

Final Report

Comprehensive Affordable Housing Assessment

The Economics of Land Use



Prepared for:
Town of Eagle

With generous funding provided by



COLORADO
Department of Local Affairs

Innovative Housing Planning Grant Program

*Economic & Planning Systems, Inc.
730 17th Street, Suite 630
Denver, CO 80202-3511
303 623 3557 tel
303 623 9049 fax*

*Denver
Los Angeles
Oakland
Sacramento*

www.epsys.com

Prepared by:
Economic & Planning Systems, Inc.

February 9, 2023

EPS #223022

Table of Contents

1.	Executive Summary	1
	Introduction	1
	Housing Strategy	2
	Summary of Market Findings	4
2.	Economic and Demographic Framework.....	7
	Population and Households.....	7
	Housing Inventory and Characteristics	13
	Employment.....	16
3.	Housing Supply and Demand.....	23
	Housing Supply.....	23
	Housing Demand	31
4.	Housing Targets	37
	Catch Up	37
	Keep Up	37
5.	Affordable Housing Strategies	39
	Peer Community Strategies	39
	Framework.....	41
	Town of Eagle Strategies.....	41
	Partnership Strategies	49

List of Tables

Table 1.	Population and Households, 2000-2020	7
Table 2.	Housing Inventory, 2000-2020	13
Table 3.	Total Employment, 2017-2021	16
Table 4.	Town of Eagle Employment by Industry, 2001-2021.....	17
Table 5.	Town of Eagle Average Annual Wage by Industry, 2001-2021	19
Table 6.	Town of Eagle Residential Building Permits, 2017-May 2022	23
Table 7.	Town of Eagle Entitled Residential Development, 2022	24
Table 8.	Eagle County AMI and Maximum Housing Costs, 2021	25
Table 9.	Town of Eagle Home Price by AMI, 2018-May 2022	30
Table 10.	Household Growth Forecast, 2020-2040	31
Table 11.	Employment Forecast, 2021-2040	31
Table 12.	Town of Eagle Cost Burdened Households, 2019	35
Table 13.	Town of Eagle Housing Gaps, 2019	36
Table 14.	Eagle Housing Targets, 2022-2040	38
Table 15.	Peer Community Affordable Housing Policies, 2022	40

List of Figures

Figure 1.	Family and Nonfamily Households, 2019.....	8
Figure 2.	Town of Eagle Age Distribution, 2000-2019	9
Figure 3.	Age Distribution, 2019	9
Figure 4.	Housing Tenure, 2019	10
Figure 5.	Town of Eagle Household Income Distribution by Tenure, 2019.....	11
Figure 6.	Town of Eagle Household Growth by Tenure and Income, 2010-2019	12
Figure 7.	Town of Eagle Occupied Housing Units by Tenure and Type, 2019.....	14
Figure 8.	Town of Eagle Housing Inventory by Year Built, 2019	15
Figure 9.	Town of Eagle Largest Industry by Employment, 2021.....	17
Figure 10.	Town of Eagle Employment Growth by Industry, 2010-2021.....	18
Figure 11.	Town of Eagle Employment and Average Annual Wage by Industry, 2021 ...	20
Figure 12.	Ratio of Jobs to Households, 2010-2020	21
Figure 13.	Town of Eagle In-Commuting, 2019.....	22
Figure 14.	Town of Eagle Residential Building Permits, 2017-May 2022.....	24
Figure 15.	Eagle Deed Restricted Units by Type, 2022	26
Figure 16.	Town of Eagle Sales Volume and Average Price, 2004-2021	27
Figure 17.	Town of Eagle Sales Volume by Home Type. 2018-2021	27
Figure 18.	Town of Eagle Average Price, 2004-2021	28
Figure 19.	Town of Eagle Median Sale Price, 2018-May 2022	29
Figure 20.	Town of Eagle Short Term Rentals, 2022	33
Figure 21.	Town of Eagle Affordability Gap, 2018-May 2022	34
Figure 22.	Affordability by Average Industry Wage, 2021	35

1. Executive Summary

Introduction

Economic & Planning Systems (EPS) was selected by the Town of Eagle to complete a comprehensive affordable housing assessment. This Report's objective is to identify an affordable housing strategy with a set of recommendations for implementation. Housing is an increasingly important concern for the community as home prices of ownership units continue to escalate and available rental units are difficult to find. As the regional cost of living continues to rise, there is an increasing lack of access to affordable housing. This is a substantial issue across mountain and resort communities where the housing needs of locals and workers are unmet, and they are priced out of the community. This Report summarizes the existing housing supply and demand to inform policy goals and recommendations in four chapters following this Executive Summary:

- **Economic and Demographic Framework** – An overview of the resident and household composition and local economy in Eagle and Eagle County to understand existing conditions and recent growth trends.
- **Housing Supply and Demand** – An analysis of the existing housing supply, pent-up housing demand, and the imbalance between the two. The housing supply examines the status of the current inventory, the nature of new residential development, and the affordability of existing housing. The housing demand side identifies factors influencing the pressure for new housing including employment, the housing market performance, and unmet housing needs.
- **Housing Targets** – Examines where the most significant affordability gaps fall within the housing inventory and how these can be used to identify housing goals. Housing needs are evaluated in terms of “catch up” (or existing need) and “keep up” (or future need) to estimate housing targets by AMI level.
- **Affordable Housing Strategies** – A detailed summary of the recommendations included in the housing strategy that are recommended for implementation.



Housing Strategy

The recommended strategies are intended for implementation and were vetted with Town staff and Town Council to determine their viability. The Town is well positioned to take action and create long-term solutions for affordable housing that will enhance the community by addressing the needs for a variety of household types.



Affordable Housing Definition

The recommended affordable housing definition for Eagle to use for affordable housing programs and projects is as follows:

The Town of Eagle is committed to increasing the supply of affordable housing in the community to expand the economic vitality that is derived from having a range of housing types, costs, and household incomes. Eagle will benefit from an enhanced community vibrancy generated by the inclusion of inventory for housing the local workforce that earns 140 percent of the Area Median Income (AMI) or less.

The definition is tied to 140% AMI or less to align with Eagle County affordable housing programs and policies. For context, in 2021 a 3-person household in Eagle County earning 140% AMI was \$126,000.

Affordable Housing Strategy

The strategy recommendations are defined based on timing—with near-term and long-term tools for implementation, and lead entity—with Town of Eagle and partnerships including Eagle County, private developers, and nonprofit organizations. There are a total of 13 recommendations with the majority identified for near-term implementation. The strategies are described in more detail in Chapter 5. It is important for Eagle to implement as many of the near-term affordable housing strategies now to have an impact on future development. In addition to the tools listed below, grant funding should be sought after by the Town to supplement affordable housing programs and projects. The currently available grant funding through Colorado Department of Local Affairs (DOLA) is described on page 46 and this plan provides a foundation to seek those grants.

Town of Eagle



Near-Term Strategies



Long-Term Strategies

	LERP Modifications: Update ownership and rental units to 10%, 15%, or 20% affordable requirement for units of 3 or more
	Commercial Mitigation Fee: Conduct a nexus study to determine a fee for new commercial development that supports affordable housing programs
	Vacant Land Inventory: Develop an inventory of vacant land in town and in the western areas of Eagle County for potential acquisition
	Increase Density: Permit additional density for single-family and two-family lots
	Density Bonus: Modify Land Use Regulations to permit density bonus in specific areas of town for inclusion of affordable units
	Certificate of Participation (COP): Use COPs as a financing tool for affordable housing projects
	STR Regulations: Adopt short term rental (STR) regulations including a fee, tax, and/or cap
	Acquire Affordable Units: Use Town of Eagle funds to acquire affordable housing units specifically for Town staff
	Real Estate Transfer Assessment (RETA): Establish RETAs on future residential and commercial developments at time of entitlement based on the impact on workforce housing
	P3 Formation: Establish public private partnerships (P3) with focus on land contribution to create new affordable housing developments
	DDA/URA: Use public financing tools (DDA and URA) to provide gap financing to affordable housing projects

Partnerships

	Eagle Ranch Housing Corporation (ERHC) Partnership: Establish a formal partnership and collaboration with ERHC in which there are shared goals, resources, and financial responsibilities related to affordable housing programs and policies in Eagle
	Land Bank: Develop a regional land bank that supports and balances the interests of regional entities, such as Eagle County
	Affordable Housing Projects: Begin discussions with other public land holders to consider extending Town services and providing entitlements for affordable housing projects

Summary of Market Findings

The key market findings from the Economic and Demographic Framework (Chapter 2) and Housing Supply and Demand (Chapter 3) are summarized below. These findings help to determine the types of housing with the highest needs in Eagle and to define the housing targets in Chapter 4.

1. Eagle's population is growing at a faster rate than the County, increasing by an average of 34 households per year from 2010 to 2020.

Eagle had a total of 2,551 permanent households in 2020, not including second homeowners. A household is defined as an occupied housing unit that is a usual place of residence for that person or persons. Since 2010, Eagle gained 340 households or an average of 34 households per year. This represents about 19 percent of the total household growth in Eagle County. Eagle's households grew at a faster rate than the County at 1.4 percent annually compared to 0.9. This increased household demand can strain the existing housing supply in Eagle.

2. Eagle is forecasted to grow by about 1,600 households by 2040 and will capture almost a third of countywide growth.

From 2020 to 2040, Eagle is forecasted to gain approximately 1,600 households, which will capture almost a third of countywide growth. This is an average of 80 households per year at an annual growth rate of 2.5 percent. As the County grows, Eagle is anticipated to capture a larger portion of countywide households. Developable land in Eagle County is becoming scarcer, therefore the amount of entitled, unbuilt development and developable land in Eagle are primary factors of projected household growth.

3. Eagle has a strong, resilient economy and has demonstrated a strong recovery from the pandemic.

In 2021, Eagle reached a total of nearly 4,700 jobs with an average annual wage of \$55,600. The local economy has done well since the COVID-19 pandemic with recent employment gains exceeding 2019 levels. Since 2017, Eagle gained a total of 187 jobs or an average of 47 jobs per year. Eagle has transformed from a community that is primarily residential, supporting other economic engines in the County, to an economic hub and attracts workers from throughout the County. While wages in Eagle have increased by an average of 2.6 percent annually since 2010, they have been drastically surpassed by increases in home prices over this time period.

4. Eagle is a growing economic hub in Eagle County and is projected to add 2,166 jobs by 2040.

The Town has a growing local economy in the County and along the I-70 corridor with a diverse set of industries. Eagle's projected job growth is based on a continued 14 percent share of Eagle County's annual employment. As the County grows, Eagle is anticipated to continue to capture this portion of

countywide jobs. From 2021 to 2040, Eagle is forecasted to grow by approximately 2,166 jobs, or an average of 110 jobs per year at an annual growth rate of 2.0 percent.

5. *Recent building activity is offering more diverse housing options with 58 percent multifamily units and 17 percent attached units approved since 2017.*

The occupied housing inventory increased for both homeowners and renters since 2010. Recent residential development activity shows how the new supply reflects changes in local demand. From 2017 to May of 2022, the Town approved a total of 407 permits for an average of 68 permits annually. This recent and planned housing production offers more diverse options in Eagle with 58.0 percent multifamily units and 17.0 percent attached units.

6. *The current development pipeline will increase the housing supply by over 50 percent with an additional 1,510 units.*

There are 1,510 entitled units in Eagle that are anticipated to develop over the next 5 to 10 years. The magnitude of the entitled but unbuilt inventory is significant, and these entitlements will increase the current housing supply by more than 50 percent. These units are required to meet Local Employee Residency Program (LERP) regulations in place at time of approval and based on existing development agreements they are exempt from future LERP modifications and new affordable housing programs and fees.

7. *The median home price in Eagle increased by over 25 percent annually since 2019. This significantly increased the affordability gap for a household earning 100% AMI.*

Eagle experienced significant increases in average price over the past two years with a 25 percent price appreciation from \$609,300 in 2019 to \$763,200 in 2020 and a 28 percent price appreciation from 2020 to \$982,500 2021. The significant increases in price reflect the increase in demand, which reflects the surge in pricing found in many comparable communities throughout the Rocky Mountain West. This surge can be attributed in part to the pandemic, in which buyers left urban areas and sought out desirable remote communities like Eagle.

8. *Homes in Eagle are increasingly not affordable to households earning 100% AMI or \$90,000 a year as the affordability gap widens each year.*

The difference between the median home price and the price affordable to a household earning 100% AMI is known as the affordability gap. This illustrates the disconnect between market prices and household incomes. In 2020, and each year following, the affordability gap significantly increased, and as of 2022 the affordability gap was \$680,000. As the gap increases, more households are being priced out of the Eagle housing market.

9. *Nearly a third of all households are cost burdened and spend over 30 percent of household income on housing costs.*

Cost burden is defined as spending more than 30 percent of the household's gross monthly income on housing. In Eagle, approximately 32.0 percent of all households are cost burdened. The need for more affordable housing varies based on tenure and AMI level. Renter need is concentrated at lower AMI levels, while owner need is concentrated at the low and high end of the distribution.

10. *The data in this report provide a basis for action.*

The data indicates that the housing demand is strong and has driven pricing above what many households relying on local wages can afford. A series of metrics on market conditions, household income, ability to pay for housing, past trends, and future forecasts indicate that the Town of Eagle is well grounded in taking action to expand the supply of affordable housing.

2. Economic and Demographic Framework

This chapter provides an overview of the resident and household composition in Eagle and Eagle County, comparing existing conditions with historical trends since 2000 and 2010. The local economy in Eagle is summarized with employment and wage trends by industry.



Population and Households

In 2020, the Town of Eagle had 7,484 residents, shown below in **Table 1**. From 2000 to 2010, Eagle doubled in size by gaining a total of 3,451 residents or an average of 345 residents per year, which represents 33.2 percent of the total growth in Eagle County over this time period. Population growth tapered in the following decade, from 2010 to 2020, with a total gain of 1,001 residents or an average of 100 residents per year. This is an annual growth rate of 1.4 percent, which is higher than Eagle County with a 0.7 percent growth rate.

Table 1. Population and Households, 2000-2020

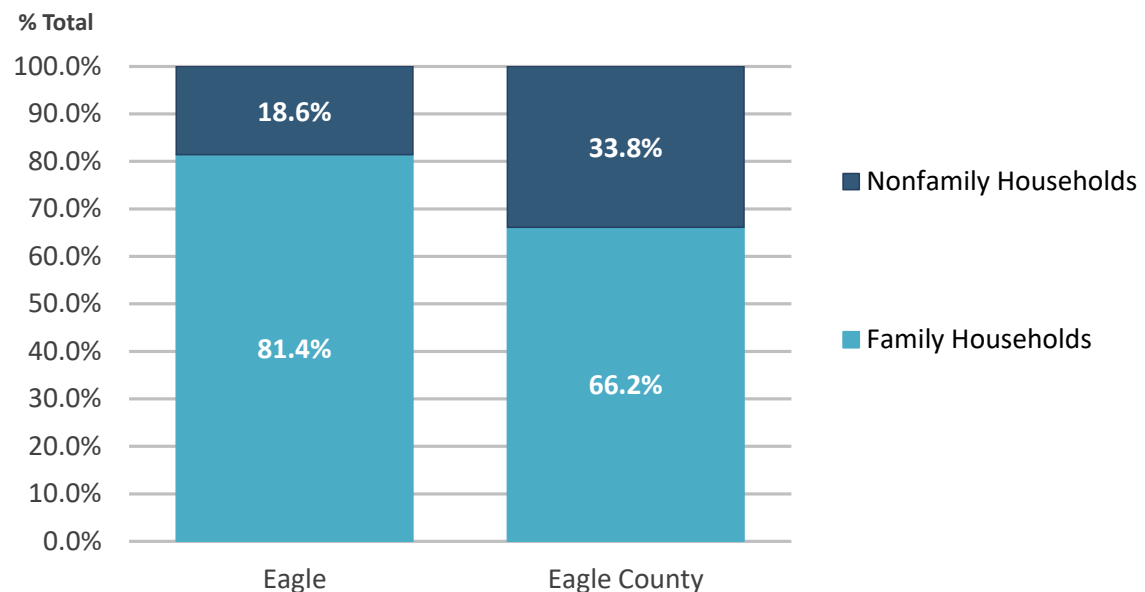
Description	2000	2010	2020	2000-2010			2010-2020		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Population									
Eagle	3,032	6,483	7,484	3,451	345	7.9%	1,001	100	1.4%
Avon	5,561	6,422	6,144	861	86	1.4%	-278	-28	-0.4%
Basalt (part)	2,011	2,917	2,906	906	91	3.8%	-11	-1	0.0%
Gypsum	3,654	6,472	8,078	2,818	282	5.9%	1,606	161	2.2%
Minturn	1,068	1,027	1,026	-41	-4	-0.4%	-1	0	0.0%
Red Cliff	289	266	259	-23	-2	-0.8%	-7	-1	-0.3%
Vail	4,531	5,285	4,803	754	75	1.6%	-482	-48	-1.0%
Unincorporated	21,513	23,185	24,924	1,672	167	0.8%	1,739	174	0.7%
Eagle County	41,659	52,057	55,624	10,398	1,040	2.3%	3,567	357	0.7%
Eagle as a % of County	7.3%	12.5%	13.5%	33.2%			28.1%		
Households									
Eagle	1,064	2,211	2,551	1,147	115	7.6%	340	34	1.4%
Avon	1,890	2,228	2,403	338	34	1.7%	175	18	0.8%
Basalt (part)	800	1,134	1,278	334	33	3.6%	144	14	1.2%
Gypsum	1,150	2,002	2,543	852	85	5.7%	541	54	2.4%
Minturn	399	414	447	15	2	0.4%	33	3	0.8%
Red Cliff	109	98	115	-11	-1	-1.1%	17	2	1.6%
Vail	2,165	2,502	2,372	337	34	1.5%	-130	-13	-0.5%
Unincorporated	7,571	8,313	9,008	742	74	0.9%	695	70	0.8%
Eagle County	15,148	18,902	20,717	3,754	375	2.2%	1,815	182	0.9%
Eagle as a % of County	7.0%	11.7%	12.3%	30.6%			18.7%		

Source: Co. Dept. of Local Affairs (DOLA); U.S. Census Decennial; Economic & Planning Systems

Eagle had a total of 2,551 permanent households in 2020, not including second homeowners, shown above in **Table 1**. Eagle gained 340 households since 2010 or an average of 34 households per year. This represents 18.7 percent of the total household growth in Eagle County. From 2010 to 2020, the County gained 1,815 households, an average of 182 per year to reach a total of 20,717 households in 2020. Eagle's households grew at a faster rate than the County at 1.4 percent annually compared to 0.9 percent annually. From 2010 to 2020, Gypsum and Unincorporated Eagle County also grew quickly with a gain of 541 and 695 households, respectively.

Eagle is home to many families and permanent residents. A family household is defined by the U.S. Census as, "a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption." Family households represent over 80 percent of all households in Eagle, shown in **Figure 1**. This is significantly higher compared to Eagle County with 66.2 percent family households. A nonfamily household is defined by the U.S. Census as, "a householder living alone or where the householder shares the home only with people to whom he/she is not related." Less than 20 percent of households in Eagle are nonfamily households compared to 33.8 percent in Eagle County. Similarly, in 2020 the average household size in the Town was 2.90 persons per household. Countywide, the average household size was lower at 2.68 persons per household.

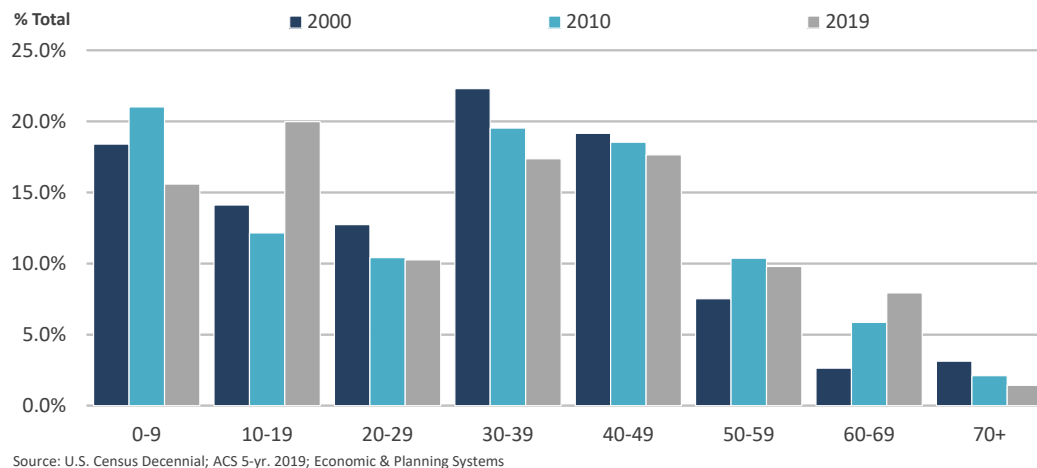
Figure 1. Family and Nonfamily Households, 2019



Source: U.S. Census ACS 5-yr.; Economic & Planning Systems

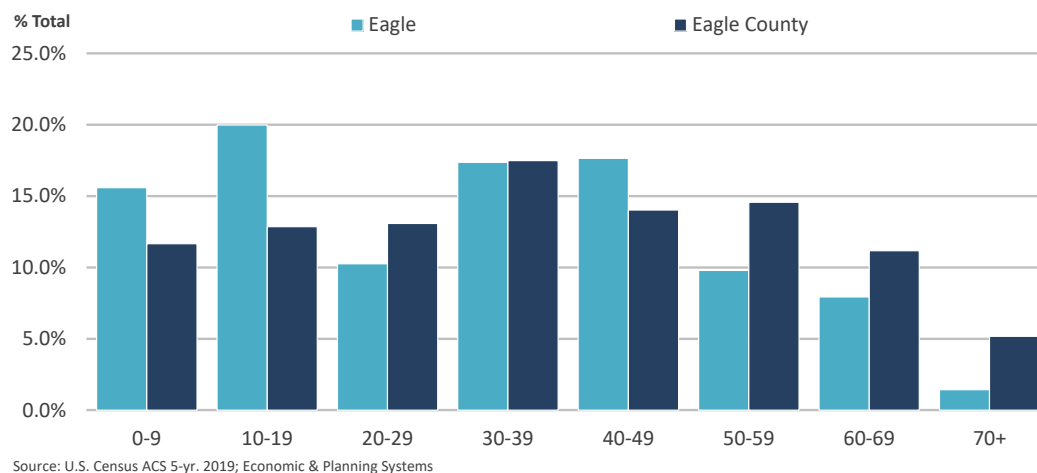
From 2000 to 2019, the Town shifted to a slightly older demographic with 9.4 percent of residents aged 60 and older compared to 5.8 percent in 2000, shown in **Figure 2**. The Town continues to have a strong presence of families, with 35.6 percent of the population aged 19 and younger and 35.0 percent are working age adults, between the ages of 30 and 49.

Figure 2. Town of Eagle Age Distribution, 2000-2019



In 2019, the Town had a median age of 33 years old, which is younger than the County with a median age of 37. This age differential is illustrated in the distribution chart (**Figure 3**) with the most significant contrast in the number of children and teenagers, ages 19 and younger. In the Town this age group accounts for nearly 36 percent of the total population, while in the County it accounts for 25 percent of the population. This represents the large number of families in the Town of Eagle and the composition which includes a solid base of permanent and long-time residents. Other areas of the County, such as resort communities, have higher levels of seasonal workers, who tend to be young adults who work in the service industries that support the resort.

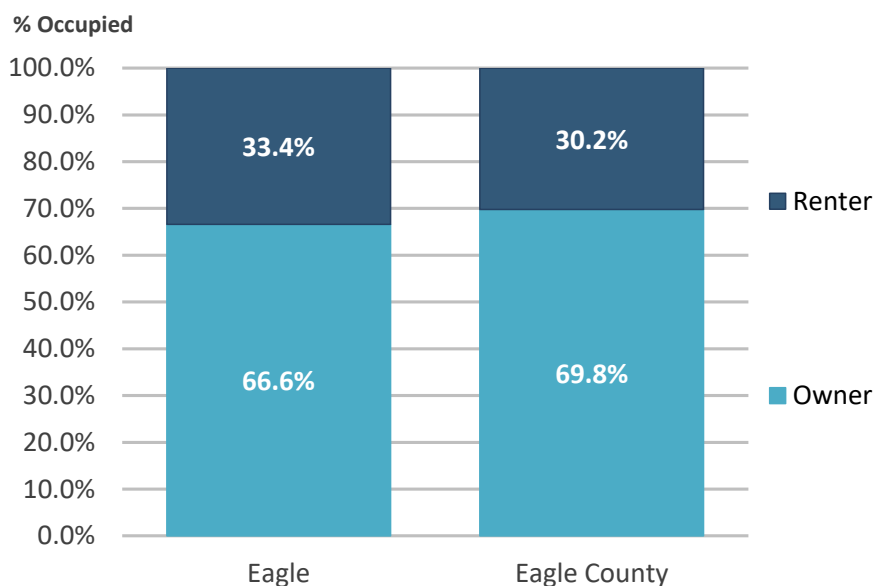
Figure 3. Age Distribution, 2019



The other significant contrast is in the older adults and seniors. This cohort includes retirees, as well as older adults nearing retirement. The County has a larger proportion of adults age 50 and older compared to the Town. This age group represents 31 percent of Eagle County residents and only 19 percent of Eagle residents.

The Town and County have a similar composition of tenure, shown in **Figure 4**. Approximately 67 percent of households are homeowners in Eagle and 33 percent are renters. In Eagle County, homeowners account for approximately 70 percent of all households and 30 percent are renters.

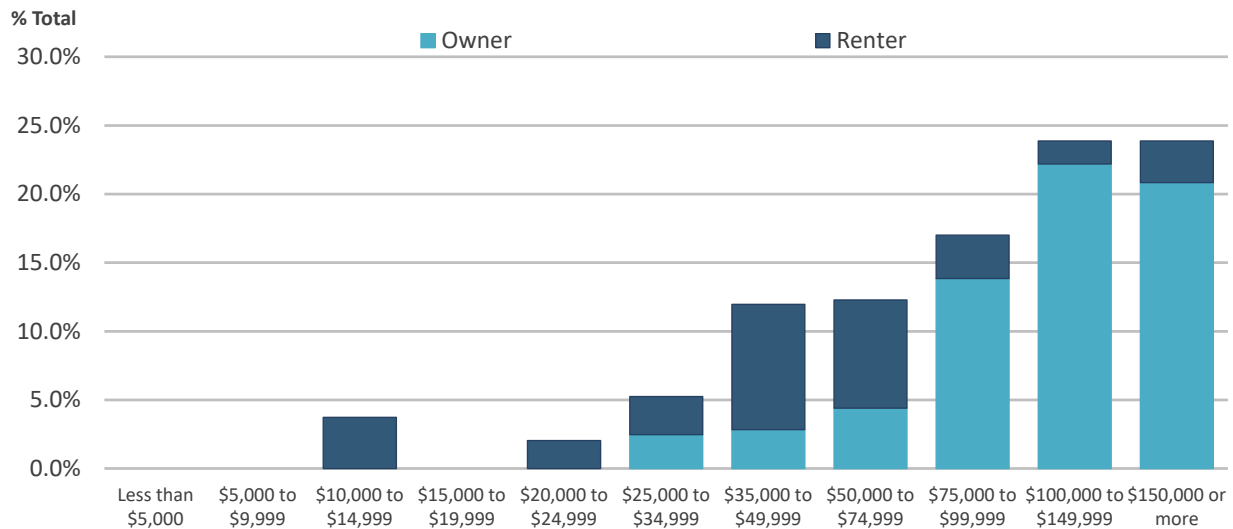
Figure 4. Housing Tenure, 2019



Source: DOLA; U.S. Census ACS 5-yr; Economic & Planning Systems

Households in Eagle have the highest annual incomes compared to other municipalities in Eagle County. In 2019, the median household income in Eagle was \$97,800, while countywide households had a median income of \$84,800 annually. Household incomes are disproportionate between owners and renters. In Eagle, the median household income for homeowners was \$127,700 annually compared to \$48,400 for renters. This disparity is further broken down by income bracket in **Figure 5**, which shows that a majority of households, 57 percent, are owner occupied and earn \$75,000 or more per year. Alternatively, only 8 percent of households that earn this amount are renters. Most renter households, 26 percent, earn less than \$75,000 annually.

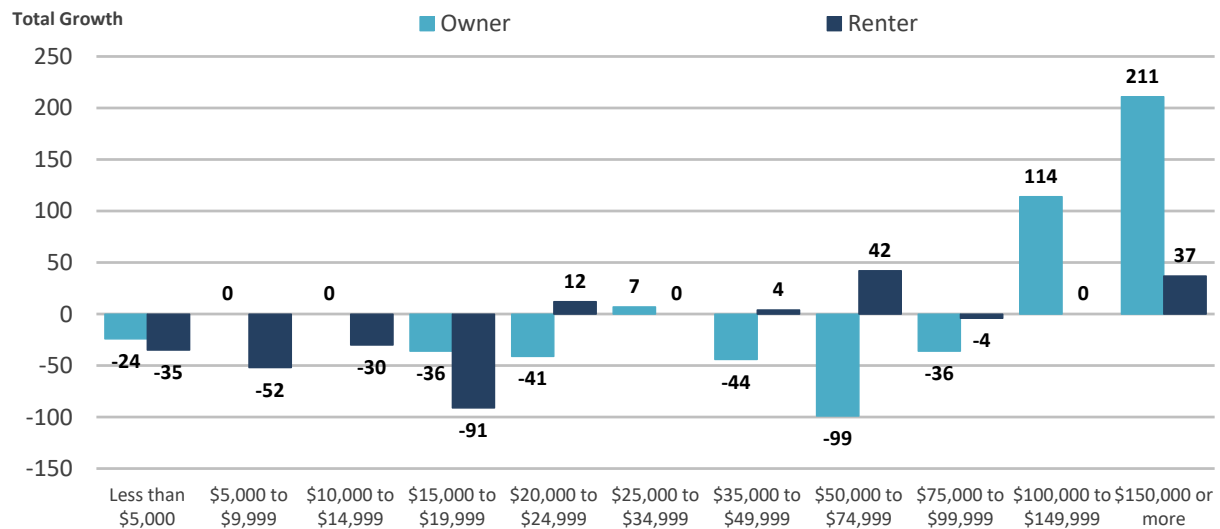
Figure 5. Town of Eagle Household Income Distribution by Tenure, 2019



Source: U.S. Census ACS 5-yr.; Economic & Planning Systems

The change in households by tenure and household income from 2010 to 2019 is shown below in **Figure 6**. Over this timeframe there was significant growth in homeowners with high household incomes. The largest amount of household growth was for homeowners earning \$150,000 or more annually followed by homeowners earning between \$100,000 and \$149,999 annually. For renter households, there was growth for those earning between \$50,000 and \$74,999 and \$150,000 or more annually. Overall, there were declines for lower income households for both renters and homeowners. The data, showing information from 2010 through 2019, reflects more than the incremental effects of inflation. Given the magnitude of the growth in upper income households, the data reflects the changing market conditions in Eagle and its shift in economic composition as it attracts more affluent households.

Figure 6. Town of Eagle Household Growth by Tenure and Income, 2010-2019



Source: U.S. Census ACS 5-yr.; Economic & Planning Systems

Housing Inventory and Characteristics

As noted previously in the sections addressing population and household growth, there has been a tapering in growth rates, which can also be seen in the data for the housing inventory. Housing growth in the Town of Eagle and Eagle County has slowed over the last decade, compared to the period between 2000 to 2010.

From 2010 to 2020, Eagle increased by a total of 289 units or an average of 29 housing units per year. This accounts for about 16 percent of housing growth countywide. Owner occupied units increased the most with a total of 221 units or an average of 22 units per year. Renter occupied units increased by 147 units or an average of 15 units per year.

In 2020, the Town of Eagle had a total of 2,705 housing units, of which 5.7 percent were seasonal/recreational units (second homeowners), shown in **Table 2**. The portion of seasonal/recreational units in Eagle is significantly lower compared to the County where 37.4 percent are seasonal/recreational units. In Eagle, seasonal/recreational units have declined by a total of 79 units or an average of 8 units per year. This illustrates the increased presence of permanent residents with the conversion of second homes into primary residences, indicating that the desirability of the community draws full-time residents.

Table 2. Housing Inventory, 2000-2020

Description	2000	2010	2020	2000-2010			2010-2020		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Eagle									
Owner	675	1,477	1,698	802	80	8.1%	221	22	1.4%
Renter	389	706	853	317	32	6.1%	147	15	1.9%
Seasonal/Rec.	<u>53</u>	<u>233</u>	<u>154</u>	<u>180</u>	<u>18</u>	<u>16.0%</u>	<u>-79</u>	<u>-8</u>	<u>-4.1%</u>
Total	1,117	2,416	2,705	1,299	130	8.0%	289	29	1.1%
Eagle County									
Owner	9,649	12,343	14,457	2,694	269	2.5%	2,114	211	1.6%
Renter	5,499	6,893	6,260	1,394	139	2.3%	-633	-63	-1.0%
Seasonal/Rec.	<u>6,963</u>	<u>12,076</u>	<u>12,392</u>	<u>5,113</u>	<u>511</u>	<u>5.7%</u>	<u>316</u>	<u>32</u>	<u>0.3%</u>
Total	22,111	31,312	33,109	9,201	920	3.5%	1,797	180	0.6%

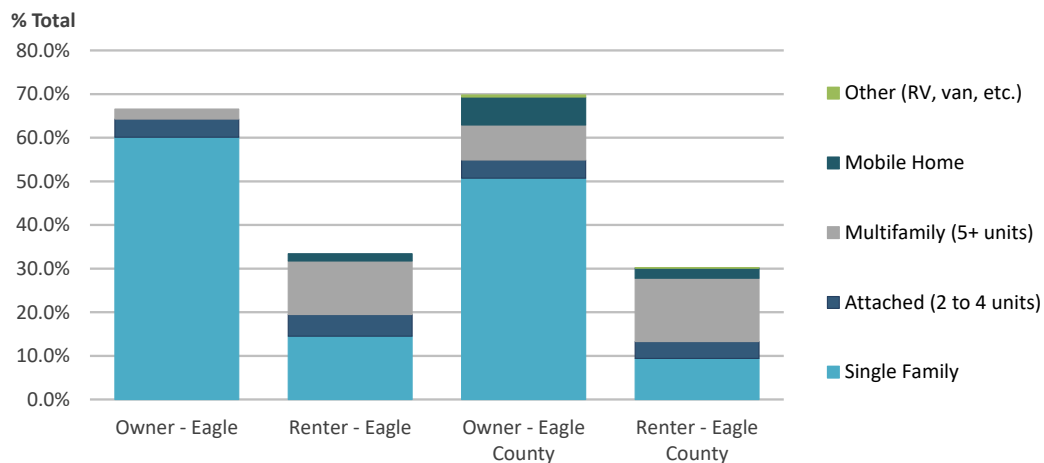
Source: U.S. Census Decennial; DOLA; Economic & Planning Systems

As of 2022, Eagle has a total of 192 Accessory Dwelling Units (ADUs), which are not captured in the table above. ADUs can be built on any single-family residential lot in any residential district within the town. This excludes Planned Unit Developments with separate ADU regulations. ADUs are a way to create additional density and offer more diverse housing options without changing the character of the neighborhood.

In 2020, Eagle County had a total of 33,109 housing units and since 2010 gained 1,797 housing units or an average of 180 units per year. Owner occupied units increased by 2,114 units or an average of 211 per year. Renter occupied units declined over this time period by a total of 633 units or an average of 63 per year. Seasonal and recreational units increased by 316 units or an average of 32 per year. The decline in rental units is likely due to change in the market with greater pressure from part-time residents that can lead to the displacement of renter households. The fact that the County has a diminishing supply of rental inventory places greater pressure on all of the municipalities in the region, in terms of housing their renter households.

Single-family housing units are the most common housing type for ownership households in Eagle and Eagle County, representing 60.1 percent in Eagle and 50.7 percent in Eagle County, shown in **Figure 7**. This includes only existing, built units as of 2019 and does not include entitled projects. Additionally, approximately 4.0 percent of homeowners in Eagle and Eagle County live in attached units. A larger portion of homeowners live in multifamily units in the County, 8.0 percent, compared to the Town with 2.3 percent. Renters live in more diversified housing types compared to homeowners. In Eagle, about 14.5 percent of renters live in a single-family home, which is higher than in Eagle County with 9.4 percent. Alternatively, Eagle County has a larger percentage of renters living in multifamily units with 14.5 percent compared to Eagle with 12.3 percent. In addition, about 4.9 percent of Eagle renters live in an attached unit and 1.7 percent live in a mobile home. Mobile and manufactured homes are an important housing type that are more affordable, for both renters and owners.

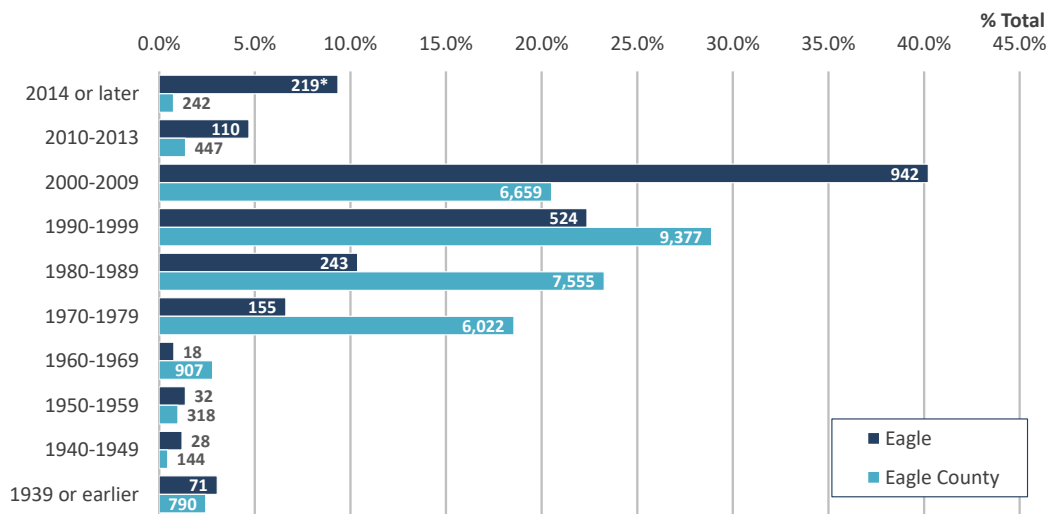
Figure 7. Town of Eagle Occupied Housing Units by Tenure and Type, 2019



Source: U.S. Census ACS 5-yr. 2019; Economic & Planning Systems

The housing inventory is shown by year built for Eagle and Eagle County below in **Figure 8**. Over half of Eagle's housing inventory was built beginning in 2000 with 40.2 percent constructed between 2000 and 2009 and another 14.0 percent constructed between 2010 and 2019. The master planned community Eagle Ranch began construction in the early 2000s and represents the large amount of housing growth during this timeframe. Overall, Eagle consists of newer homes with a median year built of 2000 compared to Eagle County, which has a median year built of 1991. A surge in housing construction in the County can be seen starting in the 1970s with 18.6 percent of the total inventory. The majority of housing in the County, 52.2 percent, was built between 1980 and 1999.

Figure 8. Town of Eagle Housing Inventory by Year Built, 2019



*Based on Town of Eagle building permit data from 2017-2019

Source: U.S. Census ACS 5-yr. 2019; Town of Eagle; Economic & Planning Systems

Employment

COVID-19 Recovery

In 2021, Eagle reached a total of 4,696 jobs, shown in **Table 3**, and recovered from the COVID-19 pandemic with employment exceeding 2019 jobs. Furthermore, since 2017 Eagle gained a total of 187 jobs or an average of 47 per year. Similar to Eagle, Edwards and Gypsum have also recovered from the pandemic with employment levels past those of 2019. Alternatively, resort communities are slower to recover with Avon (not including Beaver Creek) and Vail still below pre-pandemic employment. Eagle County is nearly recovered with 32,900 jobs in 2021. Since 2017, the County gained 505 jobs or an average of 126 per year.

Table 3. Total Employment, 2017-2021

Description	2017	2018	2019	2020	2021	2017-2021		
						Total	Ann. #	Ann. %
Eagle	4,510	4,594	4,659	4,497	4,696	187	47	1.0%
Avon	9,200	9,369	9,357	7,986	8,601	-599	-150	-1.7%
Edwards	3,428	3,499	3,537	3,258	3,560	132	33	1.0%
Gypsum	2,202	2,522	2,791	2,593	2,842	641	160	6.6%
Vail	8,039	8,331	8,416	7,288	7,973	-66	-16	-0.2%
Eagle County	32,396	33,260	33,944	30,331	32,900	505	126	0.4%

Source: CDLE QCEW; Economic & Planning Systems

Employment by Industry

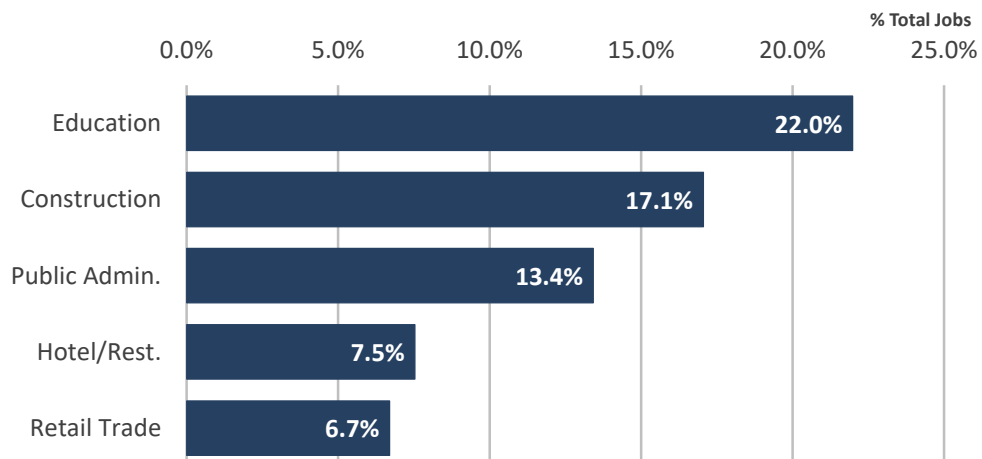
From 2001 to 2010, the Town grew steadily with a total of 324 jobs or an average of 36 per year at a 1.0 percent annual growth rate, shown in **Table 4**. During this timeframe, Construction employment declined significantly by 366 jobs as a result of the Great Recession in 2008.

In the following decade, employment in Eagle grew significantly with 964 jobs added from 2010 to 2021. This is an average of 88 jobs annually at a 2.1 percent annual growth rate, which is more than double the rate of the previous decade. The largest amount of growth occurred in Construction as it recouped most of the jobs lost previously. As of 2021, the largest employment industry is Education with 1,032 jobs or 22.0 percent of total employment, shown below in **Figure 9**. This is followed by Construction with 801 jobs or 17.1 percent, Public Administration with 630 jobs or 13.4 percent, Hotel and Restaurant with 354 jobs or 7.5 percent, and Retail Trade with 315 jobs or 6.7 percent.

Table 4. Town of Eagle Employment by Industry, 2001-2021

Eagle	2001	2010	2021	2001-2010			2010-2021		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	16	16	5	0	0	0.0%	-11	-1	-10.3%
Mining	0	0	0	0	0	---	0	0	---
Utilities	7	7	9	0	0	-0.4%	3	0	2.9%
Construction	851	485	801	-366	-41	-6.1%	316	29	4.7%
Manufacturing	41	31	65	-10	-1	-3.1%	35	3	7.1%
Wholesale Trade	66	140	83	74	8	8.7%	-57	-5	-4.6%
Retail Trade	213	198	315	-16	-2	-0.8%	117	11	4.3%
Transport/Warehousing	87	52	68	-35	-4	-5.6%	16	1	2.4%
Information	63	73	65	10	1	1.6%	-8	-1	-1.1%
Finance	56	91	85	35	4	5.6%	-7	-1	-0.7%
Real Estate	69	88	86	19	2	2.8%	-1	0	-0.1%
Prof./Tech. Services	133	128	278	-6	-1	-0.5%	150	14	7.3%
Mgmt	7	11	16	4	0	5.2%	6	1	3.8%
Admin./Waste Mgmt.	92	228	252	137	15	10.7%	24	2	0.9%
Education	689	992	1,032	303	34	4.1%	41	4	0.4%
Health Care	76	138	280	62	7	6.9%	142	13	6.6%
Arts/Rec.	114	94	149	-20	-2	-2.1%	55	5	4.3%
Hotel/Rest.	299	332	354	33	4	1.2%	22	2	0.6%
Other	119	107	123	-12	-1	-1.1%	16	1	1.3%
Public Admin.	<u>412</u>	<u>523</u>	<u>630</u>	<u>111</u>	<u>12</u>	<u>2.7%</u>	<u>108</u>	<u>10</u>	<u>1.7%</u>
Total	3,408	3,732	4,696	324	36	1.0%	964	88	2.1%

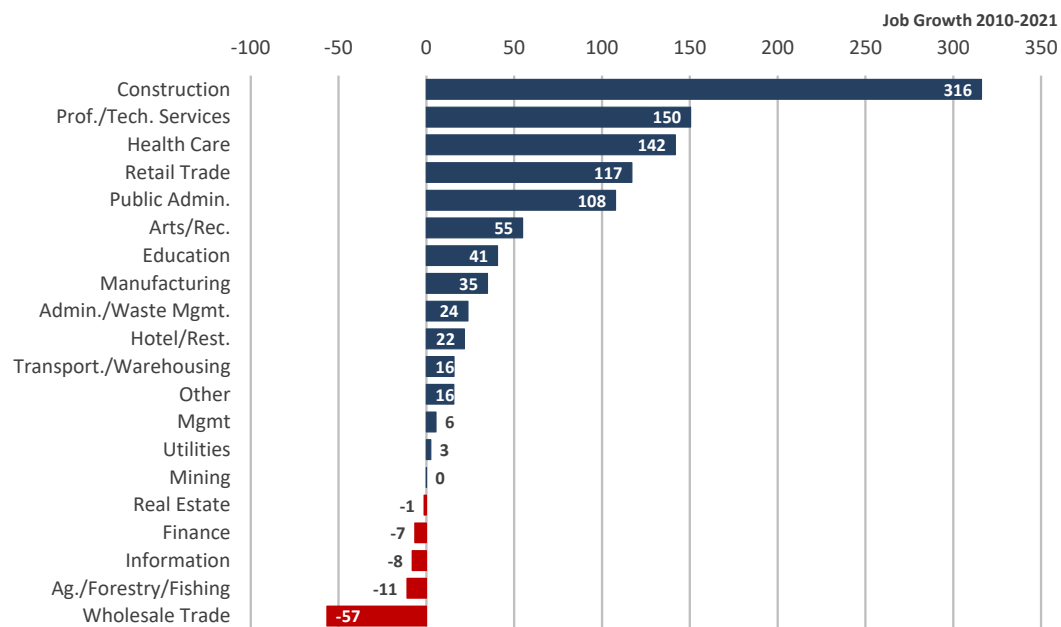
Source: CO Dept. of Labor and Employment (CDLE) QCEW; Economic & Planning Systems

Figure 9. Town of Eagle Largest Industry by Employment, 2021

Source: CDLE QCEW; Economic & Planning Systems

From 2010 to 2021, Construction employment gained over 300 jobs accounting for 32.8 percent of total job growth, shown in **Figure 10**. Over this time, Professional and Technical Services doubled in size with the addition of 150 jobs representing 15.6 percent of job growth. Similarly, Health Care gained 142 jobs (14.7 percent) followed by Retail Trade with 117 jobs (12.1 percent) and Public Administration with 108 jobs (11.2 percent). Overall, most industries grew over this timeframe and only a few experienced a slight decline.

Figure 10. Town of Eagle Employment Growth by Industry, 2010-2021



Source: CDLE QCEW; Economic & Planning Systems

In 2021, the average annual wage in Eagle was \$55,600, shown in **Table 5**. From 2001 to 2010, the average wage increased by nearly \$10,000; an average of \$1,100 per year, or 3.1 percent annually. This growth in wages outpaced the growth in the CPI (Consumer Price Index), showing a real increase in wages for this timeframe. Higher wages are typically correlated to higher housing costs, increasing the pressure on the affordable housing supply within the town.

Since 2010, wages steadily increased by a total of \$13,800 or an average of \$1,250 per year. The highest earning industries include Utilities at \$95,400, Management at \$82,600, and Wholesale Trade at \$77,400. The largest employment industries in Eagle include some of the lowest average annual wages.

Table 5. Town of Eagle Average Annual Wage by Industry, 2001-2021

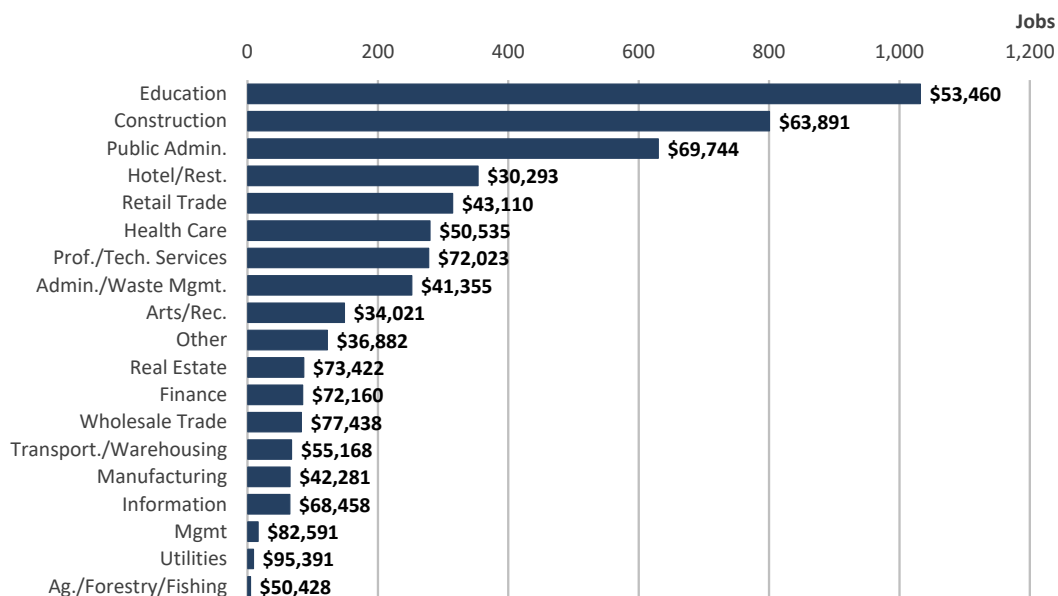
Eagle	2001	2010	2021	2001-2010			2010-2021		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Ag./Forestry/Fishing	\$27,372	\$41,544	\$50,428	\$14,171	\$1,575	4.7%	\$8,884	\$808	1.8%
Mining	---	---	---	---	---	---	---	---	---
Utilities	\$42,378	\$74,307	\$95,391	\$31,929	\$3,548	6.4%	\$21,084	\$1,917	2.3%
Construction	\$34,594	\$48,981	\$63,891	\$14,387	\$1,599	3.9%	\$14,910	\$1,355	2.4%
Manufacturing	\$33,118	\$33,716	\$42,281	\$597	\$66	0.2%	\$8,565	\$779	2.1%
Wholesale Trade	\$40,380	\$60,337	\$77,438	\$19,957	\$2,217	4.6%	\$17,101	\$1,555	2.3%
Retail Trade	\$25,809	\$28,896	\$43,110	\$3,088	\$343	1.3%	\$14,213	\$1,292	3.7%
Transport/Warehousing	\$32,941	\$33,020	\$55,168	\$78	\$9	0.0%	\$22,148	\$2,013	4.8%
Information	\$37,724	\$61,076	\$68,458	\$23,351	\$2,595	5.5%	\$7,382	\$671	1.0%
Finance	\$36,847	\$50,967	\$72,160	\$14,120	\$1,569	3.7%	\$21,194	\$1,927	3.2%
Real Estate	\$25,354	\$35,922	\$73,422	\$10,568	\$1,174	3.9%	\$37,500	\$3,409	6.7%
Prof./Tech. Services	\$39,793	\$44,769	\$72,023	\$4,976	\$553	1.3%	\$27,253	\$2,478	4.4%
Mgmt	\$74,876	\$82,189	\$82,591	\$7,312	\$812	1.0%	\$403	\$37	0.0%
Admin./Waste Mgmt.	\$19,619	\$31,731	\$41,355	\$12,113	\$1,346	5.5%	\$9,623	\$875	2.4%
Education	\$33,690	\$42,131	\$53,460	\$8,441	\$938	2.5%	\$11,329	\$1,030	2.2%
Health Care	\$35,943	\$47,697	\$50,535	\$11,754	\$1,306	3.2%	\$2,838	\$258	0.5%
Arts/Rec.	\$18,179	\$24,324	\$34,021	\$6,145	\$683	3.3%	\$9,696	\$881	3.1%
Hotel/Rest.	\$14,278	\$16,000	\$30,293	\$1,723	\$191	1.3%	\$14,293	\$1,299	6.0%
Other	\$30,176	\$24,166	\$36,882	-\$6,009	-\$668	-2.4%	\$12,715	\$1,156	3.9%
Public Admin.	\$39,664	\$55,296	\$69,744	\$15,632	\$1,737	3.8%	\$14,448	\$1,313	2.1%
Total	\$31,846	\$41,825	\$55,596	\$9,979	\$1,109	3.1%	\$13,770	\$1,252	2.6%

Source: CO Dept. of Labor and Employment (CDLE) QCEW; Economic & Planning Systems

Employment Demand

Jobs are an indicator of housing demand, and the average wages of jobs identify the affordability levels of housing. The total number of jobs by industry are shown in **Figure 11** with the corresponding average annual wage. Eagle's largest industry, Education, has over 1,000 jobs with an average annual wage of \$53,500. The second and third largest industry sectors, Construction and Public Administration, have average wages higher than Eagle's at \$63,900 and \$69,700 respectively. While Hotel and Restaurant and Retail Trade, the fourth and fifth largest industries have much lower average wages at \$30,300 and \$43,100 respectively. The differing wage levels of the largest industries in Eagle represent the varying housing needs of workers.

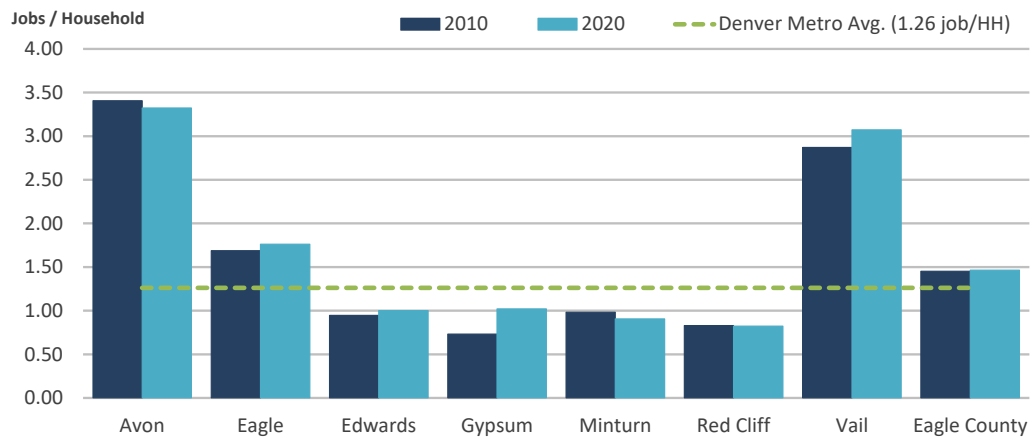
Figure 11. Town of Eagle Employment and Average Annual Wage by Industry, 2021



Source: CDLE QCEW; Economic & Planning Systems

The jobs to household ratio compares the number of jobs in an area to the number of households. This helps to understand the balance between the two. Resort communities have higher ratios due to a higher number of residents with multiple jobs. Eagle has 1.76 jobs per household, shown in **Figure 12**, which is higher than Eagle County with 1.46 jobs per households. Avon and Vail have higher ratios due to their proximity to the two ski mountains in Eagle County and have ratios over 3.0 jobs per household. Other communities in Eagle County have a more balanced ratio of 1.0 jobs per household or less with residents living and working in the community. As a point of comparison, the Denver Metro average is 1.26 jobs per household. A high ratio can indicate multiple job holders and an imbalanced housing market.

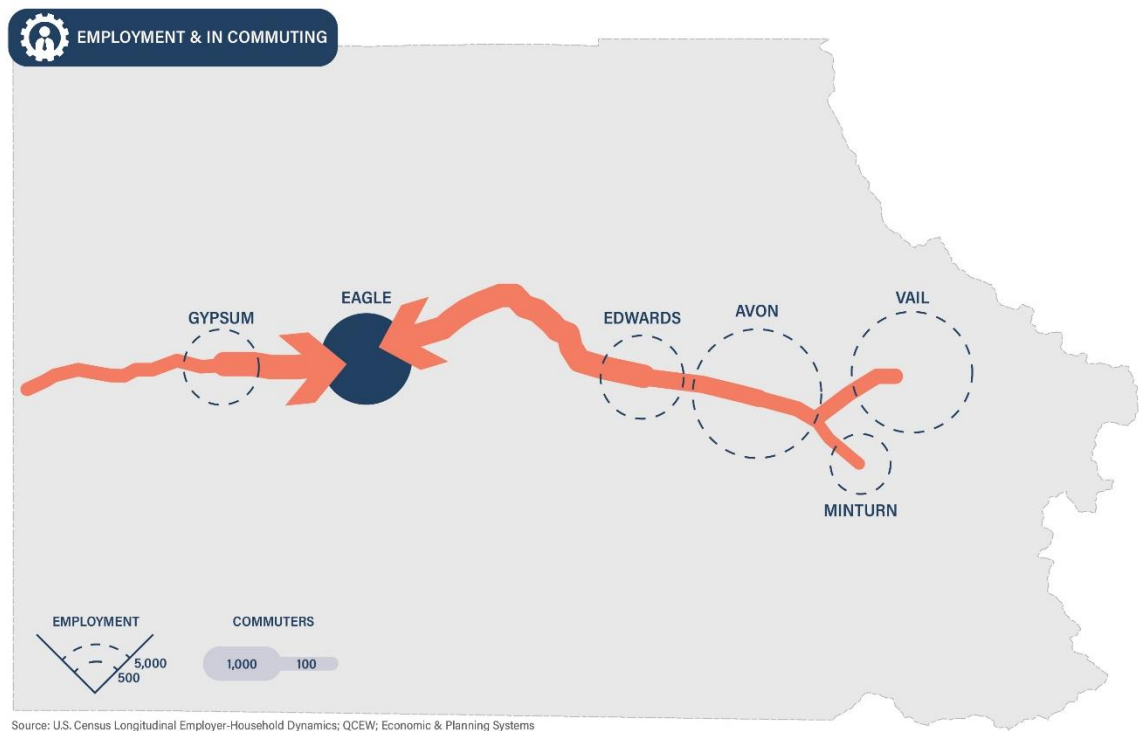
Figure 12. Ratio of Jobs to Households, 2010-2020



Source: CDLE QCEW; DOLA; U.S. Census; Economic & Planning Systems

The Town has many commuters from within Eagle County, which represents the connectivity throughout the County. Eagle has grown as an economic hub and attracts workers from up and down the I-70 corridor. Approximately 56 percent of Town workers live in Eagle County, which is considered local as many workers may prefer to live in other locations and there is a fluidity of residents and workers within the County (**Figure 13**). Alternatively, 44 percent of Town workers commute from outside Eagle County, which illustrates a portion of unmet housing demand of workers. It is important to note that this does include remote workers. Further analysis of commuting patterns will be evaluated as part of the *Eagle Economic Development Plan* to determine the impact on housing and employment demand. The *Eagle Economic Development Plan* will be completed later this year.

Figure 13. Town of Eagle In-Commuting, 2019



3. Housing Supply and Demand

This chapter examines the supply and demand of housing in Eagle. The supply side examines the status of the current inventory, the nature of new residential development, and the affordability of existing housing. The demand side identifies factors influencing the pressure for new housing including employment, the housing market performance, unmet housing needs, and the magnitude of cost burdened households. These supply and demand factors will support the identification of housing targets to establish a more balanced community.



Housing Supply

Residential Development Activity

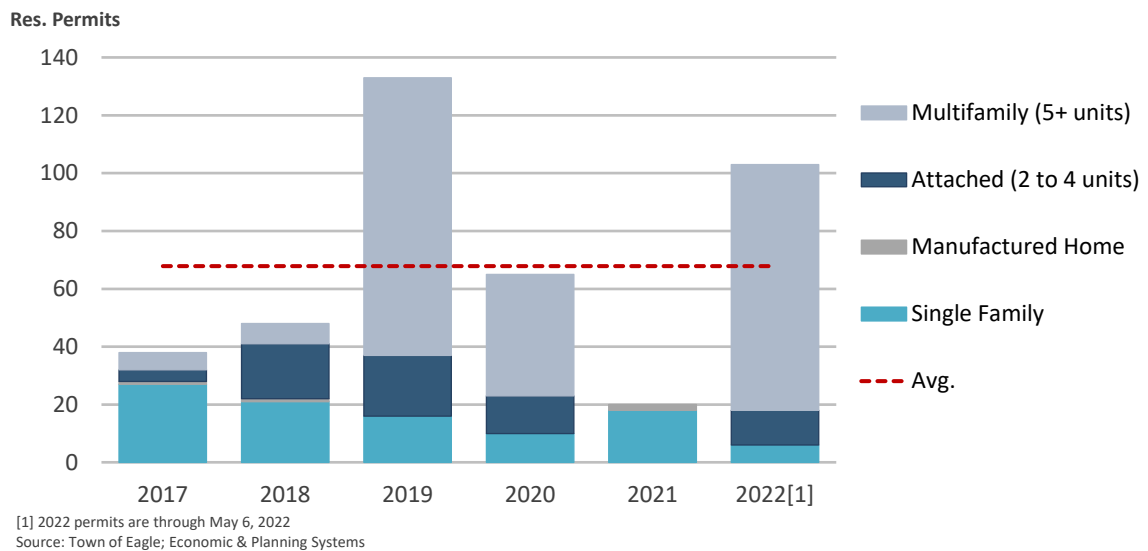
As previously noted in **Table 2**, Eagle is increasing the number of permanent, full-time residents with a decline in seasonal and recreational homes. Since 2010, the occupied housing inventory increased for both homeowners and renters. Recent residential development activity shows how the new supply reflects local demand. From 2017 to May of 2022, the Town approved a total of 407 permits for an average of 68 permits annually, shown in **Table 6** and **Figure 14**. This recent and planned housing production offers more diverse options in Eagle with 58.0 percent multifamily units and 17.0 percent attached units. Additionally single-family detached homes account for 24.1 percent and 1.0 percent are manufactured homes.

Table 6. Town of Eagle Residential Building Permits, 2017-May 2022

Description	2017	2018	2019	2020	2021	2022 ^[1]	2017-2022		
							Total	%Total	Avg.
Single Family	27	21	16	10	18	6	98	24.1%	16
Manufactured Home	1	1	0	0	2	0	4	1.0%	1
Attached (2 to 4 units)	4	19	21	13	0	12	69	17.0%	12
Multifamily (5+ units)	<u>6</u>	<u>7</u>	<u>96</u>	<u>42</u>	<u>0</u>	<u>85</u>	<u>236</u>	<u>58.0%</u>	<u>39</u>
Total	38	48	133	65	20	103	407	100.0%	68

^[1]Through May 6, 2022

Source: Town of Eagle; Economic & Planning Systems

Figure 14. Town of Eagle Residential Building Permits, 2017-May 2022

In addition to the building permit activity, there are 1,490 entitled units in Eagle, shown in **Table 7**. These entitled projects are anticipated to develop over the next 5 to 10 years, but the exact timing will depend on market conditions. The magnitude of the entitled but unbuilt inventory is significant, and these entitlements will increase the current housing supply by more than 50 percent. These units are required to meet the current LERP regulations and based on existing development agreements they are exempt from future LERP modifications and new affordable housing programs and fees. While there are several projects entitled, each has a unique development agreement with the Town to negotiate development requirements, including LERP participation.

Table 7. Town of Eagle Entitled Residential Development, 2022

Description	Single Family/ Attached	Multifamily	Total
Reserve at Hockett Gulch	---	500	500
Haymeadow	493	344	837
Red Mountain Ranch	153*	---	153
Total	646	844	1,490

*Product type varies

Source: Town of Eagle; Economic & Planning Systems

Affordable Housing Inventory

The area median income (AMI) is defined by U.S. Department of Housing and Urban Development (HUD) by county and is adjusted annually, calibrated by household size. The average household size in Eagle is 2.9 persons, therefore a 3-person household is used to identify the AMI thresholds, shown in **Table 8**. In 2021, a 3-person household earning 100% AMI in Eagle County earned \$90,000 annually, and could afford to purchase a home for a maximum of \$352,900 and pay a maximum of \$2,250 per month for rent (assuming not more than 30 percent of household income is spent on housing costs). These AMI definitions are referenced throughout this chapter and used to compare existing market rate housing costs to affordable thresholds.

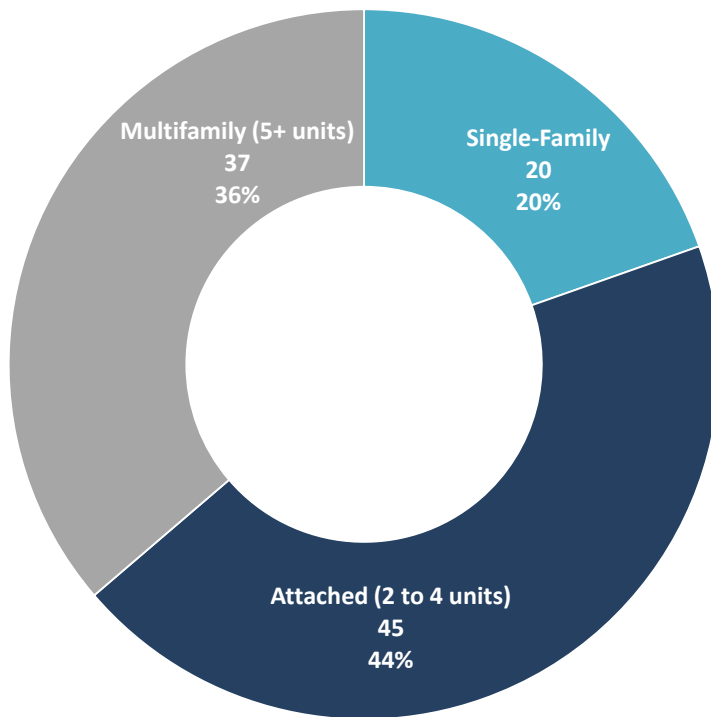
Table 8. Eagle County AMI and Maximum Housing Costs, 2021

Eagle County	80% AMI	100% AMI	120% AMI	140% AMI
Household Income (3-persons)	\$72,000	\$90,000	\$108,000	\$126,000
Max Affordable Home Price	\$259,800	\$352,900	\$446,000	\$539,300
Max Affordable Monthly Rent	\$1,800	\$2,250	\$2,700	\$3,150

Source: HUD; Economic & Planning Systems

The Town has two housing programs in place for inclusionary housing, which include the Local Employee Residency Program (LERP) and Eagle Ranch Locals Housing Program Restrictive Covenant. Both programs require housing projects with 10 or more units to have a minimum of 10 percent of units affordable for lower to moderate income households. There are no household income restrictions tied to the units and the sale price must be affordable for 90% to 100% AMI. While there is not an income cap, there is an appreciation cap, and when units are sold, resale prices are limited to an appreciation cap of 3.0 percent annually. Currently, there are 102 deed restricted homes throughout Eagle (including Eagle Ranch). These units account for approximately 3.8 percent of the Town's housing inventory and consist of a mix of unit types. Attached units, which include 2 to 4 units, account for 44 percent of Eagle's deed restricted inventory with a total of 45 units, shown in **Figure 15**. Multifamily or condominium units account for 36 percent with 37 units and single-family units account for 20 percent with 20 units.

Figure 15. Eagle Deed Restricted Units by Type, 2022



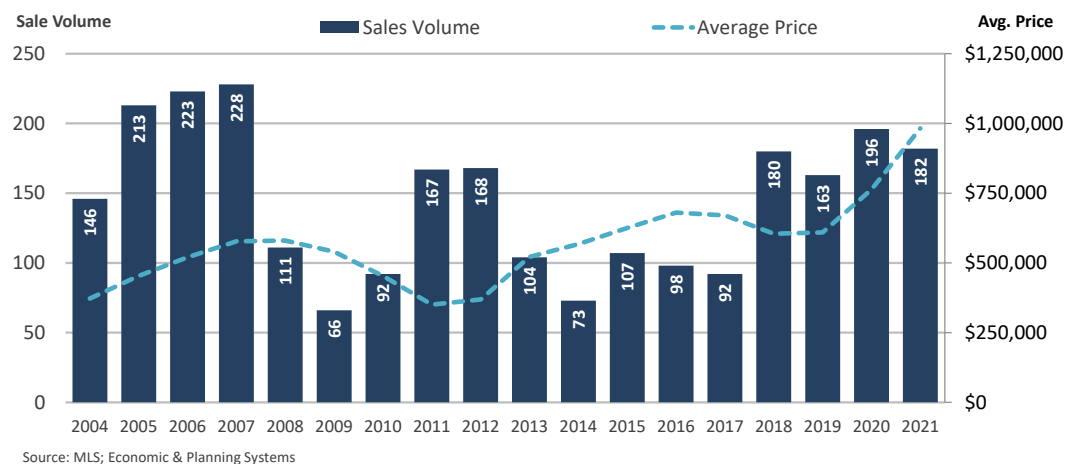
Source: Town of Eagle; Economic & Planning Systems

In addition to deed restricted units, there are five affordable rental housing developments located in Eagle with approximately 192 units. This includes Eagle Villas I + II (120 units) and three age-restricted senior developments—Two10 @ Castle Peak (22 units), Golden Eagle Senior Apartments (36 units), and Seniors on Broadway (14 units).

Residential Sales

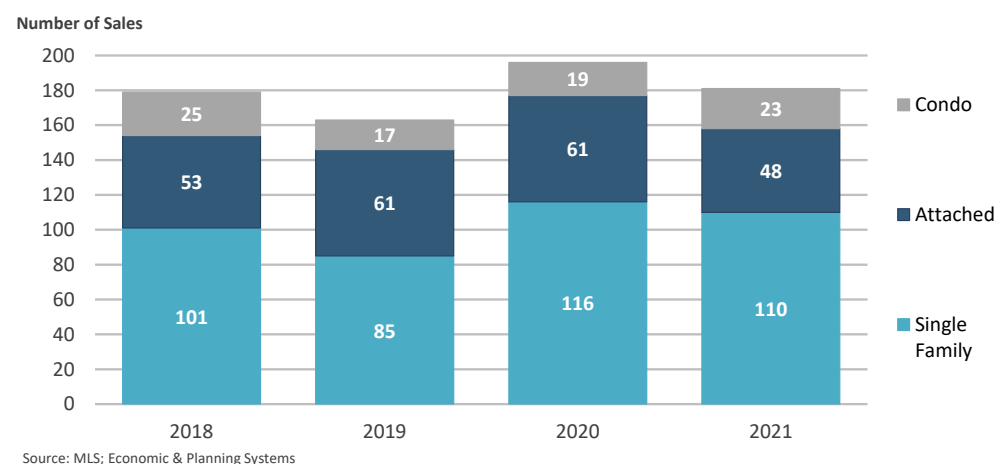
The volume of residential sales in Eagle from 2004 to 2021 is shown below in **Figure 16** with the average annual sale price overlayed. Over this 18-year time period, Eagle had over 2,600 sales with an average of 145 sales per year, which accounts for approximately 14 percent of sales countywide. Residential real estate activity picked up in recent years, since 2018, and the Town is nearly back to the height of sale activity in 2007 with close to 200 annual sales.

Figure 16. Town of Eagle Sales Volume and Average Price, 2004-2021



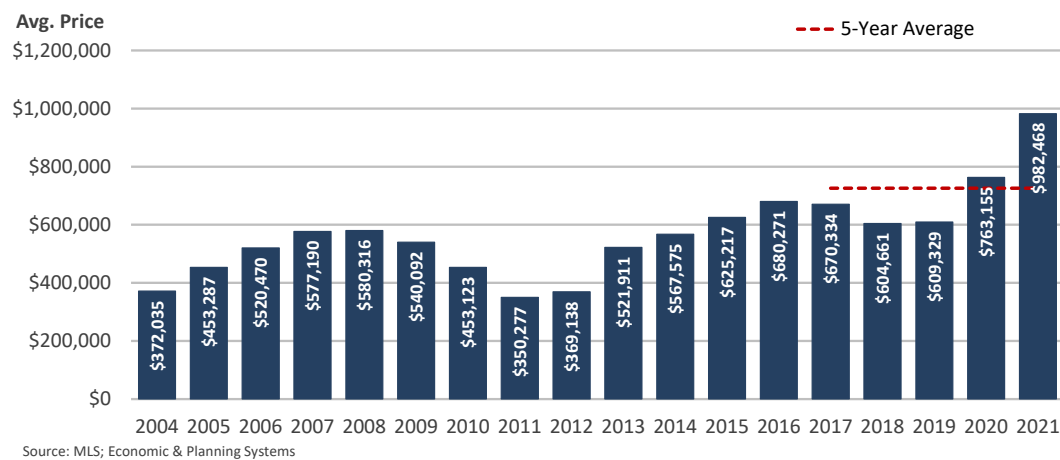
In 2021, the majority of home sales, 61 percent, were single-family detached units, while 27 percent were attached units (such as duplex or townhome units), and 13 percent were condominium units, shown in **Figure 17**. The increase in residential sales in 2020 from the previous years was specifically in single-family detached units, which had 116 sales in 2020 compared to 101 sales in 2018 and 85 sales in 2019. In 2020, attached and condo units had relatively the same number of sales as prior years.

Figure 17. Town of Eagle Sales Volume by Home Type. 2018-2021



The average sale price in the Town of Eagle hit an all-time high in 2021 at \$982,500, shown in **Figure 18**. Eagle experienced significant increases in average price over the past two years with a 25 percent price appreciation from \$609,300 in 2019 to \$763,200 in 2020 and a 28 percent price appreciation from 2020 to 2021. The significant increases in price reflect the increase in demand, which reflects the surge in pricing found in many comparable communities throughout the Rocky Mountain West. This was attributed in part to the pandemic, in which buyers left urban areas and sought out desirable remote communities like Eagle. The Town has experienced a strong residential market with especially high demand and price points over the past two years. Previously, from 2013 to 2019, Eagle experienced increases in the average home price most years with the average price staying in the \$600,000 range. This timeframe represents a period of normalcy when Eagle recovered from the 2008 Great Financial Crisis and before the COVID-19 pandemic.

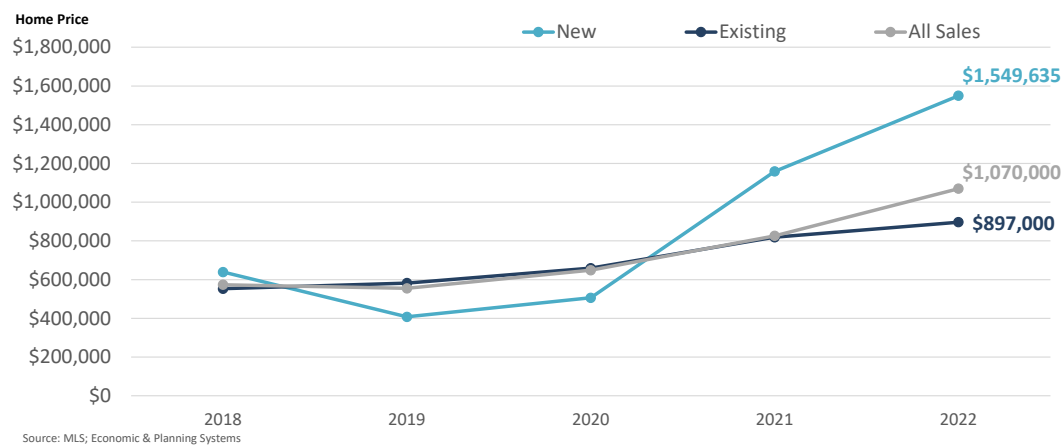
Figure 18. Town of Eagle Average Price, 2004-2021



The following chart and table include the most up-to-date sale data through May of 2022. The data is based on the sales of 57 homes, which is a fraction of the typical sales in a year.

The median home price increased from \$555,000 in 2019 to over \$1.0 million in May 2022, shown in **Figure 19**. New homes are built and sold within a five year period and account for about 20 percent of total sales from 2018 to May 2022. There was minimal price difference between existing and new homes from 2018 to 2020, while in 2021 and 2022 new homes sold at a premium. There was a \$340,000 price differential between a new home versus an existing home in 2021 and this increased to \$653,000 in May 2022. Prior to 2021, there was extremely high demand and lack of new construction causing existing units to have a higher median price. Demand has declined slightly, although still high, and there were more new single-family detached units, rather than new condos or attached units, causing the higher median price for new products.

Figure 19. Town of Eagle Median Sale Price, 2018-May 2022



Residential sales are shown by AMI distribution and unit type in **Table 9** with a green gradient applied to highlight the higher concentrations of units. The AMI distributions in dark green have the highest number of units while light green or white have the lowest number of units. Only 3 percent of all sales were affordable to households earning 80% AMI or less and most of these were attached or condo units. Attached and condo units are a more affordable style of home and most of these units are affordable to households between 81% and 150% AMI. Single-family homes are largely affordable to higher AMI households with about 60 percent between 151% and 300% AMI and 20 percent between 301% and 400% AMI. There is a lack of affordable single-family homes in Eagle, only 5 percent of single-family units were affordable for households at 150% AMI or less.

Table 9. Town of Eagle Home Price by AMI, 2018-May 2022

Price by AMI	Single Family	Attached	Condo	Total	% Total
Less than 30% AMI	1	0	0	1	0.1%
31% - 60%	1	1	1	3	0.4%
61% - 80%	4	5	11	20	2.6%
81% - 100%	1	16	20	37	4.8%
101% - 120%	3	57	28	88	11.3%
121% - 150%	14	87	22	123	15.9%
151% - 200%	103	59	8	170	21.9%
201% - 300%	164	8	1	173	22.3%
301% - 400%	89	0	0	89	11.5%
401% - 500%	36	0	0	36	4.6%
Greater than 500% AMI	36	0	0	36	4.6%
Total	452	233	91	776	100.0%

Source: MLS; HUD; Economic & Planning Systems

Housing Demand

Household Forecast

Eagle County's household forecast is from the Colorado Department of Local Affairs (DOLA). The County is projected to grow by over 5,000 households from 2020 to 2040, shown in **Table 10**. This is an average of approximately 250 households per year at an annual growth rate of 1.1 percent. The Town of Eagle currently accounts for about 12 percent of countywide households. As the County grows, Eagle is anticipated to capture a larger portion of countywide households with about 16 percent in 2040. This forecast is based on several factors, primarily the amount of entitled unbuilt development that exists today.

For this plan, the forecast from 2020 to 2040 calls for approximately 1,600 households, which will capture almost a third of countywide growth. This is an average of 80 households per year at an annual growth rate of 2.5 percent.

Table 10. Household Growth Forecast, 2020-2040

Forecast	2020	2030	2040	2020-2040		
				Total	Ann. #	Ann. %
Households						
Eagle County	21,101	23,572	26,138	5,037	252	1.1%
Town of Eagle	2,551	3,265	4,180	1,629	81	2.5%
% of County	12.1%	13.9%	16.0%	32.3%		

Source: CO Dept. of Local Affairs; Economic & Planning Systems

Employment Forecast

Eagle County's employment forecast is from the Colorado Department of Local Affairs (DOLA). The County is projected to grow by over 16,100 jobs from 2021 to 2040, shown in **Table 11**. This is an average of approximately 850 jobs per year at an annual growth rate of 2.1 percent. The Town of Eagle currently accounts for about 14 percent of countywide jobs. As the County grows, Eagle is anticipated to continue to capture this larger portion of countywide jobs. From 2021 to 2040, Eagle is forecasted to grow by approximately 2,170 jobs and will capture approximately 13 percent of countywide growth. This is an average of 110 jobs per year at an annual growth rate of 2.0 percent.

Table 11. Employment Forecast, 2021-2040

Description	Actual 2021	Forecast 2030	Forecast 2040	2021-2040		
				Total	Ann. #	Ann. %
Eagle County	32,896	43,546	49,008	16,112	848	2.1%
Eagle	4,696	6,096	6,861	2,166	114	2.0%
% of County	14.3%	14.0%	14.0%	13.4%		

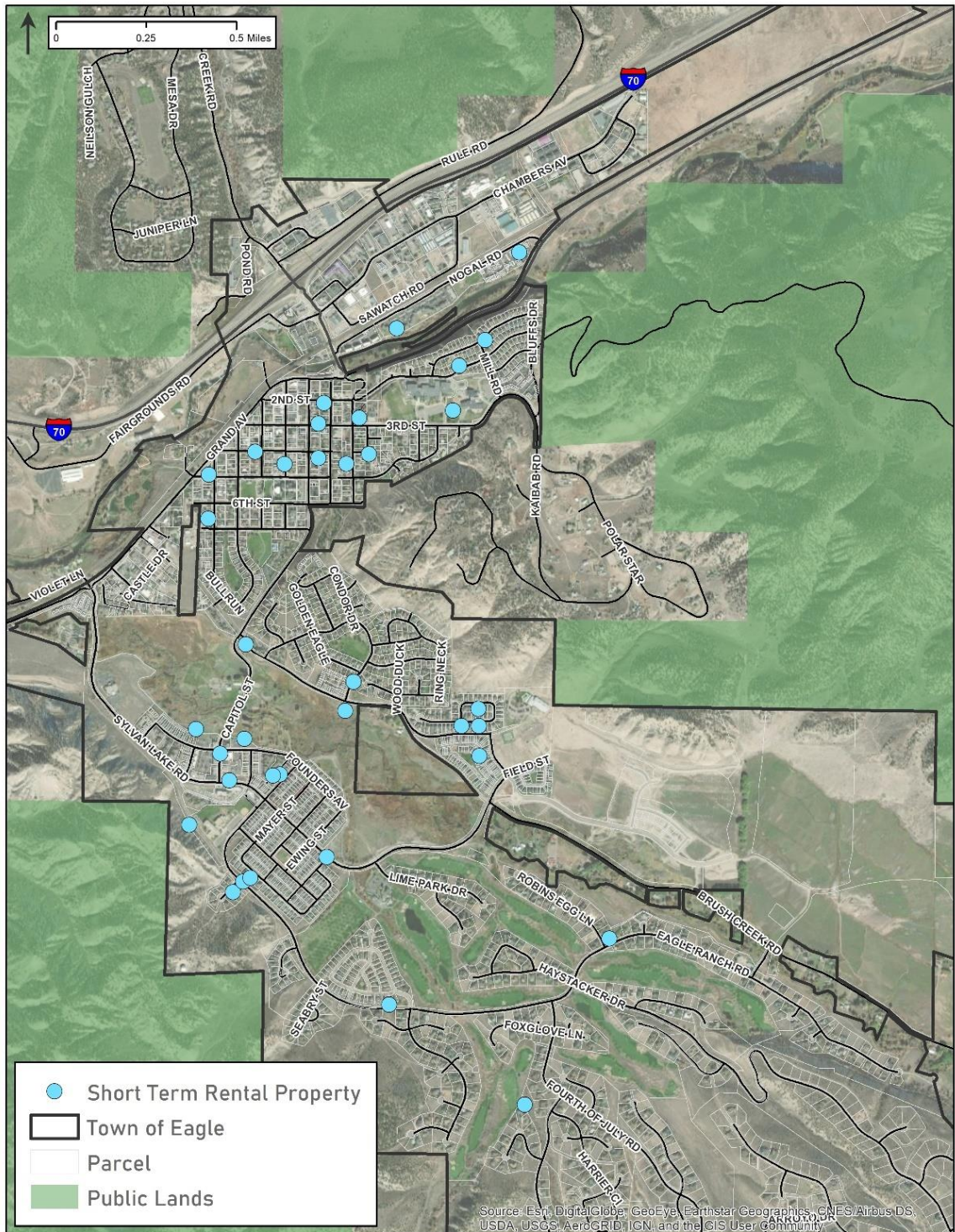
Source: CO Dept. of Local Affairs; Economic & Planning Systems

Short Term Rentals

Short term rental (STR) properties are becoming more of a priority issue in many communities, particularly mountain resorts and resort-impacted locations. STRs reduce the amount of long-term rental housing in a community by eliminating units that could otherwise be rented to the local workforce. This reduces the housing supply and exacerbates housing issues in mountain and resort communities where inventory is already extremely limited. In turn, this can displace full-time residents and workers when they are unable to find housing. Additionally, a large amount of STRs can diminish the community character with a lack of full-time residents actively engaged in the community throughout the year.

There are currently 36 short term rental properties in Eagle, including 14 in Eagle Ranch, shown in **Figure 20**. Approximately 51 percent of the STRs are entire homes or apartments and 49 percent are a private room or guest suite, in which the main unit is occupied by the property owner. STRs do not currently pose a threat to Eagle's housing availability and represent approximately 1 percent of the total housing inventory. The Town has an opportunity to be proactive about STRs and implement regulations for them now before they become a larger issue as other mountain and resort communities have experienced.

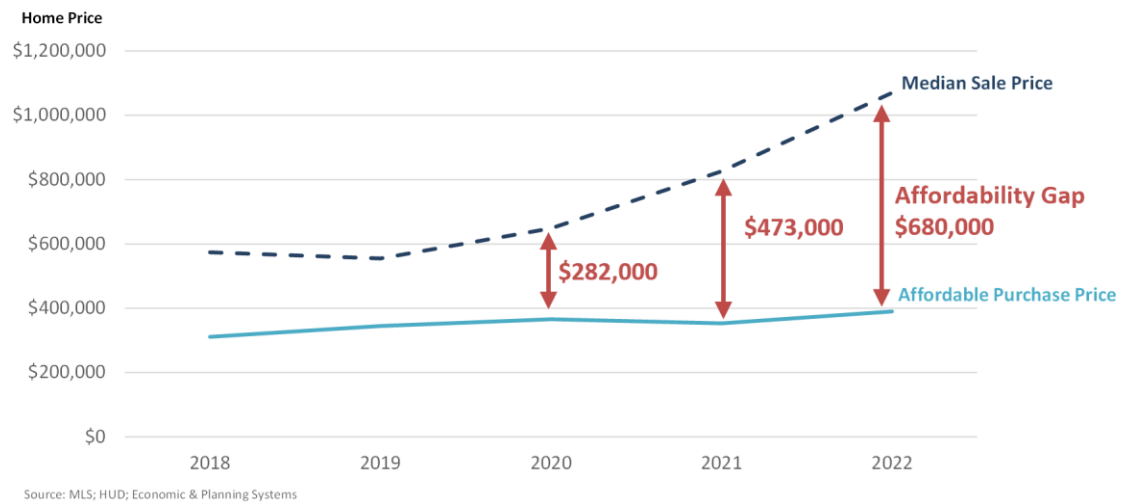
Figure 20. Town of Eagle Short Term Rentals, 2022



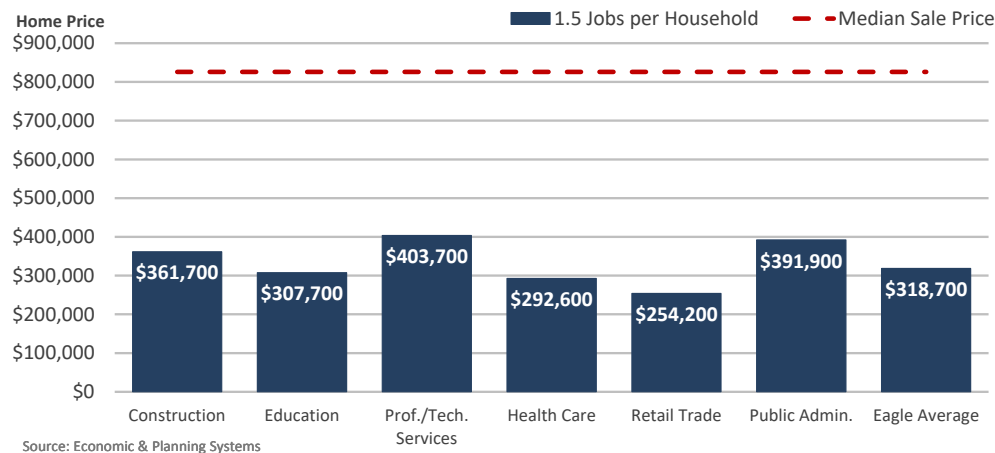
Housing Affordability

Homes in Eagle are increasingly not affordable to households earning 100% AMI or \$90,000 a year, shown in **Figure 21**. The difference between the median home price and the price affordable to a household earning 100% AMI is the affordability gap. This illustrates the disconnect between market prices and household incomes. From 2018 to 2019 the affordability gap contracted with a slight increase in the affordable purchase price and a slight decline in the median sale price. In 2020 and each year following, this gap significantly increased. In 2022, the affordability gap is a \$680,000 price differential. According to the Eagle's Community Survey in 2021, over 50 percent of respondents worry about affording to live in Eagle in the future or can no longer afford to live in Eagle and moved.

Figure 21. Town of Eagle Affordability Gap, 2018-May 2022



Another perspective on housing affordability is to compare the potential acquisition price of a home, based on local wages, to the median sales price. For this exercise, the affordable purchase price of a home was calculated based on the average annual wages for six industries along with the Town average. These six industries are either one of the largest or fastest growing in Eagle and show the price individuals can afford to spend on a home. This calculation assumes 1.5 job earners per household with 1.0 wage earner in the identified sector plus 0.5 wage earner at the Town average. A household earning the average annual wage in Eagle (\$55,600) can afford a home that costs \$318,700, shown in **Figure 22**. Even higher earning industries, like Professional and Technical Services, cannot afford a home in Eagle at the median sale price.

Figure 22. Affordability by Average Industry Wage, 2021

Cost Burdened Households

Cost burden is defined as spending more than 30 percent of the household's gross monthly income on housing. In Eagle, approximately 32.0 percent of all households are cost burdened, shown in **Table 12**. The need for more affordable housing varies based on tenure and AMI level. Renter need is concentrated at lower AMI levels, while owner need is concentrated at the low and high end of the distribution. About 18 percent of renter households below 80% AMI are cost burdened, including 12 percent between 30% and 60% AMI. Approximately 6 percent of owner households below 80% AMI are cost burdened as well as 4 percent of households over 200% AMI.

Table 12. Town of Eagle Cost Burdened Households, 2019

Description	Eagle	
	Total	% of HHs
Owner		
Under 30% AMI	17	0.9%
30% to 60% AMI	84	4.4%
60% to 80% AMI	5	0.2%
80% to 100% AMI	5	0.3%
100% to 120% AMI	5	0.3%
120% to 150% AMI	7	0.4%
150% to 200% AMI	12	0.7%
Above 200% AMI	74	3.9%
Total	210	11.0%
Renter		
Under 30% AMI	65	3.4%
30% to 60% AMI	235	12.3%
60% to 80% AMI	50	2.6%
80% to 100% AMI	23	1.2%
100% to 120% AMI	3	0.1%
120% to 150% AMI	4	0.2%
150% to 200% AMI	7	0.3%
Above 200% AMI	13	0.7%
Total	400	21.0%
Total Cost Burden Households	610	32.0%

Source: U.S. Census ACS 5-year, HUD; Economic & Planning Systems

Housing Gaps

Housing gaps are identified by comparing the number of households to housing units at each AMI level for owners and renters. The distribution of households is based on the incomes of all wage earners, benchmarked to the HUD 100% AMI baseline. The distribution of housing costs is based on home value and gross rent as reported by the American Community Survey (ACS). This represents the disparity between the existing housing supply and household incomes. Owner occupied units have significant gaps between 101% to 150% AMI, shown in **Table 13**, as well as over 200% AMI. Renter occupied units have significant gaps at 60% AMI and below. According to the Eagle's Community Survey in 2021, 75 percent of respondents either have struggled or know someone who has struggled to find housing.

Table 13. Town of Eagle Housing Gaps, 2019

Description	Total
Owner	
Less than 30% AMI	-2
31% to 60% AMI	-102
61% to 80% AMI	-57
81% to 100% AMI	-126
101% to 120% AMI	-175
121% to 150% AMI	-179
151% to 200% AMI	-116
Greater than 200% AMI	-254
Total	0
Renter	
Less than 30% AMI	-73
31% to 60% AMI	-137
61% to 80% AMI	233
81% to 100% AMI	33
101% to 120% AMI	-25
121% to 150% AMI	3
151% to 200% AMI	13
Greater than 200% AMI	-55
Total	0

Source: U.S. Census ACS 5-year; HUD; Economic & Planning Systems

4. Housing Targets

This chapter examines where the most significant affordability gaps are in the housing inventory to identify housing goals. Housing needs are evaluated in terms of “catch up” and “keep up” to estimate housing targets. Catch up determines the need to meet existing housing demand and keep up determines the need to meet future housing demand. Together, catch up and keep up establish a housing target broken down by AMI level for the next 20 years.



Catch Up

Catch up addresses improving existing affordability conditions based on data that reflects the current market and current community composition. The catch-up need is based on supporting a portion of existing cost burdened households. There are currently 610 cost burdened households in Eagle across all AMI levels. A recommended target for Eagle is to reduce the number of cost burdened households by 50 percent for households at 140% AMI and below. The catch-up need also addresses unmet housing demand from workers having to commute into Eagle because they cannot find affordable housing in Eagle or Eagle County. Currently, 16 percent of Eagle’s workers both live and work in Eagle, with the balance commuting in. Due to the interconnected economy and community in Eagle County, the catch-up need is only focused on in-commuters traveling from outside the County. Therefore, a modest goal to increase the existing 16 percent of workers who live in Eagle to 20 percent is recommended. This results in a total catch up need of 362 units, shown below in **Table 14**.

Keep Up

Keep up estimates the amount of housing that will be needed to maintain housing demand generated by employment growth in Eagle. Eagle is projected to add 2,166 jobs by 2040 based on a continued 14 percent share of Eagle County employment (**Table 11**). Eagle has an average of 1.2 jobs per worker, which is applied to the projected job growth by dividing 2,166 by 1.2 to calculate the number of workers. To estimate the number of households the new jobs will generate, the number of workers is divided by the number of jobs per household,

1.7. This results in 1,062 households generated by job growth. The final step is to apply the percentage of workers that will live in Eagle, which is based on the same catch-up goal of 20 percent. This results in a total keep up need of 212 units, shown in **Table 14**.

The AMI distribution is based on average annual wages by industry assuming 1.7 jobs holders per household. The resulting household income distribution reflects the composition of Eagle's local wage earners, as noted in the previous section. Given that it factors in financial gaps by AMI, there is a greater concentration of need at the lower AMI levels. The total housing target for Eagle is 574 units at 140% AMI or less by 2040. This includes 51 units at less than 30% AMI, which are extremely low income and are typically funded through federal programs. The Town should focus on the housing target between 30% and 140% AMI of 523 units or an average of 29 units a year. This includes a need for 198 units (35 percent of the total target) between 30% and 60% AMI, which are typically funded through state programs. The target includes 110 units or 19 percent between 80% and 100% AMI. The balance of 126 units are needed from 100% up to 140% of AMI. It is important to note that the housing target can include net new units (new construction that increases the overall housing inventory) as well as converting exiting units to affordable units at 140% AMI and below through buy-down, deed restriction, or covenant.

Table 14. Eagle Housing Targets, 2022-2040

Description	Catch Up	Keep Up	Total	%Total
Assumptions				
Jobs per Employee	---	1.2		
Jobs per Household	1.7	1.7		
% of Workers to House Locally	20%	20%		
% of Cost Burdened HHs to Support	50%	---		
Need by AMI				
Less than 30% AMI	41	10	51	8.9%
30% to 60% AMI	160	38	198	34.5%
60% to 80% AMI	36	53	89	15.5%
80% to 100% AMI	42	68	110	19.2%
100% to 120% AMI	50	34	84	14.6%
120% to 140% AMI	<u>33</u>	<u>9</u>	<u>42</u>	<u>7.3%</u>
Total	362	212	574	100.0%

Source: Economic & Planning Systems

5. Affordable Housing Strategies

This chapter describes in detail the affordable housing strategy recommendations in Chapter 1. These strategies were identified based on the market conditions and housing supply and demand summarized in prior chapters, peer community research, and discussions with Town staff and Town Council. The recommended strategies are intended for implementation and were vetted with Town staff and Town Council to

determine their viability. The Town is well positioned to take action and create sustainable solutions for affordable housing that will enhance the vibrant community by addressing the needs for a variety of household types.



Peer Community Strategies

Peer communities for Eagle were identified based on location, size, and community characteristics. The existing affordable housing policies for these communities are summarized in **Table 15**. Communities identify a housing target based on existing and future needs. This target identifies a specific housing goal to work towards and influences the implementation of various policies and programs. Of the peer communities selected, Breckenridge, Crested Butte, Durango, and Vail have housing targets identified.

- **Breckenridge** – Housing target of 1,171 affordable units, including 841 for-sale units and 330 rental units between 30% and 180% AMI.
- **Crested Butte** – Housing target of 30 percent of units deed restricted to local residents (resident occupied deed restriction). Currently, Crested Butte has 23 percent of units deed restricted (which translates to about 225 units) and is 75 units away from its goal. In addition, Crested Butte has a goal to own 15 rental units to lease to Town employees. As of 2021, it had obtained 10 units towards this goal.
- **Durango** – Housing target of 1,000 affordable units by 2040.
- **Vail** – From 2018 to 2027, Vail’s housing target is to add 1,000 net new deed restricted units as part of the Vail InDEED program. The deed restrictions require resident occupied (RO) households, but do not have limits on resale or income qualifications.

Housing policies in peer communities were evaluated to understand the approaches nearby communities are using and how Eagle compares. Half of the peer communities have an inclusionary housing policy in place and most without have a buy-down program instead. The inclusionary housing ordinance requirements vary, but Eagle has the lowest requirement at 10 percent of developments with 10 or more units. Carbondale and Basalt have the most aggressive policies that require 20 percent of all units in Carbondale and 20 percent of two or more units in Basalt. All peer communities, except Eagle, have either an STR fee or tax and most also have an STR cap. The number of STRs in Eagle is low, but the Town could be proactive to control increases in STRs in the future. Fee waivers for affordable housing are available in four communities, including Eagle.

Eagle County administers two buy-down programs (Locals First Program and Good Deeds Program) that can be used throughout the County. These programs are described in more detail on page 46. In addition, there is a buy-down program exclusively in Eagle Ranch, which is administered through The Valley Home Store. Buy-down and deed restriction acquisition are also in Avon, Breckenridge, Crested Butte, and Vail. Additionally, Breckenridge has the only land bank program, which has been successful with the development of affordable units in two subdivisions (Block 11 and McCain).

Table 15. Peer Community Affordable Housing Policies, 2022

Community	IHO	STR Fee/Tax	STR Cap	Fee Waiver	Buy-Down/ DR Acq.	Land Bank
Eagle 37 STRs	10% of 10+ units	X	X	Yes	Eagle Ranch only	X
Avon 945 STRs	X	\$150-\$500 annual fee; 2% tax	15% cap in overlay district	Yes	Yes	X
Basalt 70 STRs	20% of 2+ units	\$150 annual fee	Restricted by type	X	X	X
Breckenridge	X	\$400/br annual fee	Caps by zone	Yes	Yes	Yes
Carbondale	20% of all units	Annual fee based on bedrooms	Primary res. and ADUs	X	X	X
Crested Butte	X	\$750 annual fee; 7.5% tax	Caps by zoning and type	X	Yes	X
Durango	16% of 4+ units	\$750 annual fee	Zoning restrictions	X	X	X
Fruita	X	\$25 annual fee	Cap in DT	X	X	X
Glenwood Springs	20% of 10+ units	\$250 annual fee	Zoning restrictions	Yes	X	X
Vail 2,834 STRs	X	\$260 annual fee	X	X	Yes	X

Framework

This *Comprehensive Affordable Housing Assessment* is organized in two ways—priority or timing of implementation and lead entity or partnerships. The high priority recommendations are for near-term implementation, while others are for long-term implementation. The high priority recommendations should be of focus and streamlined for adoption. Many of these are crucial to increase the affordable housing supply in Eagle. The Town of Eagle is the lead entity and can implement the majority of the recommendations. There are partnership recommendations in which the Town would partner with Eagle County, Eagle Ranch Housing Corporation, private developers, and/or nonprofit or other organizations.

Town of Eagle Strategies

Inclusionary Housing Ordinance (IHO)

The Town's existing inclusionary housing ordinance should be updated to increase the supply of affordable housing and establish explicit guidelines for different types of housing. These updates should apply to both LERP and Eagle Ranch Locals Housing Program Restrictive Covenant. Additionally, it is recommended to combine these programs for ease of administration and consistency. It is recommended to decrease the current minimum unit threshold the IHO applies from 10 units or more to 3 units or more. Furthermore, it is strongly encouraged to increase the affordability percentage from 10 percent to 15 percent or 20 percent, if there is enough support from the community and Town Council. Combined, these revisions will have a significant impact on the community by applying IHO to both small and large projects and increase the number of affordable housing units in Eagle.

Eagle's IHO applies to both ownership and rental units, although the policy only explicitly identifies ownership guidelines. The Town should add explicit guidelines in the ordinance for rental units that are tied to an AMI cap, such as 140% AMI per the affordable housing definition. Additionally, it is recommended to identify a priority list for filling affordable housing units based on a tiered level. This can include specific employment groups, such as teachers, police, and local government employees as a first tier priority followed by local residents and/or employees as a second tier that is weighted by AMI level to give lower AMI households a higher priority.

Commercial Mitigation Fee

Housing mitigation is a common strategy used in Colorado resort communities to address the impact a particular development has on a community's overall housing supply. Mitigation fees are used in Mountain Village, Telluride, and under review in Vail. The mitigation fee places the responsibility on the developer to fulfill the housing need generated by the new development. A fee is levied per

square foot or unit of new development based on employment generation from a nexus study. The nexus study shows the linkage of how new development causes increased employment need, which increases demand for housing. The fee is applied at the time of building permit. Ultimately, developers are encouraged to build units on-site but can also pay the fee instead. The revenue from the mitigation fee can be used to fund affordable housing programs and developments. A mitigation fee can be established for residential and commercial development. It is recommended for Eagle to implement a mitigation for commercial development only. The residential mitigation is already captured in the inclusionary housing ordinance.

Vacant Land Inventory

The Town of Eagle is largely built out or entitled for development. There may be opportunities for acquisition of property adjacent to Eagle in the County. Elev8 is working with Eagle County and each municipality to develop an inventory of public land suitable for workforce housing. It is recommended for Eagle to build upon this analysis and develop an inventory of vacant land (public and private) for potential acquisition and annexation. Within this inventory it is important to include properties that are not currently developable, such as those in need of water rights or infrastructure. These properties will likely not develop until after all other properties but will be critical when the limited supply diminishes.

Density Increase

In the updates to Eagle's Land Use Code, it is recommended to permit additional density for single-family zone districts to allow for duplexes, triplexes, and other multiunit as a use by-right. This will increase density in most areas of town without drastically changing the character. Single-family lots will be able to develop with additional units that will increase the housing supply in Eagle as well as diversify the housing stock and potentially offer more affordable units.

Density Bonus

In the updates to Eagle's Land Use Code, it is recommended to offer a density bonus in specific nodes of town for the inclusion of affordable units. The density bonus would permit an additional 1- to 2-stories to build up to 4- or 5-stories by including a certain percentage of affordable units in the development, which would be tied to LERP requirements. At a minimum, a 1-story bonus should be offered, although the larger the bonus the more enticing it is for developers. As the inclusionary housing requirements increase, a density bonus can help offset the costs of the affordable units and encourage developers to include units on-site. A density bonus is mutually beneficial for a developer and the Town by increasing the viability of a project and constructing affordable units in key nodes within town. The density bonus should be strategically permitted along corridors and nodes where a higher density is desirable. This may include Downtown along Broadway Street, Grand Avenue, and West Eagle in areas where development can

be concentrated to establish a mix of uses and increased activity. View corridors and lower density areas should be avoided. The recommendation of adopting a density bonus for affordable housing will be further vetted and resolved through community process in 2023.

Certificate of Participation (COP)

Certificate of Participation is a financing tool where a share of the lease revenues is purchased by an investor. The primary goal of COPs is to broaden the bonding potential of a given municipality. COPs provide a 'market recognized' bonding tool that generates proceeds to be used for a public purpose and reduces the cost of the funds, given the pledge required by the sponsoring entity. The pledge provides bond investors with recourse as a municipal asset, such that there is collateral that supports the bond. Examples include municipal buildings and land, vehicles of substantial value (i.e., buses), and water rights. Terms require the asset to have a monetizable value. The understanding is that the Town can service the debt without exposing risk to the asset. The debt service often takes the form of a general fund set-aside. In some cases, the cash flow for debt service can include revenues from affordable housing tenants and/or home buyers. In the event that the project revenues from the affordable housing are insufficient to cover the full debt service, the sponsoring entity can supplement with General Fund allocations. It is recommended to use COPs for the development of affordable housing by the Town or through a public private partnership.

Short Term Rental (STR) Regulations

There are currently 36 STRs in Eagle and while this is very minimal it is recommended for Eagle to establish regulations around STRs to be proactive and have control over how STRs increase and impact the community. A STR tax and fee will generate very minimal revenue with the current number of STRs, but as STRs increase over time so will the revenue. These revenues must be earmarked for affordable housing programs and projects. It is recommended to create an affordable housing fund for the dedicated revenues.

STR Tax

A short-term rental tax is an excise tax levied on guest stays in properties licensed as short-term rentals. A short-term rental tax is charged on visitor stays, on top of the existing sales and lodging taxes. In markets with a significant base of tourism, this tax can be an effective way to generate revenue from visitors rather than the local community. Moreover, as short-term rentals have proliferated as a lodging type over the past several years and have created negative impacts on housing markets, short-term rental taxes are increasingly seen as a viable, defensible revenue source for affordable housing. Voter approval from an election is required to implement an STR tax.

STR Fee

A short-term rental fee is a regulatory fee levied on short-term guest rentals, typically on an annual per-bedroom basis. The fee applies to property owners with a short-term rental license. The fee is predicated on the existence of reasonable relationship between guest spending from short-term rentals and the demand for affordable housing that guest spending creates through generating employment.

An STR fee also accounts for the possibility that a home used as a short-term rental could be occupied by a local resident, and the fee is further based on the difference between the impact of guest spending in the local economy and the baseline impact of local resident spending.

In markets with a significant amount of visitation activity, a short-term rental fee is a viable way to generate funding for affordable housing from the tourism economy and in a way that is passed onto visitors rather than residents. As a regulatory fee, the revenue must be used to fund affordable housing programs and projects. As a fee, not a tax, it is an adopted ordinance by Town Council. The revenue from a STR fee would be minimal in Eagle, but it is recommended to establish a fee to better regulate the number of STRs in town and start an affordable housing fund. Additionally, it is recommended to apply the fee to all STRs, including owner occupied STR operations.

STR Cap

An STR cap restricts the number of STRs allowed within town. A cap is widely used in mountain and resort communities where STRs have significantly increased in recent years and restrict a substantial portion of the housing inventory. STRs are currently prohibited in certain areas of Eagle by Homeowners Associations (HOAs). The HOAs have issues with enforcement and STR restrictions at the Town level would be more effective. It is recommended to identify areas that currently restrict STRs and then set a cap related to the total number of housing units in allowable areas, such as a percentage of total units in permitted areas. A STR cap helps to maintain an available housing supply for local residents and workers as well as sustain a vibrant community year-round.

Acquire Affordable Units for Staff

The Town of Eagle has struggled to fill open positions in various departments due to candidates' inability to acquire housing in Eagle or Eagle County. This negatively impacts the Town's ability to perform to typical standards and places additional strain on existing employees. It is recommended to use Town funds to acquire affordable housing units specifically for housing Town staff. These units can be used as a recruitment tool to fill positions within the local government.

Real Estate Transfer Assessment (RETA)

A real estate transfer assessment (RETA) is a fee applied to the sale of a property. A RETA is applied on a project-by-project basis, such as a subdivision development. The developer agrees to the terms of the RETA at time of entitlement. There is a strong correlation between the fee charged and community benefit, which typically differs for residential and commercial properties. For example, Winter Park has RETAs that vary from 0.5 percent to 1.0 percent on commercial property and 0.5 percent to 1.5 percent on residential property. A RETA can be applied to a large development to help offset the impact on workforce housing and Town services. It is recommended to establish RETAs on future developments at time of entitlement and dedicate it toward affordable housing programs.

P3 Formation

Public private partnerships are a powerful and effective way to develop affordable housing. These partnerships are mutually beneficial when negotiated properly and allow a private developer to take on the risk. When conducting a P3, the Town offers a subsidy in the form of funding, tax increment financing (TIF), land, development fee waivers, or other subsidies in exchange for affordable housing units tied to specific AMI levels. It is recommended for Eagle to establish P3s to develop new affordable housing developments with a focus on land contribution from the Town.

Gap Financing

Affordable housing developments often require gap financing to make the project feasible and the level of risk reasonable for the developer. This is especially apparent in high-cost housing markets such as mountain and resort communities where land and building costs are exceptionally high. In order for affordable housing projects to be constructed, the Town will likely need to offer a public subsidy to close the financial gap of the new development. The application of tax increment financing (TIF) is an effective way to offer gap financing without depleting existing Town resources. The development must be within the boundaries of Eagle's Downtown Development Authority (DDA) or an established Urban Renewal Authority (URA) to use TIF. TIF is not a new tax, it captures the 'increment' or additional value created by new development. The increment can be used as a public subsidy to provide gap financing for the development that would otherwise not be feasible. It is recommended for Eagle to expand the existing DDA to adjacent areas prior to new development occurring to take advantage of TIF and use it to support affordable housing projects within the DDA boundary. Additionally, URAs can be created prior to development to use TIF, but a blight study is required as is approval from each taxing entity.

State Funding Sources

In 2022, the Colorado State Legislature invested a significant amount of funding in programs aimed at affordable housing and housing stability. Using funds from the American Rescue Plan Act, the State Legislature has allocated over \$400 million to various affordable housing programs, including:

- \$150 million revolving loan fund to support affordable housing developments.
- \$138 million grant program to fund affordable housing-related projects, including infrastructure, new construction, land banking, affordable housing conversions, and eviction defense.
- \$35 million loan, grant, and technical assistance program to support mobile home owners seeking to purchase their mobile home park.
- \$40 million program that supports modular housing development.
- \$25 million to expand Colorado Housing and Finance Authority's (CHFA) middle income access program, which provides financing to support workforce housing developments.

The funding was officially allocated by the legislature in late 2022, and funds became available in 2023. The Department of Local Affairs (DOLA) is responsible for administering the programs. This represents a significant influx of funding that municipalities should seek to leverage.

In November 2022, Colorado voters passed State Proposition 123. Proposition 123 expands state funding for affordable housing by setting aside a small portion of annual state income tax revenue, equivalent to 0.1 percent of taxable income. In the first year, the measure is expected to generate \$290 million in revenue. This represents a large state investment in affordable housing, significantly higher than previous levels of state investment in housing. It is a potentially major funding source for municipalities and an important opportunity for Eagle to expand its funding for affordable and workforce housing.

The funding generated by proposition 123 will be allocated to a defined set of programs, described below. The law defines affordable housing as at or below 60% of area median income for rental housing, and at or below 100% of area median income for ownership housing.

The first three programs are managed by the Office of Economic Development and International Trade (OEDIT). The second three programs are managed by the Division of Housing within the Department of Local Affairs (DOLA).

Land Banking: \$26-\$43 million annually

- This provides grants to local governments or loans to housing nonprofits for the purpose of acquiring land for affordable housing development. Loans made by the program can be forgiven if the land is zoned for housing within 5 years and permitted and funded for housing within 10 years.
- Municipalities can effectively use this funding to expand their inventory of publicly-owned parcels, and with an expanded inventory, drive affordable housing development. Alternatively, municipalities can work with housing nonprofits or land trusts to expand their land holdings intended for affordable housing development.

Equity for affordable housing projects: \$70-\$121 million annually

- This provides equity investments in rental projects that commit to permanent affordability at an average of 90% of area median income. The investment can be made in new projects as well as existing projects that commit to preserving affordability.
- This program also creates a structure for a tenant equity vehicle, which provides tenants living in the project for at least one year a share of the project's equity growth, which the tenant can apply to a down payment for a home.

Concessionary Debt for Affordable Housing projects: \$26-\$61 million annually

- This provides low-interest debt financing for rental projects that are permanently affordable at an average of 60% of AMI. The funds are available to both new projects and existing projects that commit to preserving affordability.
- Funding priority will go to projects that are high-density and align with goals of environmental sustainability.

Affordable Homeownership: up to \$58 million annually

- This creates a down payment assistance program for homeowners below 120% of AMI.
- This offers grants and loans to housing nonprofits and land trusts to support affordable home ownership.
- This also creates a grant and loan program to associations of mobile home park owners to assist them with purchasing their park.

Homelessness Prevention: up to \$52 million annually

- This provides grants and loans to housing nonprofits and local governments to expand rental assistance, housing vouchers, and eviction defense for those at risk of homelessness.
- Also provides loans and grants to support the development of supportive housing.

Capacity Building for local governments: Up to \$5.8 million annually

- This will provide grants to local governments to increase the capacity of planning departments, with the intent of enabling planning departments to more effectively process land use, permitting, and zoning applications for housing development.

Requirements for Participation

In order for a municipality to be eligible to receive funding, or for affordable housing projects within a jurisdiction to be eligible for funding, the municipality must meet particular standards.

- A municipality must establish a plan to increase the inventory of affordable housing units within its boundaries by 3 percent annually, starting in 2027. Municipalities have to submit this plan by November 1, 2023. Part of this plan is to establish a baseline level of existing affordable housing units, which the municipality can do by referencing estimates from the American Community Survey, or estimates from the U.S. Department of Housing and Urban Development (HUD).
- A municipality must create a fast-track approval process for all housing development applications in which at least half of the units are affordable. The fast-track approval process requires that municipalities reach a decision on permit or zoning applications within 90 days of submittal, with certain exceptions.

Partnership Strategies

Eagle County Affordable Housing Programs

It is important to acknowledge the variety of affordable housing programs available from Eagle County for owners and renters. These programs should be promoted by Town staff to existing and future residents. With these programs available at the County level there is no need to replicate them locally. If there is additional demand for these programs for Eagle residents, then it is recommended for Eagle to work with the County to supplement a portion of programs specifically for Eagle residents.

- **Aid for ADUs** – A loan program to support the creation of new accessory dwelling units that rent at 100% AMI rent limit or less. Loans are available for up to \$100,000 for the construction or conversion of an existing space into an ADU.
- **Rent for Locals Program** – Assistance for qualified local renters with the first month's or first and last month's rent payment to property owner. This program aims to position renters in a more attractive and competitive spot in the rental market. This program is only available for full-time, year-round residents. For households earning 120% AMI or less only the last month's rent must be repaid. For households earning 120% AMI or more both the first and last month's rent must be repaid. The program uses a revolving program fund of \$125,000.
- **Eagle County Loan Fund** – Available to support down payment assistance, closing costs, and prepaid expenses. The loan is limited to 5 percent of the purchase price with a maximum purchase price of \$850,000. The loan fund is available for households earning 160% AMI or less or if purchasing deed restricted housing there is no income limit.
- **Locals First Program** – A cash buy program for local residents in exchange for a price capped deed restriction placed on property. The Eagle County Housing and Development Authority (ECHDA) acts as a cash buyer on behalf of the eligible buyer and then resells the property to the eligible buyer. The program requires a minimum down payment of 3 percent (excluding down payment assistance funds) with a maximum purchase price of \$850,000.
- **Good Deeds Program** – Eagle County makes a contribution towards the purchase price of a home in exchange for placing a deed restriction on the property requiring either resident occupied or price capped. The County will pay up to \$127,500 for either deed restriction, which includes 5 percent of purchase price for a resident occupied deed restriction or 15 percent of purchase price for a price capped deed restriction. The program requires a minimum down payment of 3 percent (excluding down payment assistance funds) with a maximum purchase price of \$850,000.

Eagle Ranch Housing Corporation (ERHC) Partnership

The Eagle Ranch Housing Corporation (ERHC) promotes affordable housing and oversees housing policies and programs specifically for the Eagle Ranch community through the Homeowners Association (HOA). ERHC has its own inclusionary housing ordinance (Eagle Ranch Locals Housing Program Restrictive Covenant), down payment assistance program, and buy-down program. These programs are funded through the Eagle Ranch Association Real Estate Transfer Fee, which collects a 1.0 percent fee at the time of closing on homes sold in Eagle Ranch. Of the 1.0 percent collected, 0.2 percent is dedicated to ERHC to promote housing assistance. It is recommended to establish a formal partnership between the Town of Eagle and ERHC to further the shared goals and objectives of increasing housing affordability within the town for residents and local workers. There is an opportunity to collaborate and share knowledge and resources to reach community-wide goals.

Land Bank

A land bank is established by government entities or nonprofit organizations to convert vacant, abandoned, or tax delinquent properties into productive use. Affordable housing development is often the primary goal of land banks. Land with development impediments is typically purchased and held onto for 5 to 15 years in the expectation that at least some of the impediments will be removed by market rate development. When the time is right, land can be provided to a developer for the production of rental and/or for-sale affordable housing, such as within a P3. It is recommended for Eagle to work with Eagle County and other municipalities to develop a regional land bank that supports and balances the interests of each participating entity.

Affordable Housing Projects

There are vacant properties owned by public entities in Eagle and Eagle County that are sizable to accommodate affordable housing development. These properties are currently undevelopable due to lack of infrastructure. As Eagle and Eagle County build out, these vacant properties will become crucial for housing development. It is recommended for Eagle to begin discussions with other public land holders to extend utilities to these properties and other infrastructure for affordable housing projects.