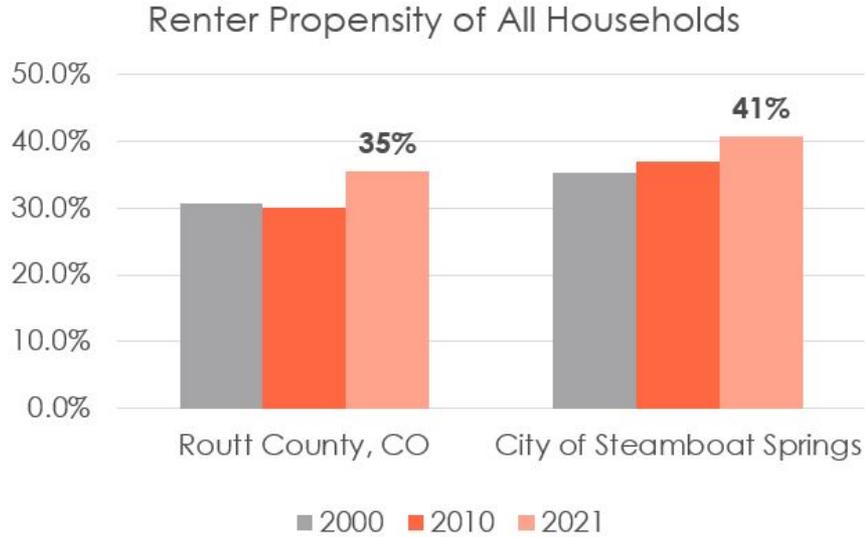
- Routt County has a large concentration of Baby Boomers, Millennials/Gen X, and a large share of small, family households compared to the Western Slope



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Understanding Tenure in the Yampa Valley

- The vast majority of new households are renters, some by choice, but many likely due to high for-sale housing costs in Steamboat

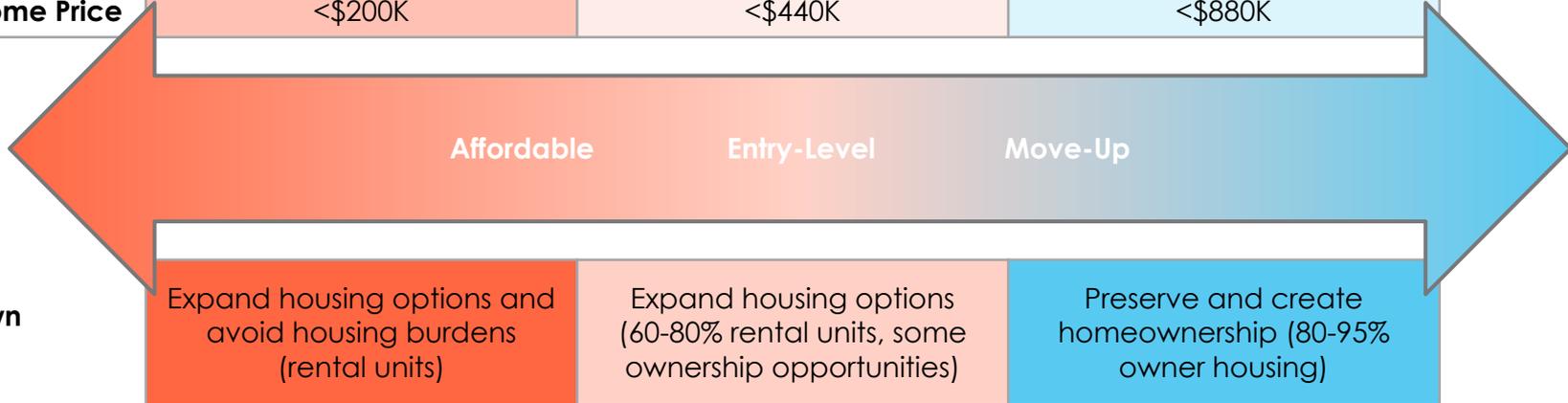


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How should we approach community tenure?

- Prioritize affordability and increasing supply at lower income levels, preserve and create ownership at higher local income levels is one good strategy
- Need to take into account urban design and project economic feasibility somewhat (next week's focus)

| | | | |
|------------------------------|--------------|-------------------|--------------------|
| Income Levels | <\$44,000 | \$44,000-\$94,000 | \$94,000-\$189,000 |
| Affordable Rent | <\$1,100/mo. | <\$2,400/mo. | <\$4,700/mo. |
| Affordable Home Price | <\$200K | <\$440K | <\$880K |



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Household Segmentation Definitions

- To understand housing needs, we need to first unpack who lives in the community today and how it will grow

| Non-Family Household Segments | Description | Share of Owners | Share of Renters |
|---|--|-----------------|------------------|
| Young - Singles, Couples, & Roommates | Under the Age of 35 | 4.0% | 24.5% |
| Mid-Life - Singles, Couples, & Roommates | Between the Ages of 35 and 64 | 41.9% | 33.9% |
| Mature - Singles, Couples, & Roommates | Above the age of 65 | 19.8% | 8.2% |
| Total Non-Family | | 65.7% | 66.6% |
| Family Segment Distinctions | | | |
| New Family | 2-4 Household Members; Head(s) of Household are Under 35 | 4.4% | 8.4% |
| Intermediate Family | 2-4 Household Members; Head(s) of Household are Between 35 and 54 | 18.4% | 14.2% |
| Large Family | 5+ Household Members; Head(s) of Household are Under 55 | 5.9% | 8.7% |
| Aging Family | Any Size Family; Head(s) of Household are Over 55 | 5.6% | 2.1% |
| Total Family | | 34.3% | 33.4% |

Note: Family includes households with children under age 18

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Top Types of Households in Routt County

- Renter households in Routt County are more diverse than owner households; many owners have likely lived in the county a long time

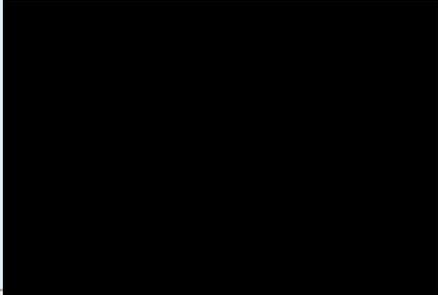
| TOP OWNER SEGMENTS | SHARE OF HOUSEHOLDS |
|---------------------------------|---------------------|
| Move-Up Mid-Life Couples | 12.9% |
| Entry-Level Mid-Life Couples | 11.1% |
| Entry-Level Intermediate Family | 8.3% |
| Move-Up Intermediate Family | 7.8% |
| Affordable Mature Singles | 5.6% |
| Total Top Five Segments | 45.7% |

| TOP RENTER SEGMENTS | SHARE OF HOUSEHOLDS |
|--------------------------------|---------------------|
| Affordable Intermediate Family | 7.5% |
| Affordable Mid-Life Singles | 7.1% |
| Entry-Level Mid-Life Singles | 7.1% |
| Entry-Level Young Roommates | 6.5% |
| Entry-Level Mid-Life Couples | 5.3% |
| Total Top Five Segments | 33.4% |

Source: PUMS; RCLCO

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Understanding Product Types – How can we align with segmentation?

| | Single-Family Detached (SFD) | Single-Family Attached (SFA) | Multifamily/Condo |
|----------------------------|---|--|---|
| |  |  |  |
| Cost to Build | \$350-\$450 / SF | \$300-\$350 / SF | \$165-\$175 / SF |
| Likely Income Level Served | Mostly Move-Up | Entry-Level & Move-Up | Affordable (with LIHTC); Entry-Level |
| Primary Households Served | Families | Families; Couples; Roommates | Singles; Couples; Roommates |
| Density per Acre | 8-10 Units / Net Acre 4-6 Units / Gross Acre | 15-18 Units / Net Acre 10-12 Units / Gross Acre | 25-30 Units / Net Acre 20-24 Units / Gross Acre |

Note: Costs exclude infrastructure.

Image Source: Google Images

Source: Interviews with local developers; RCLCO

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How suitable are these types of housing?

- Cater housing to what households need based on size, offering a mix of product types within each income category

| Household Type | OWNERS | | RENTERS | |
|--|---------------|----------------------------|--------------------------|----------------------------|
| | Product Types | Size | Product Types | Size |
| Young Singles, Couples, & Roommates | SFA & Condo | Small 1-2 BRs | Apartment | Small / Large 1-2 BRs |
| Mid-Life Singles, Couples, & Roommates | SFA & Condo | Small / Large 1-3 BRs | Apartment & SFA | Small / Large 1-3 BRs |
| Mature Singles, Couples, & Roommates | SFA & Condo | Small / Large 1-3 BRs | Apartment & SFA | Small / Large 1-3 BRs |
| Families | SFA & SFD | Average / Large 2 BRs + | Apartment, SFA, & SFD | Average / Large 2 BRs + |

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There are multiple Phase I development programs we can consider

- The middle program shown factors in household sizes and a shift toward rentals for affordable and entry-level households
- The first and third programs maximize renter demand (need), and owner demand (more move-up households with a stronger emphasis on ownership), respectively

| | Higher Affordability/ Address the Near-Term Need | | "Fair Share" of Phase I Demand | | Even Tenure/ Stronger Ownership Prioritization | |
|-----------------|--|------------|-----------------------------------|------------|--|------------|
| | Owner | Renter | Owner | Renter | Owner | Renter |
| Small Apartment | 5 | 401 | 35 | 282 | 54  | 209 |
| Large Apartment | 3 | 185 | 18 | 130 | 28 | 97 |
| Small SFA | 9 | 16 | 64 | 11 | 96 | 8 |
| Large SFA | 12 | 125 | 82 | 88 | 125 | 65 |
| Average SFD | 8 | 33 | 54 | 23 | 82 | 17 |
| Large SFD | 2 | 0 | 13 | 0 | 20 | 0 |
| TOTAL | 40 | 760 | 266 | 534 | 405 | 396 |
| | 5% | 95% | 33% | 67% | 51% | 49% |

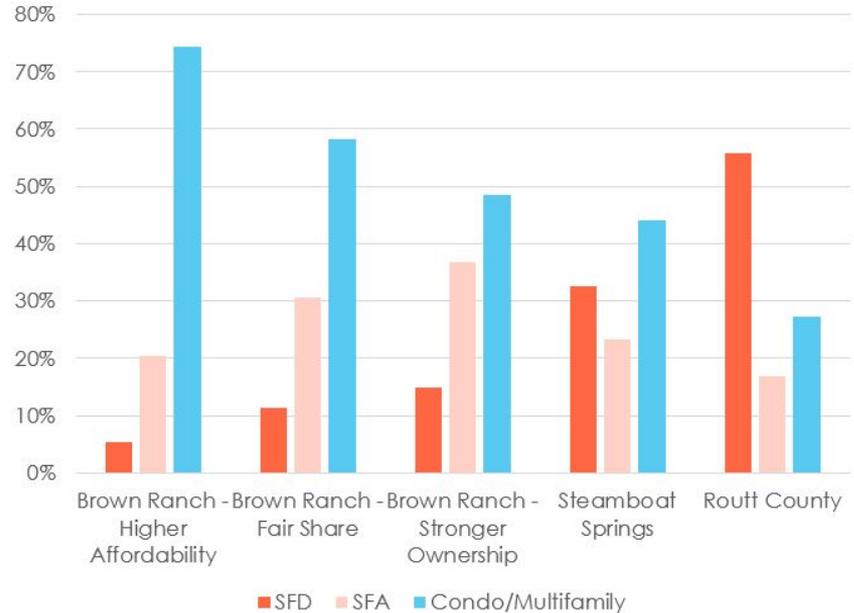
Note: Phase I assumed to be 800 units based on preliminary infrastructure needs; demand 2026-2030

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Product Types & Land Area Comparison

- If the Brown Ranch and Routt County were the same land area, the Phase I scenarios shown would provide at least 1.5x the amount of housing as the county
- Even with “fair share” or “stronger ownership” mix of products, condo/multifamily units would take up a minority share of residential land area relative to SFA and SFD
- Urban design of the community is important, and needs to align with ideas about the households to serve

Product Type Distribution



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