



# HOUSING OPPORTUNITY CONFERENCE

## Housing Challenges in Resort Communities

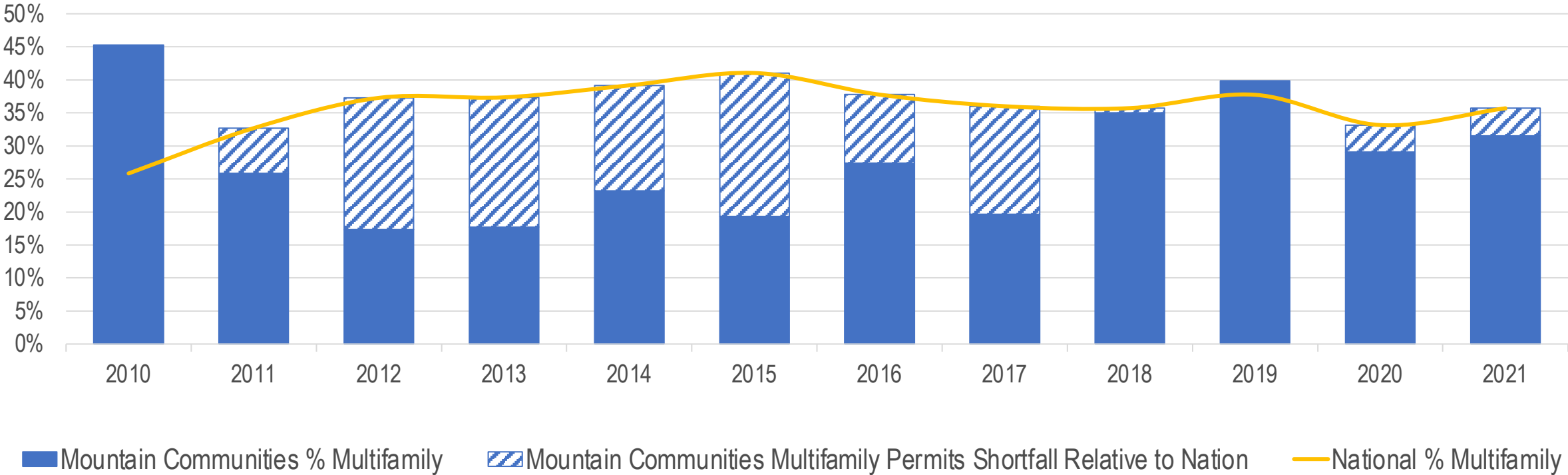
**LORENZO PEREZ   SHANNON BOONE   JOSHUA POSNER   GEORGE RUTHER   DANA SCHOEWE**

MODERATOR

MARCH 28, 2023

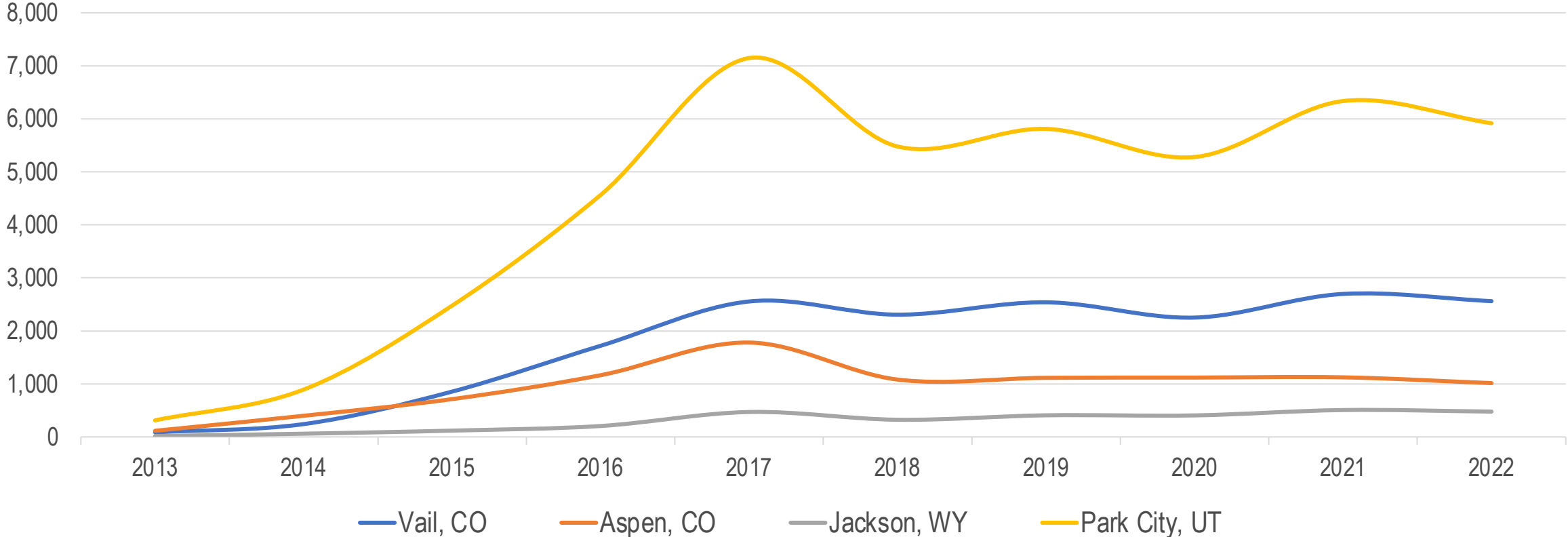
# Less density in mountains

## Multifamily Share of Total Permits Issued; Mountain Communities vs. United States; 2010-2021



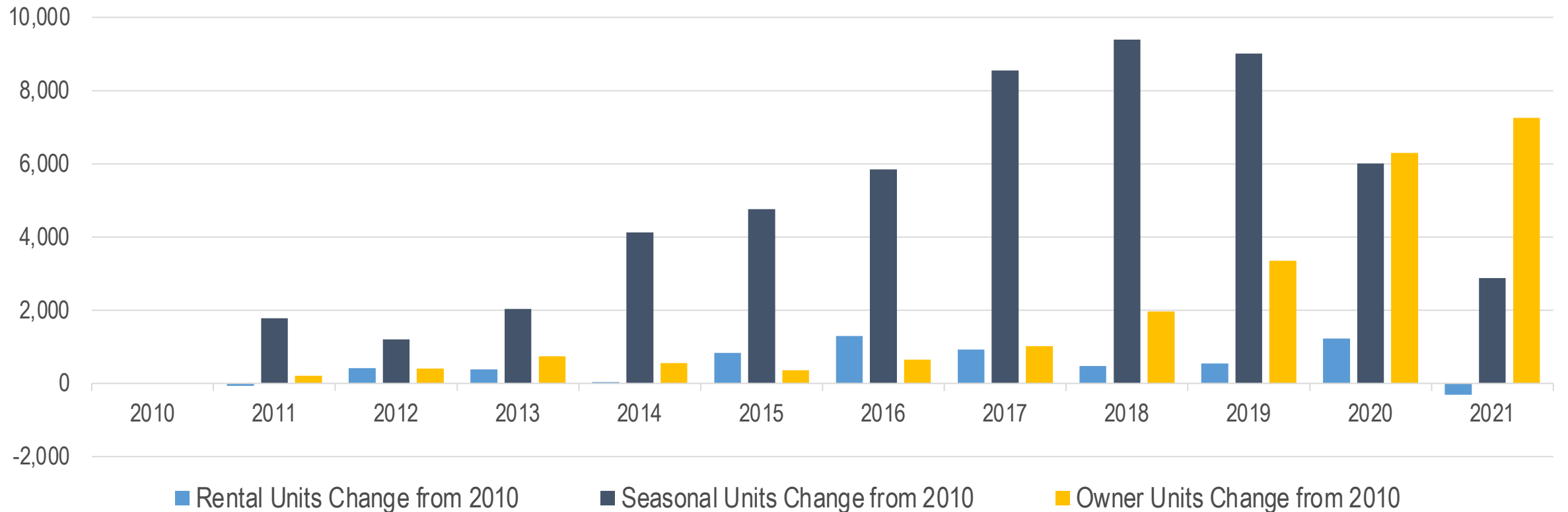
# Increase in short-term rentals

Short-Term Rental Listings; Select Ski Resort Towns in Mountain Communities; 2013-2022



# Skewed housing stock

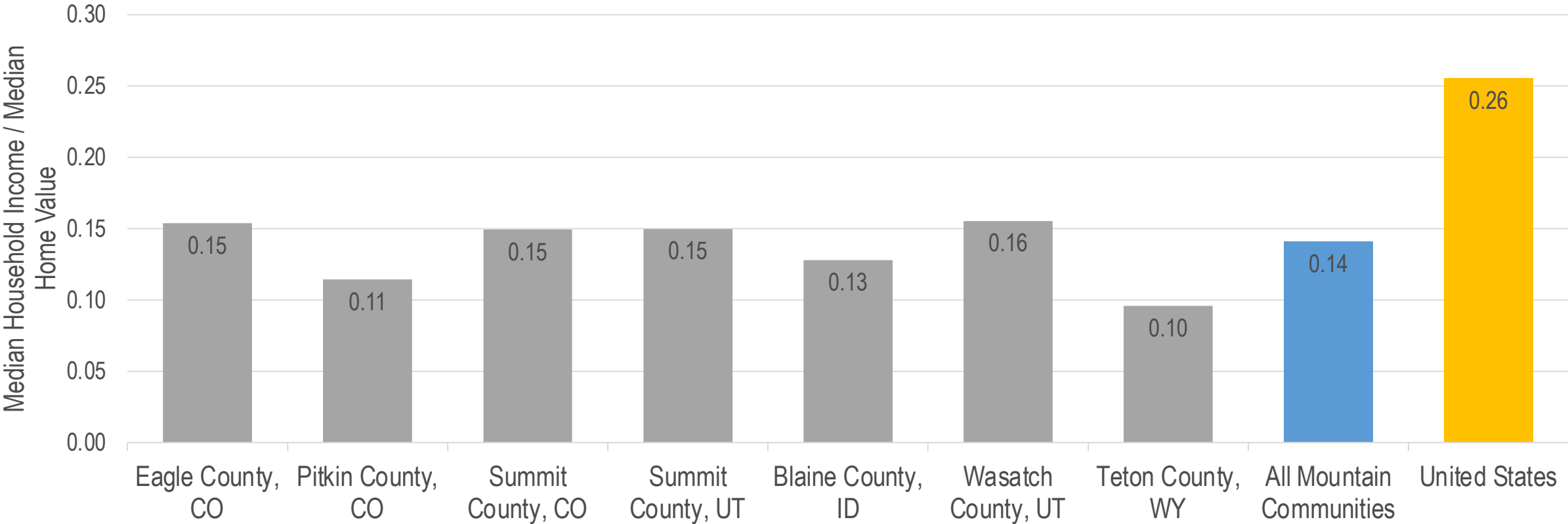
Cumulative Change in Supply of Housing Units by Type from 2010; Mountain Communities; 2010-2021





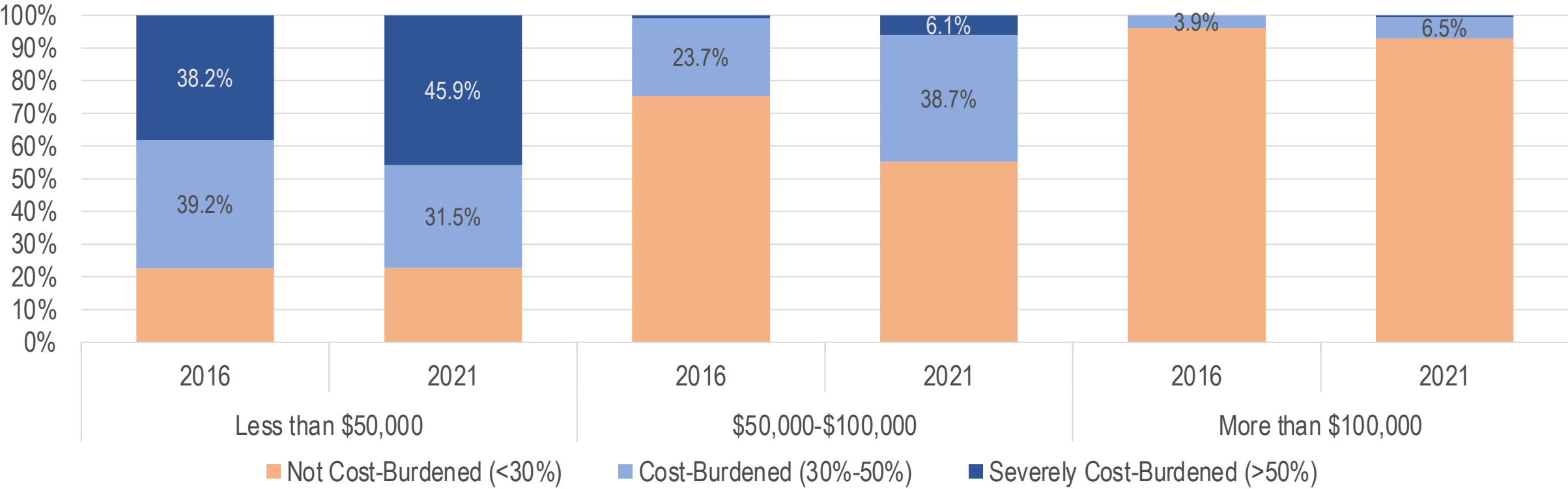
# Persistent unaffordability

Ratio of Median Household Income to Median Home Value; Mountain Communities and United States; 2022



# Increasing rent burdens

Rent Burden by Household Income; Mountain Communities; 2016 vs. 2021



# Nantucket, MA



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# Affordable Housing on Nantucket

Overview of Nantucket Island

Personal History

Use of State “Anti-Snob Zoning Law” (40B)

Beach Plum Village- 40 single family cottages;

25% affordable at 80% AMI/75% Market

2002-2020

Surfside Crossing- 156 Condos in 18 buildings

25% affordable at 80% AMI

50% reserved for year-round islanders

25% unrestricted

2018- 5 years in permitting so far....







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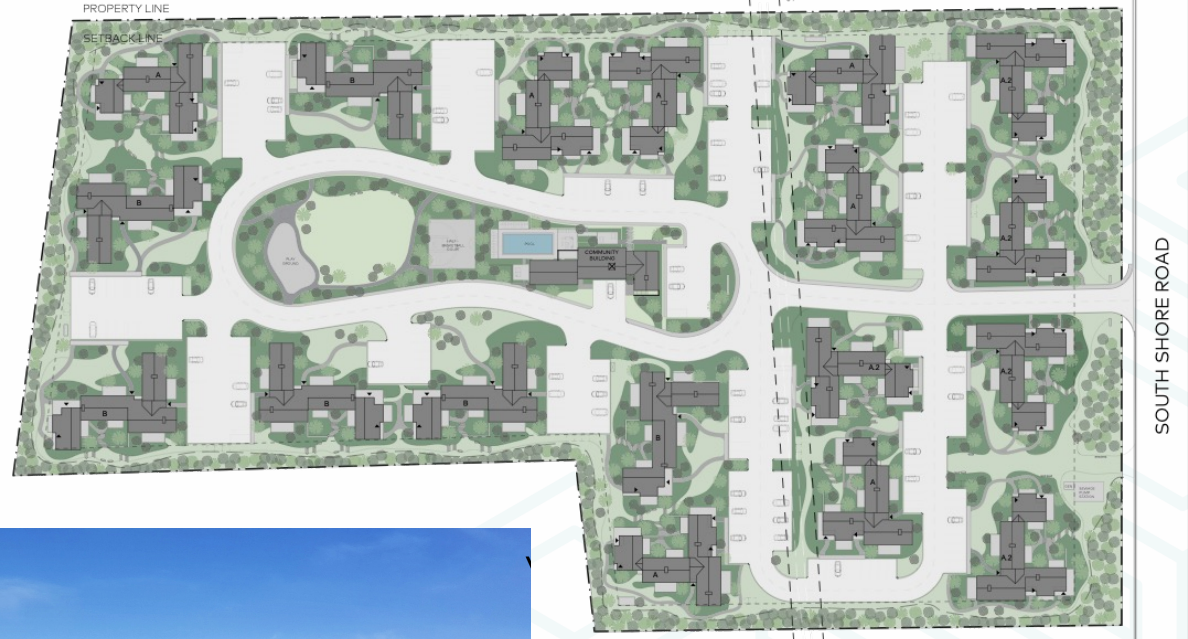
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WORKSHOP/APD



WORKSHOP/APD



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# Take-Aways

- 1. Understanding Public Opinion: Split Personality**
  - Affordable Housing is Our Top Priority
  - NIMBY- one fatal flaw
- 2. State Law Can Override Local Restrictive Zoning**
  - Density/Land Value as Cross Subsidy
- 3. What Works?**
  - Quality Design and Amenities
  - Density Creates Land Value
  - Mixed Community-
    - Year round and Seasonal
    - Broad Range of Incomes
- 4. Scale- How to calculate need?**
  - Calculating Community Need
  - Building Momentum for Meeting a Much Bigger Need



# DELIVERING HOUSING SOLUTIONS



**TOWN OF VAIL**  
Housing Department

**Urban Land  
Institute**

Housing Opportunity  
Conference

March 28, 2023



# PURPOSE

- **The state of Vail's housing crisis.**
- **Planning for Results – Vail Housing 2027 Strategic Plan.**
- **Delivering Housing Solutions – *Vail's commitment to seizing the opportunities.***



# STATE OF HOUSING; THE STATISTICS ARE ALARMING



- **The State Demographer projects an increase of 35,000 new homes per year are needed between 2020 and 2030.**
- **New home construction is challenged by increasing labor cost, supply chain shortages, limited land resources, and rising interest rates.**
- **In rural mountain counties 47 percent of home loans were funded for second home or investment property purchases.**
- **In Vail, nearly 70% of the homes are classified as “vacant/unoccupied”.**
- **3 out of 4 employers expressed a desire to grow and expand their businesses but cannot due to lack of employees.**



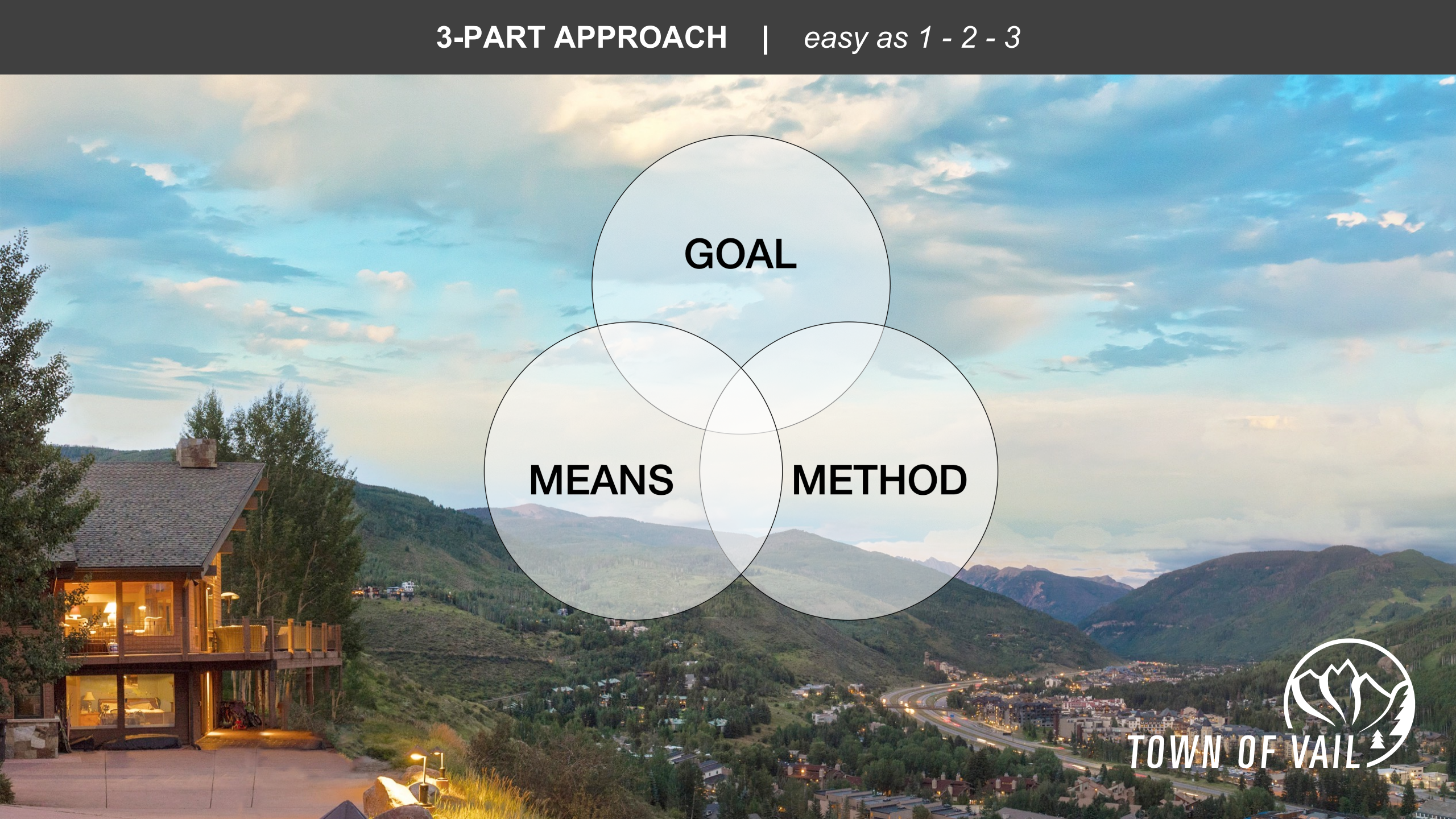
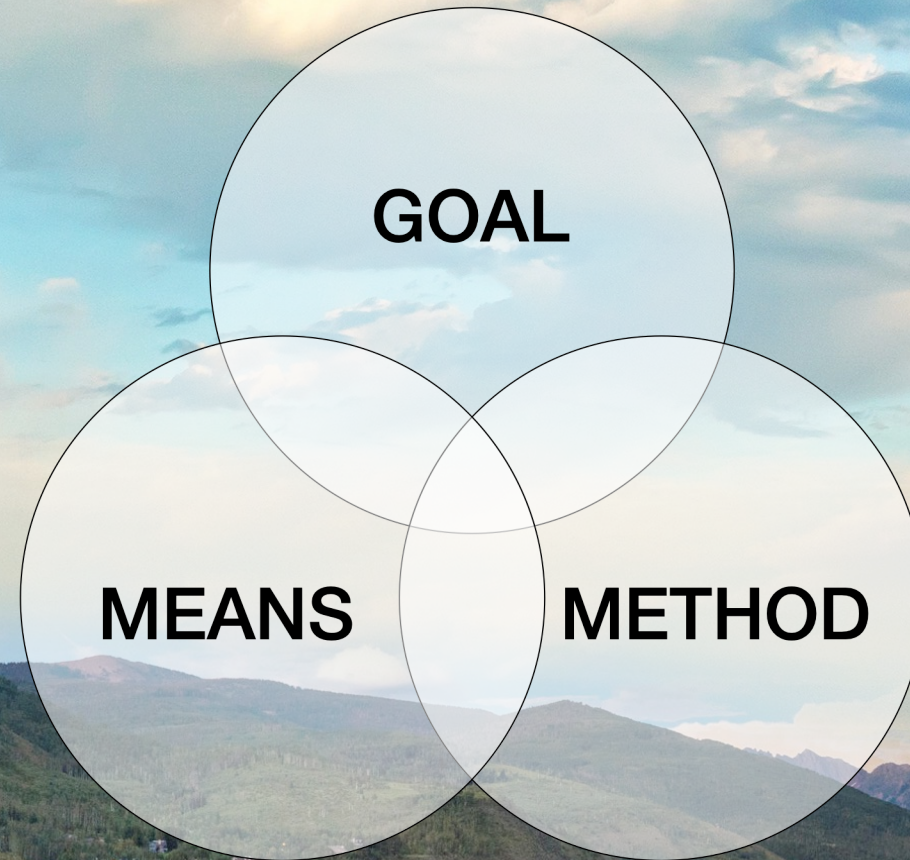
# VAIL HOUSING 2027

*“A Strategic Plan  
for Maintaining and  
Sustaining Community  
through the Creation  
and Support of Resident  
Housing in Vail”*





**3-PART APPROACH** | *easy as 1 - 2 - 3*



**TOWN OF VAIL**



*“The Town of Vail  
will acquire  
1,000 additional  
resident housing  
unit deed  
restrictions by  
the year 2027”*

2017

**688**

Deed-restrictions

2027

**1,700**

Deed-restrictions

**1 GOAL**



*“A goal can not be accomplished without the means for doing so.”*

Housing  
Program  
Funds

+

Capital  
Projects  
Funds

=

Deed  
Restrictions

2  
MEANS



*“A new decision-making structure which is singular in focus, proactive, empowering and results-oriented, and is nimble enough to be effective at achieving The goal”*

**VAIL TOWN  
COUNCIL**

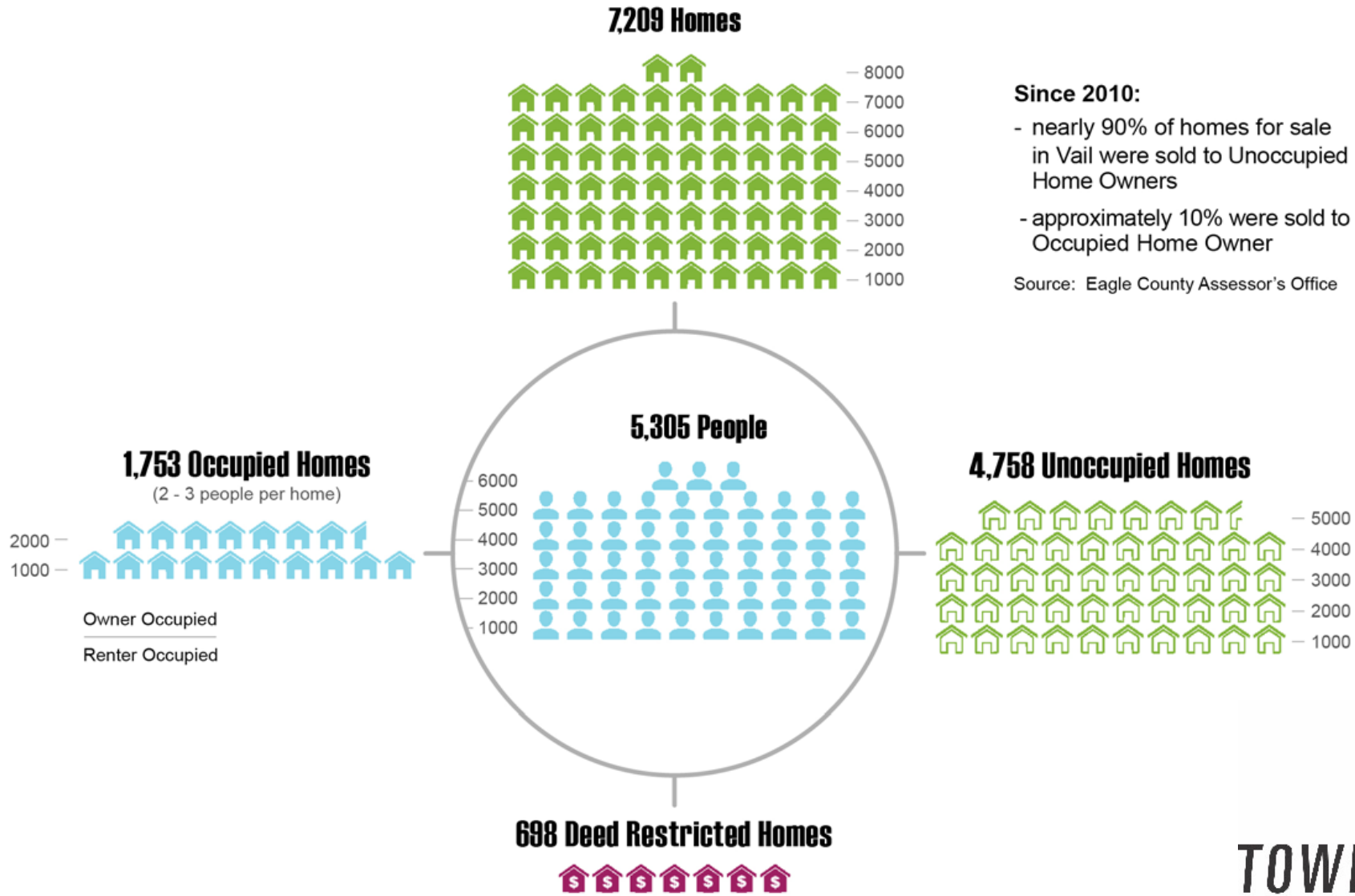
**VAIL LOCAL  
HOUSING  
AUTHORITY**

**3**

**METHOD**



# COMPLEX PROBLEMS; SIMPLE SOLUTION







[VAILinDEED.com](https://VAILinDEED.com)

*“Not Your Typical Deed  
Restriction Program”*





- > Total Number of Transactions Closed 90
- > Total Number of Homes Deed-Restricted 172
- > Total GRFA Deed-Restricted 144,277 sq ft
- > Total Deed-Restriction Investment \$12,199,618
- > Average Cost per Square Foot \$84.56 per sq ft
- > Average Cost per Deed-Restriction \$70,928 per deed restriction

**Total Number of Vail Residents Provided Housing**

**386**

*(288 Vail residents at Timber Ridge)*



## “2018 Town of Vail Housing Policy Statements”

*“it is the Vail Town Council’s intent to articulate the approaches the Town shall take to realize its vision, achieve its housing goal, and address the most critical of issues – housing - facing the Vail community.”*

**Resolution No. 30, Series 2018**





**#1 Housing is Infrastructure - Deed-restricted homes are critical infrastructure in Vail.**

**#2 Housing Partners – We use public/private partnerships and actively pursue local and regional solutions to increase the supply of deed-restricted homes.**

**#3 Private Sector Importance – We foster a proactive and solutions-oriented environment that promotes private sector investment to create deed-restricted homes.**

**#4 Leverage Financial Strength – We will use our financial strength and acumen to acquire deed-restrictions.**

**#5 Breakdown Barriers – We align our land use regulations, building and energy conservation codes to achieve our vision and housing goal, and development applications are thoroughly, timely and efficiently reviewed....getting to “yes” is our shared objective.**

**#6 Funding Creates Deed-Restrictions – We pursue a predictable, consistent and reliable source of funding to obtain deed-restrictions and maintain the Town’s housing programs.**

**#7 People Promote Community – We ensure access to the Town’s housing programs and initiatives through a clear, equitable, and easy to administer process for housing selection.**

**#8 No Net Loss - No net loss of resident-occupied, deed-restrictions.**

**#9 Keep Up With Demand - New development, both residential and commercial, is obligated to mitigate its incremental impact on the demand for resident-occupied, deed-restricted homes.**

**#10 Funding is Policy – The Vail Town Council will fund housing opportunities and solutions.**



- **Funding creates deed restrictions**
- **Deed restrictions are a real estate asset**
- **Investing in community vs. spending money**
- **Keep it simple**
- **Think differently, take risks, and be bold**
- **Homes for people is our “*secret to the sauce*”**





# DELIVERING ON HOUSING



FRAGILE  
 BEDROOM  
 FAMILY ROOM  
 DINING ROOM  
 KITCHEN  
 BATH





# Sedona, Arizona

Population: 9763

Total housing units: 6775

Vacation Rentals: ~1300

Median household income:  
\$58,901

Median home value: \$924,000



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# Forces Affecting

Mobility and Remote Workers are driving both population growth and tourism growth  
The popularity of short-term rentals has doubled the number of “hotel” rooms in Sedona

## Resulting in Over-tourism

- Unmanageable traffic
- Excess noise and garbage in residential neighborhoods
  - Degradation of the landscape
    - Loss of Community
- Need for additional workforce

&

## Driving up property values

- Median home value is now \$924,000
- Median household income is only \$59,000
- STRs have replaced most long-term rental housing
  - Nowhere for workforce to live





# Challenges

Development Policy

Capacity – Buildable land, Infrastructure, Labor and supply chain

NIMBYism

Regulation:

## **Arizona Vacation Rental Legislation**

2016: State of Arizona prohibits cities and towns from regulating short-term rentals.

2019: State of Arizona required owners to have a state transaction privilege tax license (sales tax) and to allow cities to require an emergency contact to be registered.

2022: State of Arizona allows cities and towns to require a regulatory license or permit to operate

**Arizona “Gift Clause” Legislation** – Complicates the City’s ability partner with private developers

**Inclusionary Zoning** – State of Arizona prohibits local governments from enacting mandatory IZ policies







# Strategies

Rent Local – Incentivizing owners to lease property long-term to the local workforce

Deed Restrictions – Voluntary recording program

Community Outreach and Engagement

- Demonstrate impacts of housing crisis to comfortably “housed” residents
- Overcome NIMBYism
- Build support for height, density and new development

City Development

- Acquired 41 acres – last large parcel in Sedona, former private concert venue, \$20 million
- Public/private partnerships



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# Q&A

Thank you!



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