RFTA EMPLOYEE HOUSING STRATEGY

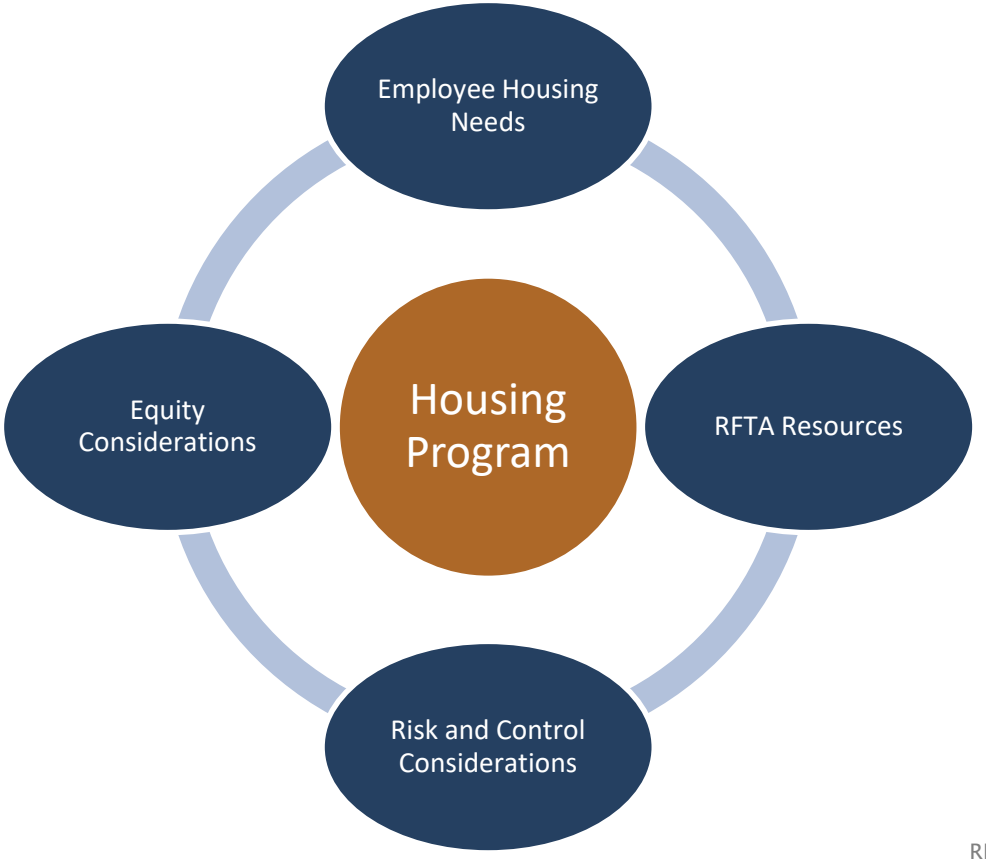
Board Update

May 2024

Economic & Planning Systems, Inc.
The Economics of Land Use

730 17th St, Suite 630 ▪ Denver, CO 80202
303.623.3557 ▪ www.epsys.com

PROJECT APPROACH



Result is a phased, actionable strategy

TODAY'S MEETING

1. Housing Strategy Recommendations
   - Short Term
     - Subsidized rent structure
     - Length of stay in RFTA housing
     - Cost of living stipend
     - Housing loan program
     - Housing navigator position
     - Regional collaboration
   - Mid Term
     - Housing savings plan
     - Employee shuttle
2. Questions and discussion
3. Next steps

More detailed discussions will take place at Board Retreat in June

RECAP: THREE KEY CONSIDERATIONS

Affordability

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

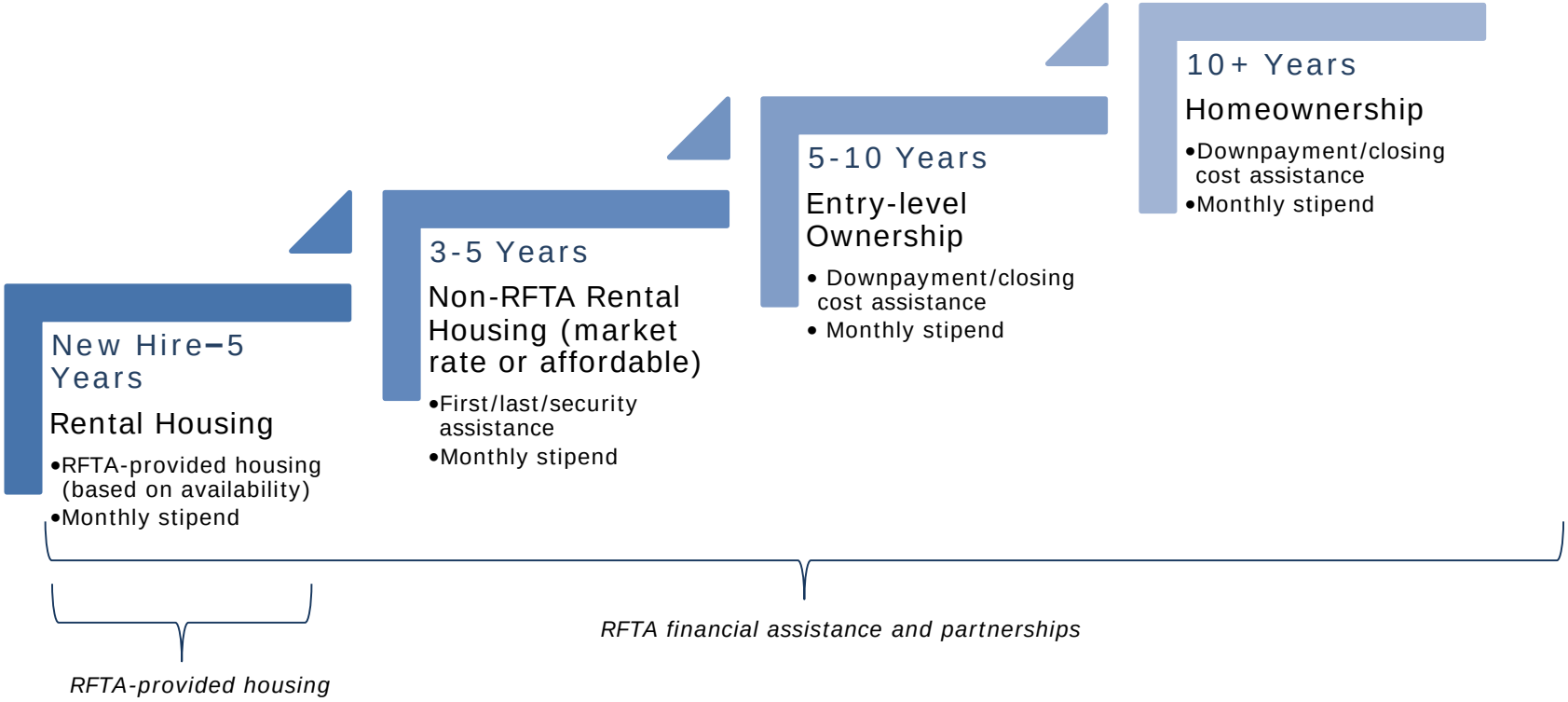
Availability

- 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

GOAL: A HOUSING SPECTRUM



RECOMMENDED STRATEGIES: SHORT TERM

Short Term Strategies			
S-1	Subsidized rent structure	Policy	• Scale rent to income and unit type • Highest rents for 1-bd/no roommate, newest properties
S-2	Length of stay	Policy	• Up to 5 years in RFTA housing • Beyond 5 years based on availability
S-3	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
S-4	Housing loan program	Financial	• Expansion of existing rental assistance program to cover additional housing costs (e.g. closing costs, repairs, etc)
S-5	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
S-6	Regional collaboration	Other	• Create framework to assess regional collaboration opportunities as they arise, based on RFTA resources and priorities

RECOMMENDED STRATEGIES: MID TERM

Mid Term Strategies			
M-1	Housing savings plan	Financial	• Voluntary deduction from paycheck/addition to rent (after-tax income) • Direct deposited into interest-bearing savings account
M-2	Employee shuttle	Other	• Run shuttle between Glenwood Springs, Carbondale, and Aspen • Potential for additional service to further destinations

S-1 SUBSIDIZED RENT STRUCTURE

A MORE EQUITABLE APPROACH TO RENTAL COSTS

Justification

- Subsidized rent in RFTA housing is a key piece of the agency's housing strategy
- Current rent averages $977 per employee (18% of income)
- RFTA's inventory is varied (by location, age, and amenities) and employees' ability to pay varies by income
- Tiering rents by property and employee ability to pay is a more equitable approach

Strategy

- Create an evaluation matrix to rate properties, with highest rents for the highest rated properties
  - Criteria may include age, location, amenities, inclusion of costs in rent (e.g. utilities, internet)
- Tier rents based on property, unit type, and income
  - Utilize <u>household</u> income, accounting for all wage earners living with an employee
  - Determine through self-certification, or other mechanism (e.g. tax returns)
- Rents will not exceed 30% of income

S-2 COST OF LIVING STIPEND

ASSISTANCE FOR EMPLOYEES NOT IN RFTA HOUSING

Justification

- Costs of living (housing and/or transportation) are high throughout the region
- RFTA cannot provide housing units for all employees
- A cost of living stipend can help make living costs more affordable for employees not living in RFTA units, particularly for the lower income workforce

Strategy

- Tiered based on household income (same reporting/certification process as rent)
- Progressively lower as income rises; at certain income, ineligible for stipend
- Options for calculation base (modeling in progress)
  - Rent subsidy provided in RFTA units
  - Difference between market rent and affordable housing costs
  - Other subsidy programs (e.g. military Basic Housing Allowance)

S-3 LENGTH OF STAY POLICY

ENSURE SUFFICIENT TURNOVER IN RFTA UNITS

Justification

- RFTA has limited units, and ability to provide housing is critical for recruitment
- RFTA housing is intended to be a short-term strategy to help employees get established in the region, and a bridge to other local housing options
- Ensuring sufficient turnover in RFTA units is key to maintaining available inventory for new employees

Strategy

- Employees have access to employee housing for up to 5 years
- Beyond 5 years RFTA may, at its discretion, offer short-term leases to employees based on unit availability
- Upon termination of employment, employees may remain in their housing up to 30 days (or a number to be determined and outlined in policy)
- Identify transition plan for employees currently in housing for over 5 years

S-4 HOUSING NAVIGATOR

A HOUSING RESOURCE FOR EMPLOYEES

Justification

- RFTA cannot (and should not) provide every form of housing assistance
- There are a multitude of housing programs throughout the region that employees can utilize
- With an external contractor taking on leasing and property management, Housing Navigator position can focus on being a resource for employees

Strategy

- Transition from the current Housing Coordinator role
- Housing Navigator will be a resource for employees to
  - (1) understand RFTA's programs and when/how to use them
  - (2) understand what other programs may be available and provide information and/or contacts for more assistance
- Work with employees from when they are hired, moving to the region, and progressing through various housing stages (e.g. RFTA housing, non-RFTA rental, ownership)

S-5 HOUSING LOAN PROGRAM

PROVIDE ASSISTANCE FOR ONE-TIME/INFREQUENT HOUSING EXPENSES

Justification

- In addition to ongoing housing costs, one-time or infrequent expenses are also a significant challenge for employees
  - e.g. rental first month/last month and security deposit, closing costs for home purchases, emergency repair costs for home
  - RFTA's current assistance is limited to first/last month and security deposit
- Making funds available to employees for these expenses reduces the cost burden of living in the region

Strategy

- Expand RFTA's current "interest-free rental advance loan" program
- Apply program to a broader range of housing expenses
- Interest-free loan (repayment terms to be determined)
- Broaden employee awareness of 401a plan options for primary residence purchases, and general loan that can be used for repair costs

S-6 REGIONAL PARTNERSHIPS

MAXIMIZING OPPORTUNITIES THROUGHOUT THE REGION

Justification

- There are many organizations in the region working towards housing solutions
- In many cases, combining resources can lead to stronger outcomes
- Not every opportunity will be right for RFTA to partner, but it is important to leave the door open for appropriate opportunities

Strategy

- Create an evaluation framework to assess partnership opportunities as they arise
- Outline RFTA priorities, available resources, and risk components
  - E.g. identify and prioritize essential services workers
- As partnership opportunities arise, utilize framework to help determine whether RFTA should consider participating

DISCUSSION AND NEXT STEPS

QUESTIONS AND DISCUSSION

Next Steps

- Cost estimates (working with finance team)
- Outline transition strategies (from existing policies to new)
- Housing program and implementation plan documents

Future Meetings

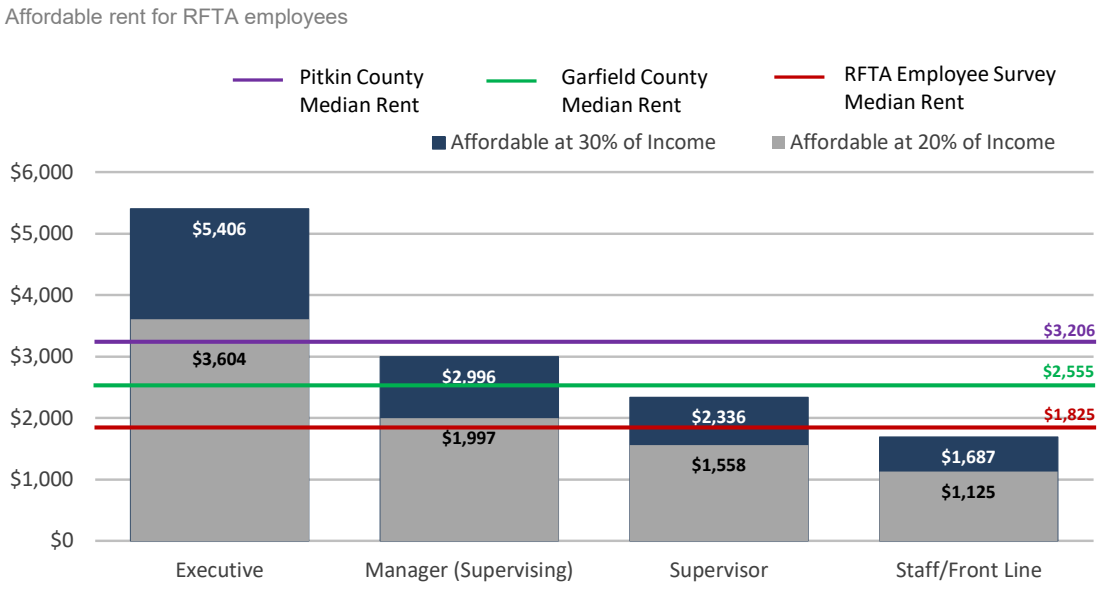
- Board Retreat in June
- Final plan in July

DATA RECAP

AFFORDABILITY – RENTAL NEEDS

RENTAL HOUSING – CURRENT WAGES

Front Line staff earning the median wage cannot afford median rent in the region of $1,825



Note: analysis reflects recent wage increases

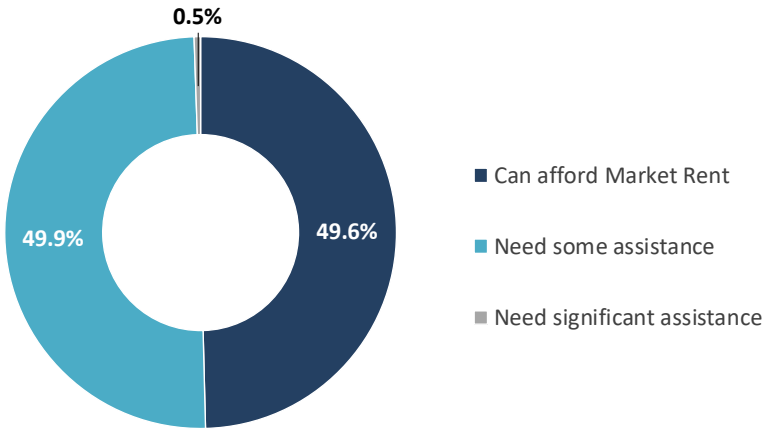
Median rent is based on reported market rents from the Fall 2023 employee survey – all locations, housing types, and housing sizes (2/3 of renters in market housing live in Glenwood Springs, New Castle, and Rifle)

AFFORDABILITY – RENTAL

RENTAL HOUSING – CURRENT WAGES

As a single earner household:

- Half of employees can afford median market rent at current wages
- "Market rent" of $1,825 reflects a broad region of where employees currently live (Aspen to beyond Parachute), and not necessarily where employees want to live

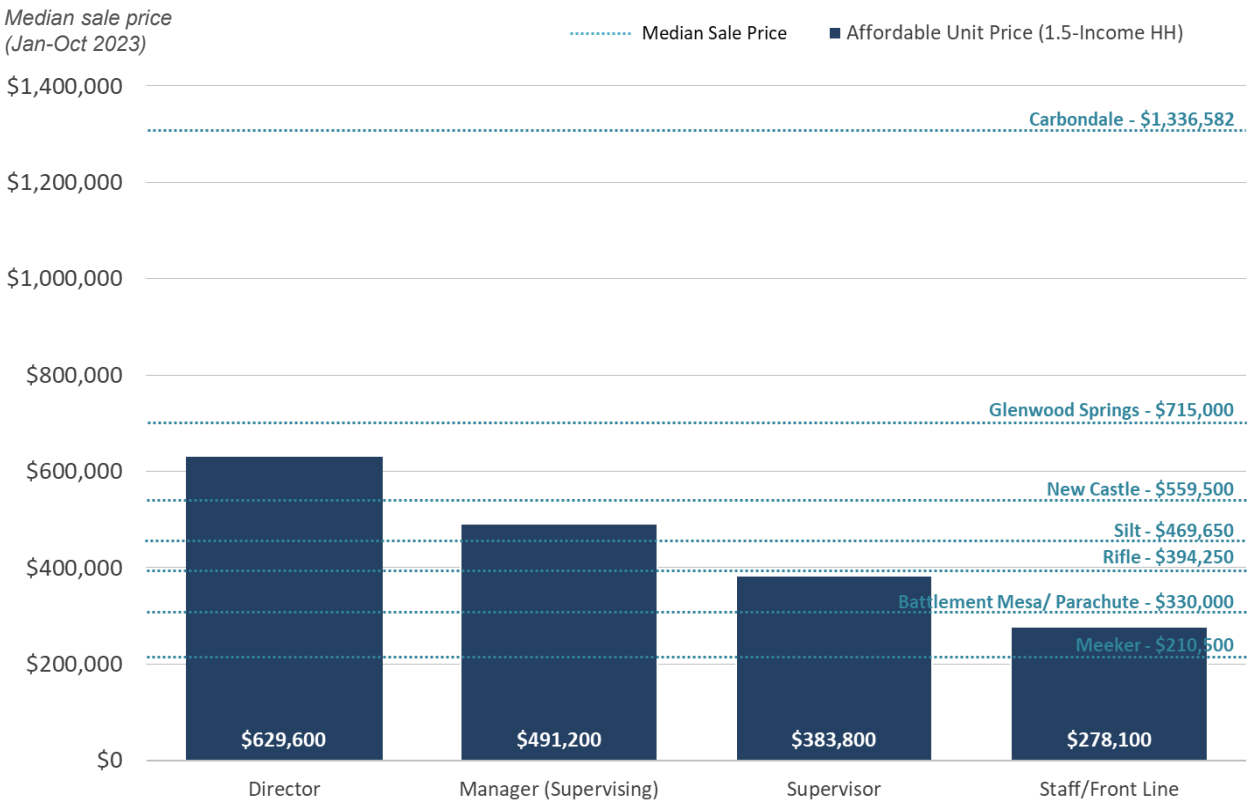


Median rent is based on reported market rents from employee survey – all locations, housing types, and housing sizes (2/3 of renters in market housing live in Glenwood Springs, New Castle, and Rifle)

Note: analysis reflects recent wage increases

AFFORDABILITY – OWNERSHIP

Affordable purchase price for RFTA employees based on role (1.5-earner household)



Source: Glenwood Springs Association of Realtors, RFTA, Economic & Planning Systems

The most affordable housing is furthest from work locations

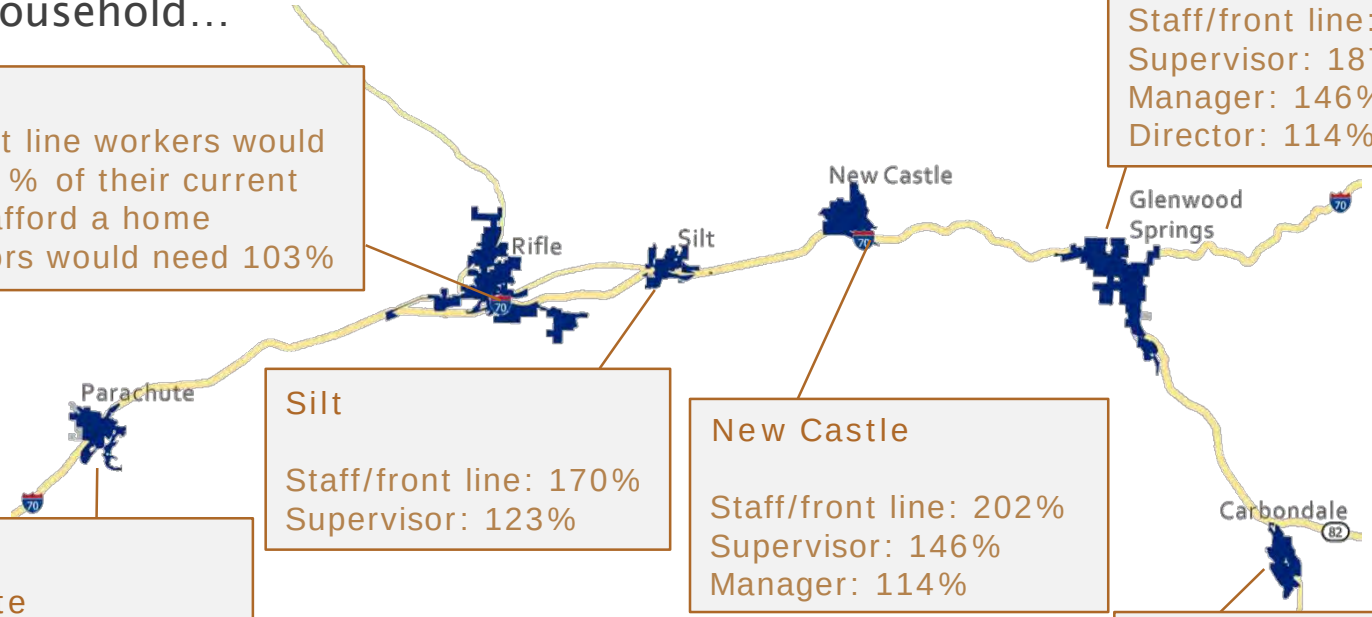
AFFORDABILITY – NEED BY LOCATION

How out of reach are housing costs? In a multiple earner household…

Rifle
Staff/front line workers would need 142% of their current wage to afford a home
Supervisors would need 103%

Glenwood Springs

Staff/front line: 259%
Supervisor: 187%
Manager: 146%
Director: 114%



Silt

Staff/front line: 170%
Supervisor: 123%

New Castle

Staff/front line: 202%
Supervisor: 146%
Manager: 114%

Parachute

Staff/front line: 119%

Carbondale

Staff/front line: 485%
Supervisor: 351%
Manager: 273%
Director: 213%

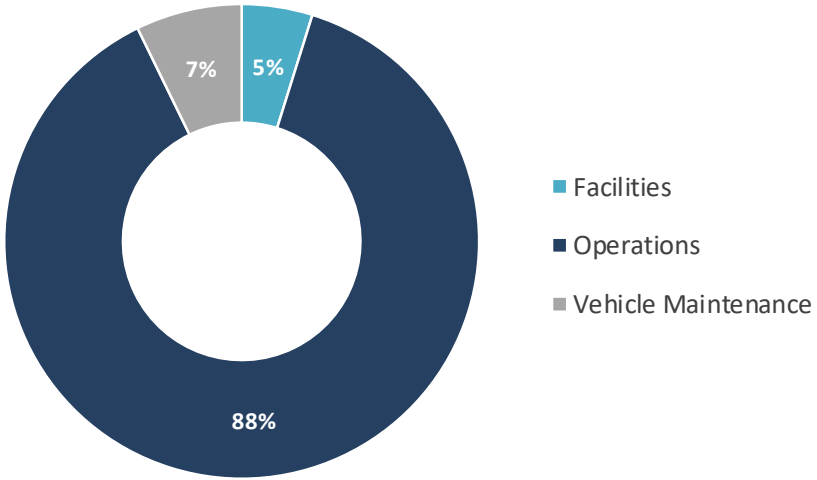
Based on a household that includes a single RFTA salary and a second person earning 0.5 the average wage for Pitkin, Eagle, and Garfield Counties ($65,000)

EQUITY – WHO IS SERVED

CURRENT EMPLOYEE TENANTS

- 20% of employees receive a housing benefit through employee housing
- All tenants are front line/staff
  - Majority CDL bus operators
- Wages of tenants range from $44,800 to $103,500
  - Pay between 10% and 30% of their income on rent

Employees in RFTA housing



Source: RFTA, Economic & Planning Systems

Historically, employee housing was for seasonal CDL bus drivers; staffing changes have led to changes in thinking about housing