

**The Basalt Affordable Community Housing (BACH) Meeting will be held by Teleconference –
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TOWN OF BASALT MEETINGS

Basalt Affordable Community Housing (BACH)

Thursday, May 27, 2021

Basalt Town Hall

101 Midland Avenue

12:00 PM Roll Call

12:01 Discuss Questions for Potential Partners on Stott's Mill Lots

12:25 Affordable Housing Maps
a. Review Updates (East Basalt) from Prior Meeting
b. Discuss West Basalt Map

12:30 Review SHEC Policy Language

12:40 Capital Needs Committee Update

12:50 Member Updates

1:00 Adjourn

BACH
May 13, 2021
12:00 pm - 1:00 pm
Via Zoom

Attendees included: James Lindt, Sara Nadolny, Doug MacDonald, Mike Kosdrosky, Cathy Click and Anne Baker.

Agenda items

- 1. List of Potential Partners on Stott's Mill Lots**
- 2. Affordable Housing Map Update**
- 3. Special Housing Evaluation Committee (SHEC) Waiver Applications**
- 4. Member Updates**

The meeting began at 12:06 pm

M/S Doug MacDonald and Mike Kosdrosky to approve the meeting minutes from March 22, 2021. Motion passed 3 to 0.

1. List of Potential Partners on Stott's Mill Lots

BACH had asked Staff to return with information on the first steps to evaluate the potential for the Town to purchase the four lots at Stott's Mill. According to the approvals, these are four lots in Stott's Mill that Council has ability to select the purchaser for, or alternatively, the Town could also purchase the lots.

James explained that these are small lots and will allow a single-family home up to 2,000 square feet, or a duplex up to 2,000 square feet if two lots adjacent to each other are purchased. The cost is \$196,000 per lot to purchase with a 3% escalator per year. BACH requested that Staff return with some information to help get a sense of what construction costs may be. Staff has looked at some valuations for stick built single family construction and high quality modular single-family construction. Modular construction would have to meet the requirements of the Stott's Mill PUD.

- Stick built single-family – around \$340 per square foot
- Modular of higher quality - \$260 per square foot

James said that with the purchase of the lot, construction and building fees, it will be around \$700,000 to \$800,000 in total to construct a home on any of the lots.

Doug questioned the pros and cons for Town-owned v. commercially owned lots with some Town participation.

Mike said he would like to know more of the methodology behind Staff's numbers, and whether the prices per square foot are based on projects that have received certificate of occupancy (C.O). James said these are projects that are pending C.O. but are current buildings - around two months old. Mike said he would expect an increase in price by the time these units get to construction. He asked what the intention of

the Town is for the properties, and James responded to build worker housing. A viable project for the lots would likely require the Town to look at partnerships, which could mean occupancy priorities.

Doug asked how the income from rental units is balanced with the cost of maintenance and management. James said that the Town generally does not make money on their affordable housing units. Rent has not been increased over the past couple of years and is currently lower than could be charged given the category guidelines. BACH made a recommendation last year to keep rent at the lower level during the pandemic. Doug said he is uncomfortable with blindly recommending purchase.

Mike said the Capital Needs Committee is starting to meet next Monday. He said it is probably wise for BACH to do its due diligence for the Town and BACH members can provide feedback to the Capital Needs Committee.

James said the other thing to understand about these lots is whether Town can purchase lots and sit on them for future use. Stott's Mill approvals indicate that the building permit must be received within two years of the lot's purchase or the lot must be resold. He said that the intent behind condition is to prevent an entity from sitting on the property, as it is intended for the construction of worker housing. The Town Planner can extend the deadline beyond the two years given a good reason.

Mike said it would be great to take advantage of the opportunity and to partner with entities that need workforce housing, but not if it takes a substantial subsidy by the taxpayers to make it happen.

James produced a list of potential partners. He questioned whether BACH felt it was too early to gauge interest, and if BACH had any additional potential partners they would like to add to the list. Mike said that he does not think it is too early to begin discussions with potential partners, and to test the water. He asked by what date does the Town need to decide on whether to purchase the lots. James replied that a decision must be made by the completion of infrastructure, which is about a year out. The Town has indicated to the developer that this is under discussion. Mike said this is all the more reason to check in with potential partners.

Cathy added that project of this scale may not be in budget for Special Districts. This will require potential partners to plan ahead with upcoming budgets and believes this is a good time to begin discussions.

BACH agreed that outreach to potential partners should happen soon. James asked if there are additional partners to consider. Rocky Mountain Institute (RMI) could be added.

James added that Staff believes we should be strategic about who reaches out to partners to gauge potential interest. Staff has already reached out to Basalt Sanitation and the RE-1 School District. Sanitation is not interested at this time in single-family units. Staff spoke to Jeff Gatlin from RE-1 who indicated they are still looking to create housing opportunities. They are generally interested in opportunities with more density but are always looking for possibilities to partner with local communities. They asked Staff to return with more information once available.

Cathy said she can reach out to Habitat for Humanity and the Library District. Mike wondered if best if only one or two people reach out to minimize any miscommunication amongst potential partners. He suggested developing questions BACH would want to ask before reaching out. BACH could formulate the questions and have them confirmed at the next meeting, then decide how we want those queries to go out to ensure consistency of conversations.

Cathy asked if we need to know that the Town is committed to purchasing these lots, as that should be the starting point of the conversation. Mike suggested organizing the inquiry, float at Capital Needs Committee meetings, and see if this topic is coming up. If we have opportunity to get some money from Town it would be the starting point. James said the Council has provided some direction to BACH to explore the potential and come up with a recommendation.

2. Affordable Housing Map Update

James introduced the topic of the affordable housing map, which were last updated in 2018. The maps indicated parcels that are properties to evaluate for significant affordable and employee housing opportunities.

James began with the East Basalt map, which contains Basalt Vista (still under construction), Stott's Mill (under construction), Roaring Fork Club (complete), 525 Basalt Avenue (completed – contains four one-bedroom affordable housing units), and the Roaring Fork Apartments (completed).

The priority properties include the Forest Service parcel that is located up Two Rivers Road, the Basalt Center Circle property (former Clark's Market site) which is currently under contract, and Merino Park near Town Hall. BACH previously discussed taking Merino Park off the map as an affordable housing priority parcel, as it will likely continue to be used as parking once the River Park is developed. In Southside there are multiple parcels owned by Basalt Trade Associates, also the Aspen Skiing Company parcel.

Mike asked Staff to update the map with a more accurate representation of what has been completed. James indicated that not too much has changed and the map can be updated.

Merino Park was the Town's former recycling center site. Now it is used for parking. Doug noted that various housing opportunities were discussed over the past few years for that site, but the numbers never worked out. Providing utilities, total area, and hillside are all problems. The size of the parcel is .11 acres. BACH looked at the potential for stacked manufactured housing, but never really worked in terms of numbers and the stabilization that would be required of the slope of the adjacent hillside.

Mike said that it is an available piece of land under the Town's control and should be in consideration for future but agreed that it should not remain on the map as a priority. Cathy said so long as continuing to use as parking lot it would not happen. Tying the parcel to the redevelopment of to another property's redevelopment could be an option.

Cathy said that regarding the Forest Service property, if the Town has some sort of interest in this parcel, it makes sense to marry it to the other Forest Service property at the Crown Mountain Park area.

James said that Staff could talk about with the Town Manager and inform him of BACH's desire to incorporate into discussion the Forest Service parcel at Crown Mountain. He will report on his conversation with Ryan at future BACH meetings. The size of the parcel is 1.7 acres, which is not all developable due to slopes on the site. Cathy mentioned meeting with Habitat on this site years ago. BACH wants to keep this parcel on the priority map.

Mike asked to add to a legend category for potential sites which includes the size of the parcel on the text box.

Doug asked how complicated it is to increase the Town's boundary. James replied that the annexation process is fairly involved and would likely take around 4 to 5 months to complete.

In the interest of time BACH will discuss changes to the West Basalt Map at the next meeting.

3. Special Housing Evaluation Committee (SHEC) Request

James indicated that he received one request for a waiver from the required employment hours for consideration by a tenant of the Roaring Fork Apartments. The tenant has lived there for three years. She was recently laid off from her employment in Snowmass at Hotel/Spa where she worked during renovation. She has asked for waiver as she recognizes it is unlikely that she will meet the hourly work requirement for Basalt's affordable housing units. She has indicated that she intends to go back to work after the renovation is complete at end of the summer. She is projecting her employment to be around 1,100 hours for the year instead of the 1,500 that is required per calendar year. James said that the Town's SHEC members are supportive of the request but are looking for a referral from BACH.

Doug is BACH's representative on SHEC. He said that he agrees to supporting the waiver. Anne agrees. Mike asked if there are criteria under which the request can be evaluated. James said there are no criteria, but each request is reviewed on its merits. Mike said programs can get themselves in trouble without property criteria to back up decisions. Doug said that during his time on BACH/SHEC he has come across no requests that he feels have stretched the boundary. The waiver seems to be just a little leeway and not a great deal more. Mike asked if a SHEC waiver request can be made more than one time in a calendar year. Doug responded that he has not seen double waivers from any applicant. Mike expressed concern about applicants possibly taking advantage of the Town's generosity. Doug said he feels this to be a valid point and would favor putting a limit on the number of times a waiver could be requested. Anne said that during 2020, BACH created a policy that they would provide leniency with number of hours worked due to the pandemic. James noted that the temporary waiver period has ended. He said he can get more information as to when this person will be getting back to work and asked if BACH would like to table the decision until the next meeting. BACH ultimately decided to move forward with a vote on the referral to SHEC.

BACH directed Staff to bring language regarding limits and criteria as a policy statement for BACH to review at a future meeting.

M/S Doug and Anne to provide a referral to SHEC to grant the requested waiver with advice that SHEC look at creating a clearly defined policy for future SHEC Reviews. Motion passed 3 to 0.

Meeting ended at 1:09 pm.