



Memorandum

To: Vail Town Council
From: Community Development Department
Date: June 7, 2016
Subject: Town of Vail Employee Housing Strategic Plan

I. INTRODUCTION

A watershed moment in the history of employee housing in the Town of Vail occurred in 2008. After decades of continuous growth, the economic and housing boom of the mid 2000's hit its peak with unbridled growth and investment in Vail from 2005 to 2008. Business was booming, expensive houses were being built and large development projects were lining up. The downside to this scenario was that Town resources were stretched to their limits, housing for residents and employees was difficult, if not near impossible to find, and customer service was ebbing. Local business owners complained to the Town Council that they couldn't find or keep adequate numbers of good employees, because of the difficulty in finding places to live. The uproar over the situation spurred the Town to action.

In 2007 the Town Council passed the Commercial Linkage and Inclusionary Zoning Ordinances, which are two regulatory tools designed to mitigate the impacts that new development has on the need for deed-restricted employee housing. Town Council also directed, Community Development to work with the VLHA and the community to develop an Employee Housing Strategic Plan (EHSP). The purpose of which was to be a decision-making guide for the implementation of employee occupied housing programs. The presumptive goal of the EHSP came out of the 2006 Vail 20/20 Focus on the Future housing goal statement:

"The Town of Vail recognizes the need for housing as infrastructure that promotes community, reduces transit needs and keeps more employees living in the town, and will provide enough deed restricted housing for at least 30 percent of the workforce through policies, regulations and publicly initiated development."

Two employee housing actions have been identified to achieve the adopted goal.

1. Keep Up – ensure new development and redevelopment provides a requisite amount of new deed restricted housing to address any incremental increase in employee generation created by the new development or redevelopment.
2. Catch Up – pursue public initiatives (i.e. town-sponsored) to create new deed restricted housing to address existing deficits in the deed restricted housing need resulting from prior development and redevelopment.

Both of these actions have had their limitations. The Keep Up limit of needing only to provide 20% of new employees generated from commercial development or redevelopment and 10% of

new or expanded residential square footage along with the application of these zoning regulations across “limited portions” of the Town has had very minimal impact on the provision of employee housing. The actions for Catch Up have been limited by the lack of a dedicated funding source for housing development.

Even so, there was some progress made immediately following the adoption of these watershed housing regulatory tools and the plan. Since 2007 there have been 212 Employee Housing Units (EHUs) established in town with deed restrictions and only approximately 20 deed restriction releases granted.

A large impediment to the employee housing efforts by the Town occurred post 2010 when the Recession plummeted property values throughout the valley and economic activity slowed for the first time in the history of Vail. Some businesses failed, jobs were lost, and houses went into foreclosure all over Eagle County, except for deed restricted owner-occupied employee housing in Vail.

II. PURPOSE

Times have changed in recent years and we are back to pre-recession property values and are experiencing the same kinds of economic growth with the resulting employee housing issues. Employers again are having difficulty attracting and maintaining a stable workforce. It is time to revisit the Employee Housing Strategic Plan in light of these changes occurring around us. The Purpose of this meeting is to begin that process. Staff with VLHA concurrence is presenting an updated list of Objectives, a new Vision Statement and Mission statement for Town Council to consider.

Unlike traditional planning documents that present broad and general guidance to a community, this Town of Vail Housing Strategic Plan (HSP) is an action-oriented outline of the strategies and actions intended to be used to make critical decisions about next steps, funding sources, and resource allocation during implementation over the next five years. The HSP is meant to be used as a decision-making guide for implementation of all housing programs. It is a compendium of the current and proposed approaches to ensuring that all residents of Vail have access to quality, sustainable and affordable housing. This strategy is a living document that can be amended to fit the needs of the community as those needs develop or change. It is meant to be used as a guide over a three to five-year event horizon for short and longer-term initiatives to reach the Vision of the Town for creating a sustainable and inclusive community, while reaffirming that deed restricted employee housing is part of the basic infrastructure needed to attain it. The HSP will lay out the goals, objectives, specific strategies and a series of action-steps needed to carry out the housing mission to preserve and provide quality housing affordable to all, create a sense of community, and provide opportunities for home ownership and long-term rentals in Vail.

The process began with a VLHA Meeting on May 31st to gain their input on the Vision, Mission, and preliminary Objectives outlined herein. Building upon the work that has gone before, e.g., the Chamonix Neighborhood Development Open House, lottery and deed restriction discussions, as well as the fee in lieu work sessions, zoning review, etc., staff is developing a draft of the specific strategies and action steps, and potential funding scenarios to include in the updated Strategic Plan.

A key component of any planning process is community input to ensure that the implementation of the HSP includes citizen buy-in and builds local ownership. Over the next six weeks, staff

working with the VLHA will hold a series of Stakeholder and Public Input Meetings to present draft elements of the updated strategy and get feedback for any additions or changes needed. During this intense period of outreach, staff will present the results of this work effort to Council for review and eventually adoption of the updated HSP.

III. VISION, MISSION, AND PRELIMINARY OBJECTIVES

VISION:

We envision a diverse, inclusive, vibrant and sustainable community, where any resident, who desires to live and work in Vail, can find quality, well-built, and energy efficient housing.

MISSION:

Our mission is to preserve and provide quality housing affordable to all, helping to create a sense of community by providing opportunity to foster change in the dynamics of home ownership and long-term rental housing in Vail.

OBJECTIVES:

OBJECTIVE 1: Preserve and Increase Employee and Full-time Resident Housing

This objective is of paramount importance, because we continue to lose employee housing units, long-term rental units, and for-sale units to VRBO or second home owners at a rate much faster than we could ever build replacements.

OBJECTIVE 2: Being open to all density options

This objective is important, because land is in limited supply in town. It is, therefore, critical that all development and redevelopment opportunities be productive, while maintaining quality and sustainability standards.

OBJECTIVE 3: Develop dedicated housing funding source

This objective is important, because as pointed out above Catch up actions have been limited by the lack of a dedicated funding source for housing development and buy-downs of existing units. Examples of sources include: reallocation of a portion of RETT, Increase property tax on units over certain size, increase fees on VRBOs, dedicated sales tax, etc.

OBJECTIVE 4: Actively Seek and Participate in Public/Private Partnerships

This objective is important, because each entity can do things that the other can not.