

# BROWN RANCH AFFORDABILITY MEASURES—

May 10, 2023



# Agenda —

- **Affordability Vision**
- **What is Affordable?**
- **Area Median Income (AMI) explained**
- **Achieving Affordability**
- **Maintaining Affordability**
- **Promoting Mobility**
- **Deed Restriction Development**



# Affordability Vision —

## The Community's Top Priority

*“The Brown Ranch will provide affordable and attainable housing options for the Routt County Workforce in a timely and efficient manner that meets both the urgent and long-term need.”*

**100% Local Housing**  
**NO Short-Term Rentals**  
**NO Second Homes**

## **Affordable Housing Commitment**

- Local Workforce (including retirees) requirements for all units.
- Restrictions on every unit to achieve and maintain affordability (Community Affordability Agreement)
- Designed to promote mobility among affordable supply as life changes.

## **Project Economics and Stewardship Focus Team Framework**

- Simplicity
- Affordability
- Mobility
- Wealth Building
- Communication

# What is Affordable? —

## Federal Standard < 30% of gross household income

- Rent + fees + utilities
- Mortgage (PI) + taxes + insurance + HOA + utilities

## Other factors that determine personal affordability

- Total income
- Household size
- Childcare
- Other debts (student loan, car loans, credit cards)
- Length of commute to work
- Life goals

# Area Median Income (AMI) Explained —

- Released annually by HUD through Colorado Housing and Finance Authority (CHFA)
- Uses tax return data to determine Median Income (50% above/50% below) for Routt County
- Percentages of Area Median Income are universally used to restrict rental rates and deed restriction qualifications
- Affordable Monthly Housing Payment calculated using 30% of Gross Monthly Income (before taxes)

<u>2022 AMI</u>	<u>30%</u>	<u>60%</u>	<u>80%</u>	<u>100%</u>	<u>120%</u>	<u>140%</u>	<u>200%</u>
Three Person Household Income	\$27,630	\$55,260	\$73,680	\$92,100	\$110,520	\$128,940	\$184,200
Single Person Household Income	\$21,510	\$43,020	\$57,360	\$71,700	\$86,040	\$100,380	\$143,400
Single Person Affordable Monthly Housing Payment	\$538	\$1,075	\$1,434	\$1,793	\$2,151	\$2,510	\$3,585
Occupation	Seasonal Lifty	Parks Tech	Bus Driver	Firefighter /EMT	Sworn Police Officer	Civil Engineer	IT Manager

# Achieving Affordability —

## Land and Infrastructure Investments

- \$24M Land Donation
- Local, State, and Federal Grants
- Philanthropic Grants
- Short Term Rental Tax Grants

## Vertical Development Subsidy

- Federal Low Income Housing Tax Credits (30%-80% AMI Rental)
- Federal Loan programs (80% AMI Rental)
- State Housing programs (30%-140% AMI Rental and For Sale)
- Local Housing programs (30%-250% AMI Rental and For Sale)

## Down Payment Assistance

## Rental Assistance

# Maintaining Affordability —

## Community Affordability Agreement (for-sale)

- Sole Residency Requirement
- Short Term Rentals Prohibition
- Local Work Requirement
- Income Limits (AMI)
- Appreciation Cap

## Land Use Restrictive Agreements (rental)

- Income Limits (AMI)
- Rental Appreciation Cap
- YVHA Property Management

# Promoting Mobility —

## Product Diversity

- Income limits (30%-250% AMI)
- Product type (apartments, condos, single-family attached, single-family detached)

## Housing Support

- Homebuyer education
- Financial education
- Mortgage product support

## Equity Building

- Tenant Equity Programs
- Down Payment Assistance
- Community Affordability Agreement: Home Improvement Allowance
- YVHA Non-Profit Real Estate Company



# Development of Community Affordability Agreement —



## Community Affordability Agreement (for-sale units)

- Worked with Williford, LLC
- Analysis of Community Land Trust model vs. deed restriction
- Workshops w/ peer communities, local lenders, real estate professionals, and aspiring homeowners.

## Key Considerations:

- Ability to respond to local conditions w/long-term market dynamics in mind.
- Fairness & transparency at forefront.
- Four keys to maintaining affordability:
  - Resale price formula
  - Capital improvements formula
  - Re-sale transaction
  - HOA dues