

**EAGLE COUNTY HOUSING AND
DEVELOPMENT AUTHORITY**

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May 20, 2021

Scot Hunn
Town of Minturn, Planner
301 Boulder St. #309
Minturn, CO 81645

Re: Belden Place Referral Comments

Mr. Hunn,

Thank you for the opportunity to provide referral comments on Belden Place, a proposed residential PUD in the Town of Minturn. As you know, the Town of Minturn and the Eagle County Housing and Development Authority are scheduled to approve and sign an Intergovernmental Agreement in the coming weeks that will contract The Valley Home Store to provide "Referral Services", among other services, to the Town of Minturn. Referral Services include serving as a referral agency and resource to the Town regarding requirements set forth in the Town's Ordinance No. 7, Series 2020, regarding affordable housing. Additionally, TVHS will consult in the land use process on a formal Housing Plans. As this is my first time providing Referral Services to the Town of Minturn and I believe this is the first time the Town is implementing its Ordinance No.7, Series 2020 regarding affordable housing, I have divided my comments into two sections. The first section addresses the Belden Place Housing Plan and PUD Guide, the second addresses the Ordinance No. 7, Series 2020 and Town of Minturn Community Housing Guidelines and Town of Minturn Community Housing Guidelines: Administrative Procedures.

Comments specific to Belden Place

The Belden Place Housing Plan and PUD Guide are exceeding the requirements set by Ordinance No. 7, Series 2020 by providing 4 price capped for sale units (10% of total units) at initial sales prices at or below 200% AMI and 20 units (50% of total units) as resident occupied deed restricted housing.

Further, the applicant is offering a restriction on the initial sale of all of the units in the PUD. For the first 30 days all units in the PUD may only be sold to residents of Minturn, or non-qualified buyers may pay a 2% transfer fee to the Town. Then 30-60 days into the initial sale, all the units in the PUD may only be sold to Minturn residents and Eagle County residents that are Eligible Households, or a non-qualified buyer may pay a 1% transfer fee to the Town. This restriction will likely function as a restriction on the sales process only and will likely not generate a lot of revenue for the Town. I would recommend that the Town seek clarification if this sales restriction will apply to resales (sales beyond the initial sale.) A perpetual sales restriction would add value to the Belden Place housing plan. I would not recommend an open ended program sun-set or allow

language that dissolves a program based on changing market conditions. If the Town is interested in providing flexibility, I would recommend tying a potential sun-set based on a program analysis at a date certain. If the Town is interested in retaining as much value as possible in this Housing Plan, I would recommend making the restricted sales process permanent.

I strongly recommend that the Belden Place Housing Plan, PUD Guide and any other recorded documents use or refer to defined terms and approved processes in the Ordinance No. 7, Series 2020 or the Town of Minturn Community Housing Guidelines and Town of Minturn Community Housing Guidelines: Administrative Procedures, when describing buyer/occupant qualifications and criteria, sales process, initial and subsequent sales and price restrictions, permitted capital improvements etc.

I recommend the Town seek clarification of Paragraph 3 in the "Other" Section of the Housing Plan. The inclusion of this provision is not clear.

Comments specific to Ordinance No. 7, Series 2020 or the Town of Minturn Community Housing Guidelines and Town of Minturn Community Housing Guidelines: Administrative Procedures

Currently in the Town's adopted housing policy documents, the Priced Capped For Sale Deed Restricted Community Housing Units have initial sales prices set at or below 200% AMI affordability level. My understanding of these policy documents is the intent with these units is to set the initial sales price at some assumed level of affordability, **not** to income qualify potential buyers (restrict buyers from being able to purchase price capped units because they earn too much.) If that is Town's intention, I strongly recommend revisiting the affordability level (200% AMI) allowed in the initial sales of the Town's price capped units. Below are the initial sales price calculations for units priced at 200% AMI for 2021.

Table 7.1 - Maximum Initial Sales Price Calculations updated 5/14/2021						
		Studio	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
Household Size		1	1.5	3	4.5	6
200% AMI		\$ 137,620	\$ 147,450	\$ 176,940	\$ 204,464	\$ 228,056
Max Monthly Housing Payment	30%	\$ 3,441	\$ 3,686	\$ 4,424	\$ 5,112	\$ 5,701
Property Tax, Insurance, HOA	20%	\$ 688	\$ 737	\$ 885	\$ 1,022	\$ 1,140
Max Mortgage Payment		\$ 2,752	\$ 2,949	\$ 3,539	\$ 4,089	\$ 4,561
Maximum Mortgage Amount*		\$ 446,000	\$ 477,000	\$ 573,000	\$ 662,000	\$ 738,000
Less: Closing Costs**	1.5%	\$ 6,690	\$ 7,155	\$ 8,595	\$ 9,930	\$ 11,070
Plus: Downpayment	10%	\$ 50,299	\$ 53,795	\$ 64,622	\$ 74,659	\$ 83,230
Maximum Sales Price		\$ 502,989	\$ 537,950	\$ 646,217	\$ 746,589	\$ 832,300
*Assumes a mortgage amortized over 30 years with an interest rate of 6.28% which was determined by using the FHLMC (Freddie Mac) mortgage rate average over 30 years.						
** Includes all closing costs such as Origination Fees, Recording Fee, Document Fees, Appraisal, Title Fees.						

Generally, price capped units are the most affordable units in a housing program and therefore the most valuable. At these initial sales prices the Town's most affordable units would barely be attainable to the local workforce. For reference, the Eagle County Affordable Housing Guidelines recommend price capped units with initial sales prices set at or below 100%-140% AMI and do not restrict buyers with a maximum earnings cap.

Currently in all of the above of the Town's adopted housing policy documents, the Priced Capped For Sale Deed Restricted Community Housing Units do not have an annual appreciation cap. Generally, price capped units are the most affordable units in a housing program and the beneficiary of the program (the Town) has an interest in keeping the units affordable over time and applies an annual appreciation cap. If the Town's goals for its housing program include preserving affordability within its price capped units, I would strongly recommend adding an annual appreciation cap. For your reference the Eagle County Affordable Housing Guidelines recommend appreciation caps "based upon the average wage for Eagle County as determined by the Colorado Department of Labor and Employment using the most current available data, but in no case shall the allowed increase be more than 3% on an annual basis." The price appreciation caps at Chamonix Vail are "1.5% per annum, such percentage increase to not be compounded annually."

If the Town's goals and intent with its housing policy is more focused on retaining and attracting year round residents and employees and less focused on initial and long term affordability of some units, I would recommend focusing solely on increasing the amount of Resident Occupied units in Minturn's housing inventory.

I am happy to discuss any of these points further with you or your respective boards. Thank you.

Sincerely,

Tori Franks

Tori Franks

Eagle County Housing
Real Estate Development Manager