GUNNISON VALLEY REGIONAL
HOUSING AUTHORITY

To: **Board of County Commissioners**

From: **Jennifer Kermode, Executive Director, GVRHA**

Thru: **Matthew Birnie, County Manager, Cathie Pagano, Community and Economic Development Director**

Subject: **Work Session – Gunnison Valley Housing Plan**

Date: **October 9, 2018**

Background

The Gunnison Valley Housing Authority (GVRHA) Board of Directors has directed staff to create an operations plan for the housing authority. This plan is intended to build upon local and regional planning efforts over the past five years, and guide the operations of the housing authority over the next five years. GVRHA has contracted with Willa Williford to assist in outreach and plan drafting. The process kicked off with an open house in Almont on August 23, 2018. We are now in the process of meeting with planners, managers, and elected officials across the valley to understand your current strengths and assets, your housing goals and objectives, and how GVRHA can best support your efforts.

To date, we have met with Town of Crested Butte and County Economic Development Director. We are scheduled to meet with Gunnison Town Manager and Interim Community Development Director on October 11th, and staff and Board for Mt. Crested Butte the following week.

Questions for the Board:

1. Do you have any feedback or revisions on our draft vision statement and guiding principles?
2. Have we accurately captured your current workforce housing goals and objectives?
3. As you think ahead to the 2019 update to your goals, what changes do you anticipate?
4. How can GVRHA best support you? What roles do you seek for GVRHA to take on?
5. What are your thoughts on these criteria if GVRHA were in a position to provide land or funding to projects?

Draft Vision Statement

Our vision is to support the character and economic vitality of the unique communities in the Gunnison Valley by increasing housing choices and opportunities for local residents.

Draft Guiding Principles

- Each community in the valley has **unique characteristics**, and will bring different assets and priorities to their affordable housing work. At the same time, the housing challenges in our valley are regional in nature, and sometimes require **collaborative responses**.
- A **holistic approach** to affordability is needed – we acknowledge that physical deed restricted homes are the most tangible element of housing affordability, but energy efficiency, transportation, healthcare, childcare, and local wages are all ingredients in a sustainable local cost of living. Programs such as down payment assistance, homebuyer education, and home renovation also help to ensure successful outcomes.
- The strength of our local economy is closely linked with the strength of our housing market; the housing authority's role is to **create more housing choices for local employees and residents**, not to compete with private sector endeavors or undertake work that might oversupply housing for a specific demographic.
- A successful workforce housing inventory requires **long term commitment** and **consistent administration** through periods of economic downturn as well as economic growth. The Gunnison valley is anticipated to remain a highly desirable place to live were housing costs outpace local wages for the foreseeable future.
- The Housing Authority was created to meet a need not met by the private market; the housing authority's efforts in partnership with local governments, non-profits, and the private sector can help to address these unmet needs. Partnerships that build upon the **strengths and assets of the respective partners** are essential for bridging the gap between what the market will provide and what local residents need for housing.
    - **Housing Authority and local government roles** include land use entitlements, public works and infrastructure, appropriate subsidies, and transparency and long-term accountability to the tax payers;
    - **Private sector roles** include local participation in creating economic vitality, access to capital, skilled labor and expertise such as architecture, engineering, development, finance, and vertical construction.
- The gap between local wages and housing costs is significant, and building new housing is expensive, complex, and has risk. Public resources must be used judiciously, and partnerships leveraged so that workforce housing is not over or under subsidized.
- **Sunshine on the process** – when investing public resources in housing solutions, we will do so with public input, transparency, and accountability.

We are seeking the BOCC's feedback on these guiding principles. Are we missing anything? Do you recommend any changes?

County Housing Goals and Objectives

The following housing goal is included in the Gunnison County Strategic Plan Implementation Strategies document. Is this up to date? Does the BOCC have thoughts on refining the goal to further clarify who they seek to serve (income levels, owners, renters, families, seniors etc)?

8. **By December 31, 2021, Gunnison County will increase the availability of housing by facilitating the construction of 200 new affordable units.**
   Lead: County Manager Matthew Birnie
   Team: Community and Economic Development Director Cathie Pagano, Sustainable Operations Director John Cattles, Finance Director Linda Nienhueser, and Gunnison Valley Regional Housing Authority Executive Director.

Timeline:

	Task	Estimated Completion	Date Completed
1	Facilitate Development of the Brush Creek Parcel:		
	a. Issue RFQ.	Apr 2017	Mar 2017
	b. Select Development Teams to Invite for Proposals.	May 2017	Apr 2017
	c. Select Development Team.	Jul 2017	Jul 2017
	d. Negotiate Sales and Development Agreement.	Sep 2017	
	e. Project Land Use Approval.	Jan 2019	
	b. Begin Phased Project Development.	Apr 2019	
2	Develop Stallion Park Units:		
	a. Issue RFP.	Apr 2017	
	b. Select Contractor.	Jul 2017	
	b. Complete Project.	Nov 2018	
3	Develop Lot 22A:		
	a. Clear Up Legal Issues.	Sep 2017	
	b. Create Development Plan.	Dec 2017	
	c. Begin Infrastructure Development.	2018	
	b. Begin Phased Development.	2019	

Required Resources:
1. Linkage Fees
2. Project Financing
3. Personnel Commitment Assistance
4. Attorney's Office Services
5. Regional Housing Authority
6. Cooperation from Municipal Partners

GVRHA Role

The Housing Authority has the opportunity to play numerous roles in funding, partnering, and managing affordable housing in the valley, such as being a proactive partner in the development of affordable housing, rental property management, deed restriction administration, technical assistance, community relations/advocacy and community programs and services like GV-HEAT and homebuyer education. GVRHA could play a more active role in helping to evaluate projects, tracking progress across regional goals, holding land for future use, and supporting homeowners and renters.

GVRHA is named as part of the team in the Implementation strategies, and would like to have more clarity on our potential role(s). We are seeking additional feedback on how we can best support implementation of your housing goals and objectives.

As the largest government entity, and the only entity that spans the entire county geographically, Gunnison County is well positioned to play a leadership role in housing. Is that a role you desire? If so, what do you see as your strengths, and where can GVRHA assist?

How can/should we further engage Crested Butte South as a potential location for workforce housing?

Draft Criteria for Land Purchases and Financial Investments in Housing

We are seeking uniform criteria to use across the valley when considering land purchases, potential partnerships, and prioritizing local and regional funding applications. These same criteria could be used for making funding decisions, if the local initiative for a dedicated funding source for housing is successful at the ballot. They could also be used to evaluated land-banking opportunities, projects competing for state and federal resources, or other local funding, should it become available.

1. Responsiveness to local workforce housing goals
2. Consistency with adopted community plans and community engagement
3. Track record of potential partners
4. Financial feasibility
5. Location
    - Proximity to transit
    - Suitable residential zoning
    - Availability of utility services on/near site
    - Balancing provision of housing across the valley
6. Matching site opportunities with market demand
    - Project type – for sale or rental
    - Design style – condo, townhome, SFD, multifamily
    - Targeted AMIs and level of affordability
    - Sustainable design
    - Number of housing units provided
7. Sustainability of the project
    - Quality of construction and design – “affordable” does not mean cheap
    - Rental properties with adequate maintenance and repairs budget
    - For-sale product with HOAs that have adequate maintenance and repair budget
    - Affordability over the long term for residents

Are these the right criteria? Is anything missing?

Does the BOCC have thoughts on how we define community engagement? One size will not fit all projects; clearly it needs to be appropriate for the scale and context of the opportunity in question.

Attachments:

1. Housing Tools by Jurisdiction
2. Draft update of Housing Needs
3. Partnership diagram

Gunnison Valley Housing Plan

Housing Tools in Use by Jurisdiction

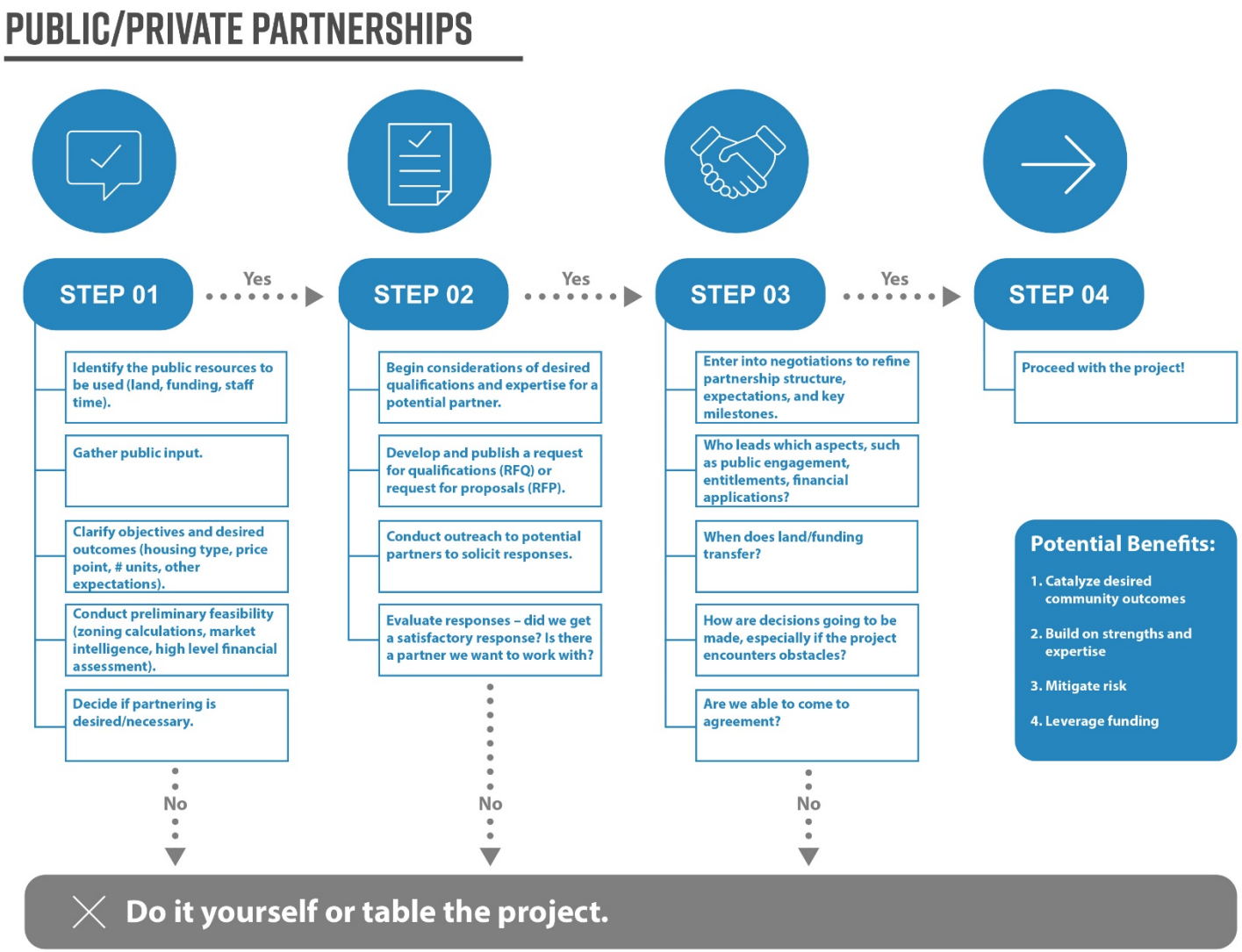
10/3/18

Land Use, Housing Initiatives, and Housing Programs				
Housing Tools	**City of Gunnison**	**Crested Butte**	**Gunnison County (including CB South)**	**Mt Crested Butte**
Land Banked Land	**X**	**X**	**X**	**X**
Update land use code to remove barriers	**In process**		**In process**	
Density bonuses	**X**	**X**		**X**
Linkage Fees		**X**	**X**	**X**
Expedited Development Review for affordable housing	**X**		**X**	
Short term rental regs, fee and/or excise tax		**X**	**In discussion**	
Consistent Deed Restriction	**X**	**X**	**X**	
Property maintenance code	**Under consideration**	**X**	**Under consideration**	
Annexation policy		**X**		
Accessory dwelling units	**Under consideration**	**X**	**X**	
Workforce housing in commercial zones		**X**	**Case by case**	
Fee contributions	**X**	**X**	**X**	
Inclusionary Zoning		**X**		
Mobile Home Replacement				
Buy Down of Existing Units				

North							
Owner Units by AMI	**Max Affordable Price**	**HNA Need**	**Built since 2016**	**Under Construction**	**In Pre-development**	**Remaining need**	
<50%	$108,000	12				12	
50% to 80%	$172,900	25				25	
80.1 to 120%	$259,300	43	1		15	27	
120.1 to 200%	$432,200	74	17	20	60	-23	Assumes 28 Homestead, 20 @ BC, 15 CB
Over 200%	>$432,200	35	21	13	unknown	1	Needs MT CB on market units
Total Ownership Needs		189				42	
Ownership Gap		**154**				**41**	
Rental Units by AMI	**Max Affordable Rent**	**North**					
<50%	$689	46			33	13	
50% to 80%	$1,102	47			49	-2	
80.1 to 120%	$1,653	46	7	3	31	5	*Needs MT CB
120.1 to 200%	$2,755	25			19	6	*Needs MT CB
Over 200%	>$2,755	7			80	-73	
Total Rental Needs		171				-51	
Rental Gap		**93**				**11**	
Total Gap		**247**				**52**	

Mid Valley						
Owner Units by AMI	**Max Affordable Price**	**HNA Need**	**Built since 2016**	**Under Construction**	**In Pre-development**	**Remaining need**
<50%	$108,000	4				4
50% to 80%	$172,900	8				8
80.1 to 120%	$259,300	13	2			11
120.1 to 200%	$432,200	23	9	3		11
Over 200%	>$432,200	11	4	3		4
Total Ownership Needs		59				38
Ownership Gap		**25**				**23**

Mid Valley						
Rental Units by AMI	**Max Affordable Rent**	**HNA Need**	**Built since 2016**	**Under Construction**	**In Pre-development**	**Remaining need**
<50%	$689	10				10
50% to 80%	$1,102	10				10
80.1 to 120%	$1,653	10				10
120.1 to 200%	$2,755	5				5
Over 200%	>$2,755	1				1
Total Rental Needs		36				36
Rental Gap		30				30
Total Gap		**55**				**53**

South							
Owner Units by AMI	**Max Affordable Price**	**HNA Need**	**Built since 2016**	**Under Construction**	**In Pre-development**	**Remaining need**	
<50%	$108,000	18				18	Need City of Gunnison Permits Data
50% to 80%	$172,900	37			20	17	Need City of Gunnison Permits Data
80.1 to 120%	$259,300	63	3	1	20	39	Need City of Gunnison Permits Data
120.1 to 200%	$432,200	109	6	4	20	79	Need City of Gunnison Permits Data
Over 200%	>$432,200	52	6			46	Need City of Gunnison Permits Data
Total Ownership Needs		279				199	
Ownership Gap		**55**				**35**	
Rental Units by AMI	**Max Affordable Rent**						
<50%	$689	61			16	45	Need City of Gunnison Permits Data
50% to 80%	$1,102	62	2		20	40	Need City of Gunnison Permits Data
80.1 to 120%	$1,653	61				61	Need City of Gunnison Permits Data
120.1 to 200%	$2,755	33				33	Need City of Gunnison Permits Data
Over 200%	>$2,755	9				9	Need City of Gunnison Permits Data
Total Rental Needs		226				188	
Rental Gap		61				45	
Total Gap		**116**				**80**	

Sample Graphic on Public Private Partners