

Housing Project Logistics

Member Survey: Colorado Association of Ski Towns
November 2021

1. Does your municipality/county rely largely on local contractors or are most bids from companies outside your community?

Eagle County: We usually have a good mix. We have a couple large local firms that we have worked with over the years. Other times we receive and contract with firms from Denver/GJ. Most subs are more local/regional.

Gunnison: We are currently working with both local and national developers. We issue RFPs via Bidnet which gives us a national reach for RFPs. Subcontractor are typically from our Valley but not always.

Park City : We've used both – depends on the merits of the proposal and/or the qualifications/experience of the contractor. Cost is often not the reason for our choice.

Telluride: Most of our bids are local or at least regional contractors. We've gone farther afield to get expertise in net zero design, but still Western Slope.

Breckenridge: Really depends on the size, scope of the project and timing. Smaller residential projects 25 units (\$15m +/-) almost always local subs, but larger projects almost all out of Town subs.

Mountain Village: We have an open RFP bid process that doesn't preclude out of town firms but I think in this region that local or semi local companies are better geared to lock in their subs and understand the realities of pricing for bids etc.

Ketchum: Both local and outside (whatever is better/cheaper)

Aspen: While we always like to use local contractors, most bids for larger projects come from outside the community. Now that we have moved into modular construction, we are working with out of state companies that do larger scale modular developments. (The City of Aspen is currently constructing 79 affordable housing units using modular construction <https://vimeo.com/551421435> and is working with the City Council on design of a 300 unit affordable housing development called the Lumberyard Project <https://www.aspencommunityvoice.com/lumberyard>)

Crested Butte: Both. Depends on the scale of the project. We have bid as small a project as three duplexes (6 units) and the responses were all local. When we start getting above 25 units we tend to see interest from both local and outside of the area. Though, the outside of area contractors we see almost always have a local connection (2nd homeowner or part-time resident) though their business is largely based elsewhere.

Vail: In Vail we also use local contractors whenever possible, most bids for larger projects come from outside the community. Vail has also moved into using modular construction for several housing projects and day care projects.

2. **Does your agency send out RFPs for a company to build and manage the projects, or does the municipality/county act as a General Contractor?**

Eagle County: We rely on the construction firms to act and General Contractors. We do have Project Management staff that act as "owners representatives."

Gunnison: We believe we should have developers do what they are good at and we issue an RFP for public private partnerships.

Park City : Primarily we hire builders and have two City Employees involved in every project. One who is an experienced construction project manager and one who is on the affordable housing team.

Telluride: Yes, we do send out RFPs, and typically hire a design/build team. Our Town has a special projects manager with extensive experience who acts as our "bulldog" and liaison between our Housing Authority Subcommittee and the selected contractor team.

Breckenridge: *We do not act as GC. We always RFP for GC. We sometimes manage the project ourselves if we own the land so we act as as developer, and in most cases do an RFP for an Owners Rep to run the project for us.*

Mountain Village: Our RFP's are for the General Contractor to construct the project. The town acts as the owner/developer and would hire a owner's rep to manage day to day interactions for the town. This person ensures the town's interests and goals are being met.

Ketchum: *RFP for development partner*

Aspen: The Aspen Pitkin County Housing Authority (APCHA) does not do any construction. The City's Asst department manages all new construction of affordable housing built by the City. The City has a dedicated Real Estate Transfer Tax for Housing. The Asset Department acts as the project manager throughout all stages of project visioning, design, entitlement, and ultimately construction.

Crested Butte: *Both. Again, it depends on the size of the project. For the 3 duplexes, we hired a GC and cash flowed the project until the units were sold. For larger projects we have transferred the land to the developer for them to use as collateral and had a detailed development agreement defining all of the particulars.*

Vail: In Vail we do typically issue an RFP to build and manage housing projects.

3. **Do you have dedicated staff to manage and monitor compliance of deed restrictions?**

Eagle County: *Yes, current staff of 3.*

Gunnison: No but we have the Gunnison County Housing Authority do that.

Park City : *Yes, annual compliance review is conducted by housing team staff. In instances of suspected non-compliance, help can be enlisted from the City Attorney and police department.*

Telluride: We are part of the San Miguel Regional Housing Authority, and largely rely on them to manage and monitor compliance, with heavy involvement of our Town subcommittee of the regional organization. Our subcommittee consists of elected officials, with input and coordination from the special projects manager.

Breckenridge: *Yes, we just created a Workforce Housing Compliance Administrator Position-one FTE to manage all issues related to the deed restricted inventory (currently about 1,100 units). This position is responsible for annual monitoring/compliance as well as administration of deed restrictions-dealing with lenders on resales, etc.*

Mountain Village: In the past we have worked with a regional housing authority to manage the compliance etc. We now manage that internally and I am the point person for those deed restriction and compliance bi-annual reviews.

Ketchum: *Yes - dedicated independent agency*

Aspen: The Aspen Pitkin County Housing Authority (APCHA) manages all qualifications for the approximately 3,200 housing units in the APCHA program (about ½ rental and ½ ownership). APCHA also monitors compliance for all of these. APCHA has a senior manager who monitors compliance, a outside attorney who supports those efforts. Other support staff at APCHA are frequently involved in compliance, such as managing the collection of biennial affidavits for owners. We have an anonymous complaint system where people can report if someone is not following the deed restriction or the Regulations.

Crested Butte: *We work with the Gunnison Valley Regional Housing Authority to monitor deed restrictions. We work cooperatively when enforcement action is needed. It's a bear! The three towns and the County pay annually to support the housing authority and deed restriction monitoring is one of the services they then provide.*

Vail: The Town of Vail Housing Department manages all qualifications for the approximately 1,000 housing units that the town owns or has a deed-restriction on. The Town manages compliance for all of these. We have a senior manager who monitors compliance, and the Town Attorney supports those efforts. We have complaint system where people can report if someone is not following the deed restriction or the Regulations.

4. **Upon completion, does your agency act as the landlord of the property? Dedicated staff to be on call maintenance? Property management companies act as liaison?**

Eagle County: *We have it both ways depending upon the ownership structure of the project.*

Gunnison: No the private partner would be the landlord.

Park City : *We haven't done any rental projects to date; however, the city hires a property management firm for our small inventory of city-owned, employee assistance rental units. Our strategy for the future production of rental units is to partner with a private developer who will maintain ownership of the units and manage them. The Deed Restrictions will allow us to monitor the project to ensure that our goals and target populations are being served.*

Telluride: For Town-owned rental properties, we have a staff manager and limited staff acting as landlord, including on-call maintenance.

Breckenridge: *For rental developments we always hire a local Property Management company to oversee operations and manage all aspects of apartments. As owner, we set policies (smoking, pet, rental rates, parking) etc. but PM runs the complexes*

Mountain Village: Project dependent. We own a 222 unit apartment complex that the town acts as landlord and management company. This is not a model we want to continue moving forward with new projects outside of this complex. The apartments have a manager, maintenance crew, cleaning, etc.

Ketchum: *Property manager is hired by tax credit developer*

Aspen: Not always. APCHA manages roughly 347 rental units, most of which are owned by the City of Aspen. We have a dedicated property management team that is on call 24 hours a day for emergencies. The remaining roughly 1,100 rental units all are managed by outside parties, however APCHA does produce a rental guide with information on all deed restricted rentals:

<https://www.apcha.org/DocumentCenter/View/1486/2020-02-05-Rental-Guide>

Crested Butte: *The Town acts as landlord for the 13 employee rental units we maintain. Maintenance falls to our facilities manager for those units.*

We contract with the housing authority to manage a 6-room B&B the Town purchased last year for rentals units. Those rooms are available first to employees (targeting seasonal employees) and then to the people employed in the area.

Vail: The Town of Vail manages about 100 rental units. Most are managed by a 3rd party manager, several dozen are managed by the Town of Vail facility maintenance staff in our Public Works Department.

5. **If you had a single piece of advice for a jurisdiction just beginning to engage on affordable/workforce housing projects, what would that be?**

Eagle County: *Stay focused on the end user/tenant/owner and their needs/income and goals of the program. That will inform deed restriction type, income range, pricing range, unit type, amenities, etc.*

Gunnison: Its political, its expensive, and messy if you are in the landlord business. In Snowmass we had a talented Housing Team which was well funded and could build, maintain, and do property management. That is very unusual. First retain someone that knows what they are doing to consult with you on creating a housing plan which starts with understanding your market demand and then develop goals and strategies. Based on that plan define what the public roles should be. My recommendation is to use public private partnerships and have developers do the vertical development. Willa Williford is the best housing consultant I can find on the West Slope and a great person to retain if you are starting off in area of affordable housing. Another simple place to start is your land development code. What are the barriers in your code to remove and what incentives can you create for the private sector to build more affordable housing? This can create results with little or no cost to the public. Land banking is also a critical strategy if you are seeing rapidly increasing prices. If your available land for housing projects disappears then future housing projects may not be possible or will be extremely expensive.

Park City : *In most cases, you can assume the total completed project cost will be higher than the initial estimates, bids, and projections.*

1. *Be careful how much “new technology” you utilize. For instance, a highly energy efficient project we did in 2009 was not the best way to keep costs down for homeowners (passive solar water heater, photovoltaic panels, geo-thermal ground source heat transfer systems, SIPS panels...). Replacement costs for the mechanical systems are so high that we’ve had to rethink subsequent projects*

based on protecting households on limited incomes from high maintenance and replacement costs.

2. *Any entity new to the affordable housing development process should hire an “owner’s representative” who is very experienced and can guide you through and negotiate for you in the highly complicated and multi-layered process. It is well-worth the cost.*

Telluride: Plan, plan, and plan some more ... making sure you have good data to establish demand across all your community's constituents (AMI splits, rent vs. own, free-market prices, total number of units needed, number of bedrooms/unit, etc.) Then, jump in with as much effort as you can put into it ... we wish we had done more earlier to get in front of the tsunami. Communicate statistics with your Council and your community.

Breckenridge: *LAND BANK- if the jurisdiction owns the land, you are in the drivers seat. And, if you’re doing ‘for sale’ workforce get the DR right from the beginning because it’s very difficult to change over time.*

Mountain Village: Dedicated revenue is key. With our AMI requirements, its difficult to obtain federal and state lending that meets our needs. With the right funding sources, you can build housing with private financing and general fund dollars that long term is budget neutral as long as your pro-forma is working.

Ketchum: *It is hard, it takes time and political will to fight NIMBYs etc. Advice is to pursue all options available - few will make it through.*

Aspen: OK if we provide two?

1. Give yourself/your authority the ability to update the deed restriction on every unit that goes through a sale. Your deed restrictions will evolve over time – and having a lot of different deed restrictions is a management nightmare. Many agencies do this through the Right of First Refusal and going through a straw sale when an owner wants to sell their property.

2. **Think through your deed restriction and program regulations and what the goal is of the program.** Extra time spent on hard questions in the beginning will set expectations for future owners/tenants. For example, do you want ownership or rental units? Think about retirees – can retirees stay in their unit upon retirement? Are owners required to keep up with the maintenance of their home? What happens when a unit is left with vacant bedrooms due to children moving out of the house (ie what does a right sizing program look like?) It can be challenging to think through these issues if you are establishing or growing a relatively new program. APCHA and other housing agencies are always willing to share their deed restrictions and regulations.

Crested Butte: Patience! Like most municipal services, be prepared to not please everyone. But it is so worth it when you are able to put a decent roof over the heads of community members. Try to find a steady, secure funding source. Lean heavily on the other entities that have been doing this for a while. No need to reinvent the wheel!

Vail: Aspen provided great advice. In Vail we would advise to identify a dedicated funding source for housing as quickly as possible. Passage of increased sales tax is growing in popularity. Councils should remain open to bonding for housing projects now while municipal lending rates are very low. Purchase land when possible.