Aspen Fire Protection District
Board of Directors
Special Meeting

MEETING DATE: February 7, 2022 LOCATION: 420 E Hopkins
MEETING TIME: 11:00am

The public is welcome to join this meeting virtually through Zoom. To join, please go to: https://us02web.zoom.us/j/81866250163?pwd=eVEvSkRrdDZNYW9BZ0dwY0dUSkphdz09 **Meeting ID: 818 6625 0163 Passcode: 365443. Please contact Nikki Lapin, District Administrator at nikki.lapin@aspenfire.com if you need additional information.**

AGENDA

I. Meeting called to order

II. Roll Call

III. Fire Place Housing Guidelines and Rates
   a) Presentation by Housing Committee

Fireplace Housing Project

Attn: Aspen Fire Board of Directors

02.08.2022

Dear Aspen Fire Board of Directors,

We would first like to express our appreciation with all the hard work that the board has put into both AFPD as well as the Fireplace Housing Project. The housing project shows just how far the board will go to make our current firefighters successful. The effort you make for our future firefighters is always noticed as our small city grows up around us.

Our intention as the housing committee is to assist the board in the needs of our responders and help in making those needs happen. The housing focus group sent out a survey to our staff to inventory our needs, and we would like to share the responses. As included in your board packet, we have approximately 46 people interested in some type of housing. Most of the interest has been into a 1-bedroom apartment, with 15 interested parties for 1 available unit. Firefighters were asked if they are interested in a single unit, if they would be open to living with one, or two other firefighters in a multiple bedroom unit. One quarter of those who applied for those studios or one bedroom units would be willing to live with other firefighters.

The need for housing is great through the ranks, but more than 25% of those who answered the survey expressed immediate concern for housing. It has come to the housing focus group's attention that although many of these responses have been newer recruits, there is also a great number of our responders who have tenure who have the same need. The valley has evolved into an unaffordable housing crisis, and many of the long time members of the Aspen Fire District are also in need of housing that is affordable and long term. Many of our firefighters would love to own a home in the Aspen Fire District or in the Roaring Fork Valley, but this is not a reality that most can afford. It is our hope to use the Fireplace as a way ease some of the financial burden to save for buying an ASPCHA housing unit. This, though, will also take time. As a focus group, it has been sought not limit firefighter housing terms to two years, but to allow those in good standing to stay for a time that would allow families to afford housing of their own.

Our staffing needs are always evolving and we understand that as our department grows, so does the expectation of community to our Volunteer and Career responders. Part of the survey sent out was weighing the opinion of our membership about the option of volunteering additional day(s) a month as a part of requirement for eligibility as a Volunteer in housing. This could help fill many more shifts per month, without added expense to the district or its taxpayers. It has been brought up that the suggested ratio of career vs volunteer in housing across the district housing (aside from Starwood) should be as close to 35% Career to 65% Volunteer.

The expectation of all firefighters in employee housing is to be able to respond if available to help in major calls, such as a Structure Fire, CPR in progress, Wildland Fire, etc. For this reason, we suggest that all members who live in department housing meet minimum qualifications. Now, this looks different for each position held with Aspen Fire for Volunteers, our suggestion for the minimum qualifications to qualify for housing is member in good standing, as outlined in the AFPD Handbook which is Emergency Medical Responder, Firefighter 1 and HazMat For our Career staff, the minimum standard that needs to be kept depends on the position but will never be less than Emergency Medical Technician and Firefighter 1. This will allow any one of our responders out of the North 40 Housing project to respond to any given call if the department is in need.

Our final topic is that of interest in housing based upon price ranges. The intention and function of the housing committee is not to suggest pricing of units, only to share that we will have a much better idea exactly how many firefighters will be interested after prices are set. Many have trouble affording APCHA housing in their category, which leads directly to retention issues and loss of long time persons once families grow. We believe that there is an opportunity our department housing to allow families to save up money to get into a long term living situation such as saving for an APCHA purchase.

We will again reiterate our appreciation for our Board, our Chief Staff and our Volunteers, retired or current, for making Aspen Fire what it is today. We have an opportunity to keep our "Fire Family" strong and happy for many years, even as our community grows around us.

Yours Humbly,

Aspen Fire Housing Focus Group

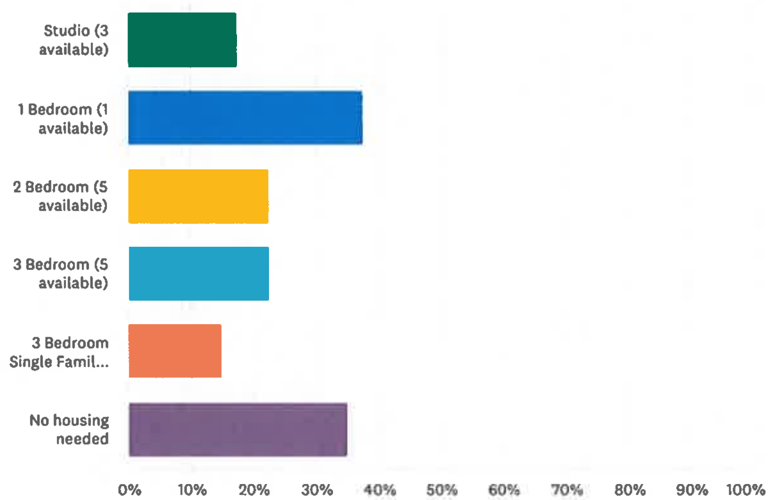
INVITE

Survey Results

Q1

Which would you likely be interested in?

Answered: 40 Skipped: 0



ANSWER CHOICES	RESPONSES	
Studio (3 available)	17.50%	7
1 Bedroom (1 available)	37.50%	15
2 Bedroom (5 available)	22.50%	9
3 Bedroom (5 available)	22.50%	9
3 Bedroom Single Family House (1 available)	15.00%	6
No housing needed	35.00%	14
Total Respondents: 40		

Q2

If you are interested in a studio or 1 bedroom and none are available would you be interested in a shared unit with one or more other firefighters?

Answered: 32 Skipped: 8

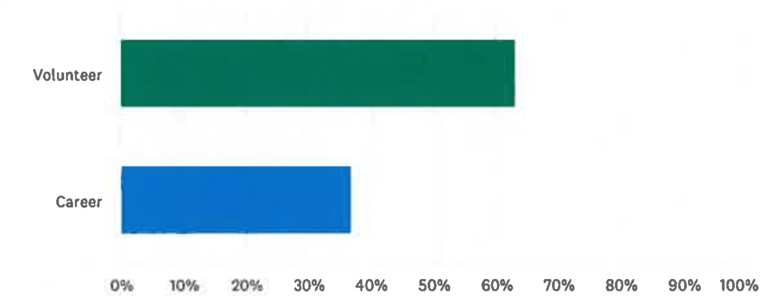
INVITE

ANSWER CHOICES	RESPONSES	
Yes	25.00%	8
No	75.00%	24
TOTAL		32

Q3

Are you a volunteer or career member?

Answered: 38 Skipped: 2

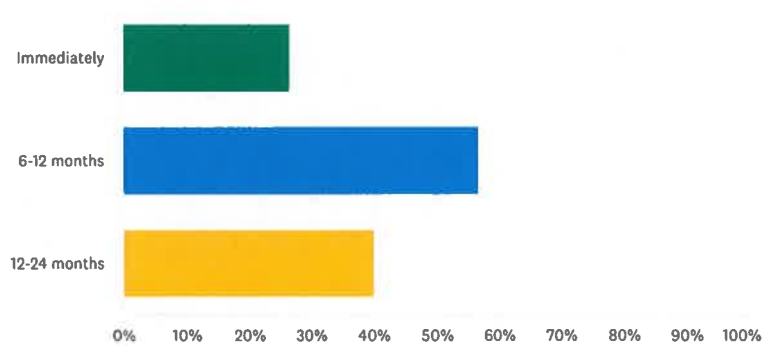


ANSWER CHOICES	RESPONSES	
Volunteer	63.16%	24
Career	36.84%	14
TOTAL		38

Q4

Do you anticipate having a need for housing in the next _____ months?

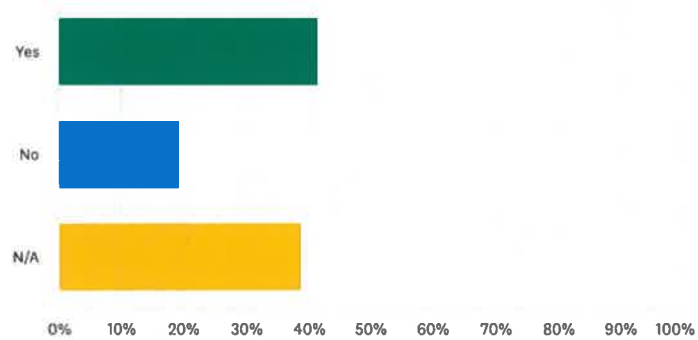
Answered: 30 Skipped: 10



ANSWER CHOICES	RESPONSES	
Immediately	26.67%	8
6-12 months	56.67%	17
12-24 months	40.00%	12

As a volunteer are you willing to work an additional 24 hour shift per month above the current minimum as a prerequisite for eligibility to live in AFPD housing with no reduction in rent?

Answered: 36 Skipped: 4

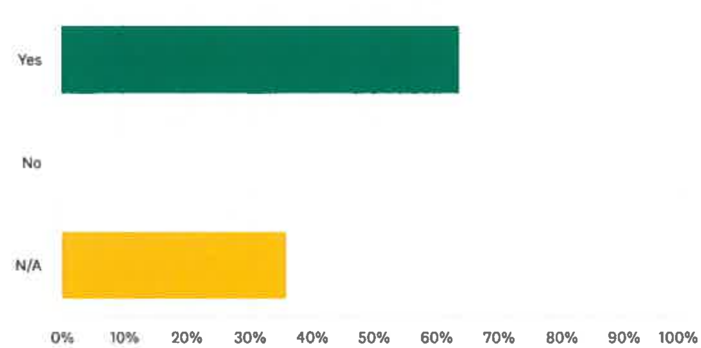


ANSWER CHOICES	RESPONSES	
Yes	41.67%	15
No	19.44%	7
N/A	38.89%	14
TOTAL		36

Q6

As a volunteer would you be willing to work additional shift(s) above the current minimum per month for a reduction in rent?

Answered: 36 Skipped: 4



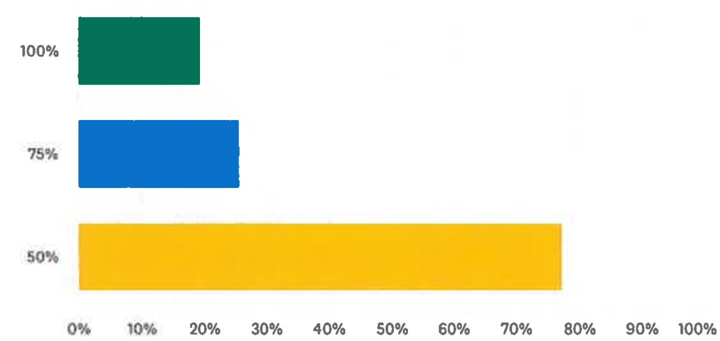
ANSWER CHOICES	RESPONSES	
Yes	63.89%	23
No	0.00%	0
N/A	36.11%	13

INVITE

Q7

Would you move from your current housing into AFPD housing if rent were ____% of your current APCHA income category rate?

Answered: 31 **Skipped: 9**

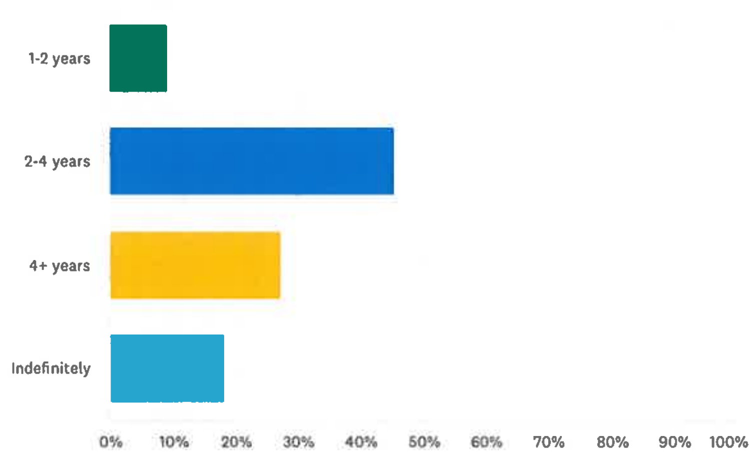


ANSWER CHOICES	RESPONSES	
100%	19.35%	6
75%	25.81%	8
50%	77.42%	24
Total Respondents: 31		

Q8

How long do you feel you would remain in residence as a renter in AFPD housing?

Answered: 33 **Skipped: 7**



ANSWER CHOICES	RESPONSES	
1-2 years	9.09%	3
2-4 years	45.45%	15

Share Link https://www.surveymonkey.com/re COPY SHARE SETTINGS Share Tweet Share 40 responses

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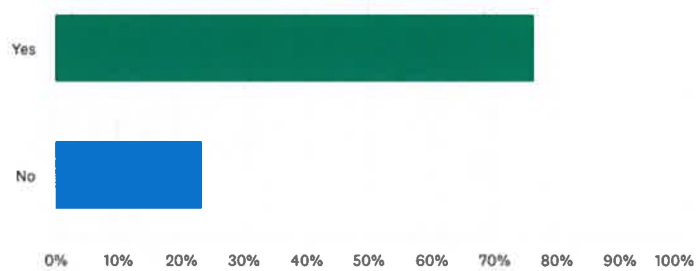
Q9

Do you wish or intend to purchase affordable housing through APCHA?

Answered: 34 Skipped: 6

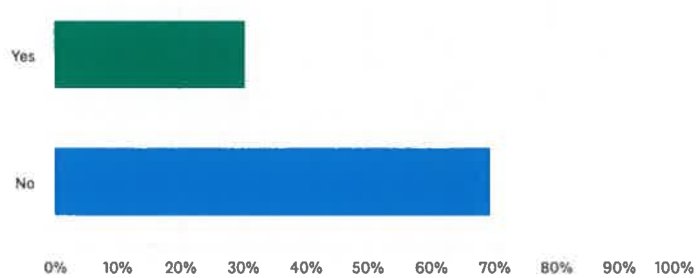


ANSWER CHOICES	RESPONSES	
Yes	76.47%	26
No	23.53%	8
TOTAL		34

Q10

Do you currently have housing outside of the AFPD district?

Answered: 36 Skipped: 4



ANSWER CHOICES	RESPONSES	
Yes	30.56%	11
No	69.44%	25
TOTAL		36

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FIRE PLACE OPERATIONS BUDGET
January 26, 2022

UNIT TYPE	# UNITS	SF PER UNIT	TOTAL SF
3BR Single Family Home	1	1752	1752
3BR Townhome	4	1611	6444
2BR Townhome	4	1273	5092
3BR Loft	1	1811	1811
2BR Flat Apartment	1	1124	1124
1BR Flat Apartment	1	768	768
Studio Loft	1	890	890
Studio Apartment	2	592	1184
TOTAL UNITS	15		

CASH FLOW SUMMARY

TOTAL # UNITS:	15
NET LEASABLE SF:	19,065

	APCHA RATES	PROPOSED RATES	# UNITS		INCOME PER MONTH
Cat. 1 - Efficiency Studio	$ 538.00	$ 538.00	0	Total = 3	$ -
Cat. 2 - Efficiency Studio	$ 959.00	$ 959.00	3		$ 2,877.00
Cat. 3 - Efficiency Studio	$ 1,433.00	$ 1,433.00	0		$ -
Cat. 4 - Efficiency Studio	$ 1,902.00	$ 1,902.00	0		$ -
Cat. 1 - One Bedroom	$ 667.00	$ 667.00	0	Total = 1	$ -
Cat. 2 - One Bedroom	$ 1,126.00	$ 1,126.00	1		$ 1,126.00
Cat. 3 - One Bedroom	$ 1,596.00	$ 1,596.00	0		$ -
Cat. 4 - One Bedroom	$ 2,087.00	$ 2,087.00	0		$ -
Cat. 1 - Two Bedroom	$ 790.00	$ 790.00	0	Total = 5	$ -
Cat. 2 - Two Bedroom	$ 1,295.00	$ 1,295.00	5		$ 6,475.00
Cat. 3 - Two Bedroom	$ 1,765.00	$ 1,765.00	0		$ -
Cat. 4 - Two Bedroom	$ 2,256.00	$ 2,256.00	0		$ -
Cat. 1 - Three Bedroom	$ 916.00	$ 916.00	0	Total = 5	$ -
Cat. 2 - Three Bedroom	$ 1,448.00	$ 1,448.00	5		$ 7,240.00
Cat. 3 - Three Bedroom	$ 1,938.00	$ 1,938.00	0		$ -
Cat. 4 - Three Bedroom	$ 2,424.00	$ 2,424.00	0		$ -
Cat. 1 - Three Bedroom Single Family House	$ 1,042.00	$ 1,042.00	0	Total = 1	$ -
Cat. 2 - Three Bedroom Single Family House	$ 1,632.00	$ 1,632.00	1		$ 1,632.00
Cat. 3 - Three Bedroom Single Family House	$ 2,104.00	$ 2,104.00	0		$ -
Cat. 4 - Three Bedroom Single Family House	$ 2,503.00	$ 2,503.00	0		$ -
			15		$ 19,350.00 / mo.
EFFECTIVE GROSS INCOME			15		$ 232,200.00 / year

Vacancy	2.50%	4.5 months per 180 total units months turnover could be 1%		$ (5,805.00)	
NET				**$ 226,395.00**	
Property Tax	$ -	per unit per year		$ -	*no tax if non-profit per assessor*
Insurance Liability and Comprehensive	$ 60.00	per unit per month	$1k deductible, umbrella, mgmt, soup to nuts	$ (10,800.00)	
On-site Management	$ 1,600.00	per unit per year	ALLOWANCE ONLY PER UNIT ACTUAL TBD	$ (24,000.00)	
Maintenance 5-15 YR & ON-GOING FFE Reserve	$ 3,504.00	per unit per year		$ (52,560.00)	
Capital Repair/Replacement Reserve (28-30 YEAR)	$ 4,868.00	per unit per year	ACTUAL PER UNIT TBD BASED ON SIZE OF UNIT	$ (73,020.00)	
Common Utilities, Water, Trash, Wifi, Electric, Basic C	$ 100.00	per month per unit	TO BE VERIFIED AND ADJUSTED BASED ON ACTU	$ (18,000.00)	
Telephone, Alarm, Professional Services	$ 500.00	per month	ACTUAL TO BE VERIFED AND ADJUSTED	$ (6,000.00)	
Bad Debt Collection (1%)	$ -	per year	N/A	$ -	
Legal		per year	COVERED BY AFPD GF TBD?	$ -	
Accounting		per year	COVERED BY AFPD GF TBD?	$ -	
Advertising, Website Maintenance, etc	$ -	per month	N/A	$ -	
TOTAL OPERATING EXPENSES OF EFFECTIVE GROSS INCOME				**$ (184,380.00)**	
NET OPERATING INCOME OF EFFECTIVE GROSS INCOME				**$ 42,015.00**	

FIREPLACE RESERVE BUDGET
DRAFT Analysis
26-Jan-22

TOTAL RESERVE/UNIT/YEAR	**$8,372** PER UNIT PER YEAR	**$125,580** PER YEAR TOTAL RESERVE		48% OF GROSS REVENUE

5-15 year & FFE depreciation items			
5 YEARS	**ORIGINAL COST**		
CARPET	$ 27,000		
APPLIANCES	$ 61,000		
10 YEARS			
FLOORING + TILE	$ 100,000		
PAINT	$ 174,000		
BLINDS	$ 12,000		
10-15 YEAR DEPRECIATION ITEMS			
IRRIGATION	$ 64,000		
SUBTOTAL	**$438,000**		
INFLATION	**120%**	**$525,600**	TARGET RESERVE IN 10 YEARS

PLAZA WATERPROOF (E36

28-30 YEAR DEPRECIATION ITEMS			
ROOF	$ 490,000		
PLAZA WATERPRF(-$147K Actual)	$ 150,000		
PLAZA DECKING (-$33K Actual)	$ 100,000		
DOORS			
INTERIOR	$ 77,000		
GARAGE	$ 33,000		
WINDOWS	$ 85,000		
SOLAR	$ 240,000		
SUBTOTAL	**$1,175,000**		
	174%	**$2,044,500**	TARGET RESE 28-30 YEARS

INFLATION CALCULATOR	2% PER YEAR
AMOUNT AT END OF YEAR	
100	
102	1 YEAR
104.04	2
106.1208	3
108.243216	4
110.40808	5
112.616242	6
114.868567	7
117.165938	8
119.509257	9
121.899442	10
124.337431	11
126.824179	12
129.360663	13
131.947876	14
134.586834	15
137.278571	16
140.024142	17
142.824625	18
145.681117	19
148.59474	20
151.566634	21
154.597967	22
157.689926	23
160.843725	24
164.060599	25
167.341811	26
170.688648	27
174.102421	28

which income levels they are to serve as set forth in Sections 1 and 2 below. The maximum gross household income and maximum net assets for each income category are set forth in Table I.

TABLE I
MAXIMUM GROSS INCOMES AND ASSETS BY CATEGORY 2020

	Category 1	Category 2	Category 3	**Category 4**	R.O.
0 Dependents	$ 67,600	$ 84,500	$101,400	**$126,750**	n/a
1 Dependent	$ 75,100	$ 92,000	$108,900	**$134,250**	n/a
2 Dependents	$ 82,600	$ 99,500	$116,400	**$141,750**	n/a
3 or more Dependents	$ 90,100	$107,000	$123,900	**$149,250**	n/a
Maximum Net Assets	$150,000	$175,000	$200,000	**$225,000**	n/a

Income Categories: A household may qualify to purchase or rent a unit in a higher Income Category. Persons in the next higher Income Category may bid on lower Income Category units; however bidders qualifying for the unit Income Category have priority.

Net Assets: Net Assets do not include retirement instruments. Persons age 65 and over are allowed a 50% increase in net assets.

R.O.: Resident Owner Occupied units have no income or asset limits.

HUD AMI: The Income Categories correspond to the current HUD Area Median Income (AMI) for Garfield County. Categories 1 through 4 represent 80%, 100%, 120% and 150% AMI respectively. The Town of Carbondale begins its income categories with the Garfield County 4-person household and adds dependents from that benchmark.

PART II.
PURCHASING OR SELLING COMMUNITY HOUSING

SECTION 1.
QUALIFICATIONS TO OCCUPY COMMUNITY HOUSING

In all but employer-ownership circumstances, the deed restrictions for Community Housing Sale or Rental Units require occupancy by Qualified Persons according to the qualifications set forth in the applicable deed restriction and this Section. In employer ownership circumstances, these qualifications apply to the employee-occupant of Community Housing. To initially qualify for and be eligible to occupy a Community Housing unit, a Qualified Person must meet all of the following criteria:

Maximum Income & Assets

APCHA assigns a Category to each unit in the housing inventory. Based on the Category assigned, there are maximum gross incomes and net assets a household can have and be eligible to live in the unit. Within each Category, the maximum gross income differs depending on the household size. Each Category has one maximum net asset limit. The RO Category has no maximum income limit, but does have a maximum net asset limit.

Category Income Limits and Asset Caps (effective May 1, 2021)

Household Size	Category 1 (50% AMI)	Category 2 (85% AMI)	Category 3 (130% AMI)	Category 4 (205% AMI)	Category 5* (240% AMI)	RO Category
1-person	$38,700	$65,750	$100,600	$158,600	$185,650	No Income Limit
2-person	$44,200	$75,150	$114,950	$181,250	$212,200	No Income Limit
3-person	$49,750	$84,550	$129,300	$203,900	$238,700	No Income Limit
4-person	$55,250	$93,950	$143,650	$226,650	$265,200	No Income Limit
5-person	$59,700	$101,450	$155,150	$244,650	$286,200	No Income Limit
6-person	$64,100	$109,000	$166,650	$262,800	$307,650	No Income Limit
Net Assets not in excess of	$143,000	$327,000	$433,000	$612,000	$955,000	$2,374,000

1. Executive Summary

This is a housing needs analysis for a region that covers the Roaring Fork Valley and the Colorado River Valley; from Aspen and Snowmass Village to Glenwood Springs, and from Parachute to Edwards. It encompasses up- and down-valley locations, and is characterized by innumerable cross-commuting patterns. Although no formal designation exists for this large region, the team of municipalities and counties that led this effort call it the Greater Roaring Fork Region (GRFR) for the purpose of analysis.

Study after study has documented unaffordable housing prices, inventory shortages, and an ever-expanding commute shed for workers. Moreover, decades of implementing best practices in most of the region's communities has helped many, but left still many more needs unmet. This study provides an understanding of the dynamics, interdependencies, and the "face" (with a regional workforce, resident, and employer survey) of *regional* housing needs. The purpose is to create a common language with uniformly-collected information and analysis from which *regional* solutions can finally address *regional* problems.

What are the key takeaways from this study?

- The region has a 2,100-unit shortfall in housing for households at 60 percent of area median income (AMI) and less, and a 1,900-unit shortfall for households between 100 and 160 percent AMI, the "missing middle" (**Table 1**).
- Market imbalances throughout the region mean that shortfalls by affordability level are much worse in certain areas.
- Overspending costs the region $54 million per year.
- More than 26,000 workers (out of 47,000 employed residents) cross paths in their daily commute versus just 19,000 employed residents who live where they work.

Table 1. Housing Units Needed by AMI, 2017 & 2027

Income Category	Units Needed in 2017	Units Needed in 2027
Less than 60% AMI	2,118	2,383
61% to 80% AMI	---	2,748
81% to 100% AMI	---	590
101% to 120% AMI	703	---
121% to 140% AMI	195	---
141% to 160% AMI	968	1,105
Greater than 160% AMI	---	---

Source: Economic & Planning Systems
Y:\Projects\DEN\173102-Roaring Fork Valley Regional Housing Needs\Data\[173102-Housing Gaps-Version 2.xlsx]Units Needed Table for Report

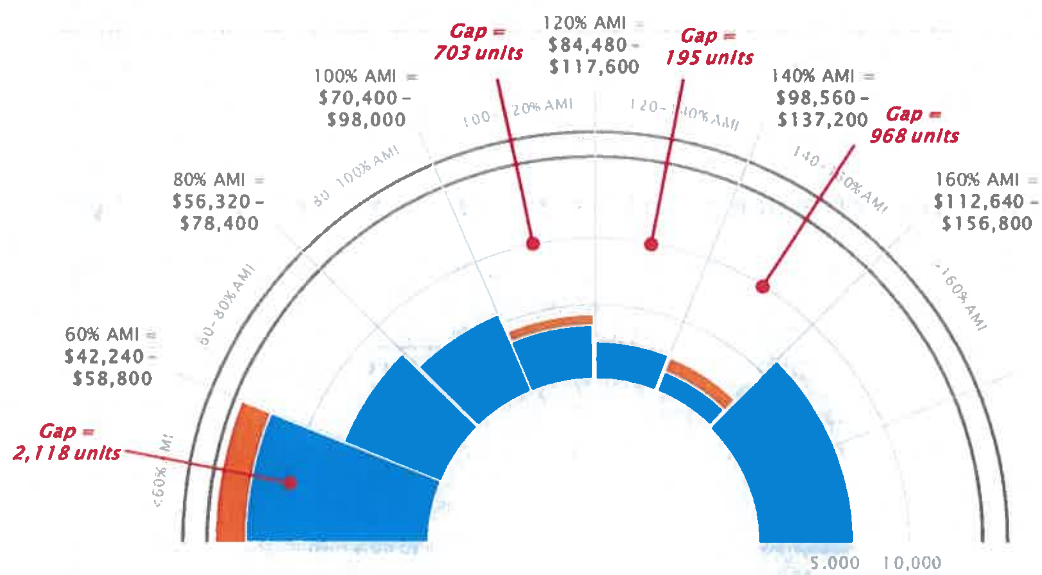
Summary of Findings

This summary highlights the major findings of the research, analysis, and process that address the questions at the heart of the region's relevant housing questions. The findings are also delineated by demand-side trends, supply-side trends, considerations of stated preferences, and case studies.

1. *The region generates more demand for housing than it has.*

In 2017, the region had a 2,000-unit shortfall for households at 60 percent AMI and below, a 700-unit shortfall for those at 100 to 120 percent AMI, and a 1,200-unit shortfall for the "missing middle"—households between 120 and 160 percent AMI. By 2027, it is projected that the shortfall of units affordable to households at or below 100 percent AMI will balloon to 5,700 units, and the shortfall for the missing middle will remain the same.

Figure 2. Overall GRFR Housing Gaps by AMI, 2017



Total Households (demand) and
Total Housing Inventory (supply), 2017

Source: U.S. Census ACS 5-year estimates, B19019, B25063, B25118; Economic & Planning Systems

7. Demand for housing in the Aspen to Snowmass area exceeds supply.

The Aspen to Snowmass area currently has a 3,000-unit shortfall, which is projected to increase to 3,400 units by 2027. As expected in such a high-priced market, the shortfall is spread across the entire affordability spectrum (except for above 160 percent AMI, which contains an excess of 1,000 units). Collectively, the area has a 4,000-unit shortfall for households under 160 percent AMI, and by 2027, that shortfall is projected to increase to 5,200 units.

"Aspen may be beautiful and offer some great things, but if you are financially stressed 24-7 and living paycheck to paycheck even with good jobs, the quality of life actually [stinks]."

Source: Resident / Workforce Survey 2018
Y:\Projects\DEN\173102-Roaring Fork Valley Regional Housing Needs\Data\[173102-Text Boxes.xlsx]Sheet1

Where is this demand coming from?

Jobs and people generate demand for housing. Business and employment growth translate to housing demand, and households choose where to live based on a variety of factors. At different life stages, people and households have different preferences for what they want in a house, their neighborhood, and a community.

8. Year-round business growth means more need for resident housing.

Job growth is a sign of the economic health, and between 2001 and 2017, the GRFR added more than 10,000 jobs to its year-round business sectors. Relative to the state, the region accounts for 2 percent of Colorado's jobs, but captured more than 2.5 percent of the state's growth during this time.

9. Seasonal housing needs are relatively the same as they were more than a decade ago.

The magnitude of seasonal jobs has remained relatively constant in actual numbers but declined as a portion of overall employment.[3] During the recession, many of the seasonal workforce needs were met by international workers.

10. Proprietorships are a mainstay of the regional economy.

Proprietorships will continue to be a ubiquitous phenomenon of the labor force and business activity in the GRFR as long as there is seasonality in the larger economy. An analysis shows that the GRFR had approximately 33,000 sole proprietors in 2017, up from 22,000 in 2001.[4]

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[3] See the discussion of Seasonality on page 31.

[4] See the discussion of Proprietorships on page 32.

11. The regional population grew by young and old, but mostly old.

The GRFR grew by 28,000 residents (approximately 10,000 households) between 2001 and 2017, more than 1,700 persons per year. Just over 20 percent of the growth was in population between 35 and 64; more than 40 was under 35; and nearly 60 percent was over 65. Over the next 10 years, the regional population is projected to grow by 24,000 people—33 percent under 35; 30 percent 35 to 64; and 30 percent over 65.

12. An aging population requires different housing solutions, care, and services.

Although longer life expectancies can be attributable to advances in medical treatment and healthier lifestyle, living longer means these medical services and treatments need to be available. It also means that different housing solutions need to be addressed. Elderly households frequently express an interest in downsizing and lower maintenance living arrangements, but also express frustration that there are so few, if any, opportunities in the region. Not only does the lack of appropriate housing impact their quality of life, it negatively impacts the region and municipal sales tax revenue collections.[5]

> *"The only way I will be able to remain in this area when I retire is if I am able to obtain an apartment in one of the senior housing complexes in the area. There is so little housing available in this area that someone on a fixed income can afford."*
>
> Source: Resident / Workforce Survey 2018
> Y:\Projects\DEN\173102-Roaring Fork Valley Regional Housing Needs\Data\[173102-Text Boxes.xlsx]Sheet1

13. Lower mortgage interest rates were supposed to work in people's favor.

Although approximately 3,500 households paid off their mortgages between 2000 and 2017, they were not replaced by a proportional number of new owner households. As a result, the percentage of owner households with a mortgage dropped from 79 percent to 73 percent over this time. Ironically, historically low borrowing conditions were supposed to incent more households into homeownership, but they exacerbated the unsustainable increase in housing sales prices and instead ushered in a period of ownership disinvestment.

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[5] Analysis of Bureau of Labor Statistics Consumer Expenditure Survey data shows that older households spend less on typical taxable retail items and more on "experiential" purchases, such as travel. While elderly households typically spend less than households of working age (35 to 64), a bulk of their purchases (i.e. travel) do not generate local sales taxes.

Housing supply matters by type, price, and location

Housing supply constraints, land availability, and a variety of factors (adequate infrastructure, roads, sewer, utilities, and public services) impact where a household chooses to live. Considering substantial rates of second homeownership and inventory used for short-term rentals, this set of circumstances becomes a major market challenge.

14. The overall housing inventory grew proportionally to jobs.

The region added 11,900 housing units (nearly 750 units per year) between 2000 and 2017—almost identical to the net increase in wage and salary jobs. Unfortunately, much of that construction (60 percent) took place in primarily out-commuting locations—i.e. the New Castle to Parachute and Eagle to Gypsum areas (36 and 25 percent, respectively). Moreover, 16 percent of the new inventory is estimated to have been built for the second homeowner market—defined as "vacant, for seasonal use."

15. Non-local ownership increased its toehold in the region.

While the portion of residential properties (single family and multifamily) in local ownership decreased from 73 to 72 percent, nearly 60 percent of new residential property valuation added between 2005 and 2017 was in the hands of non-locals.[6]

16. Short term rentals (STR) are a constraint on housing for residents.[7]

A current snapshot of STRs in the GRFR reveals more than 1,600 listings—more than 3 percent of the region's entire housing stock (i.e. total housing inventory). As expected, a majority of STRs are located in the Aspen to Snowmass area, with smaller proportions in the other areas of the region, ranging from less than 1 percent of total inventory in New Castle to Parachute to approximately 3 percent of the Carbondale area's inventory.[8]

17. The cost to build housing has increased.

Rising home prices are not just the product of market demand factors; they are the result of costs and/or shortages of labor and materials.[9] Since 2001, materials costs have appreciated 56 percent, and the cost of labor has risen by 70 percent. Confounding this trend was the net loss (and lack of recovery) of more than 1,300 construction jobs after 2008.

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[6] Local ownership was defined as when the property owner zip code was among the 19 zip codes used to define the GRFR. Non-local ownership was designated when the property owner zip code was anything other than one of the zip codes defined as the GRFR.

[7] The term short-term rental (STR) or vacation rental refers to the rental of a furnished home, apartment, or condominium for a "short-term stay." Definitions of "short-term" vary from 5 days or fewer to up to 60 days. STRs can be managed independently by owners or third-party representatives and/or advertised via online platforms such as www.airbnb.com, www.vrbo.com, or others.

[8] Although this study does not delve into a measurement of the impact that STRs have, their impact can be generally understood as a constraint on supply, which under any circumstances (holding all other demand drivers constant) will cause an increase in the price of housing.

[9] Typically, the cost of constructing a house accounts for 55 to 60 percent of the sales price of a home. Of that, approximately half is the cost of materials and half is the cost of labor.

How unaffordable are housing prices?

The type of demand and supply constraints the region experiences inevitably lead to affordability challenges. Rates of commuting increase, ownership and investment declines, and the community and environment suffer. Most concerning is that this impacts the community, its heritage, and the people's quality of life.

18. A second homeowner-driven market has driven its workforce away from their jobs.

The region's workers have struggled for decades with the price of housing, and that is one of the main reasons why the region has become so large; workers have sought more affordable and available housing farther and farther away from their jobs. In 2017 and 2018, the (weighted) average price of housing in the GRFR fluctuated between $700,000 and $1,000,000—from just under $400,000 in the New Castle to Parachute area to the out-of-reach high in the Aspen to Snowmass area of $2.4 million.

> *"I am appalled at the housing condition! I will continue to fight to find a place for my family and to attend meetings in the area to ensure others in my situation have an option, but I am losing hope in this valley caring about the housing and life quality of its non-wealthy, non-retired locals and workers."*
>
> **Source: Resident / Workforce Survey 2018**
> Y:\Projects\DEN\173102-Roaring Fork Valley Regional Housing Needs\Data\[173102-Text Boxes.xlsx]Sheet1

19. An investor-driven market exposes its workforce to the risk of equity loss.

In years following the Great Recession[10], nearly every one of the areas (including those whose housing markets are oriented more to the workforce) of the region experienced serious housing price drops and protracted volatility. While forecasting another market contraction was not a part of this study, continued expansion of the second homeowner market does illuminate the risk that another downturn may have similarly detrimental impacts on the region's resident population and workforce.

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[10] The National Bureau of Economic Research (NBER) defines an economic recession as: "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales." The Great Recession refers to the period of economic contraction beginning in December 2007 and ending in June 2009.

20. *The gap between what a household can afford and the median price of a home will widen further.*

The affordability gap has widened in each area of the region—from $116,000 in the Eagle to Gypsum area to $290,000 in the Carbondale area and $1.4 million in the Aspen to Snowmass area.[11,12] Given the upward trajectory of the Federal Reserve's overnight borrowing rate, it is easy to imagine mortgage rates rising higher over the next decade. Although forecasting is filled with uncertainty, affordability gaps could widen by another 100 to 400 percent (depending on area) over the next 10 years.

21. *Cross-commuting patterns are the "market" solution to affordability challenges.*

The Aspen to Snowmass area imports an average of 7,500 workers per day, and Glenwood Springs is a net importer of 2,400 workers. The other areas generally export workers. From a policy perspective, these cross-commuting patterns are what happens when the "market is left to its own devices." That is, the market may be "taking care of itself", but it is not taking care of workers' quality-of-life—for those who would rather not commute as far.

> *"No one is asking for palaces on top of Red Mountain. We just want 'starter homes', like the rich people all around us had in the 1950s."*
>
> Source: Resident / Workforce Survey 2018
>
> Y:\Projects\DEN\173102-Roaring Fork Valley Regional Housing Needs\Data\[173102-Text Boxes.xlsx]Sheet1

22. *Cost burden costs the region $54 million a year.*

Although some households are making quality of life trade-offs when they choose to spend more than 30 percent of their incomes on housing, the economic impact of "overspending" cannot be overlooked. It is estimated that overspending amounted to approximately $54 million in 2017, averaging $320 per month for each of the region's 14,100 cost-burdened households. The impact is that $320 per month spent regionally would recirculate locally in very different ways (creating jobs) in the hands of households rather than the hands of non-local landlords or residential mortgage bond-holders (e.g. Wall Street).

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[11] This analysis uses regional median household incomes from the Department of Housing and Urban Development as well as current underwriting conditions. The affordability gap is the difference between the median price of a home sold and what a household (4 persons) earning the median income.

[12] The analysis utilizes historic 30-year fixed rate mortgage information from the Federal Reserve Bank of St. Louis, an average property tax mill levy of 52 mills, factors for insurance and utilities, as well as a 10 percent down payment.

Findings and Conclusions: Household and Employer Surveys

The survey-based component of the study was conducted during late winter and spring 2018. An extensive survey-based effort targeted both local residents/ employees and employers. Full results of the surveys are presented in a report that discusses key findings. In addition, the survey results have been portrayed in a series of Appendices that are provided under separate cover. Below, selected highlights of the survey research are summarized.

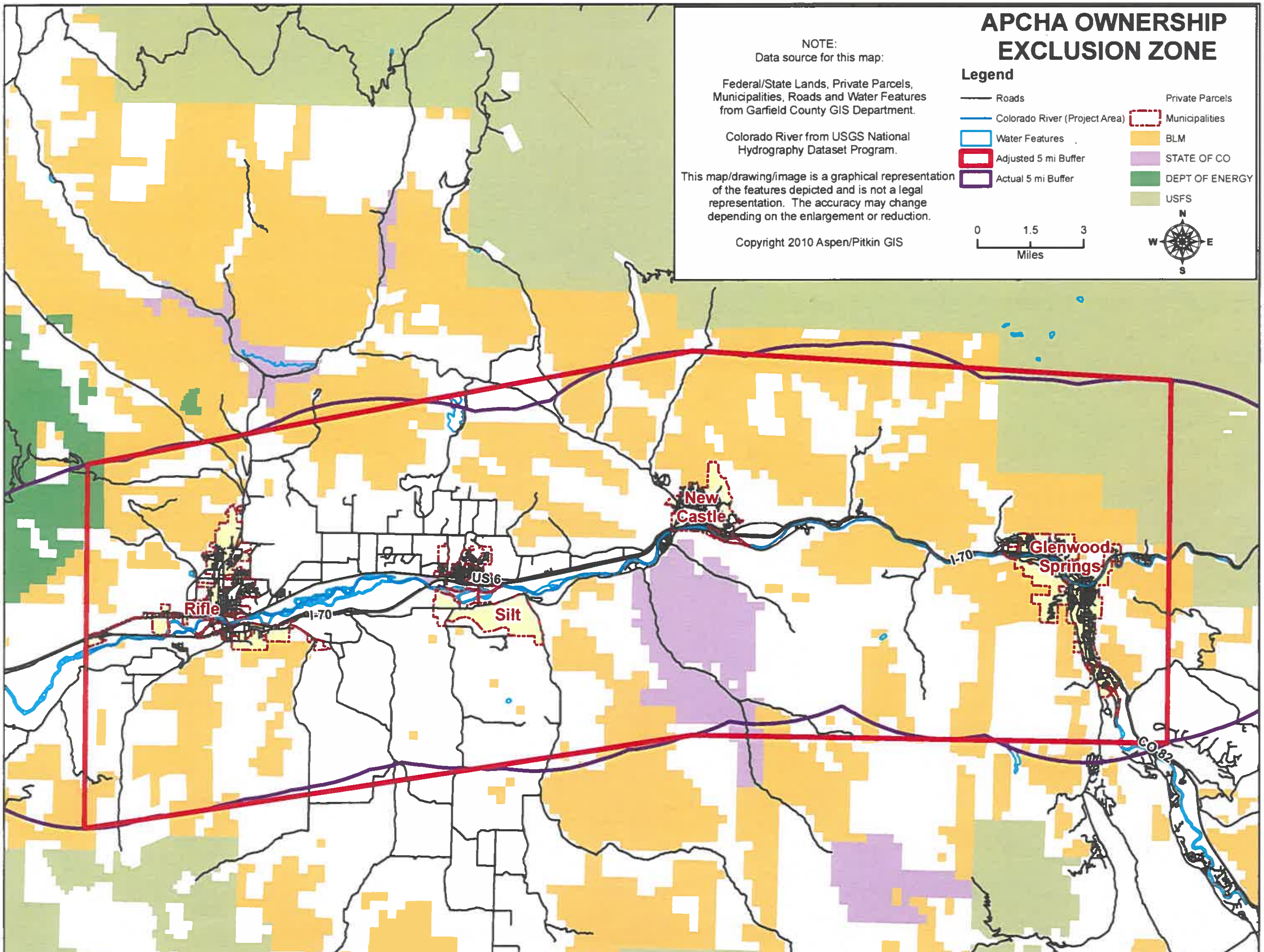
What are workers and residents saying?

Feedback from the surveys support an overall conclusion: residents and employers throughout the region are experiencing housing problems and the similarities between survey results from both groups are striking. To a large extent, housing issues are being felt throughout the area and the problems generally don't respect city or county boundaries.

Among residents, dissatisfaction with current residence was probed in a variety of ways. Overall, about 1 in 10 residents report they are "somewhat" or "very" dissatisfied with their current residence. Similarly, about 9% report dissatisfaction with the community where they live. Responses to this question are similar across the region although average satisfaction ratings with residence are somewhat lower (more dissatisfaction) in the Aspen/Snowmass area (3.8) compared to Glenwood Springs through Battlement Mesa (4.0), and Eagle through Dotsero (4.2). Survey results show that renters are more than twice as likely to be dissatisfied (19% compared to 7% owners).

Further exploration of dissatisfaction shows that couples with children, single parents with children and unrelated roommates are relatively more likely to rate satisfaction with their residence to be a low. Although the majority of respondents did not report dissatisfaction with their residence, the problems experienced by those that are dissatisfied are challenging and the complaints aired in open-ended comments reinforce these findings. Targeting the dissatisfied segment of residents should be a focus of local programs.

The relatively low level of dissatisfaction of residents is in seeming contrast to the widely held belief by residents and employers alike that housing is a "serious" or "critical" problem. While many are not dissatisfied with their homes, they recognize the housing problems are widespread and that housing issues create other impacts including traffic and commuter-related congestion and service quality issues as explained in open-ended comments obtained through the survey. The fact that this opinion is shared by most residents living throughout the region (76%), is illustrated by the graph below. Similarly, employers called it a problem at the same level, 76%. Consensus between residents and employers that availability of housing represents a major problem provides an environment where public and private sector cooperative efforts become more viable.


APCHA OWNERSHIP EXCLUSION ZONE
NOTE:
Data source for this map:
Federal/State Lands, Private Parcels, Municipalities, Roads and Water Features from Garfield County GIS Department.
Colorado River from USGS National Hydrography Dataset Program.
This map/drawing/image is a graphical representation of the features depicted and is not a legal representation. The accuracy may change depending on the enlargement or reduction.
Copyright 2010 Aspen/Pitkin GIS
Legend
Roads
Colorado River (Project Area)
Water Features
Adjusted 5 mi Buffer
Actual 5 mi Buffer
Private Parcels
Municipalities
BLM
STATE OF CO
DEPT OF ENERGY
USFS
0
1.5
3
Miles
N
W
E
S
Rifle
I-70
US6
Silt
New Castle
I-70
Glenwood Springs
CO82

Any developed residential property that has an address within the Roaring Fork River Drainage area situated in Eagle, Pitkin Garfield or Gunnison Counties, or within the Colorado River Drainage area from and including the unincorporated No Name area to and including Rifle, and including, but not limited to, the towns of Aspen, Basalt, Carbondale, El Jebel, Glenwood Springs, Marble, Meredith, New Castle, No Name, Redstone, Rifle, Snowmass, Snowmass Village, Woody Creek.

Determining Location

- Ownership Exclusion Zone Map (PDF) - map of the Colorado River Drainage area within the OEZ.
- Ownership Exclusion Zone (KML) - This will launch Google Earth if you have installed on your computer and shows the Roaring Fork River Drainage area and Colorado River Drainage area making up the OEZ.

Owning Property in the OEZ

The purchaser/owner/tenant must not own developed residential real estate or a mobile home in the Ownership Exclusion Zone as defined in Part X, Definitions (PDF), of the Aspen/Pitkin Employee Housing Guidelines (Guidelines).

If property is owned, the purchaser/owner/tenant must list for sale, at competitive market prices, the residential real estate or mobile home prior to or simultaneously with closing or renting the deed-restricted unit and still meet the asset/income limitations as set forth in Table I of the Guidelines.