



Lion's Ridge affordable rental housing project which replaces one-half of the Timber Ridge complex.

VAIL HOMEOWNERS ASSOCIATION, INC.

Vail Affordable Housing—Where Art Thou?

October 2, 2016

Vail is blessed with many qualities: a superb environment, no-par cultural events, the famous back bowls and much more, but low-to-middle-income housing is not one of them. Limited land, high demand and ever escalating housing prices have resulted in a high income housing market.

Housing has always been a perennial problem in Vail, but this year it seemed to rise to a crescendo as many business owners complained about the difficulty of finding and keeping adequate staff to run their business. As the complaints have risen, the political pressure to find a solution has intensified.

One Size Does Not Fit All. Vail's housing needs are not all the same. Retail businesses need mostly seasonal workers. Other businesses—Vail Resorts, for example—have need for both seasonal and full time skilled middle class workers. And still other businesses, the Vail Valley Medical Center, for example—need mainly skilled, full time, middle class workers. A plan that addresses only one aspect of housing needs will satisfy some but leave other businesses' needs unaddressed.

Until recently, the focus of housing initiatives has been on middle class housing for permanent, full time worker's families. For example, Vail has purchased individual properties and placed deed restrictions on them: it acquired the Timber Ridge property and recently redeveloped half of it, the Middle Creek housing project was developed, and a residential project at Chamonix Road is about to be launched. While some of these properties could have provided seasonal worker housing, most are either in private ownership or leased on a yearly basis.



Site of Chamonix neighborhood affordable housing for permanent residents.

There has been some employer provided seasonal housing—Vail Resorts built the First Chair apartments in Lionshead and leases units at Timber Ridge, and other employers have private housing for their employees—but for the most part, there was an unspoken assumption that homeowners would rent sufficient seasonal housing to fill seasonal needs. That has changed with the rise of “rent-by-owner” markets which convert what could have been seasonal housing into short-term visitor rentals.



First Chair affordable rental housing built by VRI as work force housing tied to the approval of the Arrabelle complex.

Vail's Newest Response. With essentially no public participation in the public vetting process, Vail just recently adopted the “Vail Housing 2027 Plan.” It was proposed by the Vail Local Housing Authority (VLHA), and, on the surface, it appears to be a bold plan to add 1000 deed restricted homes over the next ten years. Two aspects of the plan seem troubling. First, it is very pricy, costing at least \$50M. To give some idea of the scale of this plan, the entire Vail Housing Program Funds (funded with Housing Fee in Lieu Fees) today totals only

\$3.0M, and the total 2016 Town capital budget is just approximately \$32M (including the use of \$15M in capital reserves). Second, there is no plan for seasonal worker housing.

It seems strange that Vail would embark on a \$50M plan, which could cost even more before it is over, with essentially no public vetting. That there would be limited public participation in the vetting of the plan seems even stranger since, according to the plan brochure, all of Town governance contributed to the plan.

There is no doubt that affordable housing is a problem that needs to be solved. VHA fully supports doing so, but it advocates that it should be done with sensible, well-vetted, transparent solutions. Those solutions must be comprehensive, realistic and within the financial ability of Vail to sustain. Those solutions, also, should recognize that Vail is no longer a solitary community; the entire valley is now so interconnected that isolated solutions are most apt to be inadequate.

Vail's Efforts to Provide Affordable Housing. Currently, Vail has 727 deed restricted housing units, and up to 58 more are to be added by the Chamonix project. Those units comprise about 10% of Vail's existing local housing. For the most part, that housing is occupied by skilled middle class employees, and with very little vacancy, it is difficult for seasonal workers to find housing. Many have to live down-valley or even out of the valley.



Vail's Middle Creek affordable rental housing complex is an example of a public/private partnership to house seasonal workers.

Adding another 1000 units over the next ten years, when adjusted for projected growth over that period, will maintain but not increase that percentage. In other words, due to projected growth for Vail, it will take another 1000 units of affordable housing over the next ten years to just maintain the status quo, and that would do nothing for the seasonal worker.

This, of course, is not uniquely a “Vail” problem; down-valley authorities have also been seeking to increase affordable housing, mainly through private-public partnership arrangements, such as, Buffalo Ridge Apartments in Avon and Miller Ranch in Edwards.

Most recently, Eagle County has proposed a twenty-year-long \$5.4M sales tax increase to provide for affordable housing which, if adopted, would yield a whopping \$108M over its twenty year life. That could provide the financing to make a major dent in housing needs in the county.

Unfortunately, there is scant in the ballot proposal in the way of concrete plans and only a general “for-the-good-of-the-community” “trust us” description of how the money will be used. History shows that “trust us” ballot initiatives do not fare well with voters. It, therefore, remains to be seen whether this initiative will win voter approval. Regardless of the outcome, Eagle County’s recognition of this issue is a positive development, one that will, hopefully, lead to more comprehensive county-wide solutions.

The “Vail Housing 2027 Plan”. The newest Vail housing initiative arrived fully formed in a polished brochure and was quickly adopted by the Town, but it raises more questions than there are answers. According to the plan, Vail will help fund home purchases by buying deed-restrictions on 1000 properties, so long as the purchaser is a full-time (30 hours per week) Eagle County employee. There is no limit on the price of the home; apparently, it is assumed that the job restriction will act as a self-regulating limit. Presumably, the average price that the Town will pay is \$50K (\$48.7M divided by 1000). Although not covered in the brochure, it has been widely reported that there will be no caps on appreciation of the property, and the property can be resold at market value (subject to the effect of the deed restriction).

It might not come as a surprise that the VLHA, as the proposer of the plan, has ceded to itself the sole authority to run the program and spend the money. This is more than just a massive spending plan. Buried in that plan is the intent to “create a Housing Overlay District that allows for increased density.” It is no coincidence that the new Roost Lodge proposal to create a super-sized structure in West Vail includes middle-class housing and parking to justify increased densities; it was the VLHA that is behind the proposal.

Financing is to be provided by using all of the Town’s Housing Fund plus an additional \$500K from next year’s budget. For the next three years the plan calls for an appropriation of \$5M per year from the Vail revenues; i.e., from the Vail budget. Years five through ten—an additional \$30M-- are to be financed through a sales or property tax. This is considered to be a minimum plan because, according to the Town, it may have “to accelerate its funding obligations in future years to remain on target.”

Buried in the plan are some alarming details; such as, the intent of the VLHA to create a Housing Overlay District to provide for increasing densities, a call for a Nexus study which is the legally required prerequisite to

Eagle County

Ballot Issue 1A

SHALL EAGLE COUNTY'S TAXES BE INCREASED \$5,400,000 ANNUALLY COMMENCING IN 2017, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER FOR A PERIOD OF TWENTY YEARS, FROM A THREE TENTHS OF ONE PERCENT (.3%) SALES TAX WITHIN EAGLE COUNTY TO BE USED FOR HOUSING PURPOSES SUCH AS:

- PROVIDING AND IMPROVING THE QUALITY, AVAILABILITY, AND AFFORDABILITY OF HOUSING IN EAGLE COUNTY
- PROVIDING DOWN PAYMENT ASSISTANCE LOANS FOR HOME OWNERSHIP
- ACQUIRING LAND FOR FUTURE HOUSING UNITS AFFORDABLE TO THE WORKFORCE
- INVESTING IN PRIVATE/PUBLIC PARTNERSHIPS FOR THE PROVISION OF WORKFORCE AND AFFORDABLE HOUSING
- RELATED HOUSING PROGRAMS AND SERVICES;

AND, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF SUCH TAX AND INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE COUNTY WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE COUNTY?

[Click to Vote](#)

increased government intervention and/or discriminatory practices in the housing market and a plan to recalculate the Fee In Lieu program.

The Unanswered Questions. The devil is always in the details, and many details are yet to be known about this plan. For example, will there be a maximum limit or some other cap on the amount that can be spent for an individual deed restriction? Will there be a means test or some other qualifying requirement for eligibility? What kind of property can qualify for the program? Will the new units at Chamonix be eligible?



Housing concepts studied for the Chamonix Neighborhood permanent resident affordable housing project in West Vail.

Has a similar program been conducted in any other community? If so, what were the results? Was any expert advice solicited or received during the design of the plan? Were any studies conducted to determine the demand for or acceptability of such a program or whether potential buyers will be willing to encumber their resale potential for an average price of just \$50K? Has the bulk of the middle-class population already relocated down valley where more suburban family amenities exist? Do they want to move back to Vail?

What happens down the road? Will owners be able to sub-lease to non-residents or non-working residents? What will happen on resale of the property? With no caps on appreciation, market forces will determine the value of the property. If history is any indication (and it usually is) prices will continue to rise notwithstanding the deed-restriction encumbrance, most probably placing the property out of range for a middle-income buyer. What happens when the owner cannot find a full-time employee who can afford the property? Will there be hardship relief and, if so, under what circumstances and terms? Can the deed restrictions be modified or discharged through bankruptcy?

How does the VLHA plan to address and prevent fraud in the system? What will be the controls and accountability? How will the VLHA prevent up-bidding of sale prices to obtain higher deed restriction prices? Will this promote a housing bubble?

Why is increased densities part of this program? What kinds of increases are being considered? How will they impact neighborhoods? Will the VLHA undertake condemnation to achieve its goals? What government intervention is being considered that requires a Nexus study? And what are the plans for the Fee In Lieu program?

Is this the best use of \$50M in capital expenditures over the next ten years, with \$15.5M coming directly from Vail's capital budget in the next four years? Does the commitment of at least \$50M over the next ten years compromise other needed capital improvements? Does this plan necessarily preclude other down-valley solutions? Would it be wise to have a community-wide discussion before committing to this plan? Did anyone even consider that the community might not want to commit this level of massive resources to this project?

Who is going to oversee the program? Will there be any checks on the authority of the VLHA? How will responsible and sound actions be enforced?

All of these and perhaps other questions need to be answered, so that the community is fully informed about this plan and can adequately discuss and consider whether this is the correct path to follow.



Buffalo Ridge worker housing in East Avon.

The Need For Seasonal Workforce Housing. Equally important to any comprehensive housing plan are the needs of the seasonal workforce. The new housing plan turns a blind eye to seasonal workforce housing, yet it is the seasonal workforce that is the backbone of Vail's tourism economy.

Businesses have responded to this issue in a variety of ways. Some have pro-actively provided housing for their work force. Some have partially done so. Others have done little or nothing, leaving it to the Town and down-valley governments to solve the problem. An argument can be made that it is not the responsibility of government to subsidized business by providing housing; businesses should pay a living wage which will enable their workers to afford to live in the community.

The reality is that, as a resort community, Vail is dependent on a seasonal workforce. If the workforce continues to deteriorate, as it appears to be doing now, visitor experiences will suffer. It doesn't take a crystal ball to see where that leads. A sustainable community fundamentally needs an adequate workforce, especially when the community's main economic base is tourism.

The question remains whether Vail is going to have a comprehensive housing plan that includes relief for seasonal workers. Or, is Vail going to take the position that housing is a problem for the individual businesses to solve, either through increased wages or the provision of housing by the business? Put another way, is it wise to spend all of Vail's Housing program funds next year for middle income housing, leaving nothing for workforce housing?

VHA doesn't advocate any particular solution to this problem; just that it needs to be addressed in a meaningful way. And given the absence of any site within the Town, it seems obvious that it will require some kind of down-valley solution.

Social Engineering. Some will say that Vail’s housing plans amount to social engineering. According to the new plan, it is the Town’s mission to ensure “the availability of homes for Vail residents.” It is necessary for the Town to intervene in the marketplace because, according to the plan, second home ownership is rapidly rising, squeezing out permanent residents. According to the data cited in the plan brochure, 60% of town residences are now second homes, and 90% of the home sales since 2010 were sold to second home owners. But is that a false premise?

Purchases of homes are only part of the picture. By all indicators, permanent residents are poised to rise, not fall. The responses to the 2016 Town survey shows that about 38% of second homeowners plan to retire and/or move to Vail in the next 10 years. Applying that data to the projected number of second homeowners, means an additional 3,800 permanent residents by 2027. When those residents are added to the natural anticipated growth in Vail, they will bring Vail’s permanent population which stands today at 5,500 to near 10,000. When the tourist population is factored in (which will also grow), over the next ten years there will be need to address a host of infrastructure issues in addition to workforce or middle class housing; such as, transportation, roads and other support facilities along with the increased government staff to service the needs of the expanded population. These costs of an increasing population should be taken into account any time there is a proposal to invest millions in a single program. It doesn’t appear that was discussed before the Town committed to spend at least \$50M on its new housing plan.

Of course, the housing plan is social engineering. The only thing that is not clear is whether it is engineering to gain additional permanent residents or engineering to gain only a certain mix of permanent residents; i.e., “younger residents.” If it is the latter, trying to control the composition of the community’s residential population would be the worst kind of discriminatory social engineering.

Social engineering does not have a very good track record. It is not necessarily bad, but history is littered with good intentions and bad results in the wake of many other social engineering gambits. That has been, especially, the case where a small group of insider elites has devised a scheme that has not been subjected to public vetting. It is only through that process that the perils and pitfalls can be realized and corrected.



Neighbors are referring to the proposed plan for Marriot Residence Inn on the Roost Lodge site as the “Chinese Wall.”

The Roost Lodge Proposed Development. The much delayed Roost Lodge project is once again seeking to expand, this time as a Marriott Residence Inn. It would consist of 170 hotel rooms, 113 one and two-bedroom apartments and 360 parking spaces shoehorned into less than two acres. The project would not only max out the property, but the developer is seeking to mega-size the development by adding additional floors. To do so, the developer is requesting a Special Development District to allow a bigger and taller structure.

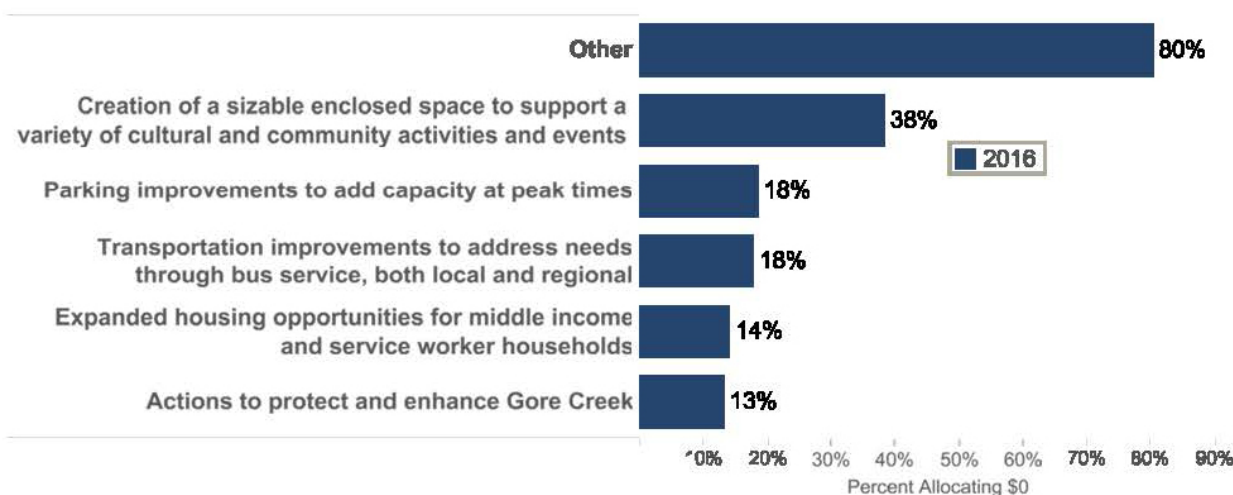
If approved, the resulting building would be [completely out of context with the surrounding neighborhood](#), and it raises the disturbing question of whether community standards are now going to be sacrificed to obtain housing and parking. To put the size of this project in context, the site is only a fraction of the Chamonix and Lion's Ridge sites, yet the Roost Lodge density would be many times more. If, for example, the same density existed as at Chamonix, only about 28 units could be built. The increased height, up to five stories, will cast long shadows potentially causing icing on Meadow Ridge Road, this on a property that has already been up-zoned once.

The timing of this proposal also raises questions about its legitimacy. It came about at the behest of unnamed members of the [VLHA, which immediately spoke favorably about the project](#) and the developer for Marriott is represented by a former Vail Town Planner, raising the question of whether the skids have already been greased.

There is something seriously amiss if neighborhoods can be disrupted by back room maneuvering simply to gain more housing or parking. But this may be in keeping with the motives behind the new Vail housing plan, since one of its stated goals is to allow for “increased density.” If so, there needs to be some serious attention to what is going on, before the character of Vail is forever changed.

What To Do. Already concerns are beginning to surface about the housing plan. [West Vail residents are mobilizing in opposition to the Roost Lodge project](#). According to the most recent Town survey, 14% of respondents did not want to spend money on housing, this before the full extent of the Town’s housing plan was known. Fully, 80% of respondents have no other or no spending priorities.

If you had \$100 to spend on major efforts, how would you allocate that \$100 across the following categories?



VHA urges that the Town take a step back and have serious public discussions about the housing plan. Those discussions need to be preceded by more transparency and disclosure about the plan, including answers to the many questions that exist.

VHA also urges that the Town undertake collaborative steps with down-valley stakeholders to see if there is common ground and a common desire to achieve county-wide solutions.

As far as the Roost Lodge project is concerned, VHA urges that this is the wrong project for the wrong place and it should be rejected outright by public officials.

What You Can Do. If these issues concern you, get informed and become involved. Government responds to the public; silence only enables those who would seek to profit in the absence of accountability. Join the Vail Homeowners Association in shining a spotlight on issues that concern everyone.



Sign of housing shortage - Rent a room \$900 per month in south Minturn, dogs allowed.

VHA [Membership:](#)

The Vail Homeowners Association has entered into a sharing relationship with the following “community building” not-for-profit organizations. In this way we increase the reach of our advocacy and together we seek to improve our community in ways that will benefit all. From time to time VHA will report on the agendas and activities of these organizations. This is a non-exclusive relationship and other “community building” not-for-profit organizations may join our endeavors.



Colorado Ski & Snowboard Museum and Hall of Fame
231 South Frontage Road East
Vail, Colorado 81657
970-476-1876
www.skimuseum.net

The museum's purpose is to preserve and communicate the lore of the modern mountain winter sports movement in Colorado and its contribution to the evolution of Vail and the state's mountain winter sports communities.

[Read more:](#)



PO Box 100 | Vail, CO 81658
P: 970-680-3525

C: 970-315-2675

www.vailcentre.org

The Vail Centre organization exists to provide learning experiences to those taking responsibility for inspiring Vail and the communities of the future.

[Read more:](#)



Walking Mountains Science Center
318 Walking Mountains Lane | PO Box 9469 | Avon, CO 81620
970.827.9725

www.walkingmountains.org

The mission of Walking Mountains is to awaken a sense of wonder and inspire environmental stewardship and sustainability through natural science education for the Vail community and Eagle County.

[Read more:](#)

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