RFTA EMPLOYEE HOUSING STRATEGY

Board Update

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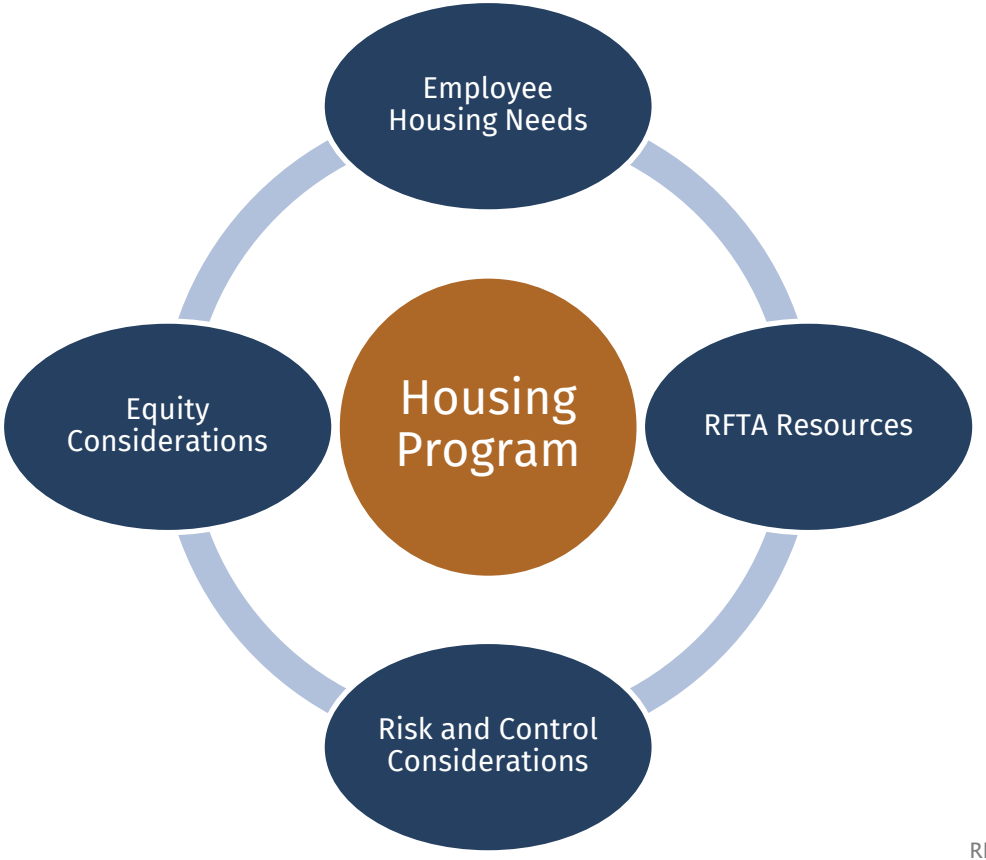
PROJECT APPROACH



Result is a phased, actionable strategy

TODAY'S MEETING

1. Housing Strategy Evaluation & Prioritization
   - Policy
   - Inventory
   - Financial
   - Partnerships
   - Other
2. Questions and discussion
3. Next steps

- Overview of ideas considered and evaluated
- Initial prioritization
- Not yet committing to any strategies
- Focusing on strategy direction

RECAP: PRIMARY CONCERNS FOR RFTA

- Current Staffing
  - Difficult to retain employees
  - Limited operations staff for Aspen/challenging for employees to get there
  - Housing instability has a staffing impact
- Recruiting/Hiring
  - Limited hiring pool willing to relocate
  - Few housing options for new hires with families
  - Few housing options for staff with pets

CURRENT RFTA PROGRAMS

Primarily focused on providing housing units

Employee housing	• Prioritizes new employees • Under current policy, eligible for housing for up to 3 years
Six week rent free program	• For new employees
Interest-free rental advance loan	• For employees looking to rent non-RFTA housing • Goes toward first month, last month, deposit, and administrative fee
401-A loan program	•Loan provision within existing program •Participants can take up to $50,000 or half of vested account balance for a primary residence

GOAL: A HOUSING SPECTRUM

New Hire–5 Years

Rental Housing

- RFTA-provided housing
- Monthly stipend

3-5 Years

Non-RFTA Rental Housing (market rate or affordable)

- First/last/security assistance
- Monthly stipend

5-10 Years

Entry-level Ownership

- Downpayment/closing cost assistance
- Monthly stipend

10+ Years

Homeownership

- Downpayment/closing cost assistance
- Monthly stipend

RFTA financial assistance and partnerships

RFTA-provided housing

HOUSING STRATEGY 'BUCKETS'

Policy

- Rent structure*
- Length of stay*
- Post-employment buffer period

Inventory

- Family units*
- Pet friendly units
- "Crash pads"
- RV parking
- Single unit acquisition

Financial

- Cost of living stipend (housing/transportation)
- Downpayment assistance
- Housing loan program*
- Housing savings plan
- Buy-downs/deed restrictions

Partnerships

- Lending/financial institution
- Programs
- Development

Other strategies:

- Employee shuttle
- Housing navigator position
- Commute time compensation

** Current RFTA programs to revise or enhance*

RECAP: THREE KEY CONSIDERATIONS

Affordability

- Housing costs are too high for most employees
- "Affordable" housing should cost no more than 30% of income

Availability

- Family-size and pet-friendly units are rare in RFTA housing
- Many employees move further away for lower costs

Equity

- Housing assistance is primarily employee housing
- Employees not in RFTA housing also face housing challenges

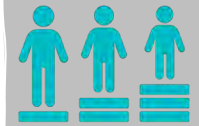
EVALUATION CRITERIA

- Does anyone currently use this strategy? (is it proven)
- Which employees does it help? How many?
- What is the cost to RFTA?
  - One-time or ongoing?
- How easy or hard is it to administer?
- What is the timeline for implementation?

Do strategies address…

affordability

availability



equity

STRATEGY EVALUATION

- Potential strategies were measured against the evaluation criteria

	Provenness		Who does it help?	How is it done?			What is the cost to RFTA?		Does it address...		
	Does anyone currently use this strategy?		Which employees does it help?	One time or ongoing	Ease of Administration	Timeline for implementation	One-time	Ongoing	Affordability	Availability	Equity
Policy											
Rent structure	Yes	Roaring Fork School District (based on household size and income)	Employees in RFTA housing	Ongoing	Relatively simple	Short term	-	$			✓
Length of stay	Yes	Roaring Fork School District	Employees in RFTA housing	Ongoing	Simple	Short term	-	$		✓	
Post-employment buffer period	Yes	Roaring Fork School District (one month after employment ends)	Employees in RFTA housing who need to transition out and require time to find new housing	Ongoing	Simple	Short term	-	$			
Inventory											
Family units	Yes	Roaring Fork School District	New recruits and existing employees with families needing housing	Ongoing	Somewhat complex	Short/long term	$$$	$		✓	✓
Pet friendly units			New recruits and existing employees with pets needing housing	Ongoing	Simple	Short term	$$/$$$	$		✓	✓
"Crash pads"			Employees with long commutes who may need emergency accommodations (e.g. during weather events)	Ongoing	Complex	Long term	$$	$		✓	
RV parking	Yes	Aspen SkiCo	Employees looking for affordable housing options closer to work locations	Ongoing	Complex	Long term	$$	$		✓	
Single unit acquisition	Yes	Town of Avon	Employees with families, or senior employees looking for different housing typologies than currently available	One-time (purchase); ongoing (rental)	Somewhat complex	Depends on market/housing availability	$$	$		✓	
Financial											
Cost of living stipend (housing/transportation)	Yes	Eagle River Water & Sanitation District	Employees not living in RFTA housing	Ongoing	Simple	Short term	-	$$	✓		✓
Downpayment assistance	Yes	Eagle River Water & Sanitation District; City of Aspen; Pitkin County; Eagle County	Employees not living in RFTA housing, looking to purchase a home	One-time/lumpy	Complex	Mid term	-	$$	✓		✓
Housing loan program	Yes	Colorado River Water Conservation District; Holy Cross Energy; City of Aspen; Eagle County	Employees not living in RFTA housing	One-time	Somewhat complex	Mid-term	-	$	✓		✓
Housing savings plan			Employees living in RFTA housing looking to save to move into market housing	Ongoing	Somewhat complex	Mid-term	-	- / $	✓		✓
Buy-downs/deed restrictions	Yes	Town of Vail; Pitkin County	Employees not living in RFTA housing, looking to purchase a home	One-time	Somewhat complex	Mid-term	$$	-	✓	✓	✓
Partnerships											
Lending/financial institution			Employees not living in RFTA housing looking to purchase a home (or possibly insurance)	Ongoing	Somewhat complex	Mid-term	-	-	✓		✓
Program participation			Employees not living in RFTA housing	Ongoing	Somewhat complex	Mid-term			✓	✓	✓
Housing development	Yes	Roaring Fork School District	Employees living in RFTA housing (would increase inventory)	One-time	Complex	Long term	$$$$	$$		✓	
Other											
Employee shuttle	Yes	Vail Health	Employees with difficult commutes, no cars, other transportation needs	Ongoing	Somewhat complex	Mid-term	$		✓		✓
Housing navigator position			All employees	Ongoing	Somewhat simple	Short term	-	$			✓
Commute time compensation			Employees living far from reporting locations with lengthy commutes	Ongoing	Somewhat complex	Mid-term	-	$/$$			✓

STRATEGY PRIORITIZATION

Top Tier		
Subsidized rent structure	Policy	0-1 Year
Cost of living stipend (housing/transportation)	Financial	0-1 Year
Length of stay	Policy	0-1 Year
Housing loan program	Financial	0-1 Year
Housing navigator position	Other	0-1 Year
Housing savings plan	Financial	1-2 Years
Employee shuttle	Other	1-2 Years

Middle Tier		
Post-employment buffer period	Policy	0-1 Year
Family units	Inventory	1-2 Years
Pet friendly units	Inventory	1-2 Years
Lending/financial institution	Partnerships	1-2 Years
Program participation	Partnerships	1-2 Years
"Crash pads"	Inventory	1-3 Years
RV parking	Inventory	1-3 Years

Lower Tier
- Single unit acquisition
- Downpayment assistance
- Buy-downs/deed restrictions
- Housing development
- Commute time compensation

TOP TIER STRATEGIES

Top Tier		
Subsidized rent structure	Policy	• Scale rent to income and unit type • Highest rents for 1-bd/no roommate, newest properties
Cost of living stipend (housing/ transportation)	Financial	• Stipend for employees not living in RFTA housing to address cost of living challenges • Variety of options to structure and/or scale, can lose eligibility at a certain income level
Length of stay	Policy	• Up to 5 years in RFTA housing • Beyond 5 years based on availability
Housing savings plan	Financial	• Voluntary deduction from paycheck/addition to rent (after-tax income) • Direct deposited into interest-bearing savings account
Housing loan program	Financial	• Expansion of existing rental assistance program to cover additional housing costs (e.g. closing costs, repairs, etc)
Employee shuttle	Other	• Run shuttle between Glenwood Springs, Carbondale, and Aspen • Potential for additional service to further destinations
Housing navigator position	Other	• Adapt current housing coordinator position to serve as a “navigator” role • Familiarity with local/regional housing programs, existing rental listings, realtor partnerships, etc

STRATEGY EXAMPLES

Rent Structure

Rent based on location, unit type, and employee wages or household income.

Who already does it? Roaring Fork School District
Who would it help? Employees in employee-housing

- Rental rates are set by the Board of Education (BOE)
- Rents are tiered and subject to change at lease renewal
- Periodic and typical increase in salary will not affect category placement, but promotions/positional changes may result in a different category placement

		Average Household Income Range	1 BR	2 BR	3BR	1BR Base at % Gross Income
Category 1	60%	< $55,007.99	$894	$1,073	$1,234	<= 26%
Category 2	80%	$55,008.00 - $68,759.99	$1,238	$1,485	$1,708	<= 27%
Category 3	100%	$68,760.00 - $82,511.99	$1,604	$1,925	$2,214	<= 28%
Category 4	120%	$82,512.00 - $96,263.99	$1,994	$2,393	$2,752	<= 29%
Category 5	140%	>= $96,264.00	$2,407	$2,888	$3,321	<= 30%

Cost-of-Living Stipend

For employees not living in RFTA-provided housing, a cost-of-living stipend may be utilized toward any expenses, including downpayment, emergency repairs and maintenance, market rent, transportation, etc

Who already does it? Eagle River Water and Sanitation District; Vail Health; CDOT
Who would it help? Employees not in employee-housing

- In the Eagle River Water & Sanitation District, the housing stipend is currently set at $442/month and is subject to change over time. It equals the average of tax benefit of employee housing rent prices, estimated between $300-$400
- CDOT provides a housing stipend, with amount based on work location, to “highway maintainer” employees in the mountains

STRATEGY EXAMPLES

Housing Savings Plan

A retirement-like structured savings account that both the employee and employer can contribute into and to be used towards new homeownership costs such as a downpayment or closing costs

Who already does it? N/A
Who would it help? Long-term RFTA employees

- The State of Colorado's First-time Homebuyers Savings Account (FHSA) program allows employees to open a tax-free savings account to be used toward a downpayment on a new home, with provisions for employers to contribute a one-to-one match as a benefit
- If an employee ends their employment, they forfeit any unexpended amount of the employer contribution, and is entitled to the employee contribution, plus any interest earned

Housing Loan Program

A zero- to low-interest rate loan, with payment options through payroll, to assist employees with rental deposits and/or emergency repairs

Who already does it? Eagle River Water and Sanitation District; Town of Silverthorne; City of Aspen; Eagle County
Who would it help? Qualified Employees

- Eagle River employees may be eligible for a housing loan up to $50,000 with a 4% interest rate and loan forgiveness after years of service
- For Town of Silverthorne employees, the Rental Deposit Assistance Program provides an interest-free loan to either full-time or 3/4-time employees to be used for a rental deposit

STRATEGY EXAMPLES

Employee Shuttle

Either employee-driven or otherwise, a shuttle to transport employees between places of residence and work making fewer stops than a traditional bus route

Who already does it? Vail Health; Keystone Resorts
Who would it help? All commuting employees

- Vail Health offers an employee shuttle with fixed schedules running from 6:30 AM to 8:00 PM between Edwards and Vail making only three other intermediate stops.
- Vail Health also offers three employee-driven shuttle routes – two shuttles departing at 6:00 AM and 7:00 AM from Gypsum, one shuttle departing from Frisco at 6:20 AM, and one departing from Leadville at 6:00 AM, and returning between 4:00 PM and 6:00 PM.
- Keystone offers new employees arriving at Denver International Airport a 50% discount on the Colorado Mountain Express Shuttle to travel from Denver to their new place of work

DISCUSSION AND NEXT STEPS

QUESTIONS AND DISCUSSION

Next Steps

- Confirm top tier strategies
- Draft cost estimates
- Transition strategies (from existing policies to new)
- Draft housing program and implementation plan

Future Meetings

- Draft plan in May
- Final plan in July