

**The Basalt Affordable Community Housing (BACH) Meeting will be held by Teleconference –
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Phone Number: 16699006833

Meeting ID: 81827376778

Passcode: 787551



**TOWN OF BASALT MEETINGS
Basalt Affordable Community Housing (BACH)
Thursday, May 11, 2023**

Basalt Town Hall

101 Midland Avenue

- 12:00 PM Roll Call**
- 12:03 Approval of Minutes- April 13, 2023**
- 12:05 Discussion Regarding Housing Assessment Proposals**
- 12:25 Affordable Housing Bond Initiative**
- 12:50 Staff Updates**
- 12:55 Member Updates & Other**
- 1:00 Adjourn**

Public Comment is limited to 3 minutes. Those who wish to speak should email james.lindt@basalt.net before the meeting starts with their name, phone number, and identify what item they would like to address. During the meeting those wishing to comment may also email james.lindt@basalt.net, but it is not guaranteed that the email will be seen in a timely fashion.



Basalt Affordable Housing Commission (BACH)

ACTION MINUTES

BOARD MEMBERS PRESENT: Anne Baker, Perry Kleespies, Dave Portman, Katie Erickson, Jay Israel

STAFF PRESENT: Michelle Thibeault, James Lindt, Sara Nadolny

GUESTS: Erin Wackerle (Bendon Adams), Shannon Meyer (Response), Erica Golden and Anna Reynoso (2757 Design), Councilor Elyse Hottel Attended Meeting Near the Conclusion of the Meeting for the Western Regional Housing Coalition Agenda Item

DATE: 4/13/2023

MEETING CALLED TO ORDER AT 12:07 PM

AGENDA ITEMS

1. Review and Recommendation regarding Affordable Housing Proposal – 325 E. Cody Lane Application for Domestic Abuse Shelter.
2. Update from Elyse Hottel on the Western Regional Housing Coalition
3. Staff Updates
4. Member Updates & Other

1. Review and Recommendation regarding Affordable Housing Proposal – 325 E. Cody Lane Application for Domestic Abuse Shelter

James introduced the item as BACH's review of 325 E. Cody lane development proposal – AH mitigation aspects of project. Applicants is Response. The Applicant received a PUD amendment last year to add a domestic abuse shelter as a Special Review use for the Property in the Basalt Business Center East PUD. The Applicants have now submitted application for Special Review with design. The Application Includes a small office space around 2k sq ft, seven private client rooms and a deed-restricted community housing unit that is to be 2-bedrooms and 870 sq ft.

Staff provided a memo in the packet that identified some discussion topics. It was noted that that the Applicant had some addendums to their affordable housing proposal that were sent earlier this week, which included a request for occupancy priority for Response's employees and volunteers, a request for the deed-restricted unit to be a Category 2 unit, and the ability to reduce number of employment hours a tenant could have to be eligible to occupy the unit down to 1040 hours of work per year from 1500 per year that is required by the Town's Community Housing Guidelines.

James explained the mitigation requirements in the Town Code. It was pointed out that staff included commercial mitigation calculation in the Staff memo as it was interpreted by Staff that the commercial

mitigation requirements would apply even though the use is a hybrid between residential and commercial use. It was explained that the Town Code assumes that 4 full-time employees are generated per 1,000 sq ft of commercial space and that 15% of the employees generated are required to be mitigated for with affordable housing. The Applicants have proposed 2 bed unit to mitigate for the employees generated.

James described that there is a review process that allows for unique uses such as the proposed Domestic Abuse Shelter to demonstrate that they will generate less than the 4 employees per 1,000 sf that is assumed by the Town Code. As such the Applicants have proposed that they will have 5 total employees operating the proposed facilities. Staff evaluated the proposal and 5 total employees generated would require approximately 400 sq ft of affordable housing, which is proposed to be satisfied through the construction of the 870 sq ft deed-restricted unit.

Staff pointed out the Livability requirements of the community housing guidelines, which are livability requirements for restrooms, kitchen, storage and parking. It was noted that Staff believes the unit satisfies the livability requirements.

Related to Occupancy priority, Staff explained that under the Town's Community Housing Guidelines, essential employees within the town receive occupancy priority. Then if an employee in the first occupancy priority category is not interested in an available unit, the occupancy priorities waterfall to general employees working in Basalt, and then to employees between Aspen and Glenwood Springs. The Applicants have asked for a first priority category for their employees and volunteers. Staff believes this is supportive given the unit within the domestic abuse shelter.

In evaluating the Category 2 unit request, response thought Category 2 lined up better with their employees. Staff explained that this was acceptable to Staff since the domestic abuse shelter use was a hybrid between residential and commercial and residential was allowed to be mitigated at a Category 2 level.

The Applicants presented that Response is a local nonprofit that serves survivors of domestic and sexual abuse and human trafficking. It was noted that they also conduct healthy relationship programming in schools. It was described that it is challenging for domestic abuse survivors to secure housing when seeking to leave abusers. They explained that there is a growing need in the community for more temporary housing of this nature. This Project will be mixed use and consist of office and shelter space. It was described as critical temporary housing. The design is at a modest scale to provide comfort and refuge and fit into the neighborhood. The proposed community housing unit is on the second level.

The Applicants described their need for requesting flexibility for occupancy. Safety and security of clients is their highest priority.

People that come into the shelter may not be working, or only working part-time. 1500 annual hours worked is approx. 28 hours per week. The reduced employment hour requirement of 1040 annually = 20 hrs worked per week. Helping clients achieve financial independence is a goal of Response. So, the Applicants have requested that Response clients be allowed to occupy the community housing unit while working only a minimum of 1040 hours per year.

Shannon Meyer of Response discussed that 1 in 3 women and 1 in 5 men will experience domestic violence in lifetime and that it happens in this Valley. Response has seen the numbers increase by 20%

since the pandemic and housing is essential. Transitional housing is up to 3 months. Response has reached capacity with the apartment stock they already have. Last year they served 17 survivors and turned away 13.

There will be an on-site staffer will have eyes on the building at all times and are skilled in addressing issues. The Applicants would like to add housing to the job description for an office manager (recruitment and retention). It was noted that the shelter is free housing for up to 3 months for clients and that clients work with a housing manager during this time to get into their own place. If the Community Housing Unit is not occupied by an employee of Response, it may be able to put a survivor into the unit. It would be another tool for Response to serve the survivors.

Erica Golden, the Applicants' architect expressed that she feels the design is meeting standards, but have delved more into accessibility standards. Two uses on site, office is first use and where people are received. The shelter is set back into the more private area of the site and there is screening for privacy. Bike parking and covered parking are included for the AH unit. There is also a play area for kids in a more secure area. The entire upper level is proposed as the shelter component. Additionally, an elevator is provided in the building and the Community Housing Unit is a Type A accessible unit. Therefore, they Applicants had to eliminate the second restroom to allow for larger radius to meet accessibility standards. An access door connecting into shelter space was needed so that the AH unit has access to elevator. Shannon described that have the unit be accessible is important to all aspects of Response's work.

James clarified that BACH will need to make a recommendation on losing the half bath.

Katie asked for occupancy clarification but said it's a great use of space.

Anne asked the number of hours a resident of 3 months needs to work. Shannon said that makes sense if the housing unit is used for a longer-term survivor rather than an employee.

Dave expressed that he feels good about the Category 2 and priority occupancy requests. He asked how to determine hours if a volunteer is eligible? He suggested that it could be Category 2 for just Response employees and volunteers and Category 1 for other priority occupancies.

Katie felt there was a need to have someone associated with Response in that space and not just random tenants and that random tenants could be putting people in the shelter at risk. Responding to a question, James responded that BACH and Council have the flexibility to accept the proposals.

Dave asked if it is Response's request to have Response employees, volunteers, and clients be the first occupancy in the Community Housing Unit or to eliminate the other occupancy priorities in the Community Housing Guidelines for this unit completely?

The Applicants responded that they desire Response employees, volunteers, and clients to be the first occupancy priority.

Perry described that he thought the intent of this project is a greater good of helping out the AH issue in the Basalt community. He expressed support for the approach to provide localized housing for staff, particularly in a first responder type requirement. He expressed that he thinks the AH unit should be strictly for Response employees, not potential use by the larger community.

James summarized that the majority of BACH seems accepting of concept of the AH unit being for Response employees, volunteers and clients.

M/S Katie and Dave to make a recommendation to Council to allow for occupancy of the Community Housing Unit by only Response employees, volunteers, and clients; that the unit be allowed to be a Category 2 unit; and that the unit receive a waiver to allow it to have only one bathroom. Motion passed 5 to 0.

Due to time constraints and the need for BACH members to leave the meeting, the Western Regional Housing Coalition Update was continued to a future meeting.

Katie motion to adjourn.

Meeting adjourned at 1:07 pm.

TOWN OF BASALT

BASALT AFFORDABLE HOUSING COMMISSION

By _____
Katie Erickson, Chair

Attest _____
Michelle Bonfils Thibeault, Planning Director



Request for Proposals- Basalt Housing Assessment

Proposal Scoring Matrix - Please rank each from 1 to 10, with 10 meaning the Firm meets the criteria in totality, and 1 meaning not at all.

	Economic and Planning Systems		Smart City Policy Group	
	Score (1 to 10)	Comments	Score (1 to 10)	Comments
<i>Comprehensiveness (45%)</i>				
<i>Qualifications of Project Team (30%)</i>				
<i>Compensation Proposal (10%)</i>				
<i>Schedule, including proposed phasing (5%)</i>				
<i>Client References (10%)</i>				
Total Weighted Score	0		0	

Any additional comments:



Updated Affordable Housing Assessment and Short-Term Rental Impact Fee Nexus

Prepared for:



Prepared by:



May 1, 2023

EPS #233067

1. INTRODUCTION



**Economic & Planning
Systems, Inc.**

The Economics of Land Use

May 1, 2023

Mr. James Lindt
Assistant Planning Director
Town of Basalt
Basalt Town Hall
101 Midland Avenue
Basalt, CO 81621
submitted via email to james.lindt@basalt.net

**Subject: Updated Affordable Housing Assessment and Short-Term Rental Impact Fee Nexus;
EPS #233067**

Dear James:

Economic & Planning Systems (EPS) is pleased to present this proposal to prepare a new Housing Needs Assessment and to update the Town's housing mitigation fees. EPS has enjoyed working with the Town over the years, from helping the Town negotiate with the Willits Town Center development in the early 2000s, a Cost of Growth Study, and a previous Housing Needs Assessment in 2015.

EPS is a full-service economic consulting firm with 50 employees in its Denver, Oakland, Sacramento, and Los Angeles offices. The firm has a broad-based practice in real estate analysis, public finance, and land use policy. Since 1983, EPS has worked with a wide range of public and private clients throughout the nation and has established a reputation for objective high-quality analysis and creativity. Within our Housing Practice, we have completed numerous needs assessments in Colorado mountain towns, and recent experience in the Roaring Fork Valley. We also have experience on the implementation side with several completed linkage and cash-in-lieu fee studies. EPS also prepared what we believe to be the first regulatory fee study for short-term rentals for the Town of Breckenridge.

An experienced team has been assigned to this project including Brian Duffany, Principal, as the principal-in-charge responsible for the overall project direction, management, and outcomes. Brian will work closely with Rachel Shindman, Vice President, who will support the technical work. Rachel and Brian have extensive experience in mountain and resort housing policy and regulation.

Our qualifications and proposed scope of work and fee is attached. We are open to your input on the overall scope, cost, and schedule. We appreciate the opportunity to work with the Town again. If you have any questions or need additional information please contact me at (720) 460-3302 or bduffany@epsdenver.com.

730 17th Street
Suite 630
Denver, CO 80202
303 623 3557

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.

Brian Duffany
Principal

Denver
Los Angeles
Oakland
Sacramento
epsys.com

2. QUALIFICATIONS, EXPERIENCE, AND CAPACITY

Key Staff Members

Brian Duffany, Principal, will be the principal-in-charge and project manager responsible for the overall project strategy, direction, delivery, and quality. He will be working side-by-side with Rachel Shindman, V.P. and co-project manager. Brian has nearly 20 years of consulting experience in housing, real estate market and feasibility analysis, and economic and community development. He has completed many needs assessments, linkage fee nexus studies, and short term rental regulatory fee studies.

Rachel Shindman, Vice President, will be the co-project manager working closely with Brian and the rest of the EPS Team. Rachel has managed housing technical studies and housing plans and strategies throughout Colorado and brings 8 years of experience in housing, nexus studies, and inclusionary housing policy. She is particularly skilled in explaining technical information to broad audiences.

Sarah Dunmire, Senior Associate will support the survey, needs assessment, market research, and fee analysis tasks. Sarah brings 6 years of experience in housing, community planning, geospatial analysis, and financial and economic analysis.

Carson Bryan, Associate will also support the survey, needs assessment, market research, and fee analysis tasks. Carson brings 3 years of experience in housing, community planning, geospatial analysis, and financial and economic analysis.

Résumés for key staff are provided on the following pages, followed by relevant project experience and current volume of work.



Brian Duffany

Principal

Education

Master of Regional Planning, Cornell University

Bachelor of Arts, Geology, Colby College

Employment History

24 Years Experience

19 Years with EPS

Affiliations

American Planning Association

Urban Land Institute

Speaking Engagements

TIF for TAT: Urban Renewal After HB 15-1348, Rocky Mountain Land Use Institute Conference, 2018

Streetcar Economics, American Planning Association Conference, 2010

Awards

Downtown Colorado, Inc. Governor's Best Plan Award – *City of Englewood Economic Development Strategic Plan*

American Planning Association, Colorado Chapter – *West Vail Master Plan*



Economic & Planning Systems, Inc.

The Economics of Land Use

www.epsys.com

Brian Duffany is a real estate economist and planner with over 20 years' experience in land economics. Brian has a broad base of experience in real estate development feasibility analysis, workforce housing, financial and economic modeling, economic development, economic and demographic analysis, local government finance, fiscal impact analysis, and transportation planning. Much of his work is in mountain, rural, and amenity gateway communities. In this context, Brian helps communities understand the market and economic forces shaping them. His work includes housing strategy and policies, comprehensive and neighborhood planning, and impact fee programs.

SELECTED PROJECT EXPERIENCE

- Inclusionary Zoning and Linkage Fee Study | Fort Collins, CO
- Lumber Yard Housing Market Study | Aspen, CO
- Short Term Rental Regulatory Fee | Breckenridge, CO
- Housing Strategy | Chaffee County, CO
- Housing Strategy | Clear Creek County, CO
- Housing Mitigation Fee Study | Pagosa Springs, CO
- Housing Funding Plan | Fruita, CO
- Workforce Housing-USFS Land Swap Impact Analysis | Summit County, CO
- Housing and Community Sustainability Study | Flagstaff, AZ
- Economic and Real Estate Advisory Services | Bozeman, MT
- Growth Policy Update | Bozeman, MT
- West Steamboat Neighborhood Annexation | Steamboat Springs, CO
- Economic Sustainability Model | Mountain Village, CO
- Revenue Diversity and Capital Funding Analysis | Avon, CO
- West Vail Master Plan and Housing Strategy | Vail, CO
- Fruita In Motion Comprehensive Plan | Fruita, CO
- Downtown Housing Strategy | Billings, MT



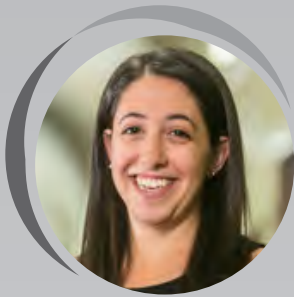
730 17th Street, Suite 630, Denver, CO 80202



303 623 3557



bduffany@epsdenver.com



Rachel Shindman, AICP

Vice President

Rachel Shindman, AICP, brings several years of experience in many of EPS’s practice areas. Her specializations include real estate economics, fiscal and economic impact analysis, and economic development and revitalization. She has a strong skill set for addressing urban economic and policy issues, and her experience in public, private, and nonprofit organizations enables her to work successfully with a diverse set of clients.

SELECTED PROJECT EXPERIENCE

- Short Term Rental Housing Fee Study | Summit County, CO
- Short Term Rental Study | Vail, CO
- Short Term Rental Regulatory Fee Study | Breckenridge, CO
- Short Term Rental Policy Evaluation | Eagle County, CO
- Housing Linkage Program | Mountain Village, CO
- St. Anthony Summit Medical Center Workforce Housing Solutions | Frisco, CO
- Affordable Housing Mitigation Rate and Fee-in-Lieu Updates | Vail, CO
- Housing Needs Update | Summit County, CO
- Housing Needs Assessment | Lake County, CO
- Housing Needs Study | Archuleta County, CO
- Housing Needs Assessment | Upper Arkansas Area Council of Governments, CO
- Housing Needs Assessment | Chaffee County, CO
- Peoria Crossing Market Study | Aurora, CO
- Comprehensive Housing Needs Assessment | Fort Morgan, CO
- Housing and Transportation Funding Model | Boulder County, CO
- Downtown Workforce Housing Needs Assessment | Billings, MT
- Comprehensive Housing Policy Framework | San Antonio, TX
- Housing Trends and Strategic Plan | Plano, TX
- Nashville Inclusionary Housing Study | Nashville, TN
- Inclusionary Housing Calculator Tool Development | Ontario, Canada

Education

Master of Regional Planning,
Cornell University
B.A., Queen’s University
B.Ed., Queen’s University
Certificate in GIS, Queen’s
University

Employment History

7.5 Years with EPS

Affiliations

American Institute of Certified
Planners
American Planning Association
Urban Land Institute

Presentations

*From Hiring to Housing:
Employer Strategies for Housing
Solutions* Presentation (convener
and presenter) American
Planning Association - Colorado
State Conference, Virtual 2020

*Tiny Homes, Big Ideas:
Alternative Housing,
Conventional Reality* Panel
Discussion (convener and
facilitator) American Planning
Association – Colorado State
Conference, Keystone, CO 2018

*Can Tiny Homes Help Solve
Denver’s Affordable Housing
Crisis?* Panel Discussion
(moderator) Denver Design
Week, Denver, CO 2018

*Finding the “Opportunity”
in Opportunity Zones* Panel
Discussion (convener and
moderator) American Planning
Association – Colorado State
Conference, Snowmass 2019



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rshindman@epsdenver.com



Sarah Dunmire

Senior Associate

Education

Masters of Urban and Regional Planning at the University of Colorado Denver

BS in Community, Environment, and Development; Minors in Economics and Communication Arts and Sciences—The Pennsylvania State University, 2015

Employment History

6 Years Experience

5 Years with EPS

Affiliations

Urban Land Institute

Sarah joined EPS in 2017, bringing her academic and professional experience in planning and economics. Prior to EPS, Sarah worked in the public sector as a Regional Planner gaining experience in regional planning, growth management, and community development. Additionally, through her time as an Economic Analysis Program Assistant for Penn State Extension, Community and Economic Development she learned skills of economic development, strategic planning, and facilitation. She is passionate about equitable development and affordable housing and has experience with housing needs assessments, housing demand analysis, and housing policy.

SELECTED PROJECT EXPERIENCE

- Comprehensive Housing Needs Assessment | Fort Morgan, CO
- San Miguel County Housing Demand Analysis | San Miguel County, CO
- Affordable Housing Entitlement Support | Loveland, CO
- Affordable Housing Task Force | Loveland, CO
- Kane-Elgin Consolidated Plan and Analysis of Impediments Kane County, IL
- Rural Housing Initiative Market Study | Telluride, CO
- Fruita in Motion | Fruita, CO
- West Vail Master Plan | Vail, CO
- Grand Avenue Corridor Plan | Eagle, CO
- Market Assessment Tool for HOME-Assisted Ownership | Kane County, IL
- Zoning Feasibility Analysis | State College, PA
- SA Tomorrow Comprehensive Plan | San Antonio, TX
- San Marcos Comprehensive Plan Update | San Marcos, TX



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Carson Bryant

Associate

Carson Bryant has significant experience with housing market analysis, housing policy, affordable housing strategy, real estate finance, and financial modeling in downtowns and other infill settings. He has worked on a variety of projects across the region and has a strong skill set for identifying market opportunities and constraints, and formulating creative approaches to address them.

Education

B.A. in Economics and in German - Washington and Lee University

Employment History

3 Years with EPS

Previous Experience

Fulbright teaching fellowship, Nuremberg, Germany

Washington and Lee University Real Estate Society

Charlotte Chamber of Commerce Intern

SELECTED PROJECT EXPERIENCE

- Lumber Yard Housing Market Assessment | Aspen, CO
- Pitkin County Economic and Community Analysis | Colorado
- Housing Funding Plan | Fruita, CO
- Deerbrook Townhomes Market and Feasibility Study | Snowmass Village, CO
- Loveland Affordable Housing Task Force Support | Colorado
- Affordable Housing Funding Plan | San Antonio, TX
- Workforce Housing Feasibility Study | Red Lodge, MT
- Beartooth RC&D Regional Housing Study and Needs Assessment | Joliet, MT
- Covid-19 Economic Resiliency Plan | Ouray County, CO
- Mountain Village Comprehensive Plan Economics | Mountain Village, CO
- Economic Development Plan | Santa Fe County, NM
- Resiliency and Recovery Roadmap Strategy | Mesa County
- Resiliency and Recovery Roadmap Strategy | Northwest Colorado
- Resiliency and Recovery Roadmap Strategy | Costilla County
- Opportunity Zone Prospectus | Southeast Colorado Econ. Dev. District
- Southside Opportunity Zones Strategic Plan | San Antonio, TX
- Urban Renewal Strategic Plan | Denver, CO
- Downtown Housing Market Study Update | Billings, MT



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Denver | Los Angeles | Oakland | Sacramento

A photograph of a busy city street with tall buildings and people walking. A white diagonal line cuts across the image from the top right to the bottom left.

About Economic & Planning Systems

Economic & Planning Systems, Inc. (EPS) is a land economics consulting firm experienced in the full spectrum of services related to real estate development, the financing of public infrastructure and government services, land use and conservation planning, and government organization.

EPS was founded on the principle that real estate development and land use-related public policy should be built on realistic assessment of market forces and economic trends, feasible implementation measures, and recognition of public policy objectives, including provisions for required public facilities and services.

AREAS OF EXPERTISE

- ▶ Real Estate Economics
- ▶ Public Finance
- ▶ Land Use & Transportation
- ▶ Economic Development & Revitalization
- ▶ Fiscal and Economic Impact Analysis
- ▶ Housing Policy
- ▶ Public-Private Partnership (P3)
- ▶ Parks and Open Space Economics

Clients Served

Since 1983 EPS has provided consulting services to hundreds of public- and private-sector clients in Colorado and throughout the United States. Clients include cities, counties, special districts, multi-jurisdictional authorities, property owners, developers, financial institutions, and land use attorneys.

Staff Capabilities

The professional staff includes specialists in public finance, real estate development, land use and transportation planning, government organization, and computer applications. The firm excels in preparing concise analyses that disclose risks and impacts, support decision making, and provide solutions to real estate development and land use-related problems.



HOUSING POLICY

EPS has a depth of affordable housing related experience. Availability of housing that meets the need for the full spectrum of affordability should be viewed as an integral part of any successful region, conferring economic, social, and environmental benefits that underpin sustainable growth. In recent years, many communities have experienced significant increases in housing demand, pushing rents and prices beyond the level that median-income households can afford. Rising housing costs can cause overcrowding, financial hardship, and in some cases force households to leave their neighborhoods, jobs, and/or social networks. The lack of access to affordable housing affects all sectors of society and has become a particular problem for workers in lower paying fields (e.g., service, public, and non-profit sectors).



EPS offers a full spectrum of services related to assessing specific population affordable housing needs, workforce housing, and market-rate housing. We work with communities to structure initial strategic housing plan frameworks, revise housing needs goals, establish production or rehabilitation targets, develop financing plans, or provide rigorous analysis that quantifies the return on investment from public dollars directed toward housing goals. Our work integrates an understanding of local, regional, and national market and policy forces. EPS works in a variety of contexts, from large urban metropolitan areas and regional planning organizations to smaller, rural, suburban, and resort markets.

REPRESENTATIVE PROJECTS

- Archuleta County Housing Needs and Policy Assessment
- Aspen Housing Update
- Aurora Housing and Community Needs Assessment
- Basalt Affordable Housing Strategy
- Bexar County TX Housing Needs Assessment
- Big Sky MT Housing Development Plan
- Billings MT Workforce Housing Needs Assessment
- Boulder Inclusionary Housing Rental Policy Update
- Boulder Rental Housing Climate Action Plan Cost Impact
- Broomfield CO McWhinney Affordable Housing Analysis
- Chaffee County Housing Needs Assessment
- City & County of Denver Housing Economic Study/ Denver IHO
- Clear Creek County Housing Assessment
- Denver Housing Production and Funding Analysis
- Douglas County Housing Partnership Nexus Study
- Edwards Housing Economic Impact Study
- Fort Collins Inclusionary Housing Study
- Lakewood Housing Study
- Lakewood Support for Development Review Process
- Leadville and Lake County Housing Needs Assessment
- Longmont Inclusionary Housing Study
- Manitou Springs Affordable Housing Needs Assessment
- Northern Colorado Housing Density Analysis
- Oklahoma City OK Housing Plan
- Ontario Canada Inclusionary Zoning Policy Study
- Plano TX Housing Trends Analysis and Strategic Plan
- Portland OR Housing Incentive Analysis
- Roaring Fork Valley Regional Housing Authority 2017 Housing Needs
- San Antonio Housing Production Target Study
- San Antonio TX Housing Policy
- San Miguel County Housing Needs Analysis
- Sonoran Institute Housing Market Study
- St. Anthony Center Housing Needs Assessment
- Summit County Housing Needs Update
- Summit County Peer Review
- SW Colorado Regional Housing Plan
- Tri County Housing Needs Assessment
- UAACOG Housing Needs Assessment
- Windsor Study of Demographics and Housing Opportunities

The following are representative projects EPS has completed involving the assessment of housing demands, supply, and gaps; assessment of market rate, affordable, workforce, and special needs housing; and housing policy and plans.

Short Term Rental Housing Fee Study

Summit County, Colorado

Summit County hired an EPS led team to establish a basis for fees on STR units. This work included three key components:

1. Building on existing County data, we established a baseline STR context for the County. This provided data to inform policy makers as they consider new fees or other policies and strategies, and enable data-informed decision making for a proposed fee. Analysis included data on inventory, location, unit characteristics, economic characteristics, and guest spending.
2. To provide additional context, we provided an overview of how peer communities are addressing STRs, including how the STR contexts of other locations (including magnitude of inventory, share of total units, and guest expenditures) are similar or different from Summit County.
3. Lastly, EPS completed a nexus study to document the nexus between STR use and affordable/workforce housing demand. Using an economic impact model to document the relationship between STR guest spending and affordable housing demand, the model provides a basis from which the County can generate fee revenue to be used for housing development and/or to fund programs (e.g., buy downs).
 - Cost of project: \$51,000
 - Client: Summit County, Colorado
 - Sub consultant: RRC Associates
 - Project over/under budget and schedule: Ongoing
 - Listing of general policy recommendations: Anticipated recommendations include STR fee and use of revenues.

Roaring Fork Valley Regional Housing Study

Aspen to Glenwood Springs and New Castle to Eagle, Colorado

The Roaring Fork Valley has become synonymous with high housing costs, a tight and constrained housing supply, and an ever-expanding commute shed. The discontinuity of affordable housing practices, goals, policies, and initiatives by numerous counties and municipalities makes tackling affordable housing needs and issues an even more challenging problem to solve. For the past few decades, it has been clear that housing needs for the workforce are not being met sufficiently. Years of applying best practices in most of the Valley's communities has helped many, but left still many more needs unmet.

The goal of this study was to provide a solid foundation from which a regional solution could finally address a regional problem. EPS and its subconsultant, RRC Associates, provided an in-depth analysis of workforce needs, a projection of age-and income-specific needs, and a robust foundation from which to communicate the story and issues to local governments, stakeholders, and the public. The team conducted the first-ever regional resident and employer survey to comprehensively assess the perceptions, concerns and housing needs of residents, workers, and employers. The team also pioneered a new methodology for identifying housing gaps by income. The findings revealed subregional under- and over-supplies, inter-regional dependencies, and a truer picture of the housing needs by income created by each driver of housing demand – factoring in wage and salary workers, proprietors, non-working residents, in-commuters and out-commuters.

- Cost of project: \$116,500
- Client: Garfield County Housing Authority
- Sub consultant: RRC Associates
- Project over/under budget and schedule: Budget increase of \$29,000 due to additional tasks and expanded report
- Listing of general policy recommendations: Quantified the regional housing gap and gaps at the community level, with recommendations on what AMI levels should receive the greatest focus.

Lake County Housing Needs Assessment

Leadville, Colorado

Lake County is a unique community in the Rocky Mountain West, given its origins and continuity as a mining community and its growing appeal as a tourism and recreation destination. Leadville, the County's only incorporated municipality, has a strong mining history and downtown historic district. The regional context for Lake County is one of growth in both the commercial and residential sectors. The surrounding counties include Eagle, Summit, Chaffee, and Pitkin, each of which has a thriving real estate market and growing economy. Lake County's residents provide much of the workforce for these surrounding communities, as regional housing challenges push workers to seek housing in Lake County. There has been a major shift in the Lake County housing market since 2015, both in rental and for-sale homes. While Lake County is not alone in the challenges it is facing, its geographic and employment context make the challenges and opportunities present distinct in the region.

EPS prepared a Housing Needs Assessment for Lake County that focused on identifying the key housing issues facing the community as well as resources in the County available to address these issues. The analysis documented economic and demographic conditions contributing to housing affordability issues, evaluated the housing market to identify market trends affecting

affordability, and recommended strategies and actions for the City and County to pursue to increase the supply and affordability of housing.

This work was done through data analysis, stakeholder input obtained through focus groups and direct interviews, and community outreach through two community meetings. The resources and strategies available to the community were cataloged, and applicability to Leadville and Lake County was assessed as part of the creation of an action plan to address identified issues and goals. The analysis emphasized implementation measures focused around policy, funding, and governance.

- Cost of project: \$44,000
- Client: Lake County, Colorado
- Sub consultant: N/A
- Project over/under budget and schedule: Project completed on time and on budget
- Listing of general policy recommendations: EPS made recommendations in five categories: land strategy, policy initiatives, organization and management, funding sources, and regional partnerships.

Housing Conditions and Policy Update

Basalt, Colorado

EPS was retained to identify how market and economic conditions since the recession had changed and to what extent housing supply was or was not meeting demand. EPS conducted a targeted employee survey to collect primary data on residence preferences and assessed how widening gaps between local housing costs and lower-paid employees and their households were contributing to the need for a locally-funded affordable housing solution. The work included a full analysis of supply and demand conditions, such as trends in demographics, employment, wages and income, and commuting, as well as the housing inventory. EPS found that exacerbated cost-burden conditions, a drastic increase in low-wage jobs, housing prices in excess of the local workforce, and the lack of new affordable inventory in the pipeline contributed to a workforce development problem.

- Cost of project: \$50,000
- Client: Town of Basalt, Colorado
- Sub consultant: N/A
- Project over/under budget and schedule: Project completed on time and on budget
- Listing of general policy recommendations: Increase program income limits to 140% AMI; focus on deed restricted for-sale housing; increase unit and property amenities.

Aspen Lumber Yard Market Study

Pitkin County, Colorado

The City of Aspen purchased a 4.7-acre lumberyard and an additional 3-acre mini storage site along Highway 82 across from Aspen/Pitkin County Airport in 2020 for employee housing development. The site is just north of the Burlingame Neighborhood, a for-sale employee housing neighborhood that has been one of Aspen-Pitkin County Housing Authority's (APCHA) most successful projects. APCHA had been building largely for-sale housing in recent projects but this site is suitable for high densities, and APCHA was proposing nearly 300 units of rental housing. Since APCHA had not done a rental project in several years, it needed to develop a better understanding of the target market. In addition, Aspen City Council was interested in how it could better serve local businesses and wage earners with housing. This information would be used to inform the project design, unit mix, and rent and qualifying income levels.

APCHA hired EPS to conduct an analysis of job and wage growth in the Upper Valley, and a survey of recent rental projects in the larger valley from Glenwood Springs to Aspen to assess competitive rent levels. EPS analyzed detailed business-level employment data for the upper valley. The analysis found that job growth continued to be in tourism-oriented sectors, plus local government. For single earner households, these jobs equate to about 55 to 70 percent of AMI (APCHA Category 2) for about 25 percent of the jobs. Another 55 percent of jobs were in the 85 to 120 percent of AMI range (APCHA Category 3). The demographic analysis prepared by EPS also showed that roommates are a common living arrangement, and that combined roommate incomes put them above the APCHA categories, creating friction in the market.

- Cost of project: \$30,000
- Client: Aspen-Pitkin County Housing Authority
- Sub consultant: N/A
- Project over/under budget and schedule: Project completed on time and on budget
- Listing of general policy recommendations: EPS advised APCHA to review its roommate and income qualifying guidelines to housing market friction. We also recommended a unit mix to serve a range of incomes and household types.

Housing Funding Plan

Fruita, Colorado

The City of Fruita, located on the western slope, is facing mounting housing market pressure and, like so many other communities in Colorado, is concerned about the ability of the local workforce to access housing in the city. The City retained EPS to formulate a housing funding strategy focused on generating

new revenue streams and how those funds can be most effectively allocated to create more workforce housing options. The study also modeled various housing programs, including an ADU program, land banking, and down payment assistance, to determine the impact of new funding in relation to housing targets and the financial feasibility of establishing a revolving loan fund for the City.

- Cost of project: \$89,210
- Client: City of Fruita, Colorado
- Sub consultant: N/A
- Project over/under budget and schedule: Project completed on time and on budget
- Listing of general policy recommendations: A housing fee and new housing assistance programs and incentives.

Capital and Housing Impact Fee Process

Pagosa Springs, Colorado

In 2018, the Town decided to reevaluate its impact fee program in 2018. With affordable housing being an increasingly difficult challenge, the Town also wanted to explore new tools for funding affordable housing. The Town hired EPS to conduct a study and process of updating its existing impact fees and exploring the option of replacing the capital impact fees with an affordable housing impact fee (linkage fee).

- **Capital Impact Fees** – EPS prepared a new nexus analysis and new fee calculations for Town Council to consider. The fee categories were municipal facilities, parks and recreation, trails, Town fleet, and police. EPS and staff determined that transportation should be eliminated because it was determined that there were few if any roadway capacity projects appropriate for impact fees.
- **Housing Linkage Fee Nexus Study** – To address affordable housing, EPS performed a housing linkage nexus study using an economic impact model. The model estimates the jobs and households generated by AMI range from new market rate housing development. Linkage fees were calculated on a per square foot basis.
- **Council Decision** – The Town Council ultimately determined not to adopt either type of fee as the revenues were deemed not to be worth the potential impacts on economic development.
 - Cost of project: \$39,860
 - Client: Town of Pagosa Springs, Colorado
 - Sub consultant: N/A
 - Project over/under budget and schedule: Project completed on time and on budget

- Listing of general policy recommendations: EPS prepared revenue projections from impact fees and housing linkage fees to gauge their impact on the Town’s capital and housing budgets. EPS provided objective analysis and facilitated discussions with Town Council. Council opted to repeal capital impact fees.

Inclusionary Zoning and Linkage Fee Nexus Study

Fort Collins, Colorado

In response to a continuation of concerns about steep appreciation in rents and for-sale price points, the City selected EPS to evaluate the feasibility, impact, and market-readiness of these two policies. Following a process of outreach, including a technical advisory group of housing advocates, service providers, real estate professionals, developers, and builders, as well as technical modeling, EPS gave the City guidance on the community’s readiness for voluntary and mandatory IZ, as well as residential and commercial linkage fees.

EPS evaluated the feasibility and impacts of IZ on prototypical development scenarios and tested sensitivities to identify an optimal programming structure – the outcomes produced an understanding of feasible housing set-asides, affordability levels, incentive structures, among the other programmatic elements. The technical analysis also included a linkage fee nexus study, required legally to justify maximum supportable fees that could be applied to different land use developments for generating revenue to mitigate the affordable housing needs created through those developments.

- Cost of project: \$135,000
- Client: City of Fort Collins, Colorado
- Sub consultant: N/A
- Project over/under budget and schedule: Project completed on time and on budget
- Listing of general policy recommendations: Provided IZ set aside percentages and AMI limits; potential nonresidential linkage fee amounts; and impacts on development feasibility.

Affordable Housing Mitigation Rate and Fee-in-Lieu Updates

Vail, Colorado

The Town of Vail recognized the need to update its affordable housing mitigation requirements given that the standards were dated and exempted a large geography of the community from compliance. As the Town developed a work program to address the need it focused on 1) generation rates; 2) mitigation rates; and 3) updated factors for fee-in-lieu calculations. The goal was to provide a comprehensive set of tools that reflected the current Town Council’s priorities and policy objectives.

The Town retained EPS to address the full range of elements. EPS provided the generation rates, using the most recent industry standards for residential linkage that provided the Town with job formation rates graduated by size of home. To enable the Town to set new mitigation rates, EPS provided a range of trend data related to economic growth, housing costs, residential land supply, and housing gap analyses. EPS also constructed a fee model, using the factors related to development costs, household income, and employee ratios to arrive at an affordability gap. A key element in the final task was to create a simple, data-driven system for annual updates to the fee calculations that will enable the Town to keep pace with the escalations in development costs.

- Cost of project: \$48,500
- Client: Town of Vail, Colorado
- Sub consultant: N/A
- Project over/under budget and schedule: Project completed on time and on budget
- Listing of general policy recommendations: Town is considering the study in the context of other code changes.

Affordable Housing Mitigation Strategies

Mountain Village, Colorado

Mountain Village, located at the base of the Telluride Ski Area, is a municipality that sought to generate affordable housing solutions. Mountain Village, along with many peer communities throughout the Rocky Mountain West, is challenged to provide the workforce to staff local business. In addition to economic goals, these towns also seek to increase community vitality with a greater number of affordable housing units for local residents.

Mountain Village retained EPS to provide affordable housing mitigation strategies that covered all uses of new development. The mitigation model that EPS constructed identified both the employment generation rates for all types of residential product as well as all types of commercial uses. Following the employment generation rates, the model identified the financial gaps faced by local households. These factors were used to generate mitigation programs that the Town began applying to development requests immediately following the adoption of the program. The benefit will be the construction of dedicated affordable housing and/or the generation of fees that the Town will use to fund its development efforts.

- Cost of project: \$80,000
- Client: Town of Mountain Village, Colorado
- Sub consultant: RRC Associates
- Project over/under budget and schedule: Project completed within budget; 8/2021-3/2022

- Listing of general policy recommendations: Recommended housing requirements and linkage fees for new commercial and residential development, along with a tiered mitigation strategy to incentivize on-site and in-town housing, which were adopted by Council.

Employment Generation Rate Update

Aspen, Colorado

EPS provided the City of Aspen with the original fee estimates and employment generation rates for the City of Aspen’s Employee Mitigation Requirements in 2002 and was contracted by the City in 2012 to update the employment generation rates to reflect changed economic conditions. EPS collected primary data from each of the businesses in downtown Aspen and surrounding areas in the city to provide the City with updated values on employment generation rates by land use and sufficient information to provide distinguishable values for downtown core versus elsewhere in the city.

- Cost of project: \$15,000
- Client: City of Aspen, Colorado
- Sub consultant: N/A
- Project over/under budget and schedule: Project completed within budget; 9/2012-12/2012
- Listing of general policy recommendations: Updated employee generation rates by major land use type.

Short Term Rental Regulatory Fee Study

Breckenridge, Colorado

The Town of Breckenridge is a national and international ski and outdoor recreation destination. Town policy makers are facing a housing crisis and pressure from constituents to address the problem. The housing challenges are being amplified by the ongoing COVID-19 pandemic and its impacts on “amenity migration” patterns resulting in increased purchases and occupancy of second homes and conversion of second homes and long term rentals to full time residences for remote workers, further pricing out the local workforce. On top of that, the growth of vacation rental by owner platforms such as VRBO and Airbnb is driving investment in housing by corporate entities buying “trophy” properties to manage and market with usage patterns more like hotels than traditional vacation rentals. The growth of Metro Denver has also generated more buyers who tend to purchase older and lower priced properties as second homes, sometimes converting long-term rental housing to second homes and short term rentals (STRs).

The Town hired EPS to work with its legal staff to design a regulatory fee program applied to short term rentals. Traditional lodging properties such as hotels and lodges (defined by zoning classifications) are exempt from the

fee in order to target properties more likely to affect neighborhoods and long term rental or purchase opportunities for the local workforce. EPS prepared an economic analysis that demonstrated the impacts of STR use on the demand for workforce housing and calculated an annual fee designed to fund related housing programs. We then projected the potential fee revenue the program would generate and worked with Town Housing and Finance staff to ensure the fee revenues would be restricted to housing programs. Town Council adopted the fee in November 2021.

- Cost of project: \$34,370
- Client: Town of Breckenridge, Colorado
- Sub consultant: RRC Associates
- Project over/under budget and schedule: Project completed within budget; 8/2021-11/2021
- Listing of general policy recommendations: Short term rental fee and uses of funds

Short Term Rental Fee Study

Aspen, Colorado

Aspen and other mountain resort communities in Colorado are evaluating tools to regulate the impact of STRs on housing availability and affordability. EPS was retained by the City to analyze a fee-based approach that would levy an annual licensing fee on these units, with the fee revenue dedicated to providing a specific purpose such as housing development or housing programs.

EPS completed a fee study outlining both an administrative fee that the City can charge to cover the costs of regulating and managing STRs, as well as a fee structure that would link expenditures from STR guests to housing need in the community, based on employment supported through spending. The analysis included a detailed nexus study to document the community need stemming from expenditures, and how that linkage could be used to form the basis for a fee. As the project progressed, City Council adopted the administrative fee and gave direction to pursue a tax initiative to address housing impacts. The EPS nexus analysis is being used to calibrate the parameters in considering a ballot measure to adopt an excise tax on STRs.

- Cost of project: \$77,000
- Client: City of Aspen, Colorado
- Sub consultant: RRC Associates
- Project over/under budget and schedule: Project completed within budget; 3/2022-8/2022
- Listing of general policy recommendations: Fee structure to address administrative and housing impacts of short term rentals.

Short Term Rental Study

Vail, Colorado

The Town hired EPS to analyze the existing STR inventory, understand the housing impacts of STR use in the town, and complete a nexus study to support a fee on STR units. Through this work, EPS was able to characterize the STR inventory in the Town of Vail, including location, size, occupancy, rental rate, and ownership characteristics. This data was contextualized within the overall town lodging inventory to understand the role of STR units in the lodging sector.

EPS also analyzed the Town's housing market over a three year period, with a focus on units registered as STRs before and/or after sale, to evaluate the type and value of units used as STRs and how those units relate to the overall housing market.

The final component of this effort was a nexus study to support a fee program, with revenue supporting local workforce housing programs. EPS's analysis used an economic impact model to document the relationship between STR guest spending and affordable housing demand based on employment generated by spending.

- Cost of project: \$48,500
- Client: Town of Vail, Colorado
- Sub consultant: RRC Associates
- Project over/under budget and schedule: Project completed within budget; 10/2021-5/2022
- Listing of general policy recommendations: EPS recommended a fee for mitigating the impacts of STRs on housing need in the town. This fee program and other policy changes, determined in partnership with staff have yet to be adopted by Council.

St. Anthony Summit Hospital Workforce Housing Solutions

Summit County, Colorado

St. Anthony Summit Hospital (St. Anthony) is situated in one of the state's most expensive and supply-constrained housing markets. Limited new residential construction, a predominance of second homeowners and a largely tourism-driven economy translate to challenges not only for the workforce, but for a growing entity like St. Anthony to recruit and retain a qualified workforce.

St. Anthony selected EPS to provide options it may consider to address the housing-related challenges for its new hires and existing associates. Based on analysis of a survey fielded to all associates, market data, and a series of focus groups, EPS recommended a range of strategies that could be implemented to address housing challenges among its workforce. These strategies varied in terms of cost, target employee cohort, and timing.

- Cost of project: \$20,000
- Client: St. Anthony Summit Hospital
- Sub consultant: N/A
- Project over/under budget and schedule: Project completed within budget; 11/2019-1/2020
- Listing of general policy recommendations: Pay adjustments and housing stipend recommendations. EPS also advised St. Anthony on a development partnership on a site the hospital owns.

Short Term Rental Policy Evaluation

Eagle County, Colorado

EPS is currently undertaking a comprehensive STR conditions analysis and fee study for Eagle County. This work includes an analysis of STR trends and existing conditions throughout the county, including inventory and performance metrics. In addition to this conditions analysis, EPS is completing a study to support a regulatory fee based on workforce housing impacts, as well as analysis to support adoption of an administrative fee to assist the County with the costs of administering and enforcing an STR regulatory program.

- Cost of project: \$57,500
- Client: Eagle County, Colorado
- Sub consultant: RRC Associates
- Project over/under budget and schedule: Ongoing
- Listing of general policy recommendations: N/A

Current Volume of Work

Brian Duffany

Bozeman On-Call Services
Adams County Commercial Nexus & Linkage Fee and Inclusionary Housing Policy Feasibility Studies
Commerce City Code Update Fiscal
Granby Short Term Rental Fee Study
Commerce City Code Update Fiscal
Burlington VT Impact Fee Study
Oklahoma City Housing Implementation Plan
Breckenridge Employee Generation

Sarah Dunmire

Colorado Springs On-Call Community Planning
Fort Collins Southwest Annexation URA Plan
Burlington VT Impact Fee Study
Wheat Ridge URA Lutheran Legacy Campus Plan Area
Commerce City Urban Renewal Plan Development Services
Brighton Impact Fee Study
Lafayette Kensington Revenue Sharing Agreement
State College PA Zoning Code Economic Feasibility Study
Eagle Economic Development Plan
Brighton Urban Renewal Authority PBS Update
Wheat Ridge Town Center V Development TIF

Rachel Shindman

Boulder Junction Phase 2
Ketchum ID Commercial Market Analysis
Firestone Comprehensive Master Plan
Fort Collins Transit Funding Study
Adams County Commercial Nexus & Linkage Fee and IH Policy Feasibility Studies
Summit County Vacation Rental Housing Fee Study
Eagle County Short Term Rental Program Fee Nexus Study
Colfax Transit Implementation - Bus Rapid Transit
Breckenridge Employee Generation
Ouray Housing Needs Analysis and Strategy

Carson Bryant

Commerce City Fiscal Growth Study
Adams County Commercial Nexus & Linkage Fee and IH Policy Feasibility Studies
Granby Short Term Rental Study
Glenwood Springs Strategic Housing Update
Oklahoma City Housing Implementation Plan
Kansas City MO Downtown BRT East West Corridor

3. APPROACH TO PROPOSAL

Project Understanding

The Town of Basalt has a comprehensive set of land use regulations and fees that are designed to mitigate the impacts of new development and produce and fund more affordable housing. The two main programs are in inclusionary zoning requirement of 20 percent of units, with a cash-in-lieu option, and a commercial linkage fee or affordable housing impact fee on nonresidential development. The Town has had these regulations for many years and has produced roughly 280 units from these and other programs and funding sources.

The Town sees a need to update its regulations and fees given the continued increases in prices, widening housing gaps for the workforce, an aging population, and the evolution of the market post-pandemic. Post pandemic, there are more remote workers in the region which is also affecting housing supply and prices. The continued increase in prices in Basalt and other mountain towns is causing policy makers to consider increasing the income limits of their programs, as even higher income professionals are priced out of the market. The Town's income limits cap out at 120 percent of AMI, while other communities have programs that go to 200 percent of AMI or higher. Last, the Town would also like to explore a regulatory fee on short-term rentals to mitigate their impacts on affordable housing.

Project Approach

The proposed Scope of Work below is divided into four components that address the Town's needs as we understand them from the RFP.

- **Surveys (Primary Data)** – An employer survey is needed to update employee generation rates for the linkage fee update, and to get feedback on how housing or other issues are affecting the local economy. The Town would like to survey residents of its deed restricted housing to understand their housing preferences and needs, and future plans. This survey will inform the future unit mix and amenities in new projects.
- **Needs Assessment / Secondary Data** – This group of tasks includes a housing market and affordability assessment, and analysis of other economic and demographic information to inform the degree of housing needs and housing gaps by tenure and income level.
- **Mitigation Fee Updates** – These tasks are to update and recalculate the inclusionary housing cash-in-lieu fee and the commercial linkage fee. It includes reviewing the current methodologies and proposing any changes to reflect current best practices.
- **Reports and Presentations** – Last, we will document all work in draft and final reports, and include an in-person presentation to the BACH and Town Council.

Scope of Work

The proposed Scope of Work below closely follows the RFP. It summarizes the major tasks we anticipate completing. Based on our experience, there are often minor deviations from the specifics that evolve during the project, but the overall intent follows the RFP. We are also open to discussing the scope with the Town to make any modifications to best meet your needs and budget.

Task 1: Kickoff and Review of Existing Housing Initiatives

EPS will host a phone/video kickoff meeting with Town staff and potentially interested members of the Basalt Affordable Community Housing Commission (BACH).

- Collect relevant data, current program and policy information, other studies, and establish key Town contacts.
- Listen to input on policy and technical issues to address in the study, ensure that the work plan can address them.
- Begin planning survey distribution logistics.

Task 2: Data Collection

This task is comprised of three main components needed to provide the updated housing need and housing preference recommendations, and to make the proposed updates to specific policies and implementation measures such as the cash-in-lieu and commercial linkage fees.

First, the RFP requests a survey (primary data) of current deed restricted housing residents to inform housing preferences and needs. Next, an employer survey is requested to inform economic aspects of housing such as employee recruitment and retention, and to inform the employee generation rates used in the commercial linkage fee program. The last component is the important secondary data on demographics, incomes, wages, and home prices needed to round out the information used in the Needs Assessment.

2.1 - Deed Restricted Housing Survey

In this task, we will survey current residents of the Town's deed restricted housing to gain insight on their demographics, employment status and occupations, tenure plans (move, stay, etc.), and preferences on unit types and features. This information will inform the Town's programs and the design and unit mix of future projects.

- Meet with Town staff and select BACH members to brainstorm on survey topics and questions.
- Prepare a draft and final survey, proposed to be electronic on the Survey Monkey platform.

- If hard copies are needed for people without ability or access to an internet-connected device, the Town will be responsible for distributing those and providing assistance in completing the survey.
- The Town will provide a distribution list of all current residents, including email addresses.
- EPS will monitor responses and determine with the Town when the survey should be closed (e.g., when there is an adequate number of responses for analysis, and the response rate drops off).
- EPS will compile and analyze the results in summary tables and charts.

2.2 - Employer Survey

We understand that there are two main purposes for the employer survey. First, information on the health of local businesses is needed, and how housing may be a factor. We can also get good information on where employees live (commute distances), and some information on workforce housing preferences. Second, we would collect data on business floor area and the number of employees to update the employment generation rates used in the commercial linkage fee program.

- Meet with Town staff and select BACH members to discuss the survey and key topics.
- Design draft and final survey instruments for electronic distribution using Survey Monkey.
- Obtain employer email addresses. This proposal assumes they are readily available through the Town's business license program or that the Town can provide them through other sources.
- Distribute survey and monitor responses, close the survey at the appropriate time.
- EPS will compile and analyze the results in summary tables and charts.
- EPS will calculate the updated employment generation rates and strive to follow the current land use categories.

2.3 - Needs Assessment Secondary Data

We understand that the primary purposes of this project are to inform and provide proposed updates to the Town's current housing policies and programs. The Needs Assessment component will draw from both surveys, plus additional data on the area housing market and economy to inform housing needs and recommended priorities. The Needs Assessment data component will address the demand side, while the supply side will be addressed in Task 3 (Market Analysis and Needs Assessment).

- **Demographics** – Data will include household income levels and distribution by Town Category, tenure (renters and owners), age distribution, and trends in growth and change. We will also look specifically to gauge if senior housing should be an increased priority, as it has not been the typical focus of housing programs in the Roaring Fork Valley.
- **Economy** – We will examine local and regional Upper Valley economic trends and wages levels, and comparisons of job shifts between the Upper and Lower Roaring Fork and Colorado River Valleys building on our recent work in the Pitkin County Economic and Community Analysis (2022).

Task 3: Market Analysis and Needs Assessment

3.1 - Market Analysis

This task covers the analysis of the housing supply and market and then combines the analysis from the demand side (surveys and secondary data) to arrive at a clear definition of housing needs and recommended priority market segments (income levels, job types, age and demographic groups).

- **Housing stock and production** – Characterize the existing housing stock. Quantify housing production by housing type for the past 10 or so years including market rate and deed restricted units.
- **For-sale market** – Analyze data from the multiple listing service (MLS) to get accurate local data on current prices and trends. Categorize sales by the AMI to which they are affordable, including the change in affordability levels and incomes required over time.
- **Rental market** – Data on the rental market is more limited as there is no central service like an MLS for rentals in the Basalt area. Data on the rental market will come from multiple sources such as CoStar (may have limited coverage, focusing on newer buildings), interviews with 2-3 major property managers, and American Community Survey data. We will summarize key indicators such as rent and vacancy levels, and approximate income/AMI levels served in the rental market.
- **Affordability metrics** – From the above data, EPS will prepare a concise and simple set of metrics that summarize affordability levels by tenure (renters and owners) and housing gaps.
- **Available land** – Land is an important part of the future housing supply. We will coordinate with the ongoing study by the Western Regional Housing Coalition to determine if there is adequate land in and near Basalt to address current and future housing needs.

3.2 - Needs Assessment

The Needs Assessment will bring together the findings from the surveys, secondary data, and market analysis to clearly define and recommend the top housing need areas and proposed areas of focus (e.g., rental, for-sale, senior). We will also recommend the most needed types and sizes of units. Depending on the available findings from the Western Regional Housing Coalition study, we will also assess how much supply could be potentially delivered in the next 10 years on those sites.

The overall Needs Assessment needs to be concise to fit within the project budget. It needs to serve two main purposes in our interpretation of the RFP: inform areas of greatest need and priority, and help us determine if any of the Town's current policies need to be updated. In particular, we will look at income levels and need as it compares to the Town's current categories that cap at 120 percent of AMI. There has been movement and need in many mountain towns to serve higher incomes in deed restricted housing programs and other housing assistance.

Task 4: Implementation Strategies and Recommendations

Task 4 includes preparing proposed updates to the Town's current housing policies and regulations. The findings from the Surveys and Needs Assessment will be used to direct this task and inform the recommendations. In particular, the Town's housing mitigation fees have not been updated in several years and the cost and market assumptions need to be updated.

Embedded in each task is working with the Town to determine if the income category levels should be updated to reflect current market conditions. Depending on the methodology selected, we may also interview local builders/developers to collect current cost factors to use in the fee calculations.

4.1 - Commercial Linkage Fee Update

In this task, we will update the housing gap calculations and resulting fees by land use type in the Town's commercial linkage fee program.

- Review the current calculation methodologies with Town staff and discuss any proposed refinements, including aligning generation rates with land use categories.
- Apply the appropriate generation rates to the major land use types and determine employee wage and household income levels to establish the affordable price for employees generated. Ensure that factors such as interest rates, utility costs, and HOA dues and insurance are included as necessary.
- Calculate housing gaps by major land use type based on either housing sale prices or construction costs.

4.2 - Residential Inclusionary Cash-in-Lieu Update

- Review the current calculation methodologies with Town staff and discuss any proposed refinements, including aligning generation rates with land use categories.
- Calculate affordable prices by AMI range, ensuring factors such as interest rates, utility costs, and HOA dues and insurance are included as necessary.
- Calculate housing gaps by AMI range based on either housing sale prices or construction costs.

4.3 - Short-Term Rental Regulatory Fee Study

EPS has completed several regulatory fee studies to mitigate the impacts of short-term rentals on affordable housing. The relationship between STRs and housing demand is based on guest spending and the resulting jobs generated. The Short-Term Rental Study cannot be completed within the available budget for this work. Depending on the final scope, we estimate a cost range of \$25,000 to \$35,000. A scope of work for an STR Study typically includes the following elements:

- **STR Inventory Analysis** – Gather and analyze data on the physical characteristics of the STR inventory to establish inputs to the fee study, and characterize the types of housing in the STR inventory. This includes factors such as unit size and type, number of bedrooms, assessed value, and age.
- **STR Economic Characteristics** – Gather and analyze data on guest spending patterns, STR unit annual occupancy, and average annual daily rental rates as inputs to the economic impact model and fee calculation.
- **Fee Calculation and Economic Impact** – Prepare the economic impact model and subsequent housing gap and fee calculations.

Task 5: Report and Presentation(s)

5.1 Needs Assessment Report

EPS will prepare a Draft and Final Report for the Town. The proposed focus of the report is on the findings from the Surveys and Needs Assessment and documenting the recommended housing priorities for the Town. The key topics we anticipate addressing include:

- Recommended AMI categories
- Greatest areas of housing preferences
- Income and job/wage types with the greatest needs to sustain the economy
- Degree of need for senior housing

- Strategies to increase production in the town, interfacing with the Western Regional Housing Coalition.

5.2 - Technical Deliverables (Fee Calculations)

We propose to provide separate technical deliverables documenting the proposed updates to the commercial linkage fees and residential cash-in-lieu fees. The deliverables would include the recommended new fee levels by AMI category and land use type, with documentation of the calculation methodologies, data sources, and major assumptions.

5.3 - Presentation

EPS will make an in-person presentation to the BACH and Town Council on the findings and recommendations.

4. REFERENCES

References

Mountain Village Affordable Housing Mitigation Strategies

Michelle Haynes
Planning and Development Services Director
Town of Mountain Village
970 239 4061 | mhaynes@mtnvillage.org

Aspen Short Term Rental Study

Phillip Supino
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Breckenridge Short Term Rental Regulatory Fee Study

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Fruita Housing Funding Plan

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Aspen Lumber Yard Market Study

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5. FEE PROPOSAL AND SCHEDULE

Fee Proposal and Schedule

The estimated budget for all scope items, except the STR Study, is not to exceed \$104,420 as shown below. We understand this may be more than the Town has allocated for the project and we would be happy to discuss how the scope could be reduced, refined, or phased to lower the cost.

Table 1. Proposed Fee by Task and Staff

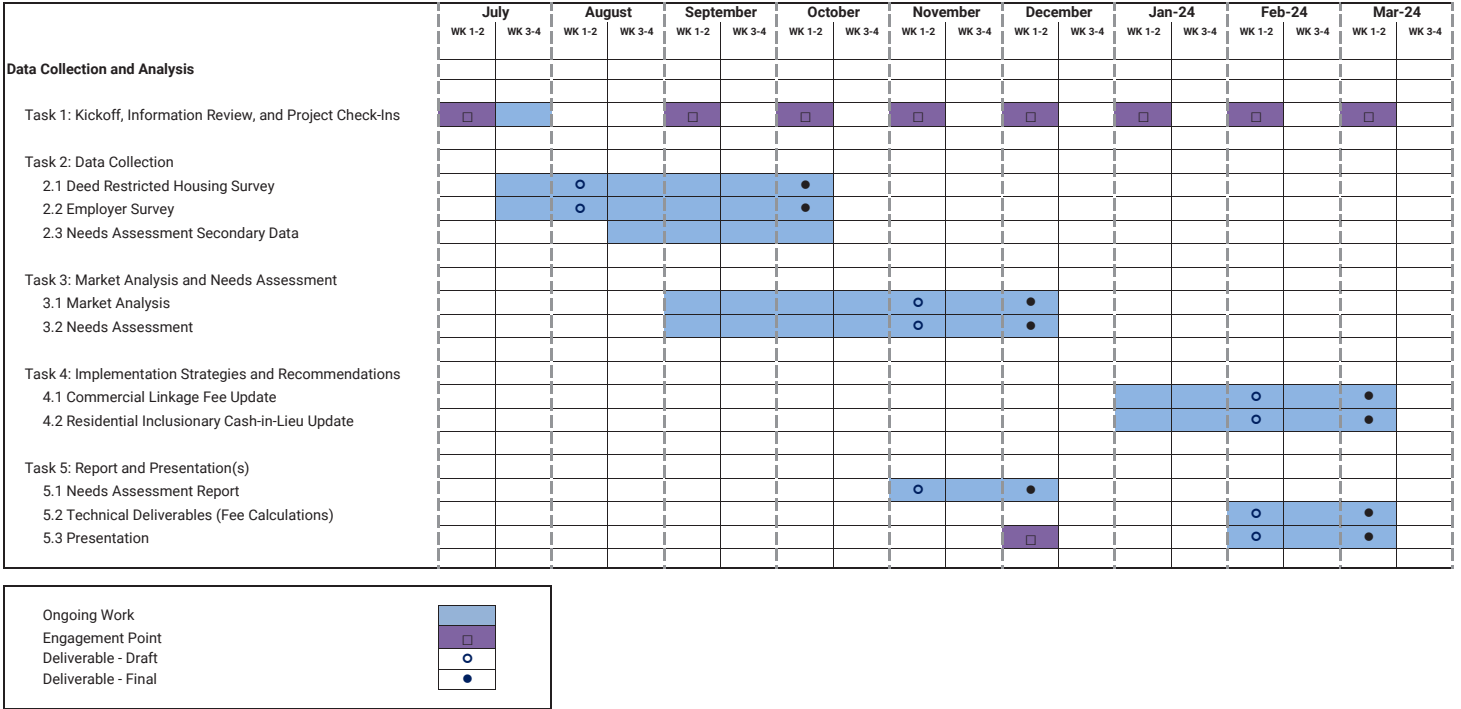
Description	Principal & V.P [1]	Associate	Research Analyst	Total
Billing Rate	\$223	\$145	\$115	
Task 1: Kickoff and Review of Existing Housing Initiatives	4	16	0	\$3,210
Task 2: Data Collection	44	120	88	\$37,310
2.1 Deed Restricted Housing Survey	16	40	24	12,120
2.2 Employer Survey	16	48	32	14,200
2.3 Needs Assessment Secondary Data	12	32	32	10,990
Task 3: Market Analysis and Needs Assessment	28	48	48	\$18,710
3.1 Market Analysis	16	24	32	10,720
3.2 Needs Assessment	12	24	16	7,990
Task 4: Implementation Strategies and Recommendations	48	64	0	\$19,960
4.1 Commercial Linkage Fee Update	24	32	0	9,980
4.2 Residential Inclusionary Cash-in-Lieu Update	24	32	0	9,980
4.3 Short-Term Rental Regulatory Fee Study		<i>see below</i>		---
Task 5: Report and Presentation(s)	52	76	16	\$24,430
5.1 Needs Assessment Report	16	32	8	9,120
5.2 Technical Deliverables (Fee Calculations)	24	32	8	10,900
5.3 Presentation	12	12	0	4,410
Total Labor	176	324	152	\$103,620
Travel Expenses (one trip)				<u>\$800</u>
Total Cost				\$104,420
STR Regulatory Fee Study (additional cost)				\$25,000-\$35,000

[1] Includes Principal at \$250/hour and V.P. at \$195/hour

Source: Economic & Planning Systems

EPS proposes to complete the scope of work within a 9-month period of the initial notice to proceed as shown in **Figure 1**. With a project kickoff at the first of July, the final deliverable is anticipated by early March 2024. EPS anticipates monthly check-ins with the Town project team and/or at the end of each task to provide a brief project update and initial findings.

Figure 1. Proposed Schedule



Town of Basalt Affordable Housing Assessment Proposal



Introduction

The team led by Smart City Policy Group has worked on hundreds of Short-term Rental regulatory analysis, stakeholder engagement, compliance and policy creation. The team has also worked on multiple Economic Analysis, Economic Impact, Fee Analysis and Recommendation and Stakeholder Engagement in multiple destination communities.

One eye-catching example of success is the work completed in Galveston, Texas. This community, which includes significant hotel and resort inventory, found significant success in the compliance of registration and tax collection.

The team led by Smart City Policy Group worked to help Galveston, Texas increase their registrations of Short-term Rentals from less than 2000 to 4170 registered properties as of February 20th, 2023. The team also helped Galveston increase Hotel Occupancy Tax collection from Short-term Rentals from 31.5% in 2019 to 53% 2022.

The Team also helped Galveston, and other communities, by producing a survey and “virtual site visits” of peer communities for the purpose of understanding the opportunities, and challenges of various fee structures for registration fees, permit fees and other associated Short-term Rental fees.

Smart City Policy Group, working with the economics analytics team at TXP, and the housing analytics team at RCLCO, have completed numerous studies, analysis, fee recommendations and compliance policy creation on Short-term Rentals, including our work in the vacation regions of Asheville (Buncombe County) North Carolina, and La Quinta (Riverside County) California.

The team has read the proposal, and understands that the city of Basalt is looking for an assessment of prior initiatives addressing housing, an update to the current data with regards to households, housing units, population, and employment, will provide information on the current market rate for short-term rentals and ownership units including the availability of units in question, and looks forward to providing solutions to address the pertinent housing needs for different housing types, rates, the mix of ownership and rentals, and any other needs that arise based on the market analysis.

We look forward to helping Basalt achieve local goals and creating effective solutions through data, transparent dialogue, community engagement and regular iteration of

results and information with staff and stakeholders. Please contact the team lead, Matt Curtis, through the contact information provided below for any additional information.

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(512) 983-5347
Smart City Policy Group
PO Box 650108
Austin, Tx 75765

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Qualifications and Capacity

About Smart City

The team at Smart City Policy Group is made up of former mayors, policy makers and travel industry leaders focused on creating government and public solutions for Short-term Vacation Rental regulations. The group has worked for years to help cities, counties, real estate associations, destination marketing organizations and vacation rental management companies work to identify national best practices and model examples that achieve compliance for Vacation Rental regulations.

In 2020 the team partnered with the State of New Mexico to host a Vacation Rental-focused compliance discussion called, “The Future of Tourism”. In 2019 the team worked with the Pocono Mountains Association of Realtors to hold two half-day summits on the data and solutions for Vacation Rental regulations. And, in September 2021 the team will hold their third annual Conference on Short-term Rental Regulations.

The Smart City Policy Group team is responsible for researching hundreds of communities and their impacts of Vacation Rental regulations. Recently the team developed solutions for two destination markets in their work with the Carolina Coastal Association of Realtors and South Carolina Vacation Rental Alliance focused on North Myrtle Beach, and the Golden Isles Convention and Visitors Bureau focused on Glynn County, Georgia.

Smart City Policy Group is the only team with the breadth of regulatory understanding and compliance experience in the rapidly evolving vacation rental industry.

Matt Curtis, Founder and CEO

Matt is a former Deputy to the last two Austin mayors and he has extensive experience in municipal government and local politics, working on a broad variety of initiatives and best practices in a rapidly changing city. He is a trained facilitator with 15 years of expertise in helping connect potentially conflicting interests to create effective policy.

Most recently, he served as Head of Global Government Affairs and Public Policy for HomeAway/Expedia where he worked with governments, and local communities around the world to create best practices and effective policies. He has served on the United States Conference of Mayors Business Council, the National League of Cities

Corporate Council, the Sharing Economy Advisory Network, the Travel Technology Association board and served on the Vacation Rental Management Association board.

His team at Smart City Policy Group includes former Austin mayor Lee Leffingwell, former Pleasanton mayor Jennifer Hosterman, former Economic Development Association board member Kevin Johns, former City Manager Jeff Coffee and several other former policy makers and thought leaders with extensive backgrounds in local governments.

Together they have worked on Vacation Rental, or Short-term Rental, regulatory and government advocacy issues for nearly ten years. Matt and his team have presented on Short-term Rental regulations around the world including; National Council of State Legislators, National Governors Association, European Parliament, Destinations International, US Travel - ESTO, United States Conference of Mayors and many more government and travel industry associations.

Matt works daily with affected local stakeholders on how to create effective regulations that achieve compliance.

Jeff Coffee, Former City Manager

Jeff served as City Councilmember and City Administrator in Buda, Texas, an immediate neighbor to Austin, and a community facing the growth challenges as one of the five fastest growing counties in the country. Jeff adeptly navigated Buda through the financial, political and policy changes of a city in transition.

His success includes the ideation, pursuit and execution of a 40 million dollar incentive package, the creation of a local government and private sector partnership for land development, and new municipal modeling to address growth.

While serving as a local elected official Jeff Coffee was recruited by the City of Elgin, Texas to fill the role of City Manager. Under Jeff's leadership the City of Elgin rose to a position of regional prominence as it became the pivotal community in the region's transportation network.

Jeff worked to delicately balance the changes occurring in Elgin through his daily interactions with the Chief of Police and the police department. Working closely to balance the police department budget with the city's evolving general operating budget,

Jeff struck a chord by working to fully understand the everyday impacts of each financial decision.

In recent months Jeff conducted a nationwide research project of the impacts of Short-term Rental regulations, helped to facilitate the ordinance affecting Vacation Rentals in North Myrtle Beach, South Carolina, and helped to create a countywide ordinance for Vacation Rentals in Glynn County, Georgia.

Jeff Coffee earned his BA in Political Science from UCLA, and his JD from the University of Houston, and is licensed to practice law in Texas. He currently works with a group of former policy makers as part of Smart City Policy Group.

About TXP

TXP, Inc. is an economic analysis and public policy consulting firm founded in 1987 in Austin, Texas. Our clients have discovered that we are the firm to hire when there is not an immediate, obvious, or simple solution to their economic or public policy challenge. In addition to drawing on the expertise of our firm members, we regularly partner with urban planning, engineering, and public policy firms to put together teams uniquely suited to our clients' needs.

TXP offers a full-range of economic analysis and forecasting services to public and private clients. The firm specializes in applying focused primary research to enhance secondary data. TXP offers a number of other services to clients, including periodic reports highlighting economic trends in regional economies and presentations to a range of stakeholders. TXP currently serves as economist-on-retainer for a number of high-profile private and public clients.

TXP's past economic and fiscal impact studies have covered a wide range of topics, including expanding and relocating businesses, educational facilities, tourism activity, arts and music festivals, transportation projects, and mixed-use developments. For each client, TXP develops a customized methodology that yields appropriate, cost-effective results that can be communicated effectively to a wide variety of audiences and stakeholders.

John Hockenyos, Economist and Project Manager

Following stints as an aide to a member of the British Parliament and work on a Senatorial campaign, Mr. Hockenyos founded TXP while attending the LBJ School of Public Affairs at the University of Texas at Austin in 1987. Since then, TXP has

successfully completed hundreds of projects for a wide variety of clients, with a strong record of on-time, on-budget delivery.

In his role as President of the firm, Mr. Hockenyos is involved in managing the day-to-day operations of the organization, performing technical analysis, and developing strategies for clients. In addition, he makes numerous public presentations and speeches. Mr. Hockenyos has served as a resource witness on a variety of issues in front of city councils, state legislatures, and the U.S. Congress.

Mr. Hockenyos' private sector background extends beyond TXP. He is currently a board member of Ascension Texas (a nationwide network of not-for-profit hospitals) and American Bank of Commerce. He also served on the Board of Directors for Capital Metro (the Austin area transit authority), and the Board of the ARC of the Capital Area.

Mr. Hockenyos received a B.A in Philosophy from the University of Illinois and M. Pub. Aff. from the LBJ School of Public Affairs, where he has taught as an Adjunct Professor.

Travis D. James, Economist

Travis D. James brings nearly 20 years of experience in economic analysis, strategic planning, and policy development. Currently, Mr. James leads the firm's efforts in economic impact studies, statistical analysis, and strategic planning. While at TXP, Mr. James has conducted over 200 economic and tax revenue impact studies for projects located in California, Florida, Louisiana, Maryland, New York, Pennsylvania, South Carolina, and Texas. He specializes in sub-regional analysis that requires blending economic analysis, land planning, GIS tools, and long-term forecasting.

Prior to joining TXP, Mr. James worked at ExxonMobil in the global information systems technology division in Washington, D.C. His duties required lengthy international travel to South America, Europe, and Asia in order to develop and support large-scale global systems solutions. Mr. James also spent five years as a project manager at a national economic development consulting firm where he worked on numerous studies throughout the United States.

Mr. James holds a Bachelor of Arts degree in Economics from the University of Texas at Austin. He also received a Bachelor of Science in Computer Science from Texas State University. Mr. James earned an MBA from St. Edward's University.

Mr. James has attended workshops and training seminars for economic impact modeling software including the U.S. Bureau of Economic Analysis' Regional Input-Output Modeling System (RIMS II) and MIG, Inc.'s IMPLAN software.

About RCLCO

In 1967, Bob Lesser, then an architect and developer, was asked to evaluate the potential uses for the center of the new town of Thousand Oaks, California. In carrying out this assignment, he found that the creativity and financial imagination required for the study were extremely stimulating—so much so that he started RCLCO. Today, our team of experienced professionals still share that original enthusiasm and eagerness to solve challenging real estate questions while adding value to our clients' real estate endeavors. We are proud to be the “first call” for real estate developers, investors, the public sector, and non-real estate organizations seeking strategic and tactical advice regarding property investment, planning, and development. RCLCO leverages quantitative analytics and a strategic planning framework to provide end-to-end business planning and implementation solutions at an entity, portfolio, or project level. With the insights and experience gained over 50 years and thousands of projects – touching over \$5B of real estate activity each year – RCLCO brings success to all product types across the United States and around the world.

Todd LaRue, Managing Director

Todd joined RCLCO in 2004 and leads the Austin, Texas office. He manages engagements for developers, land owners, investors, and public sector entities seeking strategic development, investment, and/or planning advice regarding their real estate. His work includes consulting for numerous types of large-scale master-planned communities, high rise mixed-use developments, resorts, and commercial developments throughout Texas, the Southeast, and Mexico. For these engagements, he conducts highest and best use analyses, market opportunity analysis, consumer research, economic development assessments, financial analyses, fiscal impact analyses, metropolitan growth trends analyses, and various other analytical tasks to help guide clients' planning decisions and development strategies. Prior to RCLCO, Todd spent over seven years in construction management with Skanska in Atlanta, Georgia and W. H. Bass, Inc. in Norcross, Georgia. Much of his work was concentrated on managing ground-up construction projects in retail, banking, education, and telecommunication, as well as interior build-outs of high-rise office buildings.

Todd brings strong analytical skills in quantitative and qualitative analysis with his Bachelor's in Civil Engineering from the University of Virginia, and his Master's in

Business Administration (focusing on real estate and finance) from Emory University. He is an active member of the Urban Land Institute (member of the ULI Austin Advisory Board) and has been a guest speaker at numerous real estate industry events and graduate business schools, including the Urban Land Institute, Congress for the New Urbanism, the University of Texas at Austin, and Emory University.

Cameron Pawelek, Vice President

Cameron Pawelek joined RCLCO in 2014 and is a Vice President based in Austin, Texas. As part of the firm's real estate economics practice, he focuses on providing strategic and actionable guidance for urban and suburban mixed-use developments, master-planned communities, resorts, and other complex, multi-use developments. His experience includes highest and best use analyses, financial feasibility studies, and market opportunity analyses for an extensive range of commercial and residential land uses. With an emphasis on consumer segmentation and insight, Cameron has helped clients in both the public and private sectors make informed development decisions.

Cameron serves as part of the leadership group responsible for RCLCO's firm-wide training program. Through this role, he educates and mentors new team members, and manages the programming and phasing of onboarding initiatives. He also assists in creating innovative business intelligence initiatives to further enhance RCLCO's segmentation analyses, long-term demand projections, and detailed supply-side studies.

Actively engaged in the Austin District Council of the Urban Land Institute, Cameron serves on the Advisory Board and has held previous positions on the Management Committee and Young Leaders Committee. In recognition of his contributions, Cameron was awarded the 2019 Young Leader of the Year.

Cameron graduated from the University of Texas at Austin with a Bachelor of Arts in Urban Studies, as well as interdisciplinary certificates in Real Estate and Business Foundations. His coursework focused on urban history, real estate economics, and geological sciences.

Expertise

The Smart City Policy Group team is uniquely situated as the most experienced on Short-term Rental policy creation, research and compliance. This experience allows the Group to host an annual Summit on Short-term Rental Policy on October 4, 2023.

Smart City Policy Group is made up of former policy makers including former mayors, a former tourism industry leader and travel association president, former economic development board member and several other former policy makers and thought leaders with extensive backgrounds in local governments. Our group has a decade of experience focused on the Vacation Rental industry, local government policies, data collection, analysis and STR mitigation fee studies.

The Smart City Policy Group team is responsible for researching hundreds of communities and their impacts of Vacation Rental regulations. The team has worked with;

- Galveston Park Board (Galveston's destination marketing organization) to help them make appropriate changes to their ordinance to increase compliance with registration and tax collection, including a national fee study
- Asheville (Buncombe County), and Brevard, North Carolina through the North Carolina Association of Realtors on an economic impact, housing analysis and cost of compliance study
- La Quinta, California on an economic impact, housing analysis and cost of compliance study
- The team has also conducted a comprehensive cost of compliance study reviewing North Myrtle Beach – North Carolina, Palm Desert - California, and Glynn County - Georgia

In performing short-term rental policy creation and compliance:

- assess the concerns of the community and local government through programmed engagement;
- analyze the short-term rental activity and any associated patterns and impacts;
- engage the major online providers, property management companies, associated service providers, and individual rent-by-owners to understand the potential hurdles to compliance;
- coordinate with any impacted organization that could benefit, or be challenged by, short-term rental activity; including tourism boards, convention and visitor

bureaus, chambers of commerce, neighborhood groups, homeowner’s associations, and more;

- provide reports reflecting our findings and recommendations, and iterate those with local government;
- offer ordinance and administrative guidance providing the local government with a “model ordinance” to help bring their ordinance up to date, if needed;
- educate short-term rental owners, managers, and hosts to ensure future compliance with rules and any applicable registration, taxes, and more; and
- provide the local government with the opportunity for ongoing audits, evaluations, education, and compliance monitoring solutions.

Smart City Policy Group is the only team with the breadth of regulatory understanding and compliance experience in the rapidly evolving STR industry.

The Economic Impact of Short-Term Rentals

Various

Smart City and TXP have completed evaluations of the economic impact of short-term rentals in more than 20 destination communities across the United States, including Chicago, Honolulu, Los Angeles, Portland, and Seattle, as well as statewide in Texas, Georgia, and Missouri. The policy discussion over short-term rentals is highly localized, and often focuses on public nuisance concerns. Once again relying on the combination of survey research and secondary data, TXP’s work provides an economic context, and also addresses the question as to the substitution effect with other local lodging options and the impact on the local housing market.

The Economic Impact, Jobs and Housing Analysis of Buncombe County, North Carolina (Asheville)

Buncombe County, North Carolina (Asheville)

Smart City Policy Group, TXP and RCLCO worked together to complete a third-party analysis of the impact of short-term rentals (STRs) on the housing supply in Buncombe County, North Carolina. During the course of the analysis we Identified tourism trends and tax revenue in Buncombe County, assessed housing supply statistics by tenure (including owner-occupied versus renter-occupied, as well as vacant units) and evaluated STR supply characteristics, including occupancy and average daily rate trends. We also reported on how the STR market was impacting the housing supply, analyzed concurrent rent increases and home price appreciation and compared the STR supply (number of bedrooms) to the dominant household types to get a sense of whether STRs

are reducing housing supply for primary residences and contributing to rising prices/rents.

The Fee Survey, Analysis and Recommendation for Galveston, Texas *Galveston, Texas*

Smart City Policy Group, and the team, worked to conduct a national survey of fees associated with Short-term Rentals including registration fees, permit fees, other associated fees and fines. This work was coupled with a facilitated stakeholder engagement process, and taskforce facilitation, that included “virtual site visits” of targeted peer communities. The fee survey and recommendations came as part of our comprehensive efforts with Galveston’s destination marketing organization, the Galveston Park Board. The outcome included the recommendation of a specific approach to fees, and an overall approach to a fluid registration program which successfully increased registrations by more than 100%, and resulted in significant recapture of obligated taxes.

The Economic Impact of Short-Term Rentals *Various*

Smart City Policy Group and TXP have conducted economic impact studies of short-term rentals in more than 20 communities across the United States, including Chicago, Honolulu, Los Angeles, Portland, and Seattle, as well as statewide in Texas, Georgia, and Missouri. The policy discussion over short term rentals is highly localized, and often focuses on public nuisance concerns. Once again relying on the combination of survey research and secondary data, TXP’s work provides an economic context, and also addresses the question as to the substitution effect with other local lodging options and the impact on the local housing market.

The Economic Impact of River Tourism in San Marcos, Texas *The City of San Marcos and the Greater San Marcos Partnership*

Visitors come to San Marcos for a variety of reasons, but the San Marcos river is one of the primary sources of recreation for both locals and tourists. However, its impact on the local economy was unclear. TXP employed a similar methodology that built on a survey of river users that was developed and fielded that yielded data on spending patterns and levels, length of stay, motivation to travel, etc. TXP has also completed a similar project for New Braunfels, TX, which is served by the Comal and Guadalupe rivers.

The Economic Impact, Jobs and Housing Analysis of Buncombe County (Asheville), North Carolina

Buncombe County (Asheville), North Carolina

Smart City Policy Group, TXP and RCLCO worked together to complete a third-party analysis of the impact of short-term rentals (STRs) on the housing supply in Buncombe County, North Carolina – the Asheville area. During the course of the analysis we Identified tourism trends and tax revenue in Buncombe County, assessed housing supply statistics by tenure (including owner-occupied versus renter-occupied, as well as vacant units) and evaluated STR supply characteristics, including occupancy and average daily rate trends. We also reported on how the STR market was impacting the housing supply, analyzed concurrent rent increases and home price appreciation and compared the STR supply (number of bedrooms) to the dominant household types to get a sense of whether STRs are reducing housing supply for primary residences and contributing to rising prices/rents.

Economic Impacts, Housing Demand Analysis, and Mitigation Tools

Economic Impact, Jobs and Housing Analysis of Short-Term Rentals in Brevard/Transylvania County

Vacation rental properties have been part of the accommodations market for decades in some of North Carolina’s most popular tourism destinations, especially in the Asheville region. For this project we identified the exact number of unique STR properties in the state at any given point is a challenge, given the ability of hosts to market their properties on multiple sites, the use of primary residences as part-time STRs, and the use of STR websites by more traditional lodging accommodations. We calculated the aggregate direct accommodations spending of visitors using STRs, of calculating the STR guest spending on other tourism purchase categories, such as entertainment and food as well as total direct spending attributable to STRs.

The second step in the process was to translate the direct impact into the total economic impact through an input-output model of the Brevard MAS economy and each of the subregions that allows measurement of the secondary, or “ripple” effects. By doing this we distinguish three types of expenditure effects: direct, indirect, and induced to find the direct spending by STR guests Asheville in 2020, the total impact of the economic activity, value-added over annual earnings, and the amount of full-time, permanent jobs supported. We also aggregated further benefits accrue to state and local governments in the form of taxes assessed on direct spending by STR guests, as well as revenues generated by the ripple effects of that spending.

Approach to Proposal

Smart City Policy Group understands that the Town of Basalt would like a group to conduct a comprehensive STR program evaluation and a study supporting a reasonable fee program to be applied to short-term accommodation unit licenses to mitigate any potential impacts of STRs.

To accomplish this the team at Smart City Policy Group-team (the team) will research and review the best practices and model examples, and will conduct “virtual site visits” to discuss the successes and challenges of targeted communities.

We will accomplish this through:

- Analysis of existing Short-term Rental data, with the aim of including items such as;
 - identification of potentially affected interests, stakeholders and creation of a stakeholder map.
 - execution of a stakeholder engagement process.
 - an overview of the industry and its performance within Basalt and relative to peer mountain town/resort communities.
 - collection of data related to the overall % of town housing stock that are STRs, the location of STRs by neighborhood and % of STRs per neighborhood.
 - identify the number of hotel rooms existing and planned in Basalt, and the estimated number of STRs needed to supplement traditional hotel accommodations to adequately support current and future (10yr?) visitation to Basalt.
 - within recent sales of dwelling units with STRs, identify what % are out-of-town/state buyers and estimate what % are buyers are 2 nd home buyers.
 - identify the number of long-term rentals in Basalt that have been converted to short-term rentals over the past (10?) years and vice versa if available.

- Economic Activity Analysis – Collect available economic data related to STRs and other accommodations in the Town of Basalt, with the aim of including items such as;

- trends in the total accommodations bed base, annual and seasonal occupancy rates (owner vs. visitor nights), and average daily rates (ADR) trends.
 - estimated average rental rates, and tax revenue generated from STRs.
 - spending patterns of STR guests compared to traditional lodging types subject to available data.
 - estimated rental income to STR owners, analyzed by unit characteristics and location.
 - estimate the number of units managed by traditional property management companies (but cross-listed on STR sites) and by individuals from the list of units that applied for an STR license in the 2022 lottery and didn't receive one, how many, if any, are now LTRs and what is the occupation status of the others?
 - from the list of units that did receive a STR business license in the lottery, how many licenses are being actively utilized?
- Housing Impact Analysis – Analyze data to determine if STRs in Basalt over time have reduced the amount of housing inventory historically available to the local workforce, and/or influenced increases to the cost of remaining available housing. The study should aim to include items such as:
 - evaluate if STRs contribute to the current workforce housing shortages in Basalt (distinguish between STRs that are rented a majority of the year vs. several weeks of the year vs. primary resident that rents a room in an occupied unit)
 - develop an analysis of home values townwide or by neighborhood and compare them to the value of units utilized as STRs
 - the STR influence property values
 - STR impacts and the cash flow generators that buyers are purchasing homes on expected cash flow rather than similar market values
 - the spectrum of home values used as STRs
 - the portion of the STR inventory is or was potentially available to local-residents as rental or for-sale housing
- Economic Impacts, Housing Demand Analysis, and Mitigation Tools - Drawing from other peer destination-communities, evaluate a range of policy tools to help mitigate the impact of STRs on Town administration, housing availability and affordability, with the aim of including items such as;

- estimate STR guest spending in comparison to other goods and services, and the jobs generated by STR guest spending.
- estimate workforce housing demand from STR visitor spending.
- distinguish between the impacts of STRs and other lodging types and between local and second homes.
- determine a method for converting housing gap costs into an annual fee.
- consider rational fee uses such as housing programs and admin costs, and adjust the nexus methodology as needed.
- consider whether there is a fee/tax threshold nationally or locally that begins to impact volume and spending
- develop a recommended fee for mitigating the impacts of DSTRs.

References

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*Regulation and Cost of Enforcement and Fee Research and Policy Creation

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Scott@goldenisles.com

*Regulation and Cost of Enforcement and Fee Research and Policy Creation

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78-495 Calle Tampico,

La Quinta, CA 92253

jmcmillen@laquintaca.gov

*Economic Impact, Housing Analysis and Cost of Compliance of Short-term Rentals

Bryson Frazier CFO Galveston Parks Board (Galveston's destination marketing organization)

Bryson Frazier

Chief Financial Officer

Galveston Park Board of Trustees

409-797-5137

bfrazier@galvestonparkboard.org

Short-term Rental taskforce facilitation, policy and fee research and policy creation, and compliance analysis

Mike Butrum

Government Affairs Director- Far Western North Carolina

NC REALTORS Association

5 Stuyvesant Rd

Asheville, North Carolina 28803

828-275-2422 c

mbutrum@ncrealtors.org

*Economic Impact, Housing Analysis, and Short-term Rental Fee and Policy Creation
for Buncombe County (Asheville) and Transylvania County (Brevard)

Fee Proposal and Structure

The fee basis for the project includes:

Cost Structure

The professional fee to provide the scope of services outlined is \$49,150

Smart City Policy Group

Facilitated stakeholder engagement of any necessary internal or external stakeholders, a targeted peer community fee survey, management of “virtual site visits”, comparison study of Short-term Rental fee programs - registration and more, and policy and mitigation tools, drafting of reports and more

\$15,500

TXP

Economic Activity Analysis, Housing Demand Analysis

\$19,650

RCLCO

Housing Impact Analysis

\$14,000

*These rates include two in-person trips by the lead team to Basalt, and virtual meetings to be scheduled upon demand.

*Additional travel to Basalt by the lead team member is \$1,500 per day

Affordable Housing Initiatives

Basalt Forward Bond Measure

Development Opportunities

1. Low Income Housing Tax Credit (LIHTC) development
2. Public Private Partnerships
3. Land banking (vacant lots)
4. Town Owned Lots
5. Expanded Inventory Good Deeds/Vail InDEED

Development Opportunities

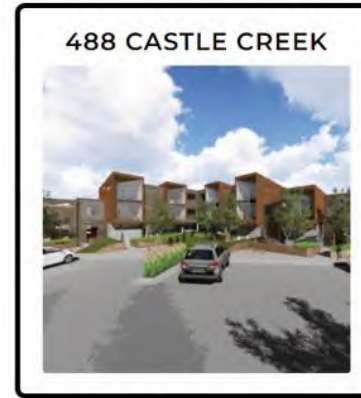
1. Low Income Housing Tax Credit (LIHTC) development
2. Public Private Partnerships/Pre-Sales
3. Land banking (vacant lots)
4. Town Owned Lots
5. Expanded Inventory Good Deeds/Vail InDEED



10 units (1bd)



11 units (2bd)



24 units (1-2 bd)

- Town advertises an RFP
- Town contributes land (sunk cost, no impacts to cash flow)
- LIHTC developer manages & maintains (30 years typical)

Development Opportunities

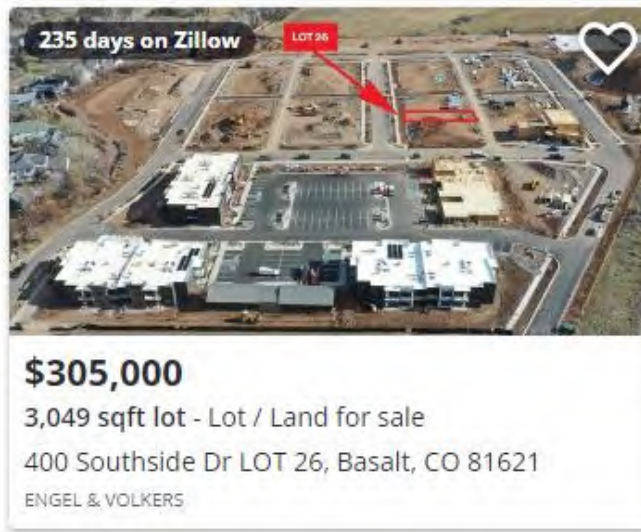
1. Low Income Housing Tax Credit (LIHTC) development
2. Public Private Partnerships/Pre-Sales
3. Land banking (vacant lots)
4. Town Owned Lots
5. Expanded Inventory Good Deeds/Vail InDEED

Create additional cashflow with presales of units to either employers or qualified buyers.



Development Opportunities

- 1. Low Income Housing Tax Credit (LIHTC) development
- 2. Public Private Partnerships/Pre-Sales
- 3. Land banking (vacant lots)
- 4. Town Owned Lots
- 5. Expanded Inventory Good Deeds/Vail InDEED



235 days on Zillow

Lot 26

\$305,000
3,049 sqft lot - Lot / Land for sale
400 Southside Dr LOT 26, Basalt, CO 81621
ENGEL & VOLKERS

This Zillow listing features an aerial photograph of a residential development. A red arrow points to a specific vacant lot labeled 'Lot 26'. The listing includes a '235 days on Zillow' badge, a heart icon, and the Engel & Volkers logo.



285 days on Zillow

\$350,000
3,485 sqft lot - Lot / Land for sale
400 Southside Dr LOT 14, Basalt, CO 81621
ASPEN SNOWMASS SOTHEBY'S 55

STOTT'S
MILL I

This Zillow listing features a stylized graphic with the text 'STOTT'S MILL I' in a large, bold font. It includes a '285 days on Zillow' badge, a heart icon, and the Aspen Snowmass Sotheby's logo.

Land is only going up in value (and expense).

Today's high price is a discount of a future purchase.

Creates opportunities – Town development, LIHTC, PPP, ...

Development Opportunities

1. Low Income Housing Tax Credit (LIHTC) development

2. Public Private Partnerships/Pre-Sales

3. Land banking (vacant lots)

4. Town Owned Lots

5. Expanded Inventory “Good Deeds” “Vail InDEED”

- Retain critical staff and prepare for future needs
- For sale units create some cashflow for other endeavors

- A focus of the MWRHC
- Town funds affordability gap between market price and affordable guidelines.
- Adds to general inventory.

Baseline

DEVELOPMENT ASSUMPTIONS					
					5,200,000
	Net Units	Net rentals	New Owner		Est. Budget
Rugby Field: Parcel E					
Habitat: 30					
Expanded Inventory					
Vacant Lots					
Stott's Mill Town Lots					

1. Town as Developer

2. LIHTC Scenario

3. Diversified Portfolio

Staff Direction

Is there a scenario(s) that should be prioritized for further research?

1. **Town as Developer**
2. **LIHTC Scenario**
3. **Diversified Portfolio**

1. Low Income Housing Tax Credit (LIHTC) development
2. Public Private Partnerships
3. Land banking (vacant lots)
4. Town Owned Lots
5. Expanded Inventory Good Deeds/Vail InDEED

Staff Direction

Next Steps

- Pursue purchase opportunities
 - Hold an employer consortium to establish interest and financial thresholds for PPP participation
 - Draft an RFP for LIHTC Developer proposals on Willits Lot/Rugby Field
1. Low Income Housing Tax Credit (LIHTC) development
 2. Public Private Partnerships
 3. Land banking (vacant lots)
 4. Town Owned Lots
 5. Expanded Inventory Good Deeds/Vail InDEED