

**The Basalt Affordable Community Housing (BACH) Meeting will be held by Teleconference – The Public may access the meeting by calling the number below and entering the Meeting ID when prompted.**

**Phone Number: 16699006833**

**Meeting ID: 82219893492**

**Passcode: 053677**



**TOWN OF BASALT MEETINGS**  
**Basalt Affordable Community Housing (BACH)**  
**Thursday, June 22, 2023**

**Basalt Town Hall**

**101 Midland Avenue**

---

- 12:00 PM**    **Roll Call**
- 12:03**        **Special Housing Evaluation Committee (SHEC) Employment Waiver- Julie Trahon in Willits Seven AH- BACH Recommendation to SHEC**
- 12:20**        **Discussion Regarding Updated Housing Needs Assessment and Short-Term Rental Fee Proposal from Economic and Planning Systems (EPS)**
- 12:45**        **Staff Updates**
- 12:55**        **Member Updates & Other**
- 1:00**         **Adjourn**

Public Comment is limited to 3 minutes. Those who wish to speak should email [james.lindt@basalt.net](mailto:james.lindt@basalt.net) before the meeting starts with their name, phone number, and identify what item they would like to address. During the meeting those wishing to comment may also email [james.lindt@basalt.net](mailto:james.lindt@basalt.net), but it is not guaranteed that the email will be seen in a timely fashion.

**MEMORANDUM**

**To:** Basalt Affordable Community Housing Commission (BACH)  
**From:** James Lindt, Assistant Planning Director  
**Date:** June 22, 2023  
**RE:** Special Housing Evaluation Committee (SHEC) Waiver of  
Employment Hours- BACH Recommendation to SHEC

---

**I. Background**

Julie Trahon that is a resident of the Willits Seven Affordable Housing Development in Willits Town Center has applied to renew her lease. However, she is an Art Teacher at a local school and only works 1,480 hours. The Town's Community Housing requirements are that an individual is required to work at least 1,500 hours per year in the Roaring Fork Valley to be eligible for housing. Ms. Trahon has indicated that she will likely also pick up babysitting and other work to get to the required 1,500 hours per year, but at this time she has requested a waiver to be 20 hours under the employment requirement.

The Town's Community Housing Guidelines permit the Special Housing Evaluation Committee to approve a waiver from the minimum employment hours requirement after a recommendation by BACH. The Special Housing Evaluation Committee is a committee made up of the Town Police Chief, Planning Director, Town Manager, and Public Works Director.

Town Staff is supportive of the requested waiver as Ms. Trahon is a full-time teacher during the school year and Staff believes that her waiver is consistent with the intent of the employment requirement. The employment requirement was originally set up to be consistent with the employment of full-time teachers but the School District's schedule has shifted over the last couple of years necessitating the employment hours waiver.

**Attachments:**

Ms. Trahon's Employment Verification Form

**BASALT COMMUNITY HOUSING PROGRAM**

**EMPLOYMENT VERIFICATION FORM**

**TO BE COMPLETED BY EMPLOYEE** (complete this form for each job, if applicable)

NAME: Julie Trahon

The Town of Basalt on behalf of the Basalt Community Housing Program has my permission to obtain employment information from my employer.

Employee Signature Julie Trahon Date 5/15/23

**EMPLOYER INFORMATION, TO BE COMPLETED BY EMPLOYER:**

COMPANY NAME: The Aspen School District

ADDRESS: 235 High School Rd Aspen, CO 81611

PHONE: 9709253760 ext 4003 EMAIL: jyoung@aspenk12.net

CORPORATE ADDRESS OF COMPANY (IF DIFFERENT THAN ABOVE)

ADDRESS: N/A

PLEASE PROVIDE THE ADDRESS OF THE EMPLOYEE'S PRIMARY PLACE OF WORK, IF DIFFERENT THAN CORPORATE/BUSINESS ADDRESS.

ADDRESS: N/A

**EMPLOYMENT INFORMATION:**

JOB TITLE: High School Art Teacher

HOURS PER YEAR: 1,480.00

ANNUAL INCOME: 170,217

I hereby certify that the above information is true and complete to the best of my knowledge at this time.

Employer Signature S. Young Date 5/15/2023

Name and Title: Seremy Young HR Coordinator

# Scope of Work

## Summary and Intent

This Scope of Work has been revised from the original Proposal submitted in response to the RFP. It has been modified to be accomplished within the \$90,000 budget the Town has allocated to these studies. The Scope of Work focuses on preparing a thorough Housing Needs Assessment and a study of the impact of Short Term Rentals (STRs) on Basalt's housing market, including calculating a regulatory fee for potential adoption.

### Housing Needs Assessment

The Needs Assessment has 4 main goals to inform Town housing policies and investments or resource allocation.

- **Identify changes in the market and economy** – Document changes in the Town's economy, including shifts in jobs and industries from the Upper Valley to the Mid and Lower Valley areas. Provide data and qualitative perspective on housing costs (rental and ownership), trends, and the post-pandemic outlook on demand and price appreciation.
- **Understand current housing preferences and needs** – Survey deed restricted housing residents for input on how current housing is serving them. Conduct focus groups with other residents and workers for input on needs, and specific unit characteristics. Assess the need for senior housing.
- **Update target AMI ranges** – The Town's current income limits cap out at 120 percent of AMI and have not been evaluated in many years. Other communities in the RFV have programs that go to 200 percent of AMI or higher. Updating the Town's target AMI ranges is a priority in this study, to help new development meet demand and enable the Town's regulations to adapt to the market.
- **Inform policies and resource allocation** – The Needs Assessment will give the Town and Bach clear recommendations on what housing policies need to be considered or changed, and what the housing priorities should be for the next 5 to 10 years. The Town is also looking for direction on how to allocate approximately \$5.0 million in bond proceeds for housing.

## Short Term Rental Study

In addition to overall housing needs, the Town also wants to better understand how STRs are affecting the housing market in Basalt and the Town's economy.

- **Supply analysis** – We will analyze the housing stock being used as STRs to understand how this use may be impacting the supply of housing for long term rental and attainable purchase prices for the local workforce.
- **Demand analysis and regulatory fee** – EPS will calculate a defensible regulatory fee on STRs based on their impact on employee housing demand. We will also provide options and recommendations for adoption (ordinance) and implementation.

## Scope of Work: Housing Needs Assessment

### Task 1 – Kickoff and BACH Meeting

EPS will host a phone/video kick-off meeting with Town staff and the Basalt Affordable Community Housing Commission (BACH). Work in this task will include:

- Collect relevant data, current program and policy information, previous studies, and establish key contacts at the Town. (EPS and Staff)
- Begin planning survey distribution logistics. (EPS and Staff)
- Facilitate a discussion with the BACH on housing issues and priorities and ensure the Study will address their questions. The timing and format (virtual or in-person) will be determined by EPS and Staff. We suggest doing this meeting after some initial research has been completed.

### Task 2 – Deed Restricted Housing Survey

In this task, we will survey current residents of the Town's deed restricted housing to gain insight on their demographics, employment status and occupations, tenure plans (move, stay, etc.), and preferences on unit types and features. This information will inform the Town's programs and the design and unit mix of future projects. The survey will be distributed by email and will be fielded through the Survey Monkey platform. Work in this task will include:

- Meet with Town Staff and select BACH members to discuss survey topics and questions.
- The Town will provide a distribution list of current deed restricted housing residents, including email addresses.
- Prepare a draft and final survey (electronic, on the Survey Monkey platform).

- If hard copies are needed for residents without ability or access to an internet-connected device, the Town will be responsible for distributing and collecting those surveys and providing assistance in completing the survey.
- EPS will compile and analyze the results in summary tables and charts.
- Present survey findings to the BACH in a virtual meeting.

### **Task 3 – Interviews and Outreach**

The deed restricted resident survey will capture insight from existing residents in Basalt. Broader input will be gained through targeted outreach described below.

- **Realtor interviews (buyer representatives)** – EPS will interview 2-4 realtors who work with local buyers to get perspective on what local workforce and retiree purchasers are seeking in for-sale housing (besides an attainable price).
- **Social service providers** – EPS will interview 2-4 social service providers active in the RFV to get input on the housing issues and needs of lower income and underrepresented residents.
- **Open house, focus group, or community event** – EPS will work with the Town to identify a venue and format for a more general outreach event. This would consist of a full day in Basalt by one or two EPS staff. Outreach would be in the form of staffing a station (with topic boards) and/or facilitating discussions with people who work in Basalt or are interested in living in the Town or upper RFV. Employees could possibly be contacted through their employers and the Basalt Chamber of Commerce.

### **Task 4 – Demographics and Economy**

The Needs Assessment component will draw from the housing survey, outreach, plus additional data on the area housing market and economy to inform housing needs and recommended priorities.

- **Demographics** – Data will include household income levels and distribution by Town AMI category, tenure (renters and owners), age distribution, and trends in growth and change. We will also look specifically at data to gauge if senior housing should be an increased priority, as it has not been the typical focus of housing programs in the Roaring Fork Valley.
- **Economy** – We will examine local and regional Upper Valley economic trends and wage levels, as well as comparisons of job shifts between the Upper and Lower Roaring Fork and Colorado River Valleys, building on our recent work in the Pitkin County Economic and Community Analysis (2022).

## **Task 5 – Housing Market Analysis**

This task covers the analysis of the housing supply and market and then combines the analysis from the demand side (survey and outreach) to arrive at a clear definition of housing needs and recommended priority market segments (including income levels, job types, age and demographic groups).

- **Housing stock and production** – Characterize the existing housing stock. Quantify housing production by housing type for the past 10 or so years (depending on data availability) including market rate and deed restricted units.
- **For-sale market** – Analyze data from the multiple listing service (MLS) to get accurate local data on current prices and trends. Categorize sales by the AMI to which they are affordable, including the change in affordability levels and incomes required over time.
- **Rental market** – Data on the rental market is more limited as there is no central service like an MLS for rentals in the Basalt area. Data on the rental market will come from multiple sources such as CoStar (may have limited coverage, focusing on newer buildings), interviews with 2-3 major property managers, and American Community Survey data. We will summarize key indicators such as rent and vacancy levels, and approximate income/AMI levels served in the rental market.
- **Unit characteristics and amenities** – EPS will research recent housing development in the RFV, focusing on rental and deed restricted housing, to identify the attributes and amenities found in recent projects.
- **Affordability metrics** – From the above data, EPS will prepare a simple set of metrics that summarize affordability levels by tenure (renters and owners) and housing gaps.
- **Available land** – Land is an important part of the future housing supply. We will coordinate with the ongoing study by the Western Regional Housing Coalition to determine if there is adequate land in and near Basalt to address current and future housing needs.

## **Task 6 – Recommendations and Implementation Strategies**

The Needs Assessment will bring together the findings from the survey, economic and demographic data, and market analysis to clearly define and recommend the top housing need areas and proposed areas of focus. This is anticipated to include:

### **Needs Assessment Outcomes**

- Identify needs/demand in rental, for-sale, and senior housing.
- Recommend the most needed types and sizes of units, and amenities desired by residents.

- Assess how much supply could be potentially delivered in the next 10 years on development sites in and near Basalt, coordinating with the Western Regional Housing Coalition work.
- Help the Town determine what housing market segments to prioritize with its resources (i.e. deep affordable rental, affordable rental, for-sale, senior).
- Recommend changes to the Town's AMI categories.

### **Action and Implementation Plan**

EPS will work with Town staff to develop an Action Plan for carrying out the recommendations of the Needs Assessment. It will be broken down into short term (1-3 years), medium term (4-5 years), and longer-term actions. Each action will have a lead department or partner agency, and identify the resources needed. The intent is that the Town will be able to develop annual work programs and track progress on implementation.

## **Scope of Work: Short-Term Rental Regulatory Fee Study**

### **Task 1 –Data Collection**

EPS will work with the Town to collect relevant information and documents on the current vacation rental regulations, STR inventories, licensing programs, and tax revenues generated from STRs. This information will be used to estimate factors such as annual occupancy, rental rates, and the physical characteristics of STR units. Data needs will include, but not be limited to, the following:

- Vacation rental regulations, zoning information
- STR license database
- Data from Town sales tax records under a confidentiality agreement
- Any other available data on occupancy rates and nightly rental rates
- Data on STR unit characteristics (e.g., size, unit type, number of bedrooms)
- County assessor parcel and improvements databases for mapping and analyzing characteristics of vacation rentals (Pitkin and Eagle Counties)
- Any available local data on visitor spending from visitor surveys, the Chamber of Commerce, and mountain resort operators

### **Task 2 – Housing Stock Impact Evaluation**

This task includes an analysis of available data to summarize the vacation rental market, characteristics and performance of STR units, and visitor spending. The purpose is to evaluate where STRs are operating, in what kinds of housing, and gauge how they are affecting housing availability and affordability based on the types of homes they are operating in. The types of summary information we anticipate generating includes:



- **Baseline conditions** – The total vacation rental bed base, annual and seasonal occupancy rates, and average daily rates (ADR).
- **Inventory and location** – Total number of vacation rentals tabulated and mapped townwide and by area/neighborhood.
- **Unit characteristics** – Housing unit types, number of bedrooms, square footage, location, age, value.

### **Task 3 – STR Economic Characteristics**

In this task, we will evaluate the contribution of STRs to the Town’s economy and tax base. While Basalt is part of a larger regional economy, visitors still have an economic impact within the Town. The analyses outlined below are anticipated.

- **STR economic characteristics** – Estimated occupancy rates (days or weeks of occupancy); average rental rates; and rental revenue to owners
- **Guest spending** – Spending patterns of guests estimated from a variety of data sources, past EPS projects, and any available local visitor surveys.
- **Town economic impact** – Estimate the sales and lodging tax impacts from STR operations and guest spending. Calculate the percentage of the Town sales and lodging tax generated from STRs. Gauge the impact on Town retail and food and beverage businesses. Compare the total bed base in the Town in traditional accommodations (hotels and motels) to the total including STRs in residential property.

### **Task 4 – Regulatory Fee or Nexus Analysis**

The purpose of this task is to establish a reasonable relationship between vacation rental use, affordable housing demand, and the cost to run related housing programs. The work elements are outlined below.

- Construct an economic impact model to estimate the jobs generated by vacation rental guest spending.
- Convert jobs generated by industry category to jobs by occupation and estimate the corresponding wages and household incomes.
- Determine the housing demand from STRs by price/rental range and the associated housing affordability gaps per unit.
- Convert the housing gap costs into an annual fee per unit or per bedroom.
- Determine if any adjustments need to be made to the fee to account for other funding sources or other policy considerations such as a mitigation rate.

## Task 5 – Report and Recommendations

EPS will prepare draft and final Regulatory Fee Study reports to document the information collected, methodology, analysis, and process used to develop the regulatory fee calculation. The regulatory fee study is intended to be a standalone document that contains the analysis supporting the regulatory fee. EPS will work with Town staff to prepare a cover memorandum with the recommended fee level and process for adoption and implementation.

Following review and comment from Town staff, EPS will revise the documents accordingly and present the findings at a scheduled meeting with Town Council or other appropriate body.

## Budget

The estimated budget is not to exceed **\$89,890** as shown below. The total budget will be allocated across the two scope components as needed.

Description	Principal & V.P [1]	Associate	Research Analyst	Total
<b>Billing Rate</b>	<b>\$223</b>	<b>\$145</b>	<b>\$115</b>	
<b>Housing Needs Assessment</b>				
Task 1 - Kickoff and BACH Meeting	8	16	0	\$4,100
Task 2 - Deed Restricted Housing Survey	12	40	24	11,230
Task 3 - Interviews and Outreach	24	32	8	10,900
Task 4 - Demographics and Economy	12	24	16	7,990
Task 5 - Housing Market Analysis	12	24	24	8,910
Task 6 - Recommendations and Implementation Strategies	24	40	16	12,980
<b>Subtotal</b>	<b>92</b>	<b>176</b>	<b>88</b>	<b>\$56,110</b>
<b>STR Regulatory Fee Study</b>				
Task 1 – Data Collection	4	12	0	\$2,630
Task 2 – Housing Stock Impact Evaluation	8	32	8	7,340
Task 4 – STR Economic Characteristics	8	24	8	6,180
Task 4 – Regulatory Fee or Nexus Analysis	12	24	0	6,150
Task 5 – Report and Recommendations	24	32	0	9,980
<b>Subtotal</b>	<b>56</b>	<b>124</b>	<b>16</b>	<b>\$32,280</b>
<b>Total Labor</b>				<b>\$88,390</b>
Travel Expenses (two trips @ \$750 per person-trip)				\$1,500
<b>Total Cost</b>				<b>\$89,890</b>

[1] Includes Principal at \$250/hour and V.P. at \$195/hour

Source: Economic & Planning Systems