



## Memorandum

To: Vail Town Council

From: George Ruther, Housing Director

Date: June 18, 2019

Subject: Resolution No. 28, Series of 2019 a Resolution Authorizing the Purchase of Homestake at Vail, Unit B-212, 1081 Vail View Drive, Vail, Colorado

### 1. SUMMARY

The purpose of this resolution is to authorize the purchase of Homestake at Vail, Unit B-212.

### 2. BACKGROUND

The availability of housing for its employees remains an ongoing need for the Town of Vail municipal government. As the third largest employer in Vail, the Town of Vail too is challenged by the need for housing for its workforce. Over the years the Town has taken a wide range of approaches to addressing its employee housing needs, including “buying down” homes for purchase by Town of Vail employees.

The Homestake at Vail home is a great starter-type home for a Town of Vail employee interested in home ownership in Vail. The home is a +/- 580 square foot, one bedroom/one bathroom, end unit with easy access to recreation and to free Town of Vail public transit. The home includes surface parking for two vehicles. Monthly association dues are currently \$368 and include gas heat, water, waste disposal and recycling, snow removal, common area maintenance, and common area insurance. The home is offered for sale at \$359,000. A similar home in the Homestake at Vail development recently closed for more than \$360,000.

The Homestake at Vail is an older property in Vail. Town of Vail files indicate the property was developed in the mid-1970's. It is currently in original condition, yet very good condition, with only a few minor updates completed over the years. An initial inspection of the property has been completed. No significant issues were identified during the inspection. There is need, however, to update the interior fixtures and appliances and replace the seal damaged south facing windows. An initial estimate of the window repairs is approximately \$6,500 with interior updates totaling an additional +/- \$10,000. The property is being offered for sale “as is”.

### **3. RECOMMENDATIONS**

A proposal for purchase has been prepared with participation and collaboration with several Town of Vail Departments, including administration, finance, public works, human resources and housing. The proposal for purchase recommends the following:

- 1) Execute a purchase contract subject to an appraisal, inspection, and other due diligence provisions
- 2) Acquire the property subject to an assignable contract
- 3) Repair the seal damaged windows prior to resale ensuring a transferrable warranty
- 4) Record a primary residence deed-restriction and a Town of Vail first option of purchase on the home.
- 5) Place a maximum resale price appreciation cap of 3% per annum on the home through the deed-restriction
- 6) "Buy down" the value of the home and offer it for sale to a Town of Vail employee
- 7) Offer the home for-sale to a Town of Vail employee, subject to the deed-restriction and a first option to purchase. This approach mirrors the Red Sandstone Townhomes model.
- 8) Funding for the initial purchase and subsequent "buy down" would likely come from the Town's capital fund (TBD)

### **4. NEXT STEPS**

If authorized, the Town staff will proceed forward with the next steps outlined in the contract for purchase of the residential property. Closing and possession is presently set for July 2, 2019.

### **5. ACTION REQUESTED**

Does the Vail Town Council authorize the Town Manager to execute the contract to Buy and Sell Real Estate to facilitate the Town's purchase of Unit B-212, Homestake at Vail Condominium, 1081, Vail View Drive, Vail, Colorado, consistent with the recommendation outlined herein?