

Incentivizing Private Development of Community Housing: Opportunities and Challenges

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Development Tools



INCENTIVES

Density Bonuses

Fee Waivers

Reduced Parking

Fast-Track Processing

Flexible Design
Standards



PARTNERSHIPS & PUBLIC INITIATIVES

Town/County Land

Town/County Builds

Town/County/Housing
Authority Financed

Property Tax
Exemption

Developer
Partnerships



DEVELOPMENT REGULATIONS

Commercial Linkage

Residential Linkage

Inclusionary Housing

Zone Districts

Zoning Uses

(In Lieu Fees)



FUNDING

Short Term Rental
Tax

Property Tax

Sales/Use Tax

Vacant Homes Tax

General Fund
Revenues

Incentives



Incentive	Popularity	Comments	Housing Continuum
Density Bonus	Low	Can be ineffective if affordability drops the AMI too low	Lower and Middle Income
Fee Waivers	High	Memorialize in Code when possible	All
Reduced Parking	Emerging	Reduces costs and maximizes units	All
Fast Track Processing	Emerging	Memorialize in Code if possible, meet DOLA requirements, saves money	All
Flexible Design Standards	Emerging	Provides the flexibility to help project pencil	All

Partnerships & Public Initiatives



Initiative	Popularity	Comments	Housing Continuum
Town/County Land	Common	The most difficult part to find, subordinate to provide equity	Lower and Middle Income
Town/County Builds	Emerging	Town, Partners – tax exemptions, waivers, expedited review	Lower and Middle Income
Town/County/HA Financed	Common	Town, Developer - obtain tax exemption, waivers, expedited review	Lower and Middle Income
Property Tax Exemption	Common	Helps push rents lower, lowers operating cost, increases NOI	Lower and Middle Income
Developer Partnership	Emerging	Special Limited Partnership can offset risk, provide private sector expertise, lower borrowing	Lower and Middle Income

Development Regulations



Regulation	Popularity	Comments	Housing Continuum
Commercial Linkage	Depends	Works where it's profitable to develop	Middle Income
Residential Linkage	Depends	Prominent in luxury markets, inclusive of renovation, captures # of jobs created	Middle Income
Inclusionary Housing	Widespread	Used in more markets, primarily new development	Middle Income
Zone Districts	Widespread	Key for developers is predictability and minimize large upfront costs	All
Zoning Uses	Emerging	Community Housing use by right	Middle to High

Funding



Funding Source	Popularity	Comments	Housing Continuum
Short Term Rental Tax	Moderate	Balance between slowing tourism and funding projects	All
Property Tax	Low	Not popular with voters	All
Sales Tax	Low	Exempt certain items, i.e., food, groceries, other	All
Vacant Homes Tax	Conceptual / Emerging	Vancouver passed, others are considering	All
General Fund Revenues	Common	Transfer or loans to a Housing Fund	All

Project Examples

Project	Location	Tools Used	Project Opportunities or Challenges
Timber Ridge Village	Vail	P3, TOV Sub Debt, Tax/Fee Waiver, Land, Reduced Parking, GF Rev Loan	Re-development of an existing 96-unit complex into 302-unit for sale condos using a RO deed restriction
Southface	Vail	P3, Zoning, Tax/Fee Waiver, Expedited Approval, Land, Reduced Parking, 63-20 Corp, GF Rev Loan	Formerly TOV Open Space, rezoned into CH-3, 268-unit apartment complex
Dispersed Housing	Vail	Inclusionary Zoning and Commercial Linkage	Created 125+ deed restricted units dispersed across the town

Project Examples

Project	Location	Tools Used	Project Opportunities or Challenges
Private Developers (2 projects)	Avon	Zoning – Community Housing Use, Tax/Fee Waivers, Water Tap Credits, Developer Agreement	Commercial conversion of office space to employee housing. Can revert to office (9 for rent units). Industrial zoned vacant land (53 for sale units).
Buy-Downs & Partnerships	Avon	2% STR Tax, General Fund	Continued funding source(s) is critical.
Downtown Development Authority	Avon	Property Tax	Increased property tax valuation retained for Community Housing Fund. Vacant land now being developed will be the largest funder.

Future Projects

Project	Location	Tools Being Considered	Project Opportunities or Challenges
State Land Board	Unincorporated Eagle County	Annexation to Avon, zoning, tax/fee waivers, water	Cost of land from SLB, annexation process, and development costs
“Slopeside”	Avon	Zoning, town owned land, tax/fee waivers, SLP or town-owned structure in negotiation	Project located on open space vacant land. Use by Right allows for Community Housing (100+ units)
Regional Housing Authority	TBD	Sustainable Funding Source & Partnership	TBD

Bonus Discussion

Housing Needs Assessment (HNA) & Housing Action Plan (HAP) Eagle County Housing Partners & Economic Planning Systems (EPS)

EPS worked directly with DOLA during the development of the HNA guidance. DOLA guidance acknowledges “*The state requires that HNAs submitted to the Department for approval produce certain common outputs, while allowing flexibility in how those outputs are derived.*”

Eagle County’s Regional Housing Partners spent \$220,000 on the HNA and HAP to date, most of which was an LPC grant. The HNA received feedback during the Courtesy Review. The HAP guidance released June 30th is extensive.

Eagle County Housing Partners is in discussions with EPS to extend services to make necessary adjustments to the HNA, create the HAP(s), and create/submit the Prop123 Waiver Petition.

Questions?