

Brown Ranch Annexation Committee (BRAC)
Wednesday, May 10, 2023
Meeting Summary

Attendance: Robin Crossan, Joella West, Gary Suiter, Leah Wood, Kathi Meyer, Jason Peasley (BRAC); Jason Lacy (third-party facilitator); Angela Cosby, Kim Weber, Jon Snyder, Mark Beckett, Rebecca Bessey, Dan Foote, Chuck Cerasoli, Brad Calvert, Matt Barnard (City staff); Emily Katzman (YVHA staff) Sheila Henderson, Robin Schepper (BRAC outreach)

A. PRIOR MEETING RECAP

1. **Approval of Minutes** – Minutes (the official video recording) from the April 26, 2023 meeting were approved unanimously (first by Leah Wood, second by Robin Crossan)
2. **Traffic Impacts and Infrastructure** – The group did not have any feedback or follow-up on the Traffic Impacts and Infrastructure conversation from the April 26, 2023 BRAC meeting.

City Council president Robin Crossan noted that City Council has been asked about live/work industrial units at Brown Ranch. Jason Peasley clarified this is on the table for Brown Ranch and if/where it can be built at Brown Ranch will be dependent on zoning.

Robin Crossan requested an update on the Parks & Open Space Plan and whether YVHA and City staff have made any additional progress. Matt Barnard, Parks & Recreation Development Manager, reported that City Council has the most current information on the Brown Ranch parks plan. YVHA has indicated the 40-acre regional park conversation should be discussed/negotiated by BRAC, not through staff coordination at this point.

3. **BRAC Agenda Topic Schedule** – Revisit this topic at end of meeting.
4. **Communications and Public Outreach Update** – Robin Schepper, BRAC communications and public engagement contractor, shared the following updates:
 - BRAC held two town halls on May 4th. Attendance: 30 non-staff attendees at first meeting and 15 non-staff attendees at second meeting.
 - Community Engagement team continues to hold meetings with local groups.
 - Recently met with: Steamboat Springs Chamber Board of Directors, Rotary clubs, Routt County Republicans, Young Professionals Network, CMC class
 - Upcoming meetings: Steamboat schools, Chamber restaurant group, YVEA, Routt County Democrats, and meetings with residents at YVHA properties.
 - Developed an “Annexation 101” fact sheet.
 - General feedback and questions from community members:
 - Will there be a property tax?
 - How soon can I move into Brown Ranch?
 - Questions about Area Median Income (what is it and how does it apply to me?)
 - Who are the developers and builders and who will work on Brown Ranch?

- Responding to a question and suggestion from Joella West, Robin Schepper will provide analytics on social media reach and email open rates. Current email list = 1,000 people.
- Future town hall meetings: Robin Schepper will report when the next town hall is scheduled.
 - Robin Crossan suggested scheduling town halls more frequently: “the more information we can give in shorter periods of time, the better.”
 - Next town hall should include “AMI 101” including a fact sheet on Area Median Income (AMI).
 - In future, follow-through to get answers to specific questions posed to group during town hall presentations.
 - Angela Cosby suggested asking for more specific feedback after the parks plan is more solidified.
 - Include surveys in future email blasts to solicit input on specific questions.

B. CURRENT DISCUSSION

5. Affordability and Attainability of Housing – Jason Peasley, YVHA Executive Director, presented on affordability and attainability at Brown Ranch: community’s vision for affordability, how affordability is defined, how YVHA intends to both achieve and maintain affordability at Brown Ranch. [Note: this meeting summary is not intended to capture the details of the presentation. Please see the [presentation slides](#) and meeting recording at approximately 29:30 for additional details.]

- Current need of 1,400 housing units for local workforce.
- Affordability Vision defined as top priority of Brown Ranch Steering Committee: *“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.”*
 - Non-negotiables: 100% of housing dedicated to local workforce: no second homes, no short-term rentals. “Local workforce” includes people who have retired from local employment.
 - Emphasis on simplicity of deed restriction (Community Affordability Agreement).
- What is “affordable?” National standard: less than 30% gross household income spent on housing expenses. For rental housing = rent + fees + utilities. For for-sale housing = mortgage PI + taxes + insurance + HOA + utilities.
 - Other factors contribute to affordability to an individual, including other debts, childcare costs, commuting costs, goals, etc.
- Area Median Income
 - Derived from local tax returns filed in Routt County.
 - The standard tool used at local, state, and federal levels in affordable housing.
 - Brown Ranch will include housing for a broad spectrum of AMIs: under 30% AMI up to ~250% AMI, because that range is reflective of the local workforce and that entire range is experiencing housing shortage in Steamboat Springs.
 - Question: Joella West: How does AMI apply after a unit is occupied?
A: Jason Peasley: For deed-restricted ownership units, residents are qualified only at the time of occupancy. Do not need to requalify each year. Leah Wood

clarified it is different for rental properties and is dependent on how rental properties are financed. For example, housing built using the Low-Income Housing Tax Credit requires annual income verification.

- Question: Robin Crossan: when it comes to mobility, if someone vacates a unit at Brown Ranch when life circumstances change, will they have priority to get into a different unit at Brown Ranch that better serves needs?
A: Jason Peasley: YVHA has not deeply considered this, but the concept is on the table.
- Achieving Affordability: When it comes to developing housing, the costs “are what they are.” It does not cost less to build affordable housing (eg lumber costs the same as other construction, labor, etc.). Affordability is achieved by injecting subsidy into housing projects at key points in the process. For Brown Ranch, these points have included or will likely include:
 - 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 Credit (30 - 80% AMI rental) -- for example, this program was used to develop The Reserves, Anglers 400, Alpenglow Village.
 - Federal Loan programs (80% AMI rental) – For example, this program was used to develop Sunlight Crossing.
 - State Housing programs (30% - 140% AMI rental and for-sale)
 - Local housing programs (30% - 250% AMI rental and for-sale)
 - Direct assistance at time of occupancy:
 - [Down Payment Assistance](#) – Longstanding program of YVHA; YVHA intends to expand and adjust this program to meet the anticipated need.
 - Rental Assistance – Housing Choice Vouchers (HUD program) and/or USDA rental subsidy (utilized for some housing units at Hillside Village)
- Maintaining Affordability: The two key legal tools to maintain affordability in the long-term are:
 - Community Affordability Agreement (deed restriction for ownership units)
 - Sole residency requirement
 - Short term rental prohibition
 - Local work requirement
 - Income Limits (AMI)
 - Appreciation cap
 - Land Use Restrictive Agreements (for rental units)
 - Income limits (AMI)
 - Rental appreciation cap
 - YVHA property management

- Promoting Mobility: In Steamboat Springs, people are currently “stuck” in their housing, generally unable to “move up” or “move down” as life circumstances change (lack of mobility). To create housing mobility, there must be an increase in housing supply and diversification of housing types. This creates options so people can move depending on life circumstances.
 - Product diversity: apartments, condos, single-family attached, single-family detached housing choices.
 - Housing support: homebuyer education, financial education, mortgage product support (recognizing interest rates play huge role in affordability).
 - Equity building: Recognizing that appreciation caps, which help maintain affordability, are contrary to equity building. So how can Brown Ranch promote equity building while maintaining affordability:
 - Tenant equity programs (to begin building equity as renters)
 - Down payment assistance
 - Community Affordability Agreement to have provisions for home improvements. Encourage owners to invest in sweat equity and realize appreciation above and beyond appreciation cap for qualified home improvements.
 - YVHA non-profit real estate company: to handle transaction of deed restricted houses. Creates deed restriction compliance consistency and significantly reduces the transaction fees, leaving more money to seller.
- YVHA process of developing Community Affordability Agreement (deed restriction):
 - Workshops with peer communities, local lenders, real estate professionals, and aspiring homeowners: to understand trade-offs, what works and does not.
 - Evaluated deed restriction vs. community land trust model to find best affordability tool.
- Questions and Discussion:
 - The group discussed whether to include the Brown Ranch Deed Restriction in the Annexation Agreement.
 - Decision: include a form of the deed restriction as an exhibit to the Annexation Agreement with basic details that cannot change. Include provisions in the body of the Annexation Agreement with provisions for how a deed restriction could be amended if necessary.
 - The group discussed who would be party to the deed restriction: City of Steamboat Springs, YVHA, or both entities? City Council will evaluate/discuss. YVHA is committed to administering the deed restrictions at Brown Ranch.
 - The group had a brief discussion about why deed restrictions in Steamboat Springs have been released in past, reducing the amount of attainable housing in the community. The two main reasons were:
 - Typically deed restrictions are released if the property is foreclosed. YVHA has had Right of First Refusal, but in the past has not had the financial capacity to execute on ROFR.
 - During the Great Recession, owners petitioned to release deed restrictions on their units because market rate units were temporarily less expensive than deed

restricted units and no one knew how long that economic environment would last.

- The group discussed the process of amending or releasing a deed restriction when petitioned by homeowners. Agreement that the process needs to be very robust. Maintaining consistency of policy is “recipe for success” – creates fairness, transparency and defensibility.
- Next Steps:
 - YVHA to provide a document with key concepts of deed restriction for City Council to review.
 - City Council to discuss its vision for deriving and maintaining affordability at Brown Ranch. Two key/open items for discussion:
 - Who owns/is party to deed restriction?
 - Level of detail included in Annexation Agreement form? Bullet point of non-negotiables? Are the affordability commitments proposed by YVHA what the City is looking for? Are they specific enough?

6. Sustainability Measures

Jason Peasley and Kristen Belt, *Brown Ranch Community Development Plan* project manager, presented on sustainability measures at Brown Ranch: [Note: this meeting summary is not intended to capture the details of the presentation. Please see the [presentation slides](#) and meeting recording at approximately 2:02:00 for additional details.]

- Sustainability is the second guiding principle of Brown Ranch (second only to affordability): *“The Brown Ranch will provide quality housing that is sustainable yet flexible, modern, efficient, safe, healthy, environmentally responsible, and in harmony with existing natural systems.”*
- Local, state, national expertise contributed to the sustainability vision of Brown Ranch.
- Significant community input contributed to sustainability vision of Brown Ranch. Key topic areas:
 - Ecosystem
 - Energy
 - Materials
 - Resilience
 - Water
 - Wellness
- Urban Design-focused sustainability strategies:
 - Compact development is more sustainable and more affordable: enhances walkability, increases open space, minimizes water and energy use, and minimizes development footprint.
 - Grid design: blocks are oriented north-south to maximize solar access, take advantage of prevailing wind to maximize natural ventilation.
 - Storm water design: making use of natural features of site to channel stormwater and promote water quality. Grid maximizes this efficiency.

- Water efficiency: irrigation limited to where there is largest community benefit (public parks and greenways).
- District parking: minimizes paving (important to stormwater and reduces localized heat islands, carports with photovoltaic arrays, centralized EV charging, encourages walking, biking, and transit use).
- Fire resilience: management of open space vegetation, setbacks on neighborhood edges, trails double as firebreak and wildland firefighter access, resilience hubs and evacuation routes planned.
- Site-scale sustainability measures: lots of detailed information that was not verbally presented. Please read packet.
- Building-scale sustainability measures: lots of detailed information that was not verbally presented. Please read packet.
- Brown Ranch plan is in alignment with Climate Action Plan and helps promote implementation of CAP strategies.
- Key point: compact development is sustainable. It is also more affordable. Key reason behind density at Brown Ranch.
- Implementation steps to date:
 - [Brown Ranch Energy Master Plan:](#)
 - YVHA worked with consultants to evaluate site-wide energy delivery and building mechanical systems. Looked at many metrics including: First cost, Life-cycle cost to resident, Life-cycle cost to development, Energy usage & carbon emissions, Social cost of carbon, Risk assessment. Modeled high use of electric vehicle charging to plan for future.
 - Key point: With respect to upfront cost, life cycle cost, and carbon emissions, community geothermal is at the intersection of affordability and sustainability.
 - Community geothermal heating and cooling system will reduce energy useage of community by estimated 52% = reduction in resident energy bills and CO2 emissions.
 - Slate Creek Restoration: integrating restoration of Slate Creek into design prior to engineering and construction. Focus on amenity for community/connection to nature, water quality, and habitat restoration.
 - Health Equity, Sustainability, and Resiliency Design Guidelines: private regulatory framework that will go above and beyond what City currently requires and makes sure that vertical development and subdivisions meet YVHA's sustainability goals.
- Discussion and Questions:
 - Q: Robin Crossan: I understand the original intent of a food market is for it to be small and community-based, but that is more expensive to do. Is that vision changing?
 - A: Jason Peasley: YVHA needs to find an operator who is willing to invest and put their business at Brown Ranch. Viability determination will be made based on their own market study. YVHA is committed to providing land for a food market. Sheila Henderosn added that YVHA has convened a community group including Community Agriculture Alliance, Routt County Extension, etc. to work together to help make sure there is access to affordable, healthy food at Brown Ranch.

- Q: Robin Crossan: What does Health Equity include? Does it include access to outdoor space? Where can I find more information about health equity at Brown Ranch?
A: Sheila Henderson: Health equity means everyone has equal and best possible opportunity for healthy living. Housing stability is a social determinant of health. YVHA just started using surveys to track indicators and outcomes including: de-doubling, cost burden, etc. so we can measure if/how affordable housing contributes to health equity in the community.
- Joella West: concern that sustainability measures will be expenses.

PUBLIC COMMENT

Public comment was held at 11:35 pm. Three community members provided comment.

- Mackenzie Finlay – Grew up in Steamboat and has background and expertise in sustainability. Concern about environmental impact, sustainability of infrastructure. Be sure community continues to provide input. First question: what sort of environmental impact studies have been done?
- Larry Jordan – Question regarding Area Median Income – what happens when someone has 4 jobs and has a job change that impacts income?
- Tim Sullivan – Representing Yampa Valley Sustainability Council. Leading facilitation of implementing Climate Action Plan, overseeing land use and water. Serves on Routt County Wildfire Mitigation Board. Commend work in focus teams, the sustainability principles, which have been translated into the Brown Ranch Community Development Plan. Commitments on water conservation will probably exceed local regulation. Wildfire resiliency components also go beyond new local requirements. Water conservation IS climate action. Restoration of natural systems is reflected in Slate Creek Plan. These are key components of Climate Action Plan being included in Brown Ranch. There is a lot of work to be done, but the commitments are there.

Response to public comment from Jason Peasley:

- YVHA has not yet engaged a formal NEPA study yet but will once YVHA receives federal funding for Brown Ranch. YVHA has started a Phase 1 environmental assessment.
- YVHA can work with people when their employment situation changes (in the event they move from 4 jobs to 1).

7. DRAFT Annexation Agreement

Jason Peasley reviewed the [executive summary](#) of the May 5, 2023 version of YVHA’s proposed [DRAFT Annexation Agreement](#).

- Dan Foote, City Attorney, asked for the following clarification on changes to the Agreement since the last version.
 - Why delete the informational items?
 - Paragraph about right of way widths

- Description of basic transit service and micro-transit.
- Land use approvals: AA language suggests variances would be approved by Planning Director. YVHA will adjust clarify that language in the next draft.
- Questions and Discussion:
 - Gary Suiter: concerned about STR tax and its association with enterprise funds.
Jason Peasley Response: YVHA is suggesting utilizing a grant from the City's STR tax revenue to prepay Plant Investment Fees (tap fees).
 - Jason Lacy: How far in advance would Plant Investment Fees be prepaid? Is there a concern there would be an underpayment?
Jon Snyder response: City of Steamboat Springs does not allow prepayment of tap fees. Tap fees are adjusted annually and collected at issuance of building permit. Also, current tap fees do not take into account the need for a third redundant water source/Elk River treatment plant.
 - Discussion about prepayment of tap fees: Both parties seem open to discussing prepayment option if YVHA agrees to pay the delta between the fee at time of prepayment and the fee at time of building permit.
 - Question about 4 acres shown in Exhibit D. Would affordability, local work requirement be required if YVHA sells this land?
 - Assignment language: If City negotiates an Annexation Agreement with YVHA, City does not want the agreement itself to be assigned. There is a distinction between assigning the agreement itself and land sales or joint ventures within the Brown Ranch property. YVHA staff and City staff will work on this so there is alignment and language is clarified in the Agreement.
- Next steps: City Councilors Robin Crossan and Joella West will review the Agreement using a "green," "yellow," and "red" framework to identify areas of agreement (green), less agreement (yellow), and non-agreement (red). Will also review with full City Council.

8. Draft Fiscal Impact Analysis

Jason Peasley reviewed the [summary](#) of assumptions used in the Fiscal Impact Analysis. [Go to 3:56:15 in the meeting recording for detail.]

- Revenue: not all households at Brown Ranch are new growth, which explains the difference between the revenue provided to the City by existing households versus Brown Ranch households.
- RCLCO's summary shows three different scenarios using different expense assumptions.
- More work is needed to understand costs specifically for Parks and Recreation Department, Fire, and Police Departments.

Brian Duffany of Economic Planning Systems (EPS), a firm hired by the City to perform a peer review of RCLCO's Fiscal Impact Study, reviewed the key points in his [memo](#).

- Fiscal Impact Analysis is a useful tool but there are limitations to it. It only looks at direct impacts, not indirect impacts/benefits like providing affordable housing, reducing commutes, building community fabric, etc.

- Key finding: One of the biggest factors of a FIA is tax structure. If we were to analyze Brown Ranch to another deed restricted development in Steamboat, there would be similar results. The negative fiscal impact of existing residents is the reality of many policy decisions, especially tax structure. Steamboat Springs has eliminated a general property tax and funds cost of services using visitor sales tax. Residents enjoy a good quality of life that supports the amenities beyond the scale of Steamboat.
- EPS worked closely with Kim Weber and other City department heads, as well as RCLCO to review the FIA. Overall, a collaborative, productive exercise.
 - Changes:
 - Major change: revised the de-doubling and net new households analysis: Now assume 80% net new households at Brown Ranch.
 - Sales tax calculations.
 - Parks costs is in flux and will be refined over time after parks plan is also refined.
- Key points of Fiscal Impact Analysis per EPS:
 - There is a negative fiscal impact, which was expected.
 - Not having a general operating property tax has a big impact, because this project isn't generating tourists, so it doesn't generate the same level of sales tax as other developments.
 - Revenue on capital side may be impacted if any of the development at Brown Ranch is exempt from property tax (use tax).
 - Free transit: contributes to operating gap, but it is a good policy.
 - Mitigation measures BRAC could consider: HOA, metro district, real estate transfer assessments
 - In summary: it seems like the City and YVHA are still early in defining the Annexation Agreement, so the Fiscal Impact Analysis will need to be refined as details are finalized.
- Questions and Discussion:
 - Q: Jason Lacy: To make decisions, it would be good to have big-picture understanding of the overall capital costs overtime so those can be put in perspective: what items should be paid for and who will pay them.
A: Jason Peasley: Fiscal Impact Assessment is built to include the capital revenue and expenses. That information can be provided for the next meeting. Need to make sure that analysis is kept separate from operations revenue and expense analysis.
A: Kim Weber: Capital revenue/expense analysis will include public improvements, not onsite improvements funded by YVHA.
- Next Steps:
 - More work to refine assumptions on Police and Parks & Recreation Departments.
 - Ensure YVHA's low-income property tax exemption is included in FIA.
 - Capital revenue/expense analysis.
 - Detailed summary report from RCLCO

C. NEXT MEETING

May 24 2023 (9 am – 2pm)

Post annexation land use approvals

Annexation Agreement (cont.)

Fiscal impact analysis (cont.)

June 7 (9 am – 2pm)

Contingencies

Annexation Agreement (cont.)

fiscal impact analysis (cont.)

June 23

Outstanding issues

Robin Crossan: expressed concern that City Council has not had sufficient time to review and understand YVHA's proposed Annexation Agreement. Do not necessarily need to add more BRAC meetings at this point, but City Council may schedule more City Council meetings.

Meeting summary prepared by Emily Katzman, YVHA Development Project Manager
May 10, 2023