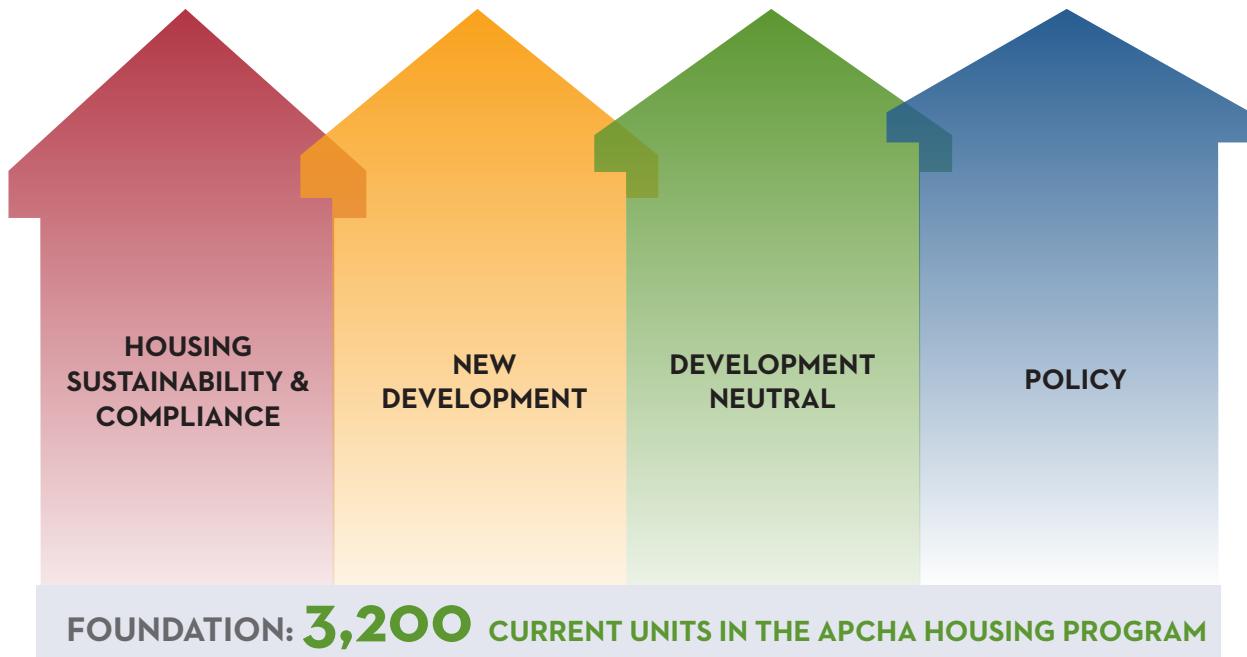
A large, scenic photograph of a forest of aspen trees occupies the top half of the page. The trees have characteristic white bark with dark, horizontal lenticels and some peeling areas. The forest floor is covered in bright yellow wildflowers, likely dandelions, and green grass. The background shows more trees and a slight incline.

AFFORDABLE HOUSING STRATEGIC PLAN

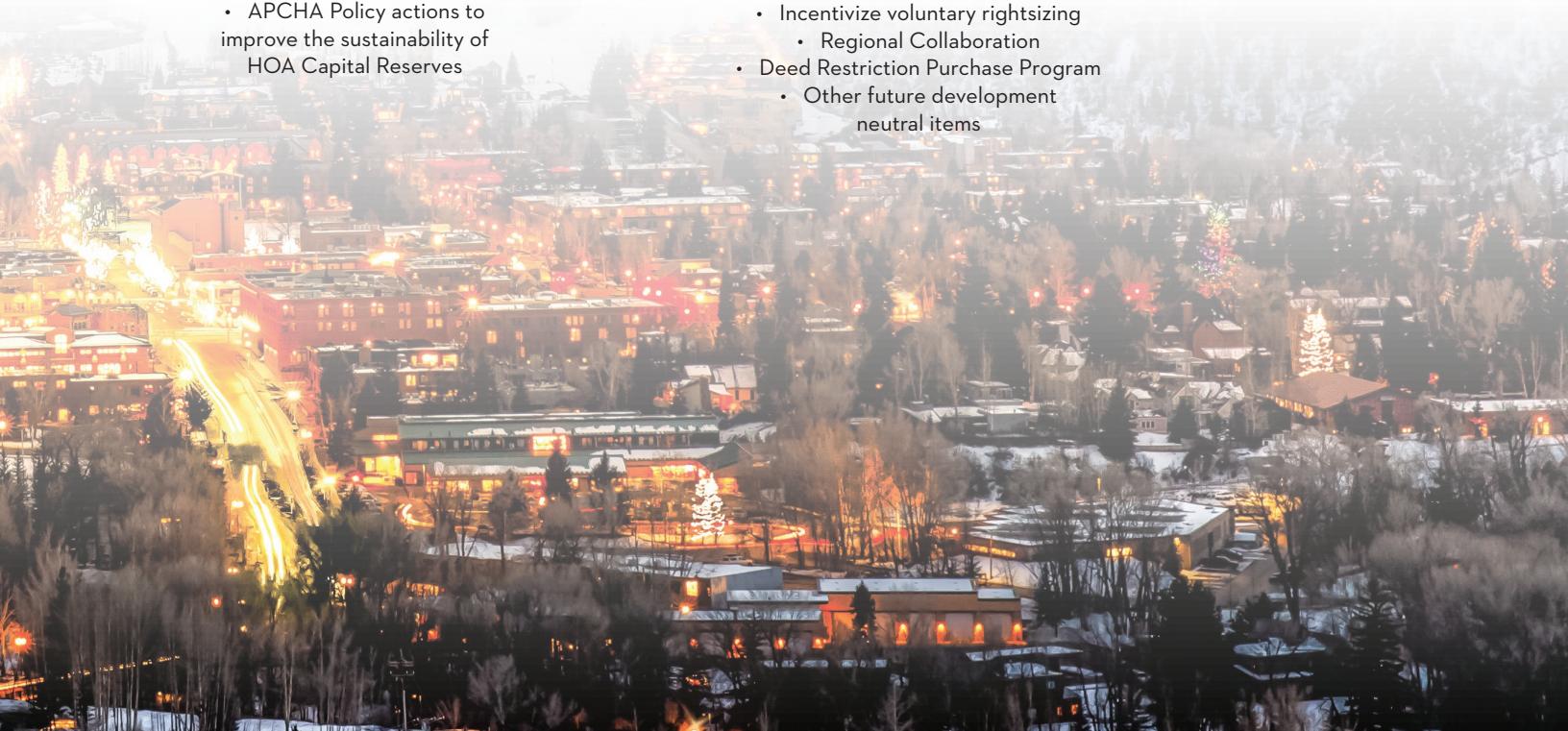
2024 Update
City of Aspen
2022-2028



COMPREHENSIVE STRATEGIC PLAN OF ACTION TO GENERATE & SUSTAIN AFFORDABLE HOUSING UNITS



- APCHA Compliance Actions
 - APCHA Policy Actions to improve sustainability of existing affordable housing
 - APCHA Policy actions to improve the sustainability of HOA Capital Reserves
- Complete Burlingame Phase 3 Project
- Complete Lumberryard Project
 - Partnerships
 - Land Banking
- Replace Expiring Deed Restrictions with Permanent Deed Restrictions
 - Incentivize voluntary rightsizing
 - Regional Collaboration
 - Deed Restriction Purchase Program
 - Other future development neutral items
- Community Development Policy Actions
- Affordable Housing Certificates Program
- Develop Financial Resources for Construction, Land Banking and Other Strategies
- APCHA Policy Actions to increase numbers of available units
- Community Land Trusts



INTRODUCTION

In May 2022, Aspen City Council adopted by resolution the 2022-2026 Affordable Housing Strategic Plan (AHSP) to solidify actionable steps towards creating and supporting more affordable housing for our community. The plan set a target of 500 affordable housing units by 2026 and identified 14 specific action items to accomplish this goal. In 2023, City Council reaffirmed its commitment to addressing the need for affordable housing, setting it as a top priority within their Council Goals.

Since implementation, the City has progressed across all 14 action items, thanks to collaborative efforts spanning several City departments. This collective progress has resulted in the creation of over 80 units since the plan's implementation in 2022. Recognizing the persistent need for affordable housing in the community, it is imperative to sustain this momentum.

The complexities of affordable housing require us to consistently recalibrate and assess our approach. With this in mind, the original AHSP was intended to exist as a living document with ongoing modifications to meet changing needs and priorities. As we navigate the next phase of our journey, this updated plan reflects our commitment to ensuring that Aspen remains a place where all can thrive, creating a lasting legacy for generations to come.

The updated plan showcases progress across all action items and introduces three new action items, resulting in 17 actions which will bring more affordable housing to our community. In tandem with these changes, the timeline for the Affordable Housing Strategic Plan is extended to 2028. For additional information on the background and development of the affordable housing goal and initial 14 action items, please refer to the original 2022-26 Affordable Housing Strategic Plan.



**THE IDEAS OF CURRENT AND FORMER ASPEN CITY COUNCILORS
ARE MEMORIALIZED IN THIS PLAN. THEY ARE:**

**Mayor Torre – Ward Hauenstein – John Doyle – Sam Rose – Bill Guth
Rachel Richards (former Councilor) – Skippy Mesirow (former Councilor)**

Thanks to the team who came together to develop this plan (in alphabetical order):

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PILLARS OF THE STRATEGIC PLAN

Increase the <u>quantity</u> of affordable housing	Increase the <u>quality</u> of new & existing affordable housing	Preserve <u>affordability</u>	Provide <u>community</u> housing	Ensure the <u>sustainability</u> of the program	Support the policies identified in the <u>Aspen Area Community Plan</u>
1	2	3	4	5	6

STRATEGIC FOCUS AREAS



SAFE & LIVED-IN COMMUNITY OF CHOICE: Ensure Aspen is an attractive, diverse and safe city to live, work and visit year-round. This includes opportunities to access childcare, healthcare, housing, transit, parks, recreation and technological connectivity.



COMMUNITY ENGAGEMENT: Ensure a trusted dialogue and relationship in the community that encourages participation, consensus building, and meaningful engagement.



PROTECT OUR ENVIRONMENT: Ensure that policy decisions, programs and projects manage impacts to the environment, climate, and public health and well-being.



SMART CUSTOMER FOCUSED GOVERNMENT: Provide value to the community by continuously improving services and processes based on feedback, data, best practices, and innovation.



FISCAL HEALTH & ECONOMIC VITALITY: Promote economic sustainability of the Aspen community by advancing a healthy, diverse local economy while responsibly managing revenue streams, community investments, and financial reserves.

FOR WHOM IS AFFORDABLE HOUSING INTENDED?

Affordable Housing in the Aspen area is both workforce housing and community housing.

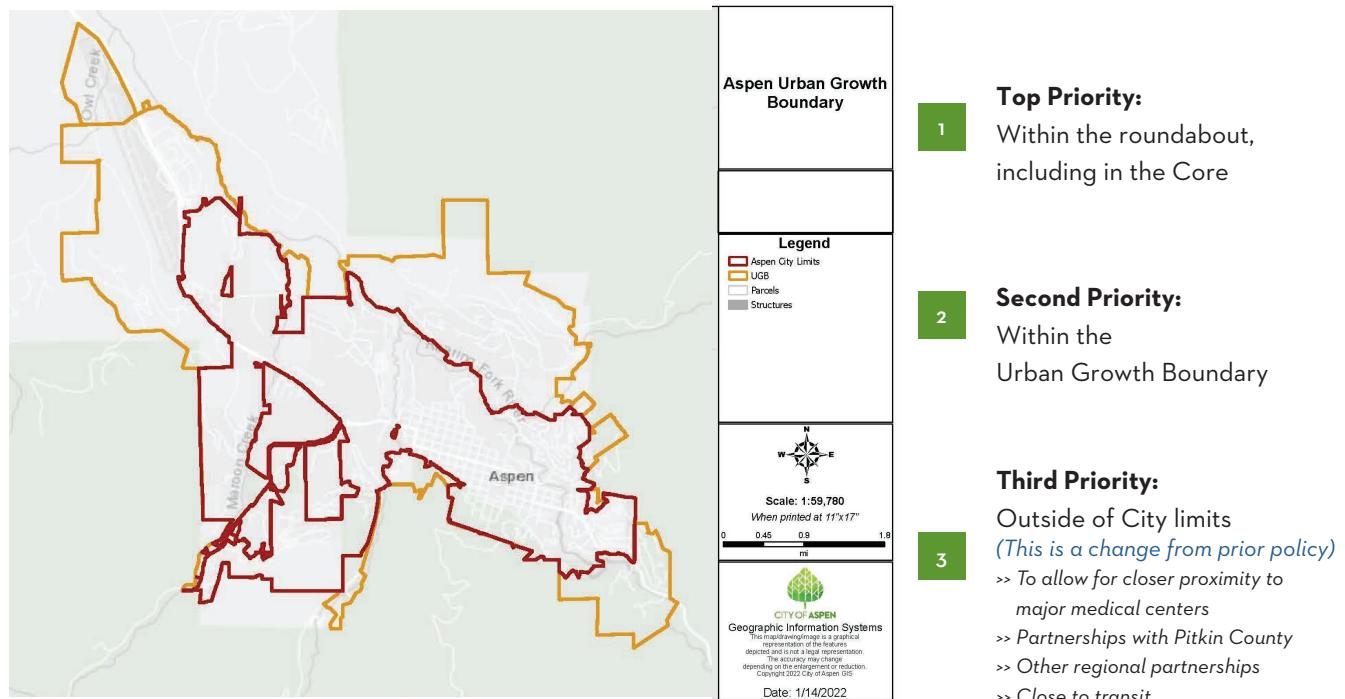
The Housing Vision statement in the Aspen Area Community Plan (AACP) makes this clear:

We believe that a strong and diverse year-round community and a viable and healthy local workforce are fundamental cornerstones for the sustainability of the Aspen Area community.

The AACP cites the benefits of affordable housing to the Aspen community; it “helps to ensure a vital, demographically diverse year-round community” made up of “a healthy mix of people, including singles, families and seniors.”

While affordable housing supports the community’s workforce, according to the Mission Statement in the Aspen Pitkin County Housing Authority’s Regulations, affordable housing is also intended for retirees and people with disabilities who have been actively employed within Pitkin County prior to retirement and/or disability.

WHERE WILL NEW UNITS BE LOCATED?



LIVABILITY STANDARDS FOR AFFORDABLE HOUSING

Housing developments should endeavor to balance the principles of community, livability and quality against impacts such as unreasonable levels of cost and construction activity intrusion. Housing structures should utilize land as efficiently as possible and should seek construction efficiencies to levels that do not sacrifice livability beyond levels that are not consistent with these goals. Architecture should be sensitive to neighborhood context to the extent possible while achieving these goals. A myriad of design elements all combine to make a development livable. As discussed further in Appendix B, these elements include, but are not limited to:

- environmental sustainability
- quality of construction
- unit size
- natural light
- accessibility
- parking & storage
- open space & trails
- public transportation

ASPEN AREA COMMUNITY PLAN (AACP): Housing Policies & Policy Categories

The policies outlined in the Housing chapter and related housing mitigation policies in the Managing Growth for Community & Economic Sustainability chapter are intended to meet these challenges as the community continues to provide affordable housing. A full copy of the Housing section of the Aspen Area Community Plan, pages 36-41, can be found in Appendix A.

At the same time, the 2012 AACP calls for further research on the physical limits to development in the form of ultimate build-out, projected future impacts related to job generation, demographic trends, the conversion of local free market homes and other factors. This kind of statistical analysis will help inform future decision-making and goal-setting in a more meaningful way.

This plan emphasizes the need to spread accountability and responsibility for providing affordable housing units beyond the City and County governmental structures, and continuing to pursue affordable housing projects on available public land through a transparent and accountable public process.

(Source: 2012 Aspen Area Community Plan)



READINESS ASSESSMENT

STAFFING

Capital Asset Department

Currently, the City of Aspen has one full time employee in the Capital Asset Department dedicated to the planning process for new affordable housing developments. Other full-time staff members from the Capital Asset Department provide construction management support during City-developed projects.

Collaboration with staff from other departments is often leveraged during the planning process and may include staff from the City Manager's and City Attorney's offices, Finance, Community Development, Engineering, Building, Transportation, Parks, Utilities, Environmental Health and the Aspen Pitkin County Housing Authority.

Community Development

Community Development has several staff members who focus on the development, implementation, and refinement of policies that support affordable housing development. During the 2022 Moratorium, Community Development staff worked directly on new policies to support City Council's affordable housing goals. As part of this work, significant analysis was conducted to support improvements to affordable housing efforts beyond the period of the Moratorium.

APCHA

Compliance: APCHA now has three primary staff members who work part time on compliance, namely the Deputy Director of Compliance, APCHA's outside attorney, and the Compliance Analyst who was hired in 2023. APCHA's Executive Director and Deputy Director of Housing, Operations & Property Management also participate in compliance efforts.

Qualifications: Two Qualification Specialists at APCHA ensure that the people who rent or purchase APCHA deed restricted property meet the requirements as defined in APCHA Regulations.

APCHA Housing Sustainability: General upkeep of rental and ownership properties.

- Rental housing sustainability for city-owned properties (Truscott, Aspen County Inn and Marolt), is managed by APCHA's two-member Property Management Team and four-member Maintenance Team.
- Housing sustainability for individual ownership units is a topic the APCHA Board began to address in April 2021, supported by the Assistant City Manager, APCHA Executive Director, Deputy Director of Housing, Operations & Property Management and the Deputy Director of Compliance.
- Housing sustainability for Home Owners Associations of multi-family developments is a topic the APCHA Board would like to further address in the future. In 2024, APCHA is hiring an Outreach and Project Coordinator to support this effort.

City Manager's Office

The City Manager's Office hired a Housing Policy Analyst in Spring 2022. Additionally, the City's Assistant City Manager works part-time on housing topics.

FINANCIAL CAPACITY ON REQUESTED TIMELINE

Since 2000, over \$300 million in dedicated revenues has been invested into the ongoing operation and expansion of the Aspen Pitkin County Housing Authority affordable housing inventory. This includes developing the completed projects listed above and funds invested in upkeep and operation of existing City-owned facilities.

Funds from this revenue stream are also budgeted annually toward the operation of the Aspen Pitkin County Housing Authority (APCHA), and those funds are also matched by Pitkin County. (The table to the right does not include such Pitkin County funds.)

Since inception, funds have also been invested in land banking opportunities for future housing developments.



Truscott

Year	Housing Fund Revenues
2000	\$5,302,335
2001	\$4,845,133
2002	\$4,751,964
2003	\$8,543,109
2004	\$8,090,180
2005	\$12,773,154
2006	\$14,000,177
2007	\$14,075,761
2008	\$12,001,447
2009	\$8,373,748
2010	\$8,321,575
2011	\$9,752,953
2012	\$8,986,581
2013	\$9,584,101
2014	\$11,590,103
2015	\$13,039,396
2016	\$10,084,871
2017	\$13,422,231
2018	\$13,042,701
2019	\$13,784,319
2020	\$21,009,309
2021	\$25,628,518
2022	\$22,043,242
2023 EST	\$37,543,259
2000-2023	\$310,590,167

ACTION PLAN: Organized by Category of Affordable Housing Strategy

In the original 2022-26 AHSP, action items were organized and weighted by priority, unit yield, impact, and other variables. In this update, ranking is omitted because staff across departments are working towards action items and strategies outlined in this Plan to simultaneously bring more affordable housing to our community. The tables below organize the 17 action items by category and work group.

COMPLIANCE & SUSTAINABILITY	
WORK GROUP	ACTION ITEM
APCHA	APCHA Compliance Actions
APCHA	APCHA Actions to improve the sustainability of APCHA deed restricted housing
APCHA	APCHA Policy Actions to improve the sustainability of HOA Capital Reserves

POLICY	
WORK GROUP	ACTION ITEM
Community Development	Community Development Policy Actions
Community Development	Certificates of Affordable Housing Credits Program Enhancements
Finance	Develop Financial Resources for Construction, Land Banking, & Other Strategies
APCHA	APCHA Policy Actions to increase number of available units
Community Development	Community Land Trusts

DEVELOPMENT NEUTRAL	
WORK GROUP	ACTION ITEM
City Manager's Office	Replace Expiring Deed Restrictions with Permanent Deed Restrictions
APCHA	APCHA Incentivized voluntary rightsizing or move
City Manager's Office	Additional Development Neutral Program Elements
City Manager's Office	Deed Restriction Purchase Program
City Manager's Office	Regional Collaboration

NEW DEVELOPMENT	
WORK GROUP	ACTION ITEM
Asset	Complete Lumberyard Project
Asset	Partnerships
Asset	Land Banking
Asset	Complete Burlingame Phase 3 Project

CITY COUNCIL'S AFFORDABLE HOUSING GOAL 2022-2028

In 2022, City Council set the goal of 500 affordable housing units by 2026. In 2024, two years later, we have achieved almost 20% of the original goal. Due to shifts in strategy and capacity, the unit goal and timeline has been updated to maintain feasibility. Other elements of our goal remain the same including that units will be achieved:

- Within the City of Aspen's Urban Growth Boundary;
- Can be an affordable housing unit achieved through development neutral means or through new development; and
- Includes units created by private sector, other public sector organizations or City of Aspen.
- The rationale for the changes to each goal is covered in the Action Item for each goal.

CITY COUNCIL'S AFFORDABLE HOUSING GOAL

CATEGORY	ACTION ITEM	ORIGINAL GOAL FOR 2022-2026	ACHIEVED AS OF 2024 (2-YEARS)	TOTAL REVISED GOAL: 2022-2028
Development Neutral	Replace Expiring Deed Restrictions with permanent Deed Restrictions	200	5	20
New Development	Complete Luminary Project	100	0	100
New Development	Complete Burlingame Phase 3 Project	79	79	Achieved
New Development	Partnerships	35	0	35
Development Neutral	APCHA Incentivized voluntary rightsizing or move	30	2	10
Policy	Certificates of Affordable Housing Credits Program Enhancements	40	10	40
Compliance & Sustainability	APCHA Compliance Actions	15	5	15
Development Neutral	Buy Downs or Other Conversion from Free Market to Deed Restricted	Not in original goal	4	8
Totals		499	105	328

ACTION 1:

Replace Expiring Deed Restrictions with Permanent Deed Restrictions

OVERVIEW

- There are hundreds of deed restrictions with a sunset clause based on some triggering event in the future. These expiring deed restrictions include a mix of rental and ownership units.
- When those deed restrictions expire, they will be gone forever. The goal is to eventually preserve all deeds restrictions permanently and provide for the preservation of the integrity of the housing unit associated with that deed restriction.

For more background on this item please see page 20 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Diane Foster and Liz Axberg

PROGRESS

- Many expiring deed restrictions are replaced by natural means of turnover since APCHA can replace the restriction anytime the unit is sold, transferred, or otherwise turned over. Many ownership units with expiring deed restrictions are replaced and put in perpetuity through natural deed turnover means.
 - 2 ownership units with expiring deed restrictions have been updated through natural unit turnover.
 - 2 ownership units with expiring deed restrictions have been updated by the unit owner to qualify for the APCHA Essential Repairs Pilot Grant Program.
 - 1 rental unit with an expiring deed restriction has been updated.
- The City's first Affordable Housing Strategic Plan set a goal of acquiring 200 deed restrictions within five years. After taking a deep dive into understanding how natural turnover of expiring deed restrictions works, a decision was made to temporarily pause the pursuit of the 200-goal number. City Council may choose to revisit a more aggressive goal in the future, particularly if the pace of natural turnover does not meet expectations.

NEXT STEPS

- Continue capturing expiring deed restrictions through natural means of turnover.
- Continue pursuing and negotiating rental expiring deed restrictions.
- Should new opportunities present themselves, staff will present these to City Council.
- Monitor the rate of natural turnover and, if needed, revisit the topic with City Council

ACTION 2:

Complete Lumberryard Project

OVERVIEW

- The Lumberryard affordable housing development project will create a new 100% affordable neighborhood in Aspen with 277 to 304 new affordable housing units in three four-story buildings, access roadways and associated landscape and site amenities, including a transit stop and year-round fare-free transit service to and from downtown Aspen.
- Development of the project is contemplated in four phases, where Phase 0 is planned as demolition, recycling, access and infrastructure and each of the vertical Phases 1, 2 and 3 correspond to buildings 1, 2 and 3. Phases may be developed independently or simultaneously as resources allow.
- The project includes 1, 2 and 3-bedroom units in APCHA income Category 1 (15%), Category 2 (34%), Category 3 (33%), Category 4 (13%), Category 5 (5%), and with an option to offset up to 5% of those with RO units with market rate rents.
- The project was conceived based on a years-long community outreach program conducted by the City and vetted through Aspen City Council.

For more background on this item please see page 21 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Chris Everson, Tyler Christoff, Scott Miller

PROGRESS

- The development application was submitted in late 2022, and entitlements were approved September 2023
- City Council approved the budget for Phase 0 construction to begin in 2024
- The planned development documentation is approximately 75% complete and was recorded March 2024

NEXT STEPS

- The project team is developing documents for submittal of a Phase 0 building permit application and bidding for Phase 0 construction procurement
- Demolition & recycling of existing facilities is anticipated to begin third quarter 2024, with construction of infrastructure to follow, and with a goal of Phase 0 completion by end of 2025
- Staff is developing criteria for a vertical developer RFQ to be released in early 2024, developer selection and agreements are anticipated to occur concurrent with Phase 0 progress
- Development of vertical phases is anticipated to begin upon completion of Phase 0 construction

ACTION 3:

Complete Burlingame Phase 3

OVERVIEW

- Burlingame Ranch Phase 3 is a 100% affordable neighborhood with 79 new affordable condominium units in 13 buildings, with associated landscape and infrastructure.
- This is the final condominium phase of Burlingame Ranch, only 2 single family homes remain undeveloped toward the maximum of 258 units approved for the Burlingame Ranch subdivision
- The project includes 1, 2 and 3-bedroom units in APCHA income Category 2 (23%), Category 3 (32%), Category 4 (38%) and Category 5 (7%).

For more background on this item please see page 22 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Chris Everson, Tyler Christoff, Scott Miller

PROGRESS

- Staff was able to overcome very significant unforeseen challenges during construction in 2022 and 2023 and obtained certificates of occupancy by December 2023
- The APCHA lottery process included more than 36 lotteries and spanned three months, with over 330 households submitting over 1,750 individual bids, nearly 75% of which satisfied the Urban Growth Boundary priority criteria
- With working households moving in each week, the Burlingame transit route now circulates along the new Phase 3 roadway and utilizes the new transit stops which were developed as part of both Phases 2 and 3
- By end of 2023, 34 units were sold, with another 20+ sales in January 2024.

NEXT STEPS

- The balance of sales are anticipated by March 2024
- Homeowner board members were onboarded to the new HOA in March 2024.
- A process for amicable handover of the common elements to the homeowners association will be getting underway

ACTION 4:

Summary of Community Development Policy Recommendations

OVERVIEW

- The LUC is the mechanism for exacting housing mitigation (units, fees, credits) from residential, lodge, and commercial development activities. In the GMQS standards, the creation of FTEs from development activities is the basis for the system of private sector AH development.
- The LUC also sets in place common development standards. While there are already provisions that have been amended to encourage AH development, more could be done to reduce per unit development costs.

For more background on this item please see page 23 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Ben Anderson, Haley Hart

PROGRESS

- In response to the Residential Building Moratorium, passage of Ordinances 13, and 14 in June of 2022 implemented several important policy changes in support of public and private sector affordable housing development:
 - Administrative review path for deed-restricted AH projects that are otherwise fully compliant with provisions in the Land Use Code. This improvement streamlines and brings additional certainty to the land use approval process for affordable projects. This is intended to cut down review times and reduce associated carrying costs prior to the construction of a project.
 - Opportunities for the development of deed-restricted tri-plex and four-plex developments in zone districts that were previously limited to single-family and duplex units. Projects of this kind would be limited to the previously established dimensional limitations of the zone district but would allow additional density in support of AH.
 - Removal of intended and unintended limitations on AH development across most of the zone districts in the city. These changes did not amend dimensional limitations but are consistent with clearly stated community desires that AH is possible across Aspen.
 - Increased affordable housing mitigation requirements in the development and redevelopment of market-rate single-family and duplex units. Including areas in basements and garages in the calculation of mitigation and removing the credit for existing floor area in redevelopment scenarios translates to a mitigation requirement more reflective of employee generation impacts.
 - Increases to affordable housing Fee-in-Lieu. Using a code-prescribed process, the Fee-in-Lieu was increased by nearly 8.5% after the adoption of the 2021 Phase II study reflecting a national construction cost index published by the Engineering News Record. Council adopted an additional 3.9% increase February of 2024. These increases will translate into additional revenue from projects that are able to mitigate with Fee-in-Lieu and will influence values in the market for Certificates of Affordable Housing Credit.

NEXT STEPS

- Staff is continuing to evaluate the effect of the new policies implemented by Ordinances 13 and 14.
- Community Development is evaluating tactics within the building permit review process to consider time and cost considerations in AH development. This may involve proposals for alternative review processes and permit fee reductions.
- One topic that staff considered but did not pursue in the moratorium response, was a proposal for additional dimensional flexibility (height, floor area) in support of affordable housing. With Council direction, staff could evaluate and potentially propose zoning changes in certain zone districts to enhance opportunities for AH.

ACTION 5:

Certificates of Affordable Housing Credits Program Enhancements

OVERVIEW

- Established over ten years ago, the Certificates of Affordable Housing Credits program has been effective in encouraging private sector affordable housing development and in the conversion of market-rate multi-family housing into deed-restricted units. However, the program needs improvement as market conditions have changed. Minor changes to the program were made in a code amendment process in 2021 and Ordinance 13 created an administrative review path for the issuance of AH Credits. These changes, while important, are minimal and will not likely shift the underlying issues with the program. Much more is needed if the program is to remain viable and encouraging of additional affordable housing development.
- As it is included in the Land Use Code, the normal LUC amendment process is required to alter the program.

For more background on this item please see page 24 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Ben Anderson, Haley Hart

PROGRESS

- Working with experts from Design Workshop, ComDev staff are currently studying potential changes to the AH Credits program. We have evaluated multiple possible code changes in response to issues that have been identified in interviews and discussion with members of the development community and those working to finance AH development projects. Examples of the types of changes that may be proposed:
 - Allowing Credits projects to take advantage of other state or national incentive programs;
 - Aligning the value of a credit with the real-world occupancy of an AH unit;
 - Ensuring alignment between the value of a credit and the cost to build an AH unit;
 - Improved tracking of credit market dynamics including sale price and supply and demand.
 - Evaluate the potential for the City to purchase credits.
 - Allowing the issuance of AH Credits to the development of Resident-Occupied units.
 - Allowing the issuance of AH Credits to quasi-governmental organizations or to those in partnership with governments.
 - Allowing the issuance of AH Credits to non-profit organizations in the housing of seasonal program participants.
- While the examples provided above are not exhaustive, they reflect the type of thinking that staff and the development community are considering in further encouraging AH development and resolving some of the current issues within the AH Credits market.

NEXT STEPS

- A Policy Resolution has been passed to support code amendments in this area. Staff intends to present a proposed Ordinance reflecting the possibilities described above in Q3 of 2024, based on staff capacity.

ACTION 6:

Develop Financial Resources for New Construction, Land Banking, and Other Strategies

OVERVIEW

- The current cost to develop an affordable housing unit in Aspen is over \$1 million a bedroom. Having the right portfolio of funding sources and funding partners is critical to gain affordable housing units through development neutral means as well as new development.

For more background on this item please see page 25 of the original strategic plan published in 2022.

ACTION ITEM OWNER: Pete Strecker

PROGRESS

- Current Taxes in support of affordable housing:
 - The current tax collections dedicated to affordable housing (1.0% RETT and 25% of 0.45% sales tax). These sunset 12/31/2040 (Resolution #81, 2008).
 - Sales tax collections have been relatively stable, with annual escalation of about 4-5% per year. RETT collections are extremely volatile which can affect collections.
 - Voter approval for no less than 70% of all collections from an excise tax on nightly stays at short-term rentals (STRs) commenced May 1, 2023.
- At the March 25th, 2024 Work Session, Council supported a ballot question in November 2024 to extend the sunset dates of RETT and dedicated sales tax for housing.

NEXT STEPS

- Continue to evaluate financial sources and continue seeking out other funding opportunities such as grants. Possibility to collaborate with other jurisdictions to further a regional tax to support greater housing preservation and development.
- Debt Obligation Options - Types of debt issuance possible depend on project:
 - General Obligation debt - full faith and credit of the City would back this issuance, but then would require voter approval. Will ensure best borrowing rate possible. This could allow for an ownership type product to be produced and sold and would allow for some immediate payback into the fund when units are sold.
 - Tax Revenue Bonds - This would again require voter approval and would be limited in the size of the issuance to the pledged resources (tax collections generated by the sales or RETT taxes) to meet annual repayment terms. Best leveraged in conjunction with extension of existing taxes noted above, to maximize the duration for the payback term.
 - Certificates of Participation (COPs) can be issued if willing to pledge a city owned asset of equal value (either can be the project itself or another asset(s)) - if it were the project, it would then mean the project would be rental units. This would likely yield a borrowing rate that is one notch below the best rate the City could achieve under a General Obligation type issuance.
 - Debt issuance does not create new resources but rather just changes the availability of resources to achieve goals sooner (pledges future resources today and therefore not available in the future).
- Debt is best for creating or acquiring new assets. It is not as good an option for preservation of deed restrictions (but is possible).

ACTION 7:

Incentivize voluntary rightsizing to recapture & utilize unused bedrooms in the existing inventory

OVERVIEW

- According to 2021 Affidavit data, there are around 400 underutilized bedrooms in the APCHA ownership inventory. Rightsizing would allow owners or tenants with spare bedrooms to move to a smaller unit and reallocate bedrooms. Rightsizing is a lower cost option than developing new units. This program option saves resources such as development dollars, staff time and the environmental impact of construction. Due to low initial uptake in the program, it will be necessary to further explore program and incentive options to encourage voluntary rightsizing.
- Rightsizing is a program in the APCHA Regulations. Changes to this program would be administered by the APCHA Board.

For more background on this item please see page 26 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Matthew Gillen, Bethany Spitz, Cindy Christensen

PROGRESS

- In September 2022, APCHA surveyed APCHA owners to measure potential interest in participating in a rightsizing program. 19% of 3- and 4- bedroom owners expressed interest in rightsizing.
- APCHA staff, with Board approval, implemented a rightsizing pilot program in Spring of 2023, allowing for five voluntary rightsizing swaps. One successful swap has occurred as of April 2024.
 - A change to occupancy requirements to the pilot program has been suggested in an attempt to encourage more successful swaps.
- A rightsizing priority was implemented in the Burlingame III Lottery. One individual has taken advantage of this priority.
- Research is currently underway to understand if there is a viable methodology for providing rightsizing incentives for rightsizing and/or buyouts. Case studies are being tested against APCHA's deed restrictions and regulations to identify one or more methods that can legally comply.

NEXT STEPS

- Staff will continue evaluating the pilot program and recommending changes to the rightsizing regulations to incentivize voluntary rightsizing trades.
- Staff will continue to investigate and research other possible programs to continue to incentivize voluntary rightsizing or moves.

ACTION 8:

Partnerships

OVERVIEW

- Partnerships for Affordable Housing are an opportunity for the City of Aspen to leverage its resources to develop, purchase, or operate more housing units than it might when the city acts as the sole source of capital for development of housing units.
- Partnerships for Affordable Housing typically fall into three categories, (1) between one or more governmental jurisdictions, (2) between a government and a non-profit, and (3) between a government and private sector organizations.

For more background on this item please see page 27 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Scott Miller, Tyler Christoff, Jenn Ooton

PROGRESS

- The City of Aspen has entered into a conceptual agreement with several other local employers to explore development of Affordable Housing at the property known as the Forest Service Lot, located at Hallam Street and 7th Street. Details of this agreement are still being negotiated.
 - The most likely outcome is a partnership between several governmental jurisdictions, producing a significant number of housing units for each of the partners.
 - The current partners are studying construction costs and potential density to determine participation level for their organization.
- The City of Aspen is always looking for partnership opportunities. Since 2022, the city has engaged in conversations with several private developers, property owners, and governmental jurisdictions. Confidentiality is important to all parties until agreements are close to becoming reality.

NEXT STEPS

- Negotiations for the Forest Service Lot are continuing; we are hopeful that an agreement beneficial to all parties can be reached. Partners need to make decisions about cost, density, and risk.
- Staff continue to look for additional partnerships as they present themselves.
- As staff evaluate programs outlined throughout this Plan, the feasibility and applicability to partner with other local entities will be considered, including partnerships in the private, public, and non-profit sector.

ACTION 9:

APCHA Compliance Actions

OVERVIEW

- APCHA has a compliance program to ensure affordable housing units are housing people who qualify with APCHA's rules and regulations, as created by APCHA's Board of Directors. Concurrently, APCHA fully supports keeping qualified people in their units.
- APCHA's compliance process starts with qualifications. APCHA is continually seeking to improve performance to ensure that qualified buyers and renters receive all due consideration during the qualification process, and that unqualified applicants do not proceed in the process and are clearly and transparently informed. Similarly, APCHA residents must comply with APCHA regulations, including but not limited to, residency and work qualifications. It is APCHA's responsibility to the Aspen community to resolve noncompliance fairly and swiftly.

For more background on this item please see page 28 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Matthew Gillen, Bethany Spitz

PROGRESS

- In 2023, APCHA hired a Compliance Officer to ensure compliance remains a program focus.
- APCHA has started a robust auditing program to ensure the compliance of our owners with the Regulations and Deed Restrictions.
 - As of April 2024, APCHA has completed 121 audits. Over 95% of random audits have been found in compliance.
- After finding several APCHA residents were likely in violation of APCHA regulations, APCHA staff referred those findings to the APCHA Hearing Officer.

NEXT STEPS

- Continue to ensure compliance with APCHA requirements through audits and investigations.
- APCHA continues to try new ways to educate our Owners and Renters.
- APCHA staff continue to make recommendations to the APCHA Regulations to ensure that our Regulations remain current.

ACTION 10:

Potential APCHA Policy Actions to increase number of available units

OVERVIEW

- APCHA is responsible for maximizing value to the community and efficiency and impact of APCHA housing. A simple measure of that impact is ensuring that APCHA houses the maximum number of individuals possible in the available housing units. Such a simple measure however, does not take into account the wishes, goals and needs of APCHA residents, for whose benefit APCHA properties were constructed. People's needs and desires change over the years, thus APCHA must seek voluntary, flexible, incentivized programs to maximize occupancy in APCHA units.

For more background on this item please see page 29 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Matthew Gillen, Bethany Spitz, Cindy Christensen

PROGRESS

- APCHA has hired a Compliance Officer to ensure that compliance remains a focus of the program and our units are being occupied by individuals that continue to meet the requirements of the program. Since 2022 only a few units have been made available to qualified renters/owners, however community awareness of compliance cases discourages other possible violators.
- APCHA implemented a voluntary rightsizing trade program; initial success has been limited and a slower uptake than anticipated.
- In November 2021, APCHA lowered the maximum age of dependent from 24 to 19 in employee housing regulations to free up space previously used by adult dependents.

NEXT STEPS

- APCHA is committed to continuing to build on our auditing program's success and following up on every complaint made to ensure compliance.
- APCHA staff and Board will make suggested changes to the rightsizing program if necessary to increase its participation.
- APCHA continues to leverage HomeTrek data when possible to make informed decisions about regulation and policy updates.
- APCHA staff suggest regulation changes to the APCHA Board on an ongoing basis to ensure that the program is continuously being improved upon and up to date.

ACTION 11:

APCHA Policy Actions to improve the sustainability of the APCHA deed restricted housing

OVERVIEW

- With affordable housing in the Aspen area in such short supply, APCHA has a responsibility to obtain maximum impact and value from existing APCHA housing stock, while also protecting residents' rights and benefit under APCHA regulations. Part of this effort is maintaining the sustainability and lifespan of APCHA housing stock. Each APCHA housing unit will have an extended lifespan which reduces the need for a new unit.

For more background on this item please see page 30 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Matthew Gillen, Bethany Spitz, Cindy Christensen, Liz Axberg

PROGRESS

- Essential Repair Pilot Grant Program:** In Fall 2023, APCHA opened applications for Category 1-4 owners to apply for essential home repairs grants of up to \$10,000. The City and County jointly funded the program with \$200,000 from each entity. As of April 2024, the program has received 76 applications, approved 43, and released 15 grants.
- Home Inspection Program prior to Resale:** In January 2022, APCHA fully implemented a home inspection program to improve transparency as buyers and sellers negotiate to ensure each home is acceptable or in good condition to purchase. APCHA pays for an inspection prior to the property being listed with APCHA.
- Mobile Home Pilot Program:** Based on community feedback, the APCHA Board decided not to move forward with the proposed Mobile Home Pilot Program. Since then, APCHA has purchased two mobile homes at Woody Creek which will be replaced then sold back into the APCHA inventory.
- Additional Ten Percent Capital Improvement Cap:** APCHA has an updated deed restriction which current owners are allowed to sign which allows for capital improvements above the ten percent cap for approved energy and water efficiency and life/safety improvements.
- Hire Contract Grant Writer:** APCHA was unable to find and hire a contract grant writer and has decided to take down the position.

NEXT STEPS

- Repairing Foreclosed Homes:** APCHA staff will continue to take opportunities to intervene on a foreclosure, repair, and resell into the APCHA inventory as they come up. APCHA staff are also purchasing a unit at Burlingame I to repair and resell and have purchased two Woody Creek units to scrape and replace.
- Additional 10% Capital Improvement Cap:** APCHA staff will continue outreach to owners to encourage them to go under the new deed restriction.
- Essential Repair Pilot Grant Program:** APCHA will continue to accept grant applications until funds are depleted. Upon completion of the program, staff will present the program evaluation to the APCHA Board to assess the program successes, shortfalls, and recommendations. From there, the Board will decide whether to continue the program and if so, updates to the program to make it more successful in serving our community and the deed restricted housing sustainability goals.

ACTION 12:

Additional Development Neutral Program Elements

OVERVIEW

- “Development Neutral” is a term that has meant different things to members of the public, city staff, and City Council. To staff at this moment in time, it means the creation of new units within existing AH developments, the redevelopment of an existing AH development, or making permanent expiring deed-restrictions through creative application of existing policies, development review processes, and incentives.
- For many in the community, “buy-downs”, or the conversion of market-rate to deed-restricted AH units is the most commonly understood mechanism that would allow for development neutral creation of new AH units. In the initial Strategic Plan, staff did not recommend buy downs as a primary action item. Since that time staff has reconsidered the recommendation against buy-downs, as can be seen later in this updated plan.

For more background on this item please see page 31 of the original strategic plan published in 2022.

ACTION ITEM OWNER: Ben Anderson

PROGRESS

- In a previous version of this Strategic Plan, Development Neutral also included discussion of program elements that contemplated new policies within the LUC or new revenue streams in support of AH that did not rely on new growth. Since then, the City has passed a dedicated tax on short-term rentals (STR) that directly benefits AH development and the Real Estate Transfer Tax (RETT) continues to provide the bulk of revenue to the City’s 150 Fund. In this action item it is recommended that staff continue to evaluate the revenue generated by the STR tax and that staff actively works to continue the RETT beyond its current expiration timeline.

NEXT STEPS

- Specific actions that could be taken in support of this element:
 - Continued evaluation of the STR tax and benefits to the AH program
 - Process to extend the RETT beyond current expiration timeline
 - Creative use of the Planned Development to encourage redevelopment of aging AH properties and in the conversion or expiring deed restrictions into permanently affordable projects.
 - The use of public-private partnerships in AH redevelopment scenarios
 - LUC amendments that could further incentivize AH redevelopment scenarios – including flexibility and creativity with the AH Credits program.

ACTION 13:

Land Banking

OVERVIEW

- Land Banking is the process of acquiring and holding land for future development, re-development, or land trade. Success requires cohesive partnerships among a variety of stakeholders, funding partners, and all levels of government, as well as confidentiality.

For more background on this item please see page 32 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Scott Miller, Tyler Christoff

PROGRESS

- Over the years, the City of Aspen has purchased several properties for Affordable Housing development. All but one, the Lumberyard property, has been successfully developed. The Lumberyard property has been designed to 100% Schematic Design and is near the end of the Planning & Zoning review process.
- Staff has brought opportunities to Council as they come up. The specifics cannot be discussed since these discussions happen in Executive Session.
- Due to the nature of property acquisition in the public sector, specific properties cannot be mentioned. Infill development alone cannot address mounting affordable housing demands. City Council's policy direction regarding land acquisition is to consider any and all acquisitions, including partnerships.

NEXT STEPS

- Staff continue to search real estate, whether listed for sale or not, for land banking potential.
- Continue exploring other possible actions
 - Continue to seek appropriate land for land-banking.
 - Consider an incentive program for sellers
 - Consider creating or enabling fast-track for Council approval of potential contract to buy when needed.
 - Consider purchase of parcels discussed with Council in executive session. Consider a means of public discussion for potential conversion of other City assets.
 - Explore the creation of a program where the City or County would provide a tax benefit, payment or life-estate planning or other financial incentive to a free-market homeowner to include their property in the City/County's land banking for future affordable housing (AACP Appendix: III.2).

ACTION 14:

Regional Collaboration

OVERVIEW

- The City of Aspen is one of seven governmental entities and two organizations that make up the West Mountain Regional Housing Coalition (WMRHC), which was formed in 2022 as a regional nonprofit to focus on preserving existing affordable housing and supporting local workforce housing through championing development-neutral programs. The WMR Housing Coalition officially received tax exempt, Colorado 501(c)(3) nonprofit status during the summer of 2022. The Assistant City Manager works closely with the Coalition and is the board representative for the City of Aspen. The City's Senior Special Projects Manager was one of the founding members of the West Mountain Regional Housing Coalition and now acts as the alternate board representative for the City of Aspen.
- Outside of the West Mountain Regional Housing Coalition, the City also regularly collaborates with other local governments in the Roaring Fork Valley on affordable housing topics.

For more background on this item please see page 33 of the original strategic plan published in 2022.

ACTION ITEM OWNERS: Diane Foster, Jenn Ooton, Liz Axberg

PROGRESS

- Accomplishments of the Coalition to date include receiving a \$50,000 DOLA Admin grant to support strategic planning, a \$100,000 IHOP grant to support policy and code studies, and a \$25,000 CHFA grant to support equitable outreach. The WMR Housing Coalition contracted Willaford LLC to conduct a region-wide code and policy scan completed in late 2023. This scan compiled codes and regulations across the valley to see where we need more alignment.
- The nonprofit is developing three pilot programs: a valley-wide ownership deed restriction purchase program, a rental funds support program, and a bedroom incentive program. The rental funds program and deed restriction purchase program details have both been outlined. The the coalition plans to launch the deed restriction purchase program to convert open-market housing into deed-restricted housing in 2024. City Council has budgeted \$450,000 in the 2024 budget for this project and is anticipating a presentation on the final program details. To date, several Valley elected bodies have voted to provide funding in 2024 to the Buy Down program.
- The City hosted a full day joint Housing Meeting in July 2024. The City Council and BOCC requested two actions as a result of that meeting: 1) The creation of elected-official led work sessions on APCHA Board policy items; and 2) Closer collaboration between City and County staff on affordable housing topics.
- Since the joint meeting, both City and County elected bodies have hosted work sessions to discuss APCHA policies;
 - In February 2024, City and County discussed specific APCHA policy topics at their Joint Work Session; and
 - The City's Housing Policy Analyst and Assistant City Manager now meet monthly with Pitkin County's Deputy County Manager and their Resiliency and Housing Director.

NEXT STEPS

- The West Mountain Regional Housing Coalition is continuing to take steps to build funding support. This includes recently submitting a \$3 million request to the AHIF23 ARPA Loan and Grant Program to support a Buy Down program.
- Staff continue to attend WMR Housing Coalition board meetings and represent the City of Aspen.

ACTION 15:

Community Land Trusts

OVERVIEW

- The City of Aspen was awarded a grant for \$135,000 from the Colorado Department of Local Affairs (DOLA) Strong Communities Planning Grant Program in December of 2023. The grant will support the city's efforts to examine the feasibility of developing a Community Land Trust (CLT) as part of its ongoing commitment to affordable housing and creation of incentives to support such programs.
- A CLT is a non-profit, independent organization that acquires property in support of community needs like affordable housing or commercial space. The city intends the CLT to be a city-wide program with the acknowledgment that it will eventually become a 501(c)(3) and maintain its own group of stakeholders and governing board. CLTs have been successfully established across the United States and in other Colorado communities.

ACTION ITEM OWNERS: Haley Hart, Liz Axberg, Ben Anderson

PROGRESS

- The \$135,000 grant funds, with a \$15,000 match - \$7,500 from Community Development's Long Range Planning budget and \$7,500 from Assets 150 Fund, will be dedicated to hiring consultants who will play a crucial role in conducting the feasibility study, assessing the relationship between APCHA and a possible CLT, facilitating community conversations, and developing the CLT structure and bylaws. The city aims to leverage their expertise to guide discussions, aligning with the Grounded Solutions Network's principles and mechanisms for CLT development.
- The RFP to hire the CLT consultant was posted in April 2024.

NEXT STEPS

- The RFP closes in June 2024 and the consultant will begin work by the end of summer 2024.
- Through the project, the consultant will complete a feasibility study and community conversations by the winter of 2024/2025. In 2025, the consultant will set-up the organizational framework and structure of the CLT.
- If a CLT is determined feasible upon completion of the consultant's work, City staff will continue work to launch the non-profit. At this point, the organization would receive 501(c)(3) status and be governed by an outside Board.

ACTION 16:

Deed Restriction Purchase Program

OVERVIEW

- In a deed restriction purchase program, the City would contribute funds at closing towards the purchase of a deed restriction on the property. This brings down the total amount required from the buyer and bridges the gap between what is available on the market and what is affordable.
- On page 34 of the original 2022-26 Affordable Housing Strategic Plan, the Vail InDeed Model and Buy downs were identified as strategies that the City of Aspen would not pursue.
- Since then, conversations with other cities and housing authorities have provided insight into how this type of program could benefit the Aspen workforce and community.
- Staff are early in the process of outlining program possibilities and will be developing use cases for Council consideration.

ACTION ITEM OWNERS: Diane Foster, Liz Axberg

PROGRESS

- The West Mountain Regional Housing is aiming to pilot a Deed Restriction Purchase Program & Ownership Buy Down Program. There will be an opportunity for the City of Aspen to participate in this program financially which would support members City of Aspen workforce purchasing a home in the valley. See more on this is the Regional Collaboration action item.

NEXT STEPS

- The City will have the opportunity to participate in and partially fund the WMRHC's deed restriction purchase program.
- Staff are exploring other ways the City could implement a deed restriction purchase program and how these programs function within similar cities.

ACTION 17:

APCHA Policy Actions to improve the sustainability of HOA Capital Reserves

OVERVIEW

- In 2011, APCHA partners with multifamily, deed restricted HOAs to conduct capital reserve studies. Data from these studies, made it clear that most HOAs under the APCHA regulations were under capital reserve deficits which would make it difficult for these HOAs to maintain their properties long-term.
- In 2023, Council identified “Assisting homeowners’ associations’ evaluation of their capital maintenance and planning and capital reserves” as an objective within their affordable housing goal.
- This action item was previously encompassed by the “APCHA Actions to improve the sustainability housing inventory” action item, but with the work being done in this area and it being highlighted in Council goals, it became its own action item.

ACTION ITEM OWNERS: Matthew Gillen, Liz Axberg, Bethany Spitz, Cindy Christensen

PROGRESS

- In Fall 2023, APCHA published an RFP to hire a firm to partner with HOAs under the APCHA regulations and conduct capital reserve studies and create capital reserve maintenance plans.
- As of April 2024, over 30 deed restricted HOAs have signed-up to participate in the capital reserve studies.
- In 2023, APCHA brought in an HOA attorney to lead trainings for HOA board members. The goal of the training was to provide tools and resources to HOAs to help them more successfully govern and manage their HOA.

NEXT STEPS

- Staff expect the studies to be complete in 2024. Once staff can measure the extent of capital reserve deficits for HOAs, Council, the BOCC, and APCHA Board can review the results and begin discussing next steps for addressing HOA capital reserves.
- APCHA plans to continue regularly planning trainings and information sessions to support HOA board representatives in their HOA maintenance.
- Along with this, in 2024, APCHA requested a new Outreach and Project Coordinator position. This position will work directly with HOAs to provide resources and establish more communication between their boards and APCHA. Interviews are underway for the position.

REVIEW PROCESS

An outcome of the 2023 City Council Retreat, City Council adopted an Affordable Housing Goal. This Affordable Housing Goal reads as follows:

In order to deliver an affordable housing system that is high quality, sustainable, and results in a lived-in community, Council will continue to evaluate, identify opportunities, plan, partner, facilitate, and leverage existing and new resources to invest in the development and maintenance of affordable housing.

This will be accomplished through:

- Implementing the Affordable Housing Strategic Plan;
- Completing Council-directed affordable housing development projects;
- Continuing to seek additional affordable housing, and development-neutral opportunities, including optimizing existing housing stock;
- Prioritizing and financing continued development and maintenance of affordable housing to better serve the community and the workforce;
- Supporting continuous improvement with the APCHA program, including ensuring adequate resources; and
- Assisting homeowners' associations' evaluation of their capital maintenance planning and capital reserves.

Since August 2021, City Council has been presented with regular updates to the 2022-26 Affordable Housing Strategic Plan, Council's Affordable Housing Goal and specific action items within the Plan.



Departments across the City are responsible for delivering on the Council Housing Goal including the Capital Asset Department, Community Development, Housing/APCHA, and the City Manager's Office. This Plan is a living document whose contents will continue to be updated as needed.

That being said, staff plan to do an annual review of overall progress in conjunction with Council's affordable housing goal and make whatever modifications are necessary to the plan at that time.

APPENDIX A:
HOUSING CHAPTER OF
ASPEN AREA COMMUNITY PLAN

Housing



Vision

We believe that a strong and diverse year-round community and a viable and healthy local workforce are fundamental cornerstones for the sustainability of the Aspen Area community.

Philosophy

We are committed to providing affordable housing because it supports:

- A stable community that is invested in the present and future of the Aspen Area.
- A reliable workforce, also resulting in greater economic sustainability.
- Opportunities for people to live in close proximity to where they work.
- A reduction in adverse transportation impacts.
- Improved environmental sustainability.
- A reduction in downvalley growth pressures.
- Increased citizen participation in civic affairs, non-profit activities and recreation programs.
- A better visitor experience, including an appreciation of our genuine, lights-on community.
- A healthy mix of people, including singles, families and seniors.

Many of the philosophical statements in the 2000 AACP still ring true today:

"We believe it is important for Aspen to maintain a sense of opportunity and hope (not a guarantee) for our workforce to become vested members of the community. ... (We seek) to preserve and enhance those qualities that has made Aspen a special place by investing in our most valuable asset – people."

"Our housing policy should bolster our economic and social diversity, reinforce variety, and enhance our sense of community by integrating affordable housing into the fabric of our town. A healthy social balance includes all income ranges and types of people. Each project should endeavor to further that mix and to avoid segregation of economic and social classes ..."

Living in affordable housing is not a right or a guarantee, but a privilege, carrying with it responsibilities to future generations, such as long-term maintenance and regulatory compliance.

The creation of affordable housing is the responsibility of our entire community, not just government. We should continue to explore methods that spread accountability and responsibility to the private sector, local taxing districts and others.

We continue to support the following statements from the 1993 and 2000 AACP: *"Housing should be compatible with the scale and character of the community and should emphasize quality construction and design even if that emphasis increases [initial] costs and lessens production, [within reason]."* At the same time, new construction should emphasize the use of durable and renewable materials in order to improve our environmental stewardship.

We should demonstrate our commitment to future generations by providing educational outreach regarding long-term maintenance and regulatory compliance by adopting a strategic plan for long-term maintenance of publicly-owned rental properties, and for handling "unique" properties, such as those with a sunset on deed restrictions.

At the same time, we need a new focus on the issues surrounding retirement in affordable housing, as we are on the brink of a rising retiree demographic. In addition, we should continue to provide housing that accommodates the needs of people with disabilities.

The provision of affordable housing remains important due to several factors, including the continued conversion of locally-owned homes to second homes, a trend of a more costly down-valley housing market and the upcoming trend towards retirement in affordable housing. With limited vacant land in the Aspen Area and limited public funds, we cannot build our way out of this challenge.

Our affordable housing program is continually encountering new crossroads that demand creative thinking, understanding and thoughtful action.

What's Changed Since 2000

Since the adoption of the 2000 AACP, a total of 652 new affordable housing units have been constructed, with another 181 approved but not yet built. By any measure, these are impressive accomplishments, but various relevant trends have continued to challenge the goal of establishing and maintaining a "critical mass" of working residents, as stated in the 2000 AACP.

While the ratio of local workers living in affordable housing units increased from 25% to 32% from 2000 to 2008, the ratio of local workers living in free market homes dropped from 22% to 13%, the result of continued conversion of locally-owned free market homes to second homes.

At the same time, the economic boom period of 2004 to 2007 saw a dramatic increase in the cost of downvalley land and homes, reducing opportunities for Aspen workers to find free market ownership options in the valley. While the recession has rolled back prices, this plan must assume that the economy will experience another period of prosperity during the life of the plan. In addition, the number of retirees in deed-restricted housing is estimated to jump from approximately 310 today to more than 800 in 2021.

The 2007 Housing Summit considered all these factors and more. The primary outcome of the Summit was to encourage additional "land-banking," which ultimately resulted in the purchase of the BMC West property, a parcel at 488 Castle Creek Road and others. The 2008 Affordable Housing Plan evaluated 15 potential sites for affordable housing units, identifying a range of up to 685 possible housing units.

Aspen Area Housing History

In the early 1970's free-market housing that had primarily housed local employees was being demolished and redeveloped as second homes. By 1974, the City and County began addressing this trend by establishing separate affordable housing programs and 14 years later formed the joint Aspen/Pitkin County Housing Authority (APCHA). APCHA is currently funded through a City of Aspen sales tax and a Real Estate Transfer Tax (RETT).

The State enacted legislation in 2001 granting Housing Authorities across the state specific powers to raise revenue through sales taxes, use taxes, an ad valorem (property) tax, and/or a development impact fee. To date, APCHA has not pursued these revenue sources. The City of Aspen has a housing sales tax, and both the City of Aspen and Pitkin County have Housing Mitigation fees.

APCHA operates under the 4th Amended Intergovernmental Agreement between the City of Aspen and Pitkin County. This agreement has eliminated APCHA's role as an active developer of workforce housing; that role has been assumed by the City of Aspen.

Currently, APCHA is principally involved in the qualification, sales, and enforcement of the housing program and is involved in the oversight of over 2,800 units of deed-restricted housing. The APCHA Board of Directors alone, or in concert with other entities, suggests new policy, programmatic changes, and legislation, or makes recommendations, as required by the City, County or State.

On the Horizon

As the community continues to provide affordable housing, it is important to recognize and understand future challenges.

We must continue to track changes to the Colorado Common Interest Ownership Act (CCIOA) and update our housing policies on a timely basis.

APCHA should vigorously promote adoption of CCIOA by existing associations, and require new associations to adopt CCIOA.

Lending practices are changing, resulting in new and potentially difficult financing.

What's New in the 2012 AACP

The re-use of philosophical language from past community plans is due largely to the long-term support in the Aspen Area for affordable housing as a critical tool to maintain a strong year-round community.

Some shifts in policy direction for the 2012 AACP can be attributed to the long-term growth and maturation of the housing program, bringing greater awareness of the need for long-term capital reserves and maintenance for individually-owned and rental properties, as well as publicly-owned rental properties.

Another difference in the 2012 AACP is the decision not to establish a specific number of housing units to be developed during the 10-year life of the plan. This should not be perceived as a wavering of support for affordable housing units. The plan calls for exploring the potential of a new housing unit goal, but specific research on this topic was not conducted as part of this plan.

This plan focuses on the ongoing challenges of establishing and maintaining a "critical mass" of working residents. The policies outlined in the Housing chapter and related housing mitigation policies in the Managing Growth for Community & Economic Sustainability chapter are intended to meet these challenges as the community continues to provide affordable housing.

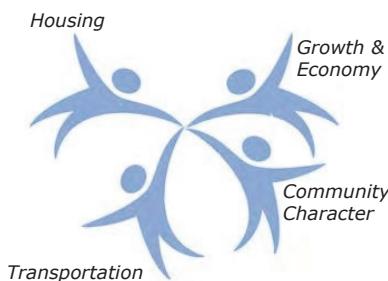
At the same time, the 2012 AACP calls for further research on the physical limits to development in the form of ultimate build-out, projected future impacts related to job generation, demographic trends, the conversion of local free market homes and other factors. This kind of statistical analysis will help inform future decision-making and goal-setting in a more meaningful way.

Instead, this plan emphasizes the need to spread accountability and responsibility for providing affordable housing units beyond the City and County governmental structures, and continuing to pursue affordable housing projects on available public land through a transparent and accountable public process.

While past plans have supported "buy-down" alternatives, there has been little comprehensive effort in this regard. A "buy-down" program may be an expensive proposition, but this plan calls for exploring it more thoroughly. The idea is to finally determine if the community is willing to pay the price for providing long-term affordable housing by converting existing free market homes, and or affordable housing, rather than building new homes.

Linkages

The creation of Affordable housing can help reduce pressures on the valley-wide transportation system by providing housing opportunities for our local workforce in the Aspen Area, while reducing air quality impacts associated with a commuting workforce. Affordable housing is also critical to a viable economy, and helps to ensure a vital, demographically diverse year-round community. At the same time, limited opportunities and funds mean we cannot build our way out of the housing problem, and we recognize that new affordable housing includes infrastructure costs ranging from transportation to government services, schools and other basic needs. Controlling growth and job generation can reduce the pressure to provide affordable housing.



Housing Policies

Policy Categories

I. SUSTAINABILITY AND MAINTENANCE

- I.1. Affordable housing should have adequate capital reserves for major repairs and significant capital projects.
- I.2. Deed-restricted housing units should be utilized to the maximum degree possible.
- I.3. Deed-restricted housing units should be used and maintained for as long as possible, while considering functionality and obsolescence.
- I.4. Provide educational opportunities to potential and current homeowners regarding the rights, obligations and responsibilities of home ownership.
- I.5. Emphasize the use of durable and environmentally responsible materials, while recognizing the realistic lifecycle of the buildings.

Collaborative Initiative

Collaborative Initiative, Work Program for APCHA

Collaborative Initiative, Work Program for APCHA

Collaborative Initiative

Incentive Program, Proposed Code Amendment

II. PROGRAM IMPROVEMENTS

- II.1. The housing inventory should bolster our socioeconomic diversity.
- II.2. Affordable housing should be prepared for the growing number of retiring Aspenites.
- II.3. Employers should participate in the creation of seasonal rental housing.
- II.4. Employers who provide housing for their workers through publicly-owned seasonal rental housing should assume proportionate responsibility for the maintenance and management of the facility.
- II.5. Redefine and improve our buy-down policy of re-using existing housing inventory.
- II.6. Eliminate the Accessory Dwelling Unit (ADU) program, unless mandatory occupancy is required.

Community Goal

Community Goal, Work Program for APCHA

Collaborative Initiative, Incentive Program

Collaborative Initiative, Incentive Program

Work Program for APCHA

Proposed Code Amendment

III. FISCAL RESPONSIBILITY

- III.1. Ensure fiscal responsibility regarding the development of publicly-funded housing.
- III.2. Promote broader support and involvement in the creation of non-mitigation Affordable housing, including public-private partnerships.

Collaborative Initiative

Collaborative Initiative, Incentive Program

Housing Policies

Policy Categories

IV. LAND USE & ZONING

- IV.1. Affordable housing should be designed for the highest practical energy efficiency and livability.
- IV.2. All affordable housing must be located within the Urban Growth Boundary.
- IV.3. On-site housing mitigation is preferred.
- IV.4. Track trends in housing inventory and job generation to better inform public policy discussions.
- IV.5. The design of new affordable housing should optimize density while demonstrating compatibility with the massing, scale and character of the neighborhood.
- IV.6. The residents of affordable housing and free-market housing in the same neighborhood should be treated fairly, equally and consistently with regard to any restrictions or conditions on development such as parking, pet ownership, etc.

Incentive Program, Proposed Code Amendment

Proposed Code Amendment

Work Program for Planning Department & APCHA, Proposed Amendment

Data Needs

Proposed Code Amendment

Proposed Code Amendment

V. HOUSING RULES AND REGULATIONS

- V.1. The rules, regulations and penalties of affordable housing should be clear, understandable and enforceable.
- V.2. Ensure effective management of affordable housing assets.

Work Program for APCHA

Work Program for APCHA

APPENDIX B:
COMMUNITY AFFORDABLE HOUSING
AND LIVABILITY

CONNECTION TO AACP

Within the introduction of the 2012 Aspen Area Community Plan, two of the stated central themes are “Emphasize the quality and livability of affordable housing.” and “Provide for a critical mass of year-round residents.”

Within the housing implementation portion of the appendix of the AACP is an implementation step that, in part, states, “Amend the Housing Guidelines to establish livability standards that promote pride of living in affordable housing.”

And although the AACP also encourages area employers to participate in the creation and maintenance of seasonal rental housing, the sections shown above, along with many other such statements in the AACP, support the Housing Philosophy stated within the AACP, which aims to nurture a stable, year-round community, with a reliable workforce with an opportunity to live near where they work, and with a healthy mix of people, including singles, families and seniors.

LIVABILITY AND COMMUNITY ENGAGEMENT

For public affordable housing developments, the City of Aspen performs typically performs rigorous community engagement, seeking input from the community at large and neighborhood stakeholder groups. A significant portion of such community engagement is typically devoted to affordable housing elements related to livability.

At each stage of the design development process, input received from the community engagement process is typically filtered through Aspen City Council. This often results in a careful balance of various priorities such as livability, quality, neighborhood impacts and project cost. And there are many more detailed project elements that require balancing as well, such as environmental sustainability, accessibility, total cost of ownership or tenancy, constructability and more. These topics are interconnected with the meaning of livability among the Aspen affordable housing community.

LIVABILITY – GENERAL PRINCIPLES

Goals: Housing developments should endeavor to balance the principles of community, livability and quality against impacts such as unreasonable levels of cost and construction activity intrusion. Housing structures should utilize land as efficiently as possible and should seek construction efficiencies to levels that do not sacrifice livability beyond levels that are not consistent with these goals. Architecture should be sensitive to neighborhood context to the extent possible while achieving these goals.

Density: Density should be considered as more than just a number and should consider neighborhood context, available open space, amenities and other considerations related to community character. Successful housing developments have been created in Aspen with density ranging from around 7 units per acre up to nearly 80 units per acre.

Quality: Quality construction should be employed to mitigate sound and vibration transmission and to promote energy efficiency. It is important to people not to feel as densely housed as they actually are, and it is possible to invest in construction quality, up to a point short of diminishing returns, to make a densely populated facility feel as livable as possible given available resources.

Environmental Sustainability: Environmental sustainability standards which are consistent with community goals should be integral to the construction quality program. Investments in sustainability measures should be carefully prioritized to be consistent with housing development goals.

Housing Unit Sizes: Housing for a diverse population of income levels should not discriminate livable space based on incomes. Creating equitably sized housing units of standardized sizes can create construction efficiencies and increases flexibility to transfer units among households of different income levels. The Colorado Division of Housing has established “indicators of modest but decent housing” with suggested sizes of 500 square feet for studio or efficiency units, 700 square feet for one-bedroom units, 900 square feet for two-bedroom units and 1,200 square feet for three-bedroom units. necessary and where a high level of livability is otherwise demonstrated, with reduction criteria such as significant storage space, above average natural light, efficient/flexible unit layout, site amenities including parks and open space, and above ground unit versus below ground units.

The APCHA Affordable Housing Development Policy includes the following Minimum Unit Sizes and defines an “occupancy standard” based on 400 square feet per “employee”.

Unit	Minimum Net Sq Ft	Occupancy Standard
Studio	500	1.25
1-Bedroom	700	1.75
2-Bedroom	900	2.25
3-Bedroom	1,200	3.00

In practice, the occupancy standard is less of an actual counting mechanism for occupancy and more of a conversion tool and general benchmark related to the 400 square feet per “employee” standard.

The APCHA Affordable Housing Development Policy allows for the reduction of unit sizes by up to 20% in cases where both necessary and where a high level of livability is otherwise demonstrated, with reduction criteria such as significant storage space, above average natural light, efficient/flexible unit layout, site amenities including parks and open space, and above ground unit versus below ground units.

Accessibility: Affordable housing facilities should be accessible above and beyond code requirements where possible. Varying levels of accessible dwelling units include Type A Full Accessibility, Type B Adaptable and Type C Visitable. Type A Full Accessibility units should be included at or above code minimums, and all other unit should be Type B Adaptable where possible. Townhome units or units which otherwise include a stairway internal to the unit should be Type C Visitable, and Universal Design should be used in common area facilities.

Noise and Air Quality: Locations for affordable housing should be sought which have favorable noise and air quality characteristics. For locations where noise and air quality characteristics are not without flaws, mitigation techniques should be implemented to reduce adverse impacts to reasonable levels.

Pedestrian Safety and Automobile Circulation: Whenever possible, housing developments should prioritize pedestrian movement over automobile movement and pedestrian safety over automobile circulation.

Community Open Space: Community open space should be created to maximize the use of available land and should be landscaped to facilitate peaceful, playful and socially interactive enjoyment with turf or low-grow grasses as well as strategically placed shrubs and trees to facilitate demarcation of areas and/or privacy where needed. A mix of non-programmed and lightly programmed areas are encouraged.

Parks and Trails: Parks and trails provide community benefits and should be connected to housing developments where possible. The use of boulder retaining walls can create material cost efficiencies and can be a contextually sensitive means of retaining earth as opposed to engineered alternatives.

Parking and Storage: Parking and storage are key attributes that relate to day-to-day interaction with a housing facility. Local workers may not use their cars every day, but they have a right like everyone else to keep a car in their possession, particularly because Aspen is a remotely located City. Affordable housing units do not generally afford the amount of space that suburban living in America generally affords so convenient access to a reasonable amount of storage space is a key attribute to any housing unit. Parking and storage should be located within reasonable distance to one's housing. The use of carport structures can be an equitable means of providing covered parking without a high level of expense and can be used where needed to retain earth or serve as sound barriers from nearby sources of noise.

Total Cost of Ownership: Total cost of ownership or total rent should be considered in affordable housing designs. The use of durable assemblies and materials as well as low-maintenance mechanical systems along with operational efficiency considerations such as ease of snow removal and landscaping can help keep long-term costs down. Thoughtful design for management of snow, ice, moisture and freeze/thaw conditions can eliminate the need for gutters and downspouts and can help keep maintenance costs down.

Wildlife: Sensitivity to wildlife and surrounding open areas is extremely important. Trash, recycling and compost staging

facilities should meet local codes and guidelines related to “wildlife-proof” requirements and recommendations and should otherwise be consistent with wildlife management practices. Mail and transit stop facilities should attempt to keep people separated from areas which could potentially attract bears or other wildlife.

Site Lighting & Facilities: Site lighting should provide safety while remaining contextually sensitive and where possible should employ the use of timers and/or sensors to be as energy efficient as possible. Guide-on principles can be equally safe and less intrusive than flooding large areas with light. External availability of water and electrical sources are amenities that tenants and/or homeowners highly appreciate. “Dark skies” and other code-related requirements and recommendations should be rigorously met.

Public Transportation: Access to public transportation is a must. Reduction of daily automobile trips should be encouraged through availability of convenient, multi-modal transportation alternatives.

LIVABILITY – CHECKLIST

The outline below is a useful inventory of decision points for considering characteristics which affect livability.

<input type="checkbox"/> Density, Environmental Sustainability, Accessibility
<input type="checkbox"/> Family oriented vs. non-family oriented
<input type="checkbox"/> Working vs. retirement orientation
<input type="checkbox"/> Flats versus multi-level townhomes & accessibility
<input type="checkbox"/> On-grade access, stairs to get to unit, below-grade, partial below grade units
<input type="checkbox"/> Ceiling heights greater than 8 feet, 8'-6" to 9'-0 where possible
<input type="checkbox"/> Minimum bedroom size, 10 feet
<input type="checkbox"/> Storage <ul style="list-style-type: none">▪ Internal to the unit, Kitchen cabinets, Laundry, Foyer/mud – front and rear, linen closets, oversize bedroom closets (upper shelves for seasonal storage), Additional unfinished areas, storage closets under stairways▪ Lockable external storage, enclosed preferred to cages, proximity to unit, outdoor gear storage, bikes, kayaks, skis, snowboards, fishing, etc.
<input type="checkbox"/> Trash/recycling/compost & mail facilities <ul style="list-style-type: none">▪ Proximity to units, aesthetics, durability, parcel boxes, wildlife-proofing, separating trash from mail due to wildlife safety, lighting
<input type="checkbox"/> Outdoor living <ul style="list-style-type: none">▪ Private outdoor space is preferred by most people, grill, patio, enlarged covered balconies, avoid drip through, snow barriers/trellis
<input type="checkbox"/> Parking <ul style="list-style-type: none">▪ Location on site and relationship to pedestrians, streets/alleys▪ Quantity per unit, per bedroom▪ Above grade uncovered, above grade covered, lots, street, head-in, parallel, angle, on-site, offsite▪ Guest / visitor / service usage, loading zone▪ Accessible parking▪ Proximity to unit▪ Dimensions of spaces / access, geometry of getting in and out▪ Integrated storage with parking▪ Snow removal, snow storage, haul-off, street clearing, secondary clearing
<input type="checkbox"/> Public space/recreation <ul style="list-style-type: none">▪ Location, trail, pedestrian access, on-site open site areas, landscape▪ Flexible use spaces, fencing, demarcation, open▪ Child safety, dog parks, community gardens, programmed spaces
<input type="checkbox"/> Access to public transportation <ul style="list-style-type: none">▪ Secure, covered bike storage at transportation nodes

<input type="checkbox"/>	Noise	<ul style="list-style-type: none"> ▪ Unit-to-unit transmission, wall/wall, floor/ceiling, STC, IIC ▪ Outdoor noise, mitigation, berms, trees, façade
<input type="checkbox"/>	Lighting	<ul style="list-style-type: none"> ▪ Natural light ▪ Indoor lighting ▪ Exterior lighting
<input type="checkbox"/>	Ventilation / heating / cooling	
<input type="checkbox"/>	Low voltage & electric - controls, network outlets, electric outlets, cable/satellite, utility usage, lighting, etc.	
<input type="checkbox"/>	Laundry in unit versus common, size & fit, maintenance, availability	
<input type="checkbox"/>	Heating - type	<ul style="list-style-type: none"> ▪ Heat pumps (cooling?), mini splits, ducted, radiant, baseboard, cove ▪ 100% electric where possible ▪ Common vs. in-unit
<input type="checkbox"/>	Hot water heating - common versus in-unit, tank, tankless, efficiency, accessible location, floor drain	
<input type="checkbox"/>	Solar and PV accessibility/orientation, roof space for p/v, rooftop decks	
<input type="checkbox"/>	Pets, service animals, emotional support animals, cleanup, bags, dna testing	
<input type="checkbox"/>	Landscaping	<ul style="list-style-type: none"> ▪ Turf, native grasses, low-grow, low water ▪ Upkeep, Irrigation ▪ Hose bibs ▪ Community gardens ▪ Stormwater, raingardens
<input type="checkbox"/>	Kitchen	<ul style="list-style-type: none"> ▪ Single, double sinks ▪ Electric appliances, refrigerator, dishwasher, disposal, range type, microwave, range hood externally vented ▪ Solid countertops, island or space for dining table ▪ Trash, recycling, compost ▪ Storage, cabinets, soffits, natural light/windows
<input type="checkbox"/>	Bathrooms	<ul style="list-style-type: none"> ▪ Quantity per unit ▪ Lighting ▪ Tubs, showers, toilets ▪ Storage ▪ Ventilation ▪ Finishes, durability, aesthetics ▪ Sinks, single vs. double, fixture counts, types
<input type="checkbox"/>	Maintenance	<ul style="list-style-type: none"> ▪ Access to HVAC equipment, accessible filter locations, spare filters ▪ Appliances, Floor coverings

NOTES



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