

The Basalt Affordable Community Housing (BACH) Meeting will be held by Teleconference – The Public may access the meeting by calling the number below and entering the Meeting ID when prompted.

Phone Number: 16699006833

Meeting ID: 84588205234

Passcode: 577743



**TOWN OF BASALT MEETINGS
Basalt Affordable Community Housing (BACH)
Thursday, January 25, 2024**

Basalt Planning Department

99 Midland Avenue

- 12:00 PM Roll Call**
- 12:03 November 9, 2023 Meeting Minutes**
- 12:05 Appointment of Chair and Vice Chair**
- 12:10 Confirmation of Meeting Time**
- 12:15 Recap of WMRHC Regional Housing Forum**
- 12:25 Update on Housing Study**
- 12:30 Update on Basalt Forward Affordable Housing**
- 12:35 Discussion on Basalt Buy-Down Program**
- 12:55 Staff & 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: Dave Portman, Jay Israel, Katie Erickson, Anne Baker

STAFF PRESENT: James Lindt, Michelle Bonfils Thibeault, Sara Nadolny

DATE: November 9, 2023

MEETING CALLED TO ORDER AT 12:03 PM

AGENDA ITEMS

1. Approval of meeting minutes from October 12, 2023

M/S Katie and Dave to approve meeting minutes. Passed 4 to 0.

2. Development Project Status Update

James Lindt – introduced that there was a request from several BACH members for an update on some of the projects previously approved with AH components. It was noted that there was a chart in the packet materials of projects that are approved but unbuilt. The chart shows some projects that have received approvals by Town with AH components and also Stott’s Mill, which is still under construction. Referring to a map that was in the packet, Lot J of Basalt Commercial park, near Stubbies was pointed out. Parcel 5, of Sopris Meadows (Willits area – between Willits Lake and Willits Lane) was also displayed on the map. It was described that the status was provided in the packet materials. Lot J was described as a 12-unit project, that was approved for three deed-restricted, Category 2 units. It was identified that the Lot J Applicant received approvals in 2022 and hasn’t begun building, but has done some of the required infrastructure improvements, such as extending the Ponderosa Trail by the river, and constructing the truck turn-around. Staff identified that Staff has had recent conversations with the Applicant about the potential for the Town to buy down some of the free market units to AH to have more AH in the project, and the Applicant may be providing a proposal for the Town to consider. It was also noted that the Applicant expressed that he may be rebidding the project to see if he could get more reasonable construction costs.

The BCC project was pointed out and it was explained that it received approval in 2022 for 65 residential units on upper floors and grocery on bottom. 17 deed-restricted units were approved with approximately 30 R.O. units. It was explained that no short-term rentals were approved in BCC. Applicants have done work trying to figure out their utilities and infrastructure work. It was explained that the Applicant is currently working on figuring out the potential to underground electric lines from Lions Park to behind Alpine Bank by working with the Town and Holy Cross Energy. Other utility work associated with the project, such as sewer, was completed earlier this year.

On Sopris Meadows Parcel 5 it was explained that there are nine buildings, seven free-market, two affordable housing buildings. Received approval for 46 units of AH (23 units – rental at Cat 2), 23 for sale AH units with higher AMI levels than usual. Discussion ensued about serving some of the missing middle with that project. It was described that they are starting construction on the first building and the infrastructure but that you likely wouldn't see any of the affordable housing come on-line for several years.

Michelle Thibeault said that based on previous land use applications and what was approved previously there are requests that can be made with new land use apps.

Regarding Stott's Mill it was described that there are 4 multi-family buildings with 64 units that have been built, and 48 single-family/duplex lots that were approved, and 2 parks. 19 units of deed-restricted rental units averaging Category 2 have been built. It was noted that there is a combination of Categories 1, 2 & 3. Also, it was explained that the Developer was required to build a core and shell of a daycare. The Town is working with Blue Lake preschool, who will be finishing out that space. It was further explained that the Town also purchased 4 of the single-family lots at discounted prices. Most of the AH units that have been completed at Stott's Mill are occupied by Basalt area employees.

3. 2030 Basalt Forward Initiative Update

Michelle explained that the Basalt Forward 2030 Bond Initiative included several components including the Midland Streetscape, an AH initiative, and a sustainability initiative. An update was provided that the Midland Avenue Streetscape is underway, and the solar installations as part of the sustainability initiative are underway (partnering with the school district). It was additionally noted that \$6 Million was set aside for affordable housing as part of the bond initiative. Out of \$6 Million, the Town has purchased the 4 lots at Stott's Mill and there is \$5.2 million left. Michelle explained that the Town can leverage the bond funds by applying for grants and applying for proposition 123 funds from the state. It was described that the State programs keep changing and aren't fully flushed out yet.

A program of focusing the bond proceeds on Willits Parcel 2E, the Lot next to rugby field, and the 4 Stott's Mill lots was explained. It was noted that the Stott's Mill lots were purchased under the guise that they would be housing for Town Staff as a first priority.

Regarding Parcel 2E, it is also a site for daycare. Staff expressed that they are working with Blue Lake Preschool to utilize the space for a daycare facility and also affordable housing. Currently the state has a grant out called More Housing Now and Staff is going to apply for tier one for the site infrastructure and design, and to establish plans to submit for a land use application. It was noted that once plans are established there will be further grant opportunities. It was explained that it requires grant matching. Michelle sees that \$5.2 Million as grant matching money rather than full development money. Eagle County is also interested in supporting Basalt with AH. It was expressed that the State loves to see joint governments working together. Once plans are established for Parcel 2E it will be brought back to BACH for review as a land use application in the future.

In looking at the Town's Lot next to Rugby field known as Parcel 9 there is a concept site plan for housing from several years ago that includes 12 units with some tuck under parking. It was noted that there may be potential for a higher use on the site with a few more units being possible. Results for updated housing study will determine income category and if they should be for sale or for rent. Jay

Israel commented that he believes the neighborhood will prefer for sale units rather than rent. Michelle said there will be a lot of community input opportunity for these projects once they get into the land use application realm.

In Stott's Mill it was explained that the 4 lots could be developed with pre-constructed homes around at \$750k per unit. Potentially the Town could bite off two of those out of \$5.2 Million and there could be potential for matching with grants and realize some built units by the end of 2024. It was described that the prefab units have a higher level of sustainability and energy efficiency. It was contemplated that the units could be sold to Town employees or the Town could figure out how to make them rental as well.

BACH discussed making a recommendations on going forward for design/build for prefabrication companies for at least 2 of the lots in Stott's Mill.

BACH discussed making a motion to support for applying for a grant for Parcel 2E for planning and design activities.

Michelle encouraged BACH to check out Phoenix House which is being looked at for the Stott's Mill lots. It was noted that Stott's Mill might be the last area in town for single family housing.

MS Katie and Jay to pursue the design/build on two (2) Stott's Mill lots and applying for grant funds on Parcel 2E as presented. Motion passed 4 to 0.

Michelle indicated that BACH will be tasked with working in the future of determining the appropriate Categories for rental units.

M/S Katie and Jay to adjourn the meeting at 1:10 pm. Motion passed 4 to 0.

TOWN OF BASALT
BASALT AFFORDABLE HOUSING COMMISSION

By _____
Katie Erickson, Chair

Attest _____
Michelle Bonfils Thibeault, Planning Director

FREQUENTLY ASKED QUESTIONS

Expand/Contract Questions and Answers

What is this program?

Vail InDEED, the Town's new deed restriction purchase program, is created to incentivize homeowners and real estate buyers/sellers to deed restrict their property to help the Town meet the 2027 Housing Strategic Plan goal of acquiring an additional 1,000 deed restricted units by the year 2027 and helps to reach the goal of maintaining and sustaining homes for residents within the community.

Who's eligible?

If you are interested in purchasing, investing, remodeling, selling, or taking a vacation and live or want to live in Vail then you are eligible to apply for funds. In exchange the Town receives a recorded deed restriction on a Vail property.

Can I deed restrict a property with a right of first refusal?

No. The Town cannot record a deed restriction on rights of first refusal.

Where can I find information on the Vail InDEED agreements (purchase and deed restriction)?

[Deed Restriction Purchase Agreement](#)

[Deed Restriction Agreement](#)

[Subordination Agreement](#), required for properties with existing mortgages

Why should I consider deed restricting my property?

The Town's goal is to maintain and sustain community for residents especially for employee residential housing. When you deed restrict your property you help to achieve this goal for the community. You may use the funds received from the sale of the deed restriction for any purpose.

Are there any Tax implications when I place a deed restriction on my property?

We recommend you speak to a financial or legal advisor with regard to any financial any ownership implications.

Are there local banks which are familiar with Vail Deed restricted properties?

Yes. The banks listed below are familiar with the Town of Vail Deed Restrictions.

- Academy Bank
- Alpine Bank
- ANB Bank
- The Andrews Team, [Elizabeth Andrews](#)
- [BOK Financial Mortgage](#), Alex Barcza
- Central Rockies Mortgage, [William Desportes](#), [Robert Gremms](#) , and [David Lau](#), 970-845-7000
- Eagle One Financial, LLC, Chris Neuswanger 970-748-0342
- FirstBank Vail
- First Western Trust, [Scott Prince](#) 970-471-9235
- Guaranteed Rate, [Cris Nelson](#) 970-748-0342
- Security National Mortgage, Bonnie Marlette 970-331-2919

You may use any lender of your choice however confirm they understand the Town of Vail Deed Restriction.

As an investor can I rent my property?

Yes you may rent the unit. Requirements for tenants and owners are the same. The unit must be used as the individual's primary residence and they must work a minimum of 30 hours per week in Eagle County.

Can I rent my property after signing the deed restriction?

Yes you may rent the unit. Requirements for tenants and owners are the same. The unit must be used as the individual's primary residence and they must work a minimum of 30 hours per week in Eagle County.

Can I use a realtor when selling my home or do I have to sell through the Town?

Yes you can use a realtor of your choosing and you are responsible for any incurred costs. The Vail InDEED program does not go through the Town for re-sales nor is there a price appreciation cap.

Do I need to be a legal US citizen?

There are no restrictions regarding citizenship. The only requirement is to ensure compliance with the Housing Guidelines occupancy requirement.

How do you qualify/apply?

Apply using the application below. Your request will be forwarded to the Housing Department and the Vail Local Housing Authority (the Board) for review.

How is my property evaluated by the Board?

The Board reviews 10 criteria, listed below to make a determination.

The following criteria and findings shall be used by the Board when determining whether to acquire a deed restriction:

- Supports and maintains a permanent year- round resident population that grows a diverse community where a wide range of demographics, economics, occupations and family household sizes are served.
- Furthers the goal adopted in the Vail Housing 2027 Strategic Plan
- Consistent with the housing policies adopted by the Vail Town Council for the acquisition of deed restrictions for resident housing
- Demonstrated demand exists within the resident housing market for the type of residential product (studio, flat, townhome, duplex, single family, etc.) that is to be deed restricted
- Fulfills a demonstrated need within a defined segment (i.e. for rent, for sale, owner occupied, etc.) of the residential property market.
- Demonstrates a quantifiable return on investment based upon the conclusions of the Economic Value of the Town' s Investment in Employee Housing Report, prepared by BBC, dated March 12, 2012
- The market value of the deed restriction is comparable in value to other existing deed restrictions within the community as demonstrated by a licensed real estate appraiser
- Most cost effective and efficient use of the Town' s limited supply of financial resources
- Fair market value is paid for the deed restriction relative to current market conditions (i.e. supply & demand)

How is the value of a deed restriction determined?

The Town will use the following methods to determine fair value of your property:

- Using comparisons from two properties side by side property values from most recent sale.
- Town Staff will review Eagle County Assessor recent sale information for similar properties.
- Schedule an Appraisal in case of a property purchase.
- Determined through owner and Board negotiation.

How many properties can you deed restrict?

There is no limit on the number or properties an individual can deed restrict.

How much money can I receive to place a deed restriction on my property?

The amount awarded will depend on your circumstances, what your request is and how your property meets the review criteria.

If my property/application request is accepted how long will it be before I receive the funds?

Once the Board approves the request a Notice of Deed Restriction Purchase Agreement will be signed with you and the Town of Vail. Funds will be requested from finance and a check generated, generally 2-3 weeks. The Town will work with you regarding when and how funds are routed to you.

The Notice of Deed Restriction Purchase Agreement states the Town and you are entering into an agreement, money for a deed restriction on a specific property. The requirement is to record a deed restriction.

Is there a transfer tax and will I exempt from other taxes?

Deed Restricted unit sales are exempt from the real estate transfer tax (RETT). The buyer or seller must apply for an exemption approval by the Town of Vail. As a property owner you are responsible for all other taxes, including property tax.

What are the key terms of the deed restriction?

- 1) The property must be occupied as a primary residence by individuals who work a minimum of 30 hours per week in Eagle County.
- 2) The deed restriction does not impose an appreciation cap.

What happens to the deed restriction when I sell my property?

Deed restrictions remain with the property for all future property sales.

What is a deed restriction and what are the restrictions?

A deed restriction is an agreement that restricts the use of a property in some way. A deed restriction will be recorded on your property in exchange for some amount of funding from the Vail InDEED program.

TOWN OF BRECKENRIDGE HOUSNG HELPS PROGRAM GUIDELINES

I. Introduction

The purpose of these Guidelines is to formalize the administrative rules, policies and standards that will be used to interpret and implement the Housing Helps Program. These Guidelines may be amended from time to time and any amendments made to these Guidelines shall be effective immediately upon approval by the Town.

II. Program Overview

The Town of Breckenridge has implemented a program called Housing Helps to help create, maintain and preserve the housing inventory in the Upper Blue Basin for local workforce. The Housing Helps program was adopted in 2019, expanded in 2021, expanded further in 2022 and works by incentivizing existing homeowners and/or real estate buyers to place a deed restriction on their property to preserve the homes for local workers. By offering the program in conjunction with Summit County, all areas of the Upper Blue Basin are covered not just those within Town limits. Every application is reviewed by the Housing Staff utilizing the basic guidelines detailed in this document. Under Housing Helps the Town pays owners or buyers to record a deed restriction on homes that are currently unrestricted market rate homes. The amount that will be paid for a deed restriction will vary depending on the market and how well the home meets current needs within the community. The program allows for between 15% and 30% of the home value or home sale price to be paid in exchange for the deed restriction. Recipients may use the funds for down payment, home repairs, special assessments, or any other purpose. In return, the recipients are required to execute a deed restriction that requires the home to be occupied by a local worker.

III. Housing Helps Program Details

Borrower Eligibility

Anyone who owns or intends to purchase a property in the Upper Blue Basin, including investors are eligible to apply for Housing Helps funds. No credit score criteria, no first-time homebuyer requirement or income limits apply to the program.

Property Eligibility

The property must be in the Upper Blue Basin from the base of Hoosier Pass to Farmers Corner. All property types that do not have a current deed restriction in place are eligible with the exclusion of mobile homes not permanently affixed to a foundation.

Program Application

For consideration the Housing Helps application needs to be completed for the intended property. The program application can be found at <https://www.townofbreckhousing.com/housing-helps>.

Type of Funds

Grant Funds from a Town (as defined in the Fannie Mae selling guide B3-4.3-06).

Usage of funds

There are no limitations on the usage of the funds. As part of a purchase the buyer can use the funds for closing costs, down payment and additional pre-paid items. The funds are distributed directly to the title company who is responsible for the disbursement of funds upon closing.

Repayment terms

There are no repayment terms. The grant is provided in return for the deed restriction in order to preserve local workforce housing.

Program Tiers

- Light Deed Restriction – grant between 15 – 19% of the purchase price or value of the property, no appreciation cap on the deed restriction, property must be occupied by a person employed a minimum of 30 hours per week in Summit County.
- Full Deed Restriction – grant between 20 – 30% of the purchase price or value of the property up to a maximum grant amount of \$450,000. 3% appreciate cap on the deed restriction, property must be occupied by a person employed a minimum of 30 hours per week in Summit County.

Requirements within the Deed Restriction

- The property must be occupied as a primary residence by a person (s) employed a minimum of 30 hours per week in Summit County. Remote work will be reviewed on a case-by-case basis with a priority given to remote workers that support businesses that operate within the community. Retirement as described in the Town's Housing Guidelines is exempt from the minimum work requirement.
- The property cannot be used as a seasonal/ vacation home or short-term rental.
- Owner is obligated to complete annual verification to confirm compliance with the restrictive covenant.
- Complete light and full employee housing restrictive covenant can be found on the website.

Considerations used in determining amount of funds provided within the program tiers

- Location of the property to be deed restricted. Proximity to Town Core and transportation generally warrants a higher range within the tier.
- Value of the property and requested amount of funds. Looking to have loan to value criteria that is generally accepted among the lending community. Valuation methods that are

commonly used are the offer to purchase, neighborhood comps from an independent third party and assessor's data.

- Current Occupancy of the property.
- Type of property and size/ bedroom/ bathroom count of the property. How well the type/ size of property meets the current needs based upon the most recent Housing Needs Assessment.
- Current restrictions in place for the property that limit occupancy. Properties that exclude short term rentals within their Neighborhood/ Condo Covenants generally warrant a reduction in the maximum amount of funds granted.
- General conformity of the Neighborhood where proposed property is located and if it is historically a predominantly local workforce neighborhood.

IV. General Questions and Answers:

Why Should I Consider Deed Restricting My Property?

The Town's goal is to help locals stay in the community where they can live, work, play, and raise their families. The most recent Housing Needs Assessment indicates there is a significant shortage of housing to serve the needs of local families and employees. This impacts the ability of businesses to recruit and retain employees and provide the products and services needed, effecting the overall character of our community. By deed restricting your property you are helping the Town retain a variety of housing options for locals.

What Happens to the Deed Restriction When I Sell the Property?

The deed restriction will remain with the property in perpetuity and future owners will be subject to the same restricted use.

Are There Tax Implications Associated With the Payment I Received?

You should check with your financial or legal advisor as the Town cannot provide any financial or legal advice. Under this program the Town is acquiring a deed restriction from you and the Town will not issue a 1099 for the proceeds that you receive.

Are There Local Lenders Familiar With the Housing Helps Program?

You may use a lender of your choice but please confirm they will loan subject to the Town's Housing Helps Deed Restriction. We have been in communication with local lenders including 1st Bank, BOK Financial, Bank of England, Sulquist and Fairway. Each are familiar with the program and have successfully provided financing on these properties.

How Much Money Will be paid for the Deed Restriction?

Every property is different and there is no set amount that the Town will pay for a deed restriction. The value will vary depending on the size of the unit, the location of the unit, the proximity to jobs and or transit, and how well the unit meets the housing needs in the community. The Town will evaluate the

property and total transaction parameters in accordance to these guidelines in determining the final price that is acceptable to you and the Town.

How will the Town determine the Value of the Property?

The Town may compare other similar properties or may review appraisals or other information from real estate professionals to determine a reasonable and acceptable value. For acquisitions the Town will use the negotiated contract price as the value.

If my Application is Accepted When Will the Funds be Available?

Once an agreement is reached, funds are generally available within 4-6 weeks.

V. Program Administration

The Housing Helps program is administered by the Town of Breckenridge Housing Division. Properties located within Town limits are administered solely by the Town of Breckenridge while those outside Town limits within the Upper Blue Basin are administered in conjunction with Summit County Government.

HOUSNG HELPS EVALUATION AND PROCESS GUIDELINES

Purpose: The County is looking to purchase deed restrictions on market rate housing units generally at a price of 10% - 15% of the current value of that property. Given the limited amount of funds available to spread across all four Basins, compared to the demand seen to date for funds, this is intended to prioritize applications that provide the largest immediate impact to workforce housing based on new housing being made available to workers, basin housing needs, and preservation of existing workforce neighborhoods.

- Does the property currently allow STR's ?
 - Properties that currently preclude STR's are a very low priority as those properties already discourage non-local investors and have a heavy local workforce occupancy/ownership rate.
- Neighborhood
 - Does WF housing make sense here? Some developments, through price or design, are targeted towards STR's, non-local homeownership and would not be ideal local neighborhoods. These areas would be very low priorities for funds.
 - Is the property naturally occurring affordable housing "NOAH" that is at risk? If yes, this would be a high preservation/funding priority.
 - Is local neighborhood preservation a high priority in this area? If yes this would be a high funding priority
 - Its preferable that the neighborhood/unit be within 10 miles of employment centers
- Is the property priced/valued at an appropriate price point for local housing? How much is too much?
 - The County is willing to offer between 10-15% on properties valued up to \$1,000,000 within the Snake River, Lower Blue, and 10 Mile Basins. Within the Upper Blue Basin the County and Town of Breckenridge are willing to split the cost of a property up to \$1,200,000 and offer up to 19% of the purchase price. The County and Town of Breckenridge are also willing offer up to 30% of the declared value up to \$1,200,000 if the owner is willing to place a heavy deed restriction on their property that includes an appreciation cap. Due to the high dollar amount these properties likely will require in Housing Helps funds and the limited number of workforce buyers that could potentially afford these units, the County generally recommends paying 10% of the property value or below for high AMI properties. There may be situations where paying up to 15% for high AMI properties is consistent with the County's housing goals and needs.
- Priority by property/applicant use of funds- ranked by priority
 - Acquisition of deed restrictions of existing market rate property for new workforce owner occupancy
 - This is ranked the highest because it creates a new homeownership and occupancy opportunity for the local workforce. Additionally it fills a gap that

currently exists in the housing continuum in between deed restricted to market rate housing.

- Acquisition of deed restrictions on market rate property for workforce renter occupancy
 - This creates new occupancy opportunities that may or may not have been available to the local workforce
- Acquisition of deed restrictions on market rate property already occupied by a local workforce owner
 - This preserves local housing for future buyers but doesn't immediately create new local workforce housing as the local worker is already living in the unit.
- For applicants who own an existing property that want to utilize the HH program and whose lenders will not subordinate to the deed restriction, they will need to have a minimum loan to value that is 10% greater than the percentage of home value being requested, for example:
 - A property valued at \$500k that requests 15% (\$75K) of the value for a HH deed restriction will need to have at least 25% loan to value or in this case \$125K in equity.
 - An owner of a \$500K property who has \$100K in property equity (20%) and is requesting \$75K (15% of the property value) would not be eligible for the program, they have a loan to value of only 5% above the percent they are requesting 15%. However they would be eligible at a \$50K (10%) request because we would have the required 10% buffer.
- Unit Type and need according to the future Housing Needs Assessment may also be a consideration used to rank properties.
 - Unit Type – i.e. Beds, Sq. Ft., Single Family, Condo, Townhome (waiting for greater details to be provided in the new HNA)
- Valuation Method and factors to consider
 - How is the value on the application determined
 - An offer to purchase - need to confirm this is a reasonable offer and get comparable comps from an independent third party.
 - Neighborhood Comps from an independent realtor – Neighborhood comps are the preferred valuation method
 - Assessor's Data – Assessors data is typically a low valuation when compared to the market