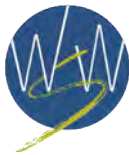


Town of Winter Park Housing Needs Assessment

September 2015



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INTRODUCTION

Purpose

This Housing Needs Assessment quantifies current and future housing needs in Winter Park, identifies where the market is not addressing those needs and provides recommendations on how those needs could be addressed. It answers questions such as how much, what type and at which price points is housing needed to meet the needs of Town residents and the local workforce. The information is intended to help the town establish housing strategies and workforce housing policies that will help provide opportunities for local employees to live in Winter Park and help support the local Town character, sense of community and economy.

Methodology

Primary research was conducted to generate information beyond that available from existing public sources. This research included a focus group with realtors and lenders and interviews of employers, property managers and stakeholders.

Realtor and Lender Focus Group. A focus group with three realtors and three local lenders was held in Winter Park. Information was obtained on the ownership market including current prices, recent trends, occupancy patterns, availability and what households are seeking when looking to purchase or rent a unit. This discussion also helped define housing preferences in the town, including unit type and locations. Lenders provided information on the availability of financing and the challenges faced when residents try to buy a home.

Employer Interviews. Eighteen employers in the Winter Park area were interviewed, representing about 520 year round jobs, 650 summer seasonal jobs and over 1,500 winter seasonal jobs in Winter Park, plus additional jobs in Fraser through Granby. Interviews probed where employees live, unfilled jobs, retiring workers, positions of high turnover, difficulty finding and recruiting workers, changes in employment over time, to what extent employee housing is perceived to be an issue by employers and their associated level of support for housing assistance. A mix of employers were represented including government, schools, resort, retail, bar/restaurant, construction/landscaping and real estate and property management.

Property Manager Interviews. Four property managers were interviewed who lease affordable and market rate rentals, including apartments, condominiums and single-family homes. Information on the rental market including rents, vacancy rates, recent trends, renter profiles and units most in demand was obtained.

Stakeholder Interviews. Additional interviews were conducted with town staff and elected officials, the Winter Park Chamber, Grand County Economic Development Office, Grand County Housing Authority, Winter Park Affordable Housing Corporation, and Miller's Inn Affordable Housing, to gather their input and perceptions on resident housing in Winter Park and its relation to the greater Grand County region.

Secondary Data Sources

A variety of sources of published information were used in the preparation of this report, including but not limited to:

- 2000 and 2010 US Census data and population and household projections from the Colorado Department of Local Affairs (DOLA);
- Employment information from the Quarterly Census of Employment and Wages, the US Bureau of Economic Analysis, and DOLA;
- 2014 and 2015 Area Median Income from the Department of Housing and Urban Development and households by income from Ribbon Demographics, LLC;
- County Assessor property and sales information and MLS for recent sales and current listings;
- Winter Park building permit, land resource and revenue data from the Town planning and building department;
- QCEW zip code employment data from the Winter Park Chamber; and
- Data and household and employer survey information from the 2014 Grand Profile and the 2008 Grand County Housing Needs Assessment.

What is Attainable Housing in Winter Park?

This report centers on an understanding of “what is attainable” in the town of Winter Park. Housing is attainable (or affordable) when the monthly payment (rent or mortgage) is equal to no more than 30% of a household’s gross income (i.e., income before taxes). Although there is some variation, this standard is commonly applied by federal and state housing programs, local housing initiatives, mortgage lenders and leasing agents.

Please reference the Appendix for more details on the area's household incomes and affordability price points on which this report is based, including income sources used and assumptions made when calculating housing affordability.

Acknowledgements

We would like to thank all of those who have helped us and have given us their time and assistance. Information in this report relied extensively on the cooperation and participation from Winter Park staff, elected officials, local and regional employers, realtors, property managers and community stakeholders, including the Winter Park Chamber, Grand County Economic Development Office, Grand County Housing Authority, Winter Park Affordable Housing Corporation, and Miller's Inn Affordable Housing. Information presented in this report is as much based on data and numbers as it is on the experiences and observations of those living in the community, which would not have been possible without such broad local participation. We have enjoyed working with the Town, its businesses and residents, and we appreciate the opportunity to work with communities that have a desire to understand the housing needs of local residents and the workforce.

CONCLUSIONS – HOUSING PROBLEMS, OPPORTUNITIES AND STRATEGIES

Housing Problems

With a growing economy, rising homes prices, sharp decline in both rental availability and homes listed for sale, a shortage exists of housing at prices that are attainable by the workforce. This is leading to labor shortages and employers are having difficulty filling jobs for the first time since the recession. Approximately 100 jobs were unfilled this summer. Multiple factors contribute to this situation:

- Primary (Local) Homes are Losing Ground. Winter Park is losing ground in efforts to build a year-round community. Residential units occupied by residents dropped 7 percentage points between 2000 and 2010. This shift is continuing – the large majority of home sales are for second/vacation home use. These uses simultaneously generate demand for workforce housing while reducing the supply.
- Lack of Economic Diversification. Since most jobs are in low wage, tourism-related industries, household incomes are too low to compete for housing with second home buyers and, increasingly, renters. With approximately 75% of jobs in two sectors – accommodations/food service and arts/recreation, Winter Park has less diversification than typical for a mountain resort town.
- High Seasonality in Employment. Winter Park also has unusually high seasonal variation in employment with about twice as many employees during the ski season as in the summer months, and many jobs temporarily disappear during the spring and fall. It is challenging to provide housing with high turnover and low occupancies during the shoulder seasons, but can be financially unfeasible if the summer months also have high vacancies.
- Loss of Workforce Rental Units. As in other mountain towns, rental units are in short supply. An extreme shortage is likely this winter due to:
 - Growth in jobs that are not been matched by development of workforce housing.
 - Front Range residents renting units to avoid I-70 traffic congestion (second home rentals).
 - An increase in year-round leases this summer, meaning fewer units will be available for winter seasonal employees.
 - Long term rentals being sold by their owners to primarily second homeowners now that the for-sale housing market is recovering.

- An increase in the popularity/success of short-term rentals at the base area (not so much in town) through VRBO and other one-line hosting sites.
- High Housing Development Costs. Land is expensive and stick built construction costs (excluding land) start at \$170 per square foot. Research in comparable communities has found total construction costs (hard, soft and land) to now total around \$300 per square foot. One of the reasons costs have increased in recent years and are continuing to rise is a shortage of construction labor. This is a fallout from the recession when construction workers had to find other employment out of the area and new workers were unable to get a start in the industry.
- High and Increasing Housing Costs. Many workers would prefer to live in Winter Park, but cannot afford to either rent or purchase homes in the Town. Business owners that used to live in Town moved to Fraser, Tabernash or further downvalley to be able to purchase and build homes. New workers and renters primarily reside in Fraser or further downvalley for more affordable rents. Only about 22% of workers live in town, which is low compared to many other mountain resort communities.

While insufficient availability and housing costs that are too high relative to incomes are the primary problems, other housing problems detract from Winter Park's evolution into a year-round community including:

- Poor Condition of Units. Many rental units are not professionally managed and their landlords often do not adequately maintain and repair units. This has become more of a problem as the rental stock ages.
- Little Diversity in Housing Supply. Winter Park has a very high percentage of condominiums compared to other types of units, which are not well suited as homes for year round residents, especially owners.
- Lack of Locals Neighborhoods. Winter Park has few neighborhoods in which local residents occupy the majority of homes. Empty houses do not help foster a sense of place and vibrancy for its permanent residents. Neighborhoods help form the roots of community and are an important consideration, particularly for homeowners.

Winter Park is challenged by a condition unique among Colorado mountain towns – a very high percentage of Front Range home ownership and visitation. This factor has widespread impacts on the Town's housing and economy. While analysis of Front Range owners was beyond the scope of this study, generally Front Range owners are more likely to:

- Handle property management themselves if they rent their homes, impacting the level of service provided renters and response to needed repairs and maintenance.
- Rent or purchase homes that have previously housed the workforce and often seek housing in the same price range as locals – competition which drives prices upward.
- Bring groceries and other necessities with them rather than shop/spend locally and generally obtain more services from Front Range vendors. This reduces their expenditures in Town and reliance on local services, affecting the level of economic diversify in Winter Park compared to many other mountain resort towns.

Opportunities and Resources

Fortunately, Winter Park has many assets and opportunities to enhance the availability of attainable housing to locals:

- Town-Owned Land. The Town owns four parcels, comprising over 10 acres, on which attainable housing could be built. Under current zoning, these parcels could accommodate up to about 280 homes.
- Development Opportunities. Since Winter Park has reached only one-fourth of its build-out potential, chances to incorporate housing specifically for the workforce in future residential development exists through multiple possible strategies – inclusionary zoning, annexation agreements, accessory dwellings and incentives.
- Dedicated Source of Revenue for Housing. A \$3.00/sq ft impact fee, which generated nearly \$96,000 for attainable housing in 2014 and close to \$1.5 million during the 2007 peak, could go a long way in meeting the Town's attainable housing needs if leveraged and supplemented as necessary with appropriations from the Town's real estate transfer tax and other funds.
- Workers Want to Live in Winter Park. Employers stated that their employees would like to live in Winter Park if housing they can afford is available. Several business owners expressed the same desire.
- Documented Evidence of Demand. The Town has obtained information from 32 households that are interested in purchasing a Hideaway Junction home – 14 of

which have applied since 2012. Follow up with these households could be sufficient to get the second phase of the development underway.

- Sharing Employees with Grand Lake. If transportation can be affordably and efficiently provided, sharing workers with employers in Grand Lake and other areas in Grand County who offer summer seasonal jobs would make more year round housing viable.
- Seasonal Housing for Construction Workers. The viability of housing for ski season employees could be improved by housing construction workers in the summer and fall months. If the construction labor shortage is addressed by recruitment and training, workers could live in seasonal worker housing as construction activity picks up. The same employees might fill both types of jobs (ski area in winter, construction in summer) and eventually move into year round housing. This could be more beneficial for the community than using construction labor from the Front Range.
- Ability to Increase Summer Employment. Other mountain resort towns have made great progress in leveling out seasonal fluctuations in jobs. In some, summer employment now exceeds winter. While not the focus of this report, providing more summer employment opportunities can help keep winter seasonal workers in the area year round, building the local community base. This will be one focus of the economic strategy study for the Fraser Valley that is running concurrent with this study.

Housing Needs

Depending on Winter Park housing program goals, between 40 and 160 attainable housing units are needed through 2020.

- Constructing 40 units will keep up with future job growth through 2020 and retain the present ratio of 22% of workers living in Town.
- Building 160 units will both keep up with job growth and boost the resident workforce ratio to 30%.

Summary of Housing Needs by Own/Rent Through 2020

	Current Condition (22% of workers housed)	Alternative (30% of workers housed)
Units needed through 2020	40	160
Ownership	25	90
Rental	15	70

Both ownership and rental housing are needed in Town. The precise ratio constructed is a reflection of housing policy as well as demand.

- To retain the current homeownership rate, 58% of attainable homes should be for homeownership.
 - Homeownership supports year round residency and allows residents to invest in and help build a more stable community.
 - Attainable homeownership prices should range between \$120,000 and \$325,000 for working households (50% to 140% AMI).
 - Preferred product types are townhomes, duplexes and single-family homes - not condominiums.

- Rentals are in tight supply and availability will decrease even further this winter.
 - Rentals support businesses in need of workers and help new residents get a foothold in a community.
 - Rents should be affordable for mid-professionals earning about \$25 per hour down to entry-level workers earning \$10 to \$15 per hour. This ranges from about \$500 up to \$1,250 for a two-person household (80% AMI or below).
 - Renters want to live close to their jobs. Cross-county commuting to share employees between summer and winter jobs in different communities would require a transportation solution.
 - Renters want pets. Renters also want their units to be kept well maintained and in good repair. A well-managed apartment complex, as opposed to individually rented condos, avoids HOA restrictions that prohibit pets, ensures repairs are completed in a timely manner and will provide a more stable rental inventory.

Strategy Recommendations

This section includes many strategies for the development of attainable housing and managing housing programs over time. Using only those resources that the Town now allocates to housing, undertaking all of these recommendations is likely not possible. It is recommended that the Town first develop a strategic housing plan to identify housing goals and a plan for achieving housing objectives. This report can help inform this process by providing key information on the needs and demand for housing in Town and strategies to consider for providing housing. Through this process, the Town will be able to prioritize the below recommendations, begin implementing those which can be more easily achieved, build the resources and relationships needed to accomplish other housing needs, and establish a plan to manage the attainable housing that is produced.

The Appendix provides a brief outline of recommended next steps through which the Town can establish this framework.

Encourage Downtown Housing – Employee housing should be developed in Winter Park’s downtown area to:

- Respond to preferences of younger employees (e.g., Millennials) to live in walkable urban centers with convenient access to shopping, entertainment, activities and recreation.
- Provide high density, lower cost housing options in an area where it is appropriate.
- Add vibrancy to downtown and create year-round business for restaurants and retailers.
- Be convenient to public transit to the base area and downvalley.

Steps to accomplish this include:

- Inventory vacant land and parcels appropriate for redevelopment/additional density.
- Insure that zoning/development codes allow for residential uses.
- Conduct design charrettes involving property owners, merchants, employees, architects, and planners to create concepts for residential development.
- Plan for rental housing to be located above commercial space and ownership housing to be in separate buildings, preferably townhomes with ownership of land underneath. Condominiums should only be built under limited conditions.
- Offer incentives and subsidies to builders and/or business owners to incrementally develop housing in small phases. Consider a competitive process for selection of projects to be subsidized.

Create an Employer Assisted Housing (EAH) Program - Businesses and public-sector employers should be enabled and encouraged to help house employees. As is common in other resort towns, employers could share responsibility for workforce housing since they directly generate housing demand, benefit from a reliable workforce, have resources to leverage and have expertise in their employees’ needs. Multiple approaches feasible for both small and larger employers should be provided including:

- A down payment assistance and shared equity program for ownership. For deed restricted homes, low interest deferred mortgages could be provided by individual employers or through a pool for homes that are deed restricted (like Hideaway Junction). A shared equity approach whereby employers help buy homes then share in appreciation upon sale might be a better approach for the purchase of market rate housing.
- An outreach program, particularly for employees of municipal, county, special district, emergency and medical service providers, the school district and suppliers of other essential services.
- An education program or outreach to employers to explain how a master lease program could operate. Some employers welcome the opportunity to master lease units, whereas others do not have a good understanding for how the program works. Education could invite more participation.
- Technical assistance to employers that have land, under-utilized space or other resources for the development for employee housing.
- Incentives to employers who provide housing for employees, particularly on site.
- A master lease package that could:
 - Identify free market units suitable for employees and their pets; multiple units in a single projects work well since employees can rideshare to/from work and errands;
 - Leverage long-term apartment financing with master lease agreements;
 - Provide up front development/construction funding;
 - Allocate responsibilities to property managers (not employers);
 - Build partnerships, communication and unit trade-offs among those who need summer housing for employees and others that need winter housing;
 - Provide sample lease and management agreements.
- A system through which summer and winter employers can cross train and share seasonal employees and employee housing, enhancing opportunities for those employees to reside in Winter Park year round.
- Work with the larger seasonal employers in the region to explore seasonal housing needs and options (e.g., Winter Park Resort, Devil's Ranch, etc.). Understand where they could build housing and any impediments to its development. Opportunities for cooperation appear feasible. In many

communities they are required to build housing through PUD agreements, annexation agreements, commercial linkage or other regulations.

Establish a Plan for Use of Attainable Housing Funds - Policies, allocation procedures and per-unit standards for subsidizing housing construction are needed to make the most effective use of limited resources, provide documentation in the event the \$3 per square foot fee is ever challenged, and mobilize support for increasing the fee over time to keep up with increases in development costs. Suggestions include:

- Base initial attainable housing subsidy amounts that are paid out of the Fund on gaps between development costs and what attainable housing applicants can afford to pay.
- Minimize the funds allocated per attainable unit or per attainable project based on thorough financial analysis.
- Base the impact fee on the gap between the market price of housing and its affordable price. Provide adequate documentation to support the fee in the event of future challenge. Update this fee on a yearly basis to reflect current home prices.
- Refrain from providing subsidies more than once for deed restricted housing unless prices are not attainable to applicants. The WPAHC has bought down most every unit re-sale in Hideaway Junction to keep re-sale prices the same since 2008. New applicants may or may not be able to afford to pay more than the 2008 price for housing. Subsidies, if needed, should be based on the new household's ability to pay.
- Provide a competitive selection process through which employers and developers could apply for financing from the Town to help subsidize attainable housing projects. This can get the private market involved and a competitive process will allow the Town to compare projects and allocate resources to those that will best address needs.
- Request Real Estate Transfer Tax or other Town allocations to supplement Affordable Housing Funds when needed.
- Learn from comparable communities that have revenue dedicated to workforce housing.

Proceed with Phase 2 of Hideaway Junction – Since the market is not providing attainable ownership opportunities and over 30 households are on the waitlist for units

in the second phase, planning and design should be commenced. Steps in this process could include:

- Partnering with a developer so that Town staff time can be spent implementing the other recommended housing strategies. When towns take the lead role on housing development, other efforts are often delayed.
- Issue a Request for Qualifications (RFQ) and statement of interest to determine if developers have the capacity and interest to work with the Town on this project.
- Make the most of the remaining property. Design the site and units to be livable, compatible with surrounding uses and responsive to market demand without sacrificing density. Contrary to popular belief, high density does not equate to ugly, unlivable or incompatible with community character, even in rural mountain communities.
- Conduct site visits to existing affordable housing projects in regional communities – the Town of Breckenridge and City of Boulder have award winning, high-density projects that are successful and attractive family communities.
- Follow up with Hideaway Junction applicants to determine interest levels, incomes, unit size needed and amenities preferred. Advertise for additional applicants. Hold a lottery to select applicants if needed.
- Explore a phased construction approach whereby homes are built when purchase contracts are obtained prior to construction, a technique that has been working well at Peak One in Frisco and is common in the private sector, particularly since the recession when banks became cautious of speculative homebuilding.
- Consider townhomes, duplexes and potentially single-family homes, but not condominiums.

Improve Public Transit – To improve opportunities for employees to live in Winter Park year round and to attract the labor force needed for peak winter employment that cannot be housed in Winter Park, provide a functional, cost efficient system through which service providers deliver transportation services in a coordinated system.

Plan for Apartment Development – Since the rental market is tight with low vacancies and rising rents, many jobs will continue to pay wages too low for homeownership and two to three years are needed to design/finance/build an apartment property, planning should start soon for rental development. The approach should:

- Allocate an existing site.
- Since development of rental housing is very expensive, either plan to allocate significant resources and subsidies into a conventionally-financed apartment development or accept that Low Income Housing Tax Credits (LIHTC) are the most attractive/viable source of financing at present for apartments in Colorado mountain resort towns. High quality, attractive properties can be constructed using LIHTC - many examples in other mountain resort communities can be provided and field trips to successful projects are encouraged.
- Provide a range of units priced under 60% AMI up to the needed 80% AMI in the Town of Winter Park, possibly with 4% LIHTC financing, which can fund mixed-income properties.
- Work with an experienced LIHTC development team to be efficient and competitive.
- Monitor rental vacancies and rent rates to help inform development and financing decisions.

Explore Regulatory and Incentive Programs

- Consider implementing inclusionary zoning to require developers of second and high-end homes to help build or fund (through in-lieu fees) attainable housing for residents. With 55% of the Town unplatted (including potential annexations to the south), there is significant opportunity to use this program. As the existing 2,000 entitled lots are built out the Town can work on getting inclusionary zoning in place for the next round of subdivisions and annexations.
 - Inclusionary zoning can be combined with other incentives to make the program more palatable – such as density bonuses to accommodate attainable units without reducing the number of market rate units or development fee waivers for the attainable units. Research inclusionary zoning programs in comparable communities to understand tradeoffs.
- Annexation policies and agreements to impose attainable housing requirements as a condition of annexation.
- Adopt more complete Attainable Housing Guidelines that define the Town's housing goals and support development of units needed to achieve goals. Define unit types, ownership price points and incomes levels that units must serve to be

attainable. Learn from Housing Guidelines established in other mountain resort communities.

Improve Housing Program Implementation and Management

- Adopt an Attainable Housing Plan for the Town. Define whom you are trying to house (e.g., household type, incomes, etc.). Devise strategies necessary to achieve defined goals. Check progress at least yearly to ensure goals are being met.
- Establish clear and consistent deed restriction criteria. Base deed restrictions on income. Income requirements define not only the resale price point (based on the household's ability to pay), but also which households can qualify for which housing. It also defines the upfront one-time subsidy needed to make units initially affordable. Learn from other communities – many examples of effective deed restrictions exist.
- Cooperate regionally on housing needs. The region operates as an integrated resident and workforce community. What Fraser builds affects the market in Winter Park and vice-versa. The Town should not operate in a vacuum and shared resources can leverage more attainable housing.
- Consider rebuilding the relationship with the Grand County Housing Authority. The Town can leverage existing resources available through the Grand County Housing Authority for housing management and programs, including down payment assistance. A Memorandum of Understanding should be drafted to define roles and responsibilities. Efficient use of Town resources invites borrowing upon existing resources rather than duplicating programs.
- Hire a staff person or appoint existing staff (if available) to manage the affairs of the WPAHC. A point person is needed to optimize the use of limited resources.
- Get educated on financing options and the use of leverage to stretch limited financial resources further.

SECTION 1 - DEMOGRAPHICS

Population and Households

Winter Park is home to approximately 7% of Grand County's population and households, up from 5% in 2000.

- Winter Park's small population of local residents has been growing rapidly, near three times the rate in the rest of Grand County. The Town had about 1,000 residents in 2010 after very strong growth between 2000 and 2007, followed by a loss of about 22 persons during the recession.
- The population appears to be holding steady at this time. In the next five years, Winter Park should gain about 130 residents, yet this will depend on multiple factors, including the development of attainable housing.

Population: 2000 to 2020 (Projected)*

	2000	2010	2015	2020	% change (2000-2010)	% change (2010-2020)
Grand County	12,442	14,843	14,929	16,848	19%	14%
Winter Park	662	999	1,005	1,134	51%	14%

Source: 2000 and 2010 Census; DOLA projections (Grand County); Consultant team

*Growth estimates for Winter Park in 2015 and 2020 are based on the State Demographer's projections for Grand County and are likely conservative.

- With an average of just over 2 persons per household, residents currently occupy about 500 housing units.

Households: 2000 to 2020 (Projected)

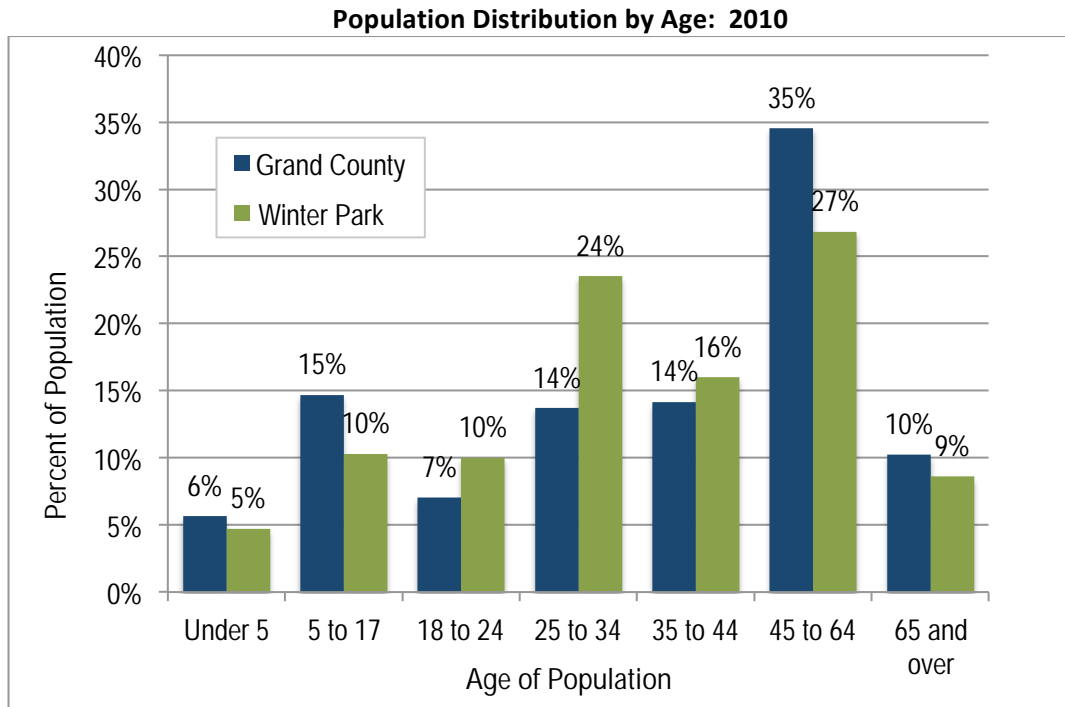
	2000	2010	2015	2020	% change (2000-2010)	% change (2010-2020)
Grand County	5,075	6,469	6,710	7,559	27%	13%
Winter Park	318	481	500	560	51%	13%

Source: 2000 and 2010 US Census, DOLA projections (Grand County), Consultant team

Population and Household Characteristics

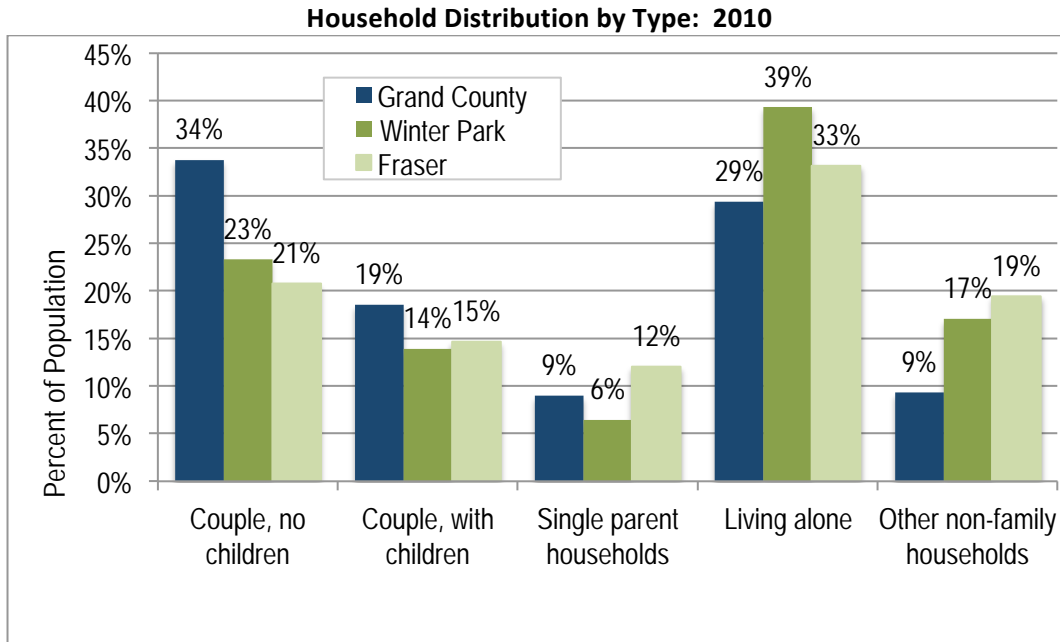
Winter Park has:

- A high proportion of younger residents in the 25 to 34 age category, but the number of young children (under 5) and seniors is growing faster.



Source: 2000 and 2010 US Census

- Relatively more persons live alone or with roommates (56%) and there are fewer family households than in Grand County overall. Fraser is similar in terms of household composition with the exception of its higher percentage of single-parent families.



Source: 2000 and 2010 US Census

- A higher rate of growth among couples with children than any other type of household.

Percent Change in Households by Type: 2000 to 2010

	Grand County	Fraser	Winter Park
Couple, no children	32.0%	45.5%	55.6%
Couple, with children	7.2%	33.9%	97.1%
Single-parent households	31.2%	16.1%	34.8%
Living alone	50.6%	58.4%	54.9%
Other non-family households	1.2%	0.0%	22.4%
TOTAL	27.5%	31.7%	51.3%

Source: 2000 and 2010 US Census

- An average household size of just over two persons per unit; smaller than the Grand County average of 2.26. Renter households in Winter Park are smaller (1.91 persons on average) than owner households (2.15 persons on average).

Household Size: 2010

Persons per Household	Grand County	Winter Park
1-person	29%	39%
2-person	41%	37%
3-person	13%	12%
4-person	11%	8%
5+-person	6%	4%
Average:	2.26	2.05

Source: 2010 Census

- A small but fast growing Hispanic/Latino population (4 households in 2000; 22 households in 2010).

Hispanic/Latino-Headed Households: 2000 to 2010

	Grand County		Winter Park	
	#	%	#	%
2000	170	3.3%	4	1.3%
2010	302	4.7%	22	4.6%
% change (2000-2010)	78%	-	450%	-

Source: 2000 and 2010 US Census

- A high rate of growth in seniors, but Winter Park still has a relatively small number of senior households compared to Grand County as a whole. Seniors often move out of the area as they age.

Senior-Headed Households: 2000 to 2010

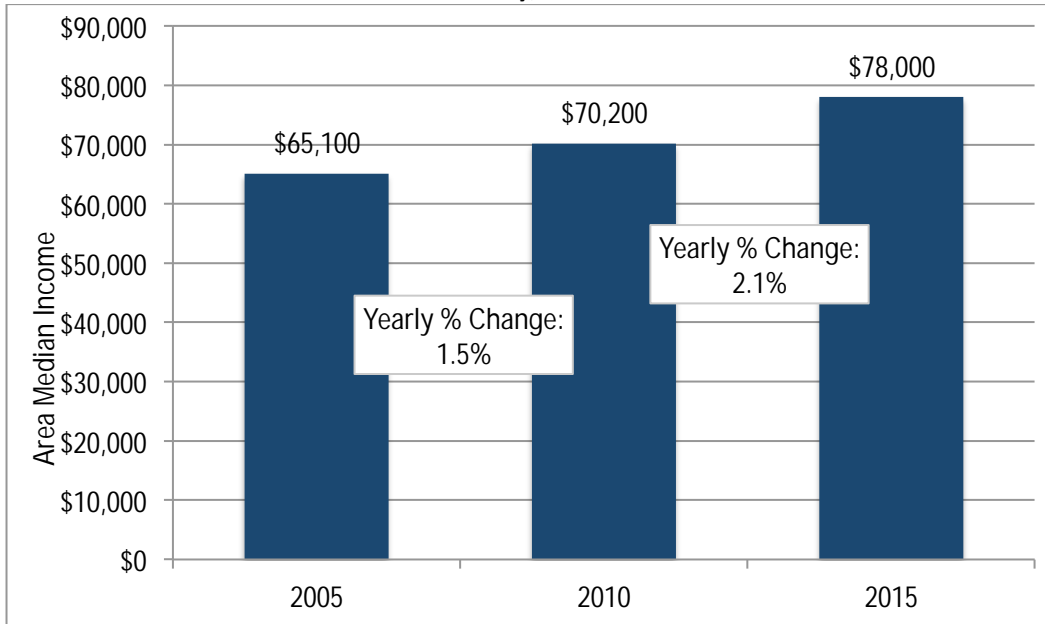
	Grand County		Winter Park	
	#	%	#	%
2000	604	11.9%	25	7.9%
2010	986	15.2%	58	12.1%
% change (2000-2010)	63%	-	132%	-

Source: 2000 and 2010 US Census

Income

The 2015 median income for a four-person family in Grand County is \$78,000. The AMI has increased 2.1% per year on average since 2010, which is lower than the increase in housing prices. In other words, it has become harder for the workforce to afford housing in the past five years.

**Area Median Income:
Grand County, 2005 to 2015**



Source: HUD

To determine the sale price or rent for housing to be attainable by the workforce, costs are compared to the incomes of households with employees. For the Winter Park workforce, the following incomes are used since the majority of employees live within the larger area that extends to Grand Lake (see Section 3 – Economic Conditions and Trends). As was the case in 2007 when the Grand County Housing Needs Assessment was conducted, the percentage of households with incomes above 140% AMI, particularly renters, is relatively high.

**Area Median Income: Owners and Renters
Winter Park/Fraser Valley/Grand Lake Area, 2015**

	Renters	Owners	TOTAL
<50%	28%	12%	17%
50% to 80%	27%	12%	17%
80.1 to 100%	14%	9%	10%
100.1 to 120%	6%	14%	11%
120.1 to 140%	4%	11%	9%
Over 140%	21%	42%	35%
TOTAL	1,701	3,723	5,424

Source: Ribbon Demographics, LLC; Consultant team

SECTION 2 – HOUSING INVENTORY

Housing Units – Number and Occupancy

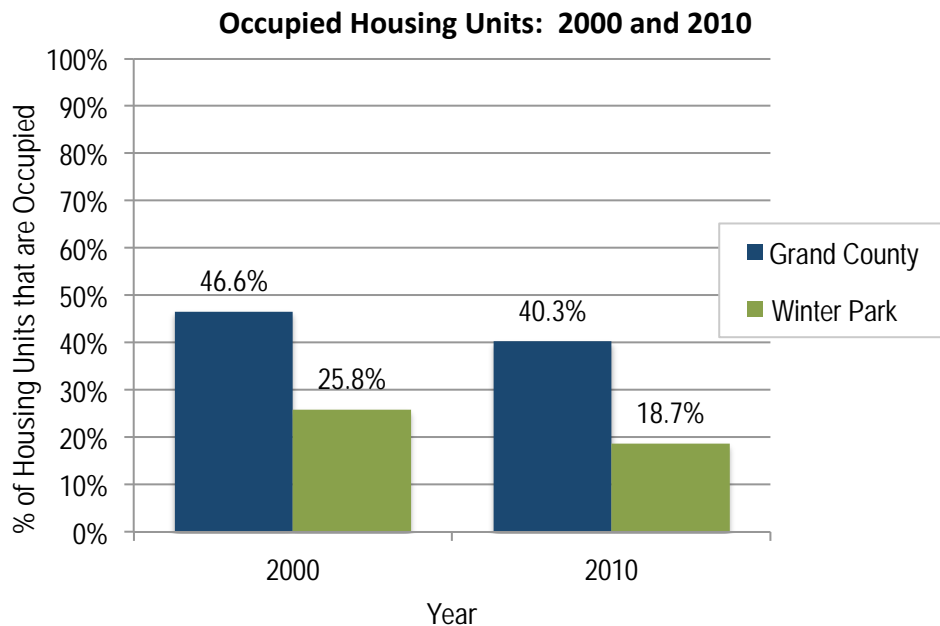
Winter Park has just over 2,600 residential units, which equates to about 16% of the units in Grand County as a whole. The rate of growth has been very high with the number of units more than doubling between 2000 and 2010, and more than twice as fast as in Grand County.

Housing Unit and Occupancy Estimates

	Grand County		Town of Winter Park	
	Housing Units	Occupied Units	Housing Units	Occupied Units
2000	10,894	5,075	1,231	318
2010	16,061	6,469	2,572	481
2015 (est)	16,659	6,710	2,606	487
% change (2000 to 2010)	47.4%	27.5%	108.9%	51.3%

Source: 2000 and 2010 US Census, DOLA household estimates (Grand County), Consultant team

A low percentage of housing units are actually occupied by local residents – only 19%. This is low even compared to other high-cost mountain resort towns. The decreasing occupancy trend is not in the desired direction for a community that wants more year round residents. The number of total housing units grew at twice the rate of households (occupied housing units) and the percentage of units that housed local residents dropped over seven percentage points between 2000 and 2010.



Source: 2000 and 2010 US Census

Types of Units

Winter Park has little diversity in its housing inventory. Over 70% are condominiums, which are not well suited for occupancy by year round residents, as covered in more detail in Section 4 – Homeownership Market Conditions.

Housing Units by Type: Winter Park, 2015

	Total units
Condominiums & Multi-family	70.8%
Single Family & Townhomes	28.6%
Mobile Homes	0.6%
	2,606

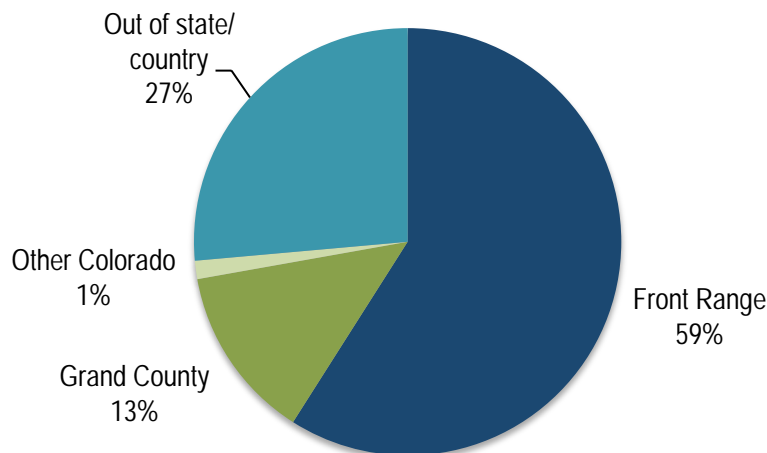
Source: Grand County Assessor, Town of Winter Park
Building Permits, Consultant team

Ownership

While locals reside in nearly 19% of the housing units, only 13% are owned by Winter Park residents based on the mailing addresses in Assessor records. Renters who live in units owned by absentee landlords account for the difference.

The majority of housing units are owned by Front Range residents. This is higher than in any of the other Colorado ski towns.

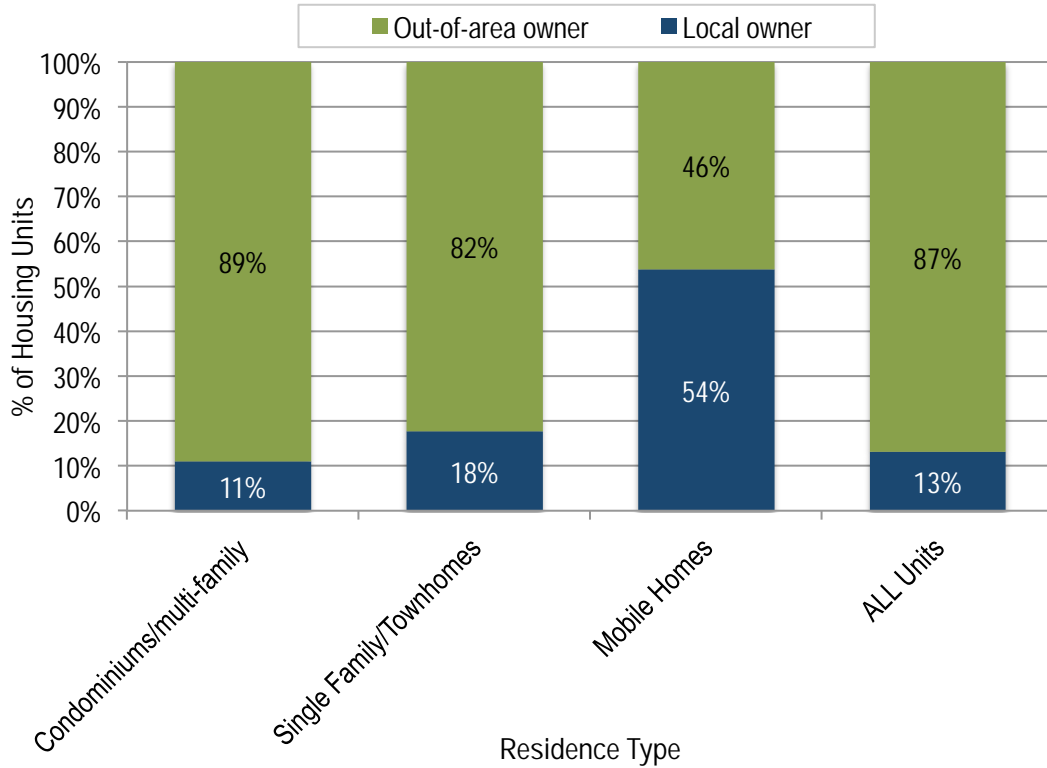
Estimated Owners by Place of Residence: Winter Park, 2015



Source: Grand County Assessor records

The ownership pattern varies little by type of unit. Even among single-family homes, over 80% have out-of-area owners. While mobile homes are the exception, locals own just slightly more than half of these units.

Ownership of Homes by Type of Unit: 2015

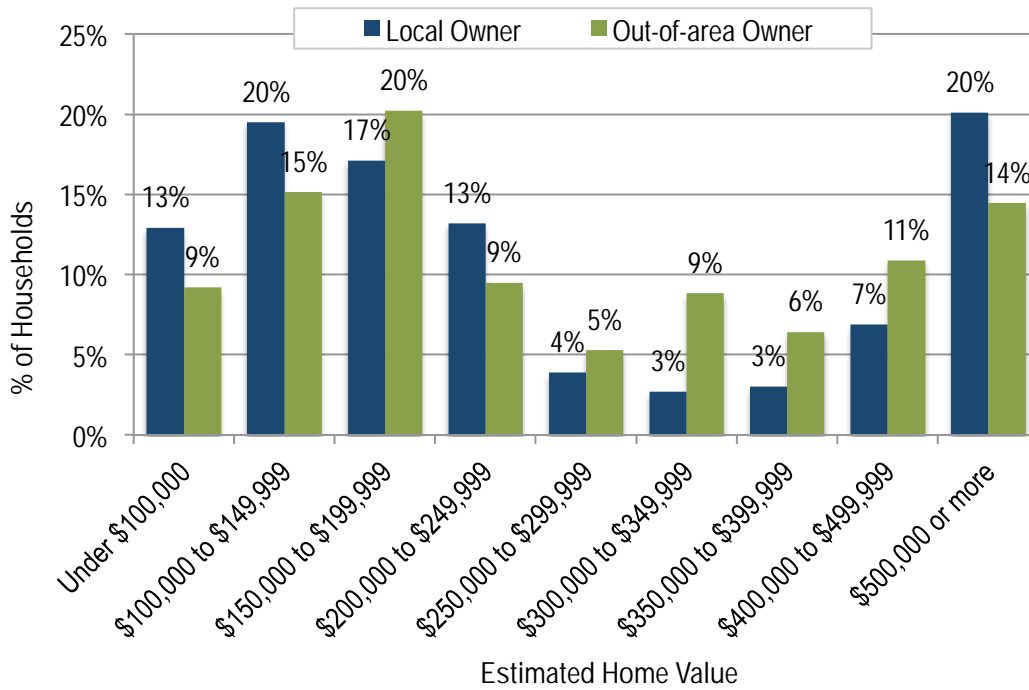


Source: 2010 US Census, Grand County Assessor, Consultant team

Home Values

Ownership varies by value. The values of homes owned by local residents tend to be lower than those owners by out-of-area parties. The exception is among units priced at or above \$500,000. Many local owners purchased these homes over fifteen years ago, which have since appreciated in value. Realtors also have seen an increase in expensive homes being purchased by households that earn their incomes outside of Grand County or through other resources and are now calling Winter Park their primary home, as discussed in Section 4 – Homeownership Market Conditions.

Ownership by Estimated Home Value: 2015



Source: Grand County Assessor, Consultant team

Bedroom Mix

Ownership patterns vary in terms of the number of bedrooms. Local residents tend to buy homes with more bedrooms than out-of-area owners. While second home owners can double up when vacationing, year round owners seek a sufficient number of bedrooms to accommodate household members, even though they may opt for less square footage.

Ownership of Homes by Bedroom Size: 2015

	Local owner	Out-of-area owner	TOTAL Units
Studio	5.0%	8.6%	8.2%
1-bedroom	13.9%	18.6%	18.0%
2-bedroom	34.1%	33.1%	33.3%
3-bedroom	32.8%	29.9%	30.3%
4-bedroom	10.2%	6.9%	7.3%
5+-bedroom	4.0%	2.7%	2.9%
TOTAL	344	2,262	2,606

Source: Grand County Assessor, Consultant team

Age of Units

Ownership also varies by age of the unit. Locals are more likely to own older units built before 1990, a pattern common in resort towns, because they bought years ago when housing was attainable or they have since purchased homes at the lower end of the price spectrum, which are typically older.

An exception to this occurred recently during the post-recession construction lull when builders were offering competitive prices. Of the 34 homes built between 2010 and 2015, nine were purchased by locals. All were priced over \$350,000 but likely a bargain compared to prices in 2007 or the level prices will reach in coming years.

Ownership by Age of Homes: 2015

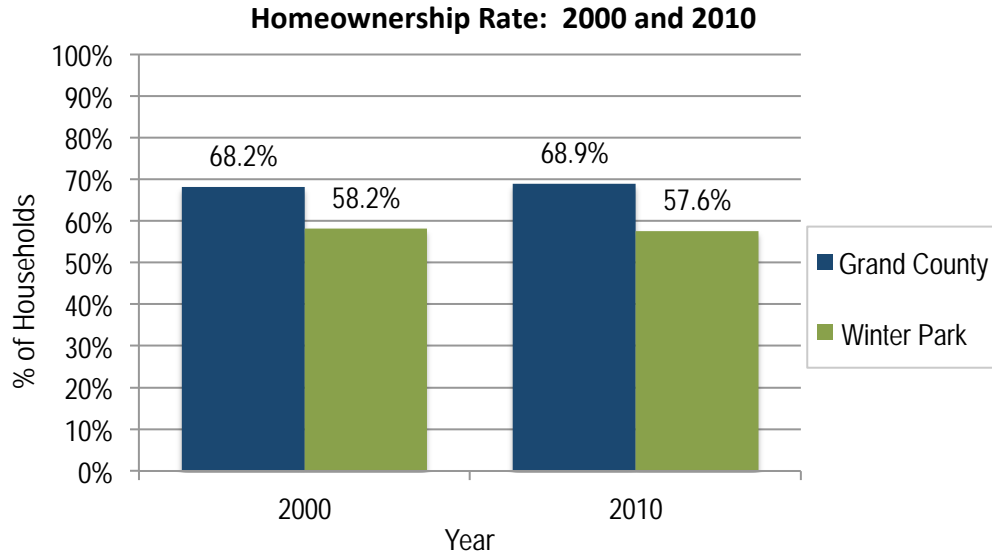
Year Built	Local Owner	Out-of-area Owner	TOTAL Units
Before 1970	13.3%	5.8%	6.8%
1970 to 1979	24.2%	17.7%	18.6%
1980 to 1989	27.8%	23.1%	23.7%
1990 to 1999	13.6%	20.5%	19.6%
2000 to 2009	18.7%	31.6%	29.9%
2010 to 2015	2.4%	1.2%	1.3%
TOTAL	344	2,262	2,606

Source: Grand County Assessor, Consultant team

Residential construction has varied over the years. Activity was strong in the 1980's, slowed in the 1990's and early 2000's, strong again in 2005 to 2008, almost halted due to the recession and is just now starting to pick up again. This volatility is common in resort communities, yet is somewhat more pronounced in Winter Park.

Owner/Renter Mix

Among Winter Park households, about 58% own their homes and 42% rent, a mix that held steady between 2000 and 2010 when homeownership was increasing in most of the state.



Source: 2000 and 2010 US Census

Attainable Housing

Only two attainable housing projects for residents exist in Winter Park, providing a total of 20 homes for ownership and six rentals.

The town of Fraser has one affordable rental project providing 50 low-income housing tax credit (LIHTC) units.

Attainable Homeownership: Winter Park

Project	# Units	Size (sq. ft.)	Sale Price	Type
Miller's Inn	1	500	115% AMI	Condominium
Studio	1	500	115% AMI	Condominium
1-b	4	650-1,100	115% AMI	Condominium
2-b	5	800-1,200	115% AMI	Condominium
Hideaway Junction				
2-b	4	1,700	\$225,000	Single family
3-b	6	1,900	\$245,000	Single family

Attainable Rentals: Miller's Inn, Winter Park

Miller's Inn	# Units	Size (sq. ft.)	Rent
Studio	2	310-370	\$400-\$675
1-b	4	400-710	

LIHTC Affordable Rentals: Wapiti Meadows, Fraser

# Units	Size (sq. ft.)	40% AMI Rent	50% AMI Rent	60% AMI Rent	
1-b	4	703	\$498	\$644	\$790
2-b	26	927	\$605	\$780	\$956
3-b	20	1,130	\$811	\$906	\$1,109
TOTAL	50	-	7	15	28

Source: Property manager interviews

- **Millers Inn** is an original lodge in Winter Park that was used for short term and later long term rental housing. The project was purchased in late December 2002 and now provides nine residential cabins and a six-unit apartment building affordable for the local workforce.
 - Ownership at Miller’s Inn is restricted to persons who earn no more than 115% AMI. Units can appreciate no more than 3% per year.
 - Rentals may be leased by Grand County employees or business owners only. There are no income qualification standards for tenants. If they cease being employed in Grand County, then the lease terminates.
- The first phase of **Hideaway Junction** was built by the town of Winter Park in 2008. It provides 10 single-family homes for purchase by residents employed in Grand County. There are no income limits imposed on the units but they are deed restricted with appreciation caps of 2% per year for the first three years, then 1% annually thereafter. Fourteen households have been added to the waitlist since 2012. The units originally sold for \$225,000 (2-b) and \$245,000 (3-b) and the Winter Park Affordable Housing Corporation (WPAHC) has retained those sale prices.
- **Wapiti Meadows** is a Low Income Housing Tax Credit (LIHTC) rental property built in 1995. It is managed by Mercy Housing and provides rentals priced for households earning 40%, 50% and 60% AMI. The property has carried a waitlist for the past two years. As of July, there are five households on the waitlist.

Employer Assisted Housing (EAH)

As is the case in many high-cost communities and especially in resorts, employers provide housing for some of their employees.

- Winter Park Resort houses 165 to 185 employees in dorm-style accommodations (shared bedrooms). A few units are located at the base of the mountain, but most are in Fraser, Tabernash or Granby. Transportation is provided for these units in the winter. The units are generally about 50% vacant in the summer, but

fully occupied in the winter with waitlists. Of the units in Granby, one is occupied this summer by a Resort employee and the other units are housing other locals, at least until needed by the Resort this winter. The Resort has done more outreach to summer employers this year to let them know that they have summer units available for their workers.

- Devil's Thumb – About 20 employees are housed in Fraser in a converted hostel that was acquired within the last couple of years, and about 30 live in various units provided by Devil's Thumb within a couple miles of the resort. Additional housing for Visa workers has been provided on site for over 10 years. Local transportation is challenging and inconsistent, so it is desirable to keep workers close to their jobs.
- Other Employers – A few smaller employers provide units or some type of housing assistance for employees, but the practice is not as widespread as in some resort communities which face housing shortages in the summer as well as winter. Some employers who previously provided units stopped doing so during the recession when they were no longer needed and hard to keep full.

Loss of Employee Housing

As indicated earlier, locals are losing ground to second home owners, from occupying 26% of units in 2000 to less than 19% in 2010. While some of this is due to the type and price of homes built, it also is the result of the loss of units that locals previously owned or occupied. The following trends are likely to continue:

- When employees retire, many want to remain in the area and their homes are then no longer housing the workforce.
- Seniors/retirees who move out of the area as they age sell their homes to second home buyers who can afford the higher prices.
- Homes that were once rented long term or owner-occupied are now rented short term through on-line sites, though this is more common at the base area than in town.
- When employees move out of the area or move up, their homes are likely to be sold to second home buyers, especially if priced over \$300,000.
- Front Range residents are renting homes that local workers used to rent.

Planned/Pending/Potential Development

Approximately 11,000 housing units can be built in Winter Park in total, based on a

study completed as part of the 2006 Town Plan. This includes already developed lots, approved and platted but unbuilt lots within Town boundaries, and potential annexations (Section 3 of the 2006 Winter Park Town Plan).

As of 2015, the Town is less than ¼ built out. Another 2,390 units are, however, entitled or moving through the platting process, but not yet built. If all of these units are constructed, Winter Park would be about 45% built out.

Buildout Summary: Winter Park

	# of units	% of buildout
Buildout	11,000	-
Built Units	2,606	23.7%
Entitled/in process	2,390	21.7%
Platted, but unbuilt	355	-
Entitled, not yet final plat	2,000	-
In platting process	35	-
Potential of Inclusionary Housing	3,600	

Source: Town of Winter Park Planning Dept.

Entitled projects with final plat approval include a variety of product types, which would enhance the much needed diversity in the town’s residential inventory:

- Preserve – 10 unit single-family subdivision
- Trailhead Lodges – 24 condominium units remaining
- Whistlestop Townhomes – 18 townhome units remaining
- Lakota Central Village – 100 single-family, duplex and triplex units remaining
- Rendezvous Filing 1 – 191 single-family and multiple-family units
- Serenity Trail at Winter Park – 12 townhome units

There are multiple developments in the Town that have entitlements, but which have not filed a final plat. This includes: Rendezvous at Winter Park, Idlewild, Lakota North, Lakota South and the base at Winter Park Resort. These projects combined have rights to develop about 2,000 more residential units.

Two developments are going through the platting process currently in Winter Park and a few are under construction. All homes will be market-rate. Trailhead Lodges are targeted for second homeowners and for owners that want to short-term rent their units.

**Under Construction and Pending Approvals:
Winter Park, 2015**

	# of units	Type of homes	Price Point
Trailhead Lodges (under construction)	24	Condominiums	Over \$350,000
Preserve (begin in 2015/16)	2	Single Family	ND
Whistlestop Townhomes (by end of year)	2	Townhomes	ND
Lakota Central Village (under construction)	2	Duplex units	ND
Vasquez Village (plat process)	30	Condominiums	ND
Reunion Station (plat process)	5	Townhomes, mixed with commercial	\$400,000 and up

Source: Town of Winter Park Planning Dept.

The Town of Fraser also has some activity:

- Rendezvous is under development and includes 54 single-family homes. Prices will start near \$400,000 for units with garages that are about 1,100 square feet in size; and
- Elk Creek filings 1 and 2 received final plat approval for 71 single-family lots, which will be at market prices. Filing 3 is still pending with potential to provide 8 attainable housing lots priced below market for purchase by local residents.

SECTION 3 – ECONOMIC CONDITIONS AND TRENDS

Number of Jobs

Since 2006, between 32% and 34% of jobs in Grand County have been located in the Winter Park zip code area.

Jobs grew at a slightly slower rate in Winter Park between 2010 and 2015 than in Grand County, but have nearly returned to the peak job levels that existed in 2007. By 2020 both the town and the county will have more than recovered all jobs lost during the recession.

Most employers in Winter Park expect to increase their employment over the next five years.

Jobs Estimates and Projections: 2007 to 2020

	2007	2010	2015	2020	Average Yearly % growth	
					2010-2015	2015-2020
Grand County	9,960	8,816	9,592	10,707	1.7%	2.2%
Winter Park (80482)	3,231	2,949	3,175	3,544	1.5%	2.2%

Source: Colorado Dept. of Local Affairs, QCEW zip code files, Consultant team

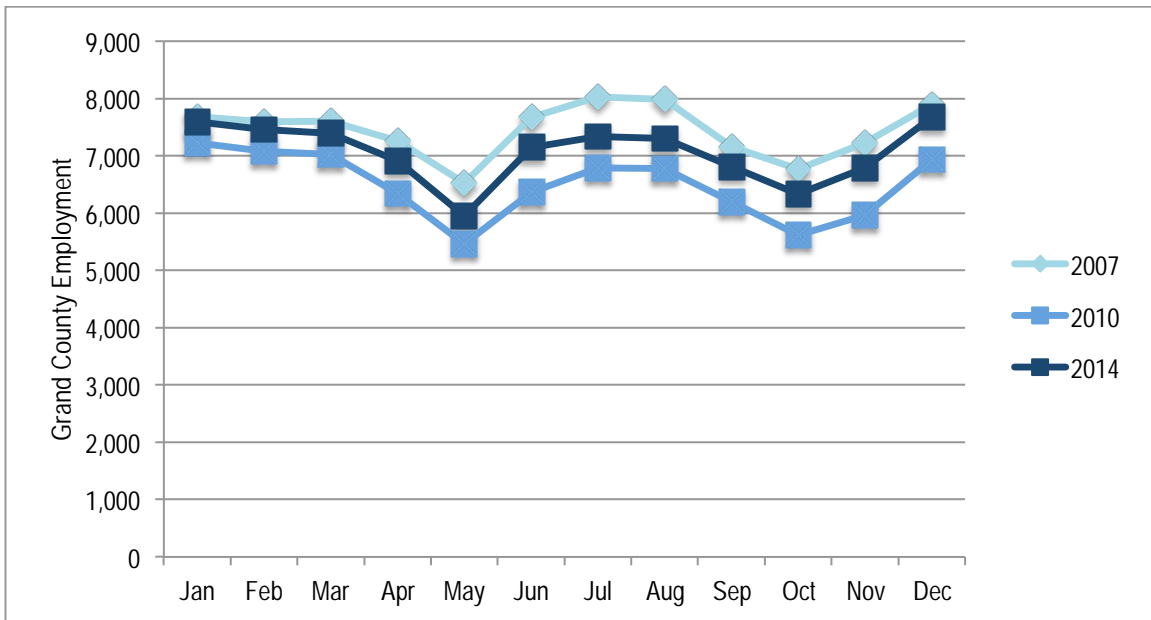
*Job growth estimates for Winter Park in 2015 and 2020 are based on the State Demographer’s projections for Grand County.

Seasonality of Jobs

Grand County has two similar employment peaks – one in the summer and one over the winter.

May and October are the lowest employment months, which occur at the changeover of the seasons. These low employment months are generally representative of the year round employment base in the area, which totaled about 6,000 jobs in 2014.

Grand County Employment by Month: 2007, 2011, 2014



Source: Quarterly Census of Employment and Wages (QCEW)

Summer and winter seasonal employment in Grand County is estimated to be about 1,900 jobs each in 2015. If these jobs were evenly dispersed throughout the county, this would greatly assist the provision of housing for employees holding seasonal jobs. They could hold different jobs each season but live in the community year round, and workers leaving their winter jobs (and rental housing) would be replaced by workers coming in to fill summer jobs.

Adding complication is that summer and winter employment peaks vary by location in the county. Granby, Grand Lake and Tabernash all exhibit higher summer employment peaks than in the winter. Winter Park, however, is highest in the winter, adding about 60% fewer summer seasonal jobs than winter seasonal jobs. Seasonal summer housing located in Grand Lake, which is often unoccupied in the winter, would be a 45-minute commute for winter seasonal workers employed in Winter Park. The commute adds significantly to the cost of living and is not affordable for employees holding low-wage seasonal jobs.

Grand County Employment: Year Round and Seasonal

	Average Employment	Estimated year-round jobs	Summer seasonal	Winter seasonal
2014	9,348	7,877	1,844	1,921
2015	9,592	8,082	1,893	1,971
2020	10,707	9,022	2,113	2,201

Source: DOLA employment estimates and projections, QCEW monthly employment estimates, Consultant team

The percentage of Grand County jobs that are located in Winter Park fluctuates during the year – from a low of 30% in the spring and summer months (April through September) to a high near 45% in the winter (October through March). Based on these quarterly fluctuations, Winter Park will conservatively increase from about 2,200 year-round jobs to nearly 4,200 this winter, a peak gain of about 2,000 jobs.

Employment by Quarter: Grand County and Winter Park, 2015

	Average Yearly Jobs	Q1	Q2	Q3	Q4
Grand County	9,592	10,087	9,274	8,961	10,045
Winter Park	3,175	4,162	2,376	2,283	3,892

Source: DOLA employment estimates, QCEW zip code files

Jobs and Wages by Sector

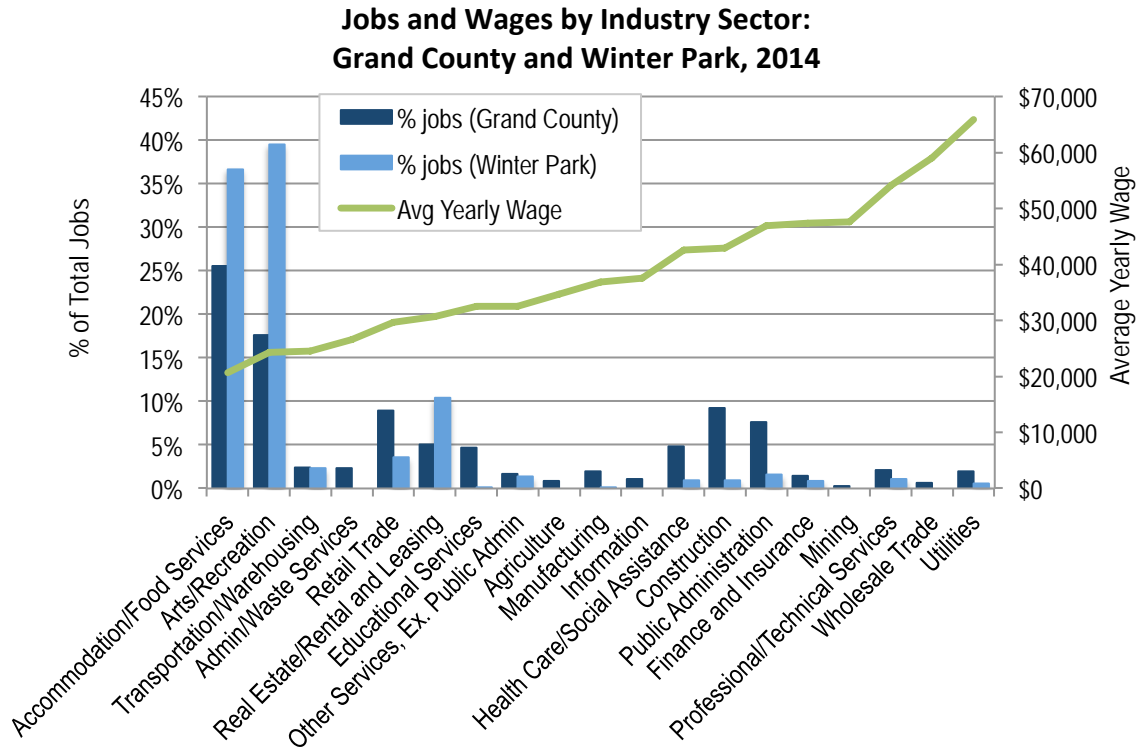
Jobs in Grand County peaked in 2007, fell through 2011 and began coming back in 2012. The recovery is somewhat slower than in other mountain resort communities where the rebound started as early as 2010.

- Construction, retail, accommodation/food services and real estate, rental and leasing lost the most jobs during this period.
- The recovery has been led by real estate, arts, entertainment and recreation, and accommodation/food services in Winter Park.
- Construction jobs are still lagging in both Winter Park and the county as a whole. Construction jobs in the county fell by 44% (700 jobs) beginning in 2008 through 2011. As of 2013, these jobs were only 60% recovered from their 2007 peak. Local contractors noted that construction just began picking up this year since the recession, and are cautiously optimistic that the uptrend will continue for the next few years.

The average wage paid in Grand County in 2014 was about \$31,600. This is equivalent to 50% AMI for a two-person household.

- There is little diversity in jobs in Winter Park compared to larger resorts with less seasonal variation and to the county as a whole. Winter Park jobs are also dominated by the lowest wage sectors of accommodation and food services and arts and recreation (77% of jobs). As a result, the average wage paid in Winter Park in 2014 (\$25,000) was about 22% lower than the county average.

- Most winter seasonal jobs are in the low paying sectors of arts, entertainment and recreation, accommodation and food services, and retail, plus jobs in real estate, rental and leasing. Seasonal positions typically range in pay from about \$10 to \$15 per hour depending upon the position and business.



Source: QCEW, DOLA, Consultant team

Labor Force and Unemployment

In Grand County, the unemployment rate has been below that of the state as a whole since 2005, with the exception of 2010. This is typical of many other resorts, as shown in the 2014 Grand Profile.

Both prior to 2009 and beginning again in 2014, unemployment in Grand County was below 5%. When unemployment drops below the natural cycle of employment/unemployment, typically around 5% to 6%, this can be one indicator of a labor shortage.

Average unemployment for Grand County in 2014 was 4.1%. Estimates are not available for Winter Park, though with its stronger real estate recovery and what employers have reported, the rate is likely lower.

Unemployment is always highest in May. May 2015 is the first year since the recession that unemployment fell below 5% for this month (4.6%).

Unemployment Rate: Grand County and Colorado – 2005 to 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Grand County	4.1%	3.2%	2.6%	3.7%	6.7%	8.8%	8.0%	7.2%	5.8%	4.1%
Colorado	5.0%	4.3%	3.7%	4.8%	7.3%	8.7%	8.3%	7.8%	6.8%	5.0%

Source: Bureau of Labor Statistics (BLS) LAUS

Another measure of a labor shortage is when job growth outpaces growth in the local labor force. This occurred in Grand County between 2010 and 2014. The labor force declined slightly, while jobs increased by 6%.

Change in Labor Force and Jobs: Grand County – 2010 to 2014

	2010	2011	2012	2013	2014	% change (2010- 2014)
Labor force	8,950	8,793	8,750	8,810	8,934	-0.2%
Jobs	8,816	8,809	8,799	9,104	9,348	6.0%

Source: Bureau of Labor Statistics (BLS) LAUS, Colorado Dept. of Local Affairs (DOLA)

Commuting

Winter Park is a net supplier of jobs in the area. Workers mostly find housing in other communities, then commute in for work.

The 2008 Grand County Housing Needs Assessment found that about 19% of the workforce in Winter Park resided within the town, meaning 81% commuted in from other areas of the county or from outside the county.

In 2015, employers estimate that about 22% of the year-round workforce in Winter Park lives in town – about 590 workers living in 320 households. This does not mean, however, that more employees live in Winter Park now – there are fewer employees today than in 2008.

There is little out commuting. Most residents of Winter Park work in the town. About 80% of Winter Park's households that have at least one employed person are employed within the Town. Results from the 2014 Grand Profile household survey support that a higher proportion of working renter households are employed in town than are owners.

Winter seasonal workers were mostly living in Winter Park, Fraser, and Tabernash, with some in Granby. Winter Park Resort began running a bus to Granby last winter to shuttle workers for the first time since before the recession.

Jobs Per Employee and Employees Per Household

It is estimated that workers in Grand County hold about 1.2 jobs on average and that there are about 1.84 workers per household. These figures are used to translate job

growth into housing units needed by workers that fill new jobs. These figures are in line with other mountain resort towns and show little change since the 2008 Grand County Housing Needs Assessment.

Employers, Employees and Housing

A few patterns became apparent through employer interviews:

- Filling seasonal jobs became an issue last winter for mostly the larger employers, but a few smaller employers had difficulty as well. The lack of labor has resulted in problems for some this summer. One had a worker decline a position offered to them this year due to the inability to find housing – this had not happened before. One had a ski tech position remain unfilled all of last winter, which had not happened for several years. A few others had some entry positions remain unfilled this summer. Others reported few applicants for positions – one or two for which they had received a dozen in the past. Employers estimated that about 3% of jobs were unfilled this summer in part due to a lack of housing.
- Many of the smaller employers stated that housing has not been much of a problem for them, but that they are aware that it has been for others. These same employers stated that they hire their seasonal and other positions from local households – persons who already have housing in the area. Many also “have their hiring radar up year-round” to recruit local workers for upcoming positions. In the years preceding the recession, competition with other businesses and the shrinking labor pool made hiring local residents very difficult. As jobs increase and unemployment falls, businesses will struggle to “hire locals.”
- Even when workers hire locally, they suffer some loss due to competition with other employers in the area. At the peak of last winter, employers were outbidding others with wage hikes to attract employees. With year-round positions, attractive benefit packages and wage differentials cause some employees to shop positions.
- Positions that are most difficult to fill and keep filled include:
 - Police positions with the town of Winter Park. Many prefer the Summit County area as the pay scale is similar, but there is more choice in housing. Most officers hired with the town must reside outside the town. Only one officer lives in town.

- Low wage positions, including dishwashers, housekeepers, servers and bussers, ski techs and sales clerks due to competition among other employers. There are not enough workers to go around.
 - Construction laborers earning \$15 to \$17 per hour, and landscapers. Many left the industry or have not returned to the area since the recession. There is too much work on the Front Range and workers are not migrating back. This will impact the cost to develop attainable housing.
 - Experienced staff in the food industry – line cooks, chefs and skilled wait staff – and skilled staff in other professions. Many employers noted that skilled jobs take longer to fill and, once filled, if workers cannot find suitable housing within a couple of years, they will leave.
 - Teachers must typically be recruited from outside of the area. There is not a local education program from which they can be recruited. The best bet for retention is to find someone that used to live here and now wants to come back.
 - The Grand County Road and Bridge Department has employees that have been working for them for over 30 years in every District except District 1, which is in the Winter Park area/Fraser Valley. The longest term employee in District 1 is five years.
- Although most employers have found it harder to hire for positions in recent years, most had a harder time getting quality workers just before the recession. Problems have not yet reached pre-recession levels.
 - Employers in Winter Park expected very few employees to be retiring over the next five years – perhaps 2%. Employers with workers in other parts of the county, particularly around Granby, foresee retiring employees being more of a problem.

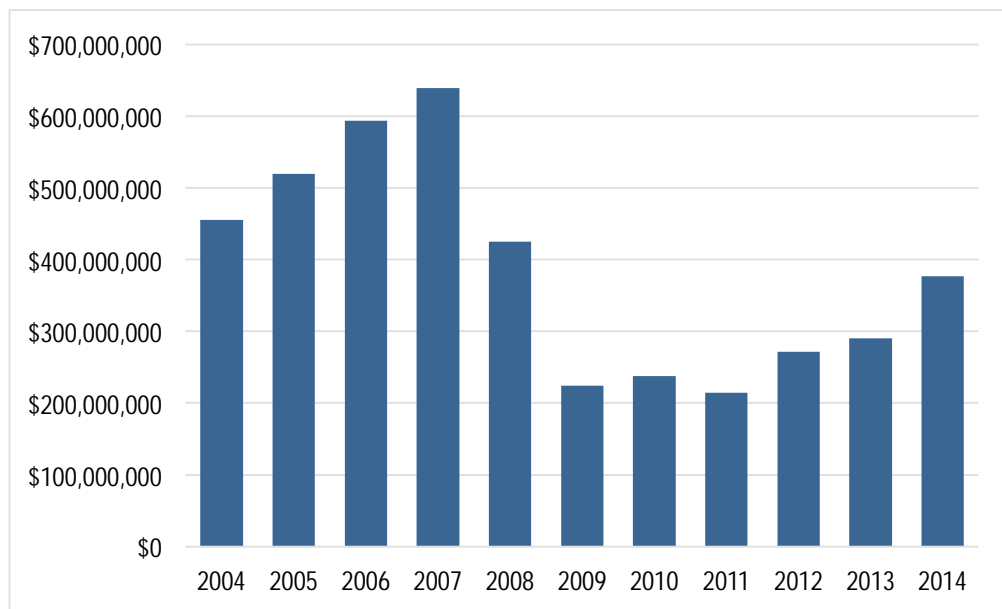
SECTION 4 – HOMEOWNERSHIP MARKET CONDITIONS

Trends

The real estate market in Winter Park and Grand County as a whole has slowly recovered from the depths of the recession in 2009 through 2012 but prices have not returned to peak levels.

- In 2014, sales volume (total dollar value of all sales) equaled less than 60% of the 2007 peak.

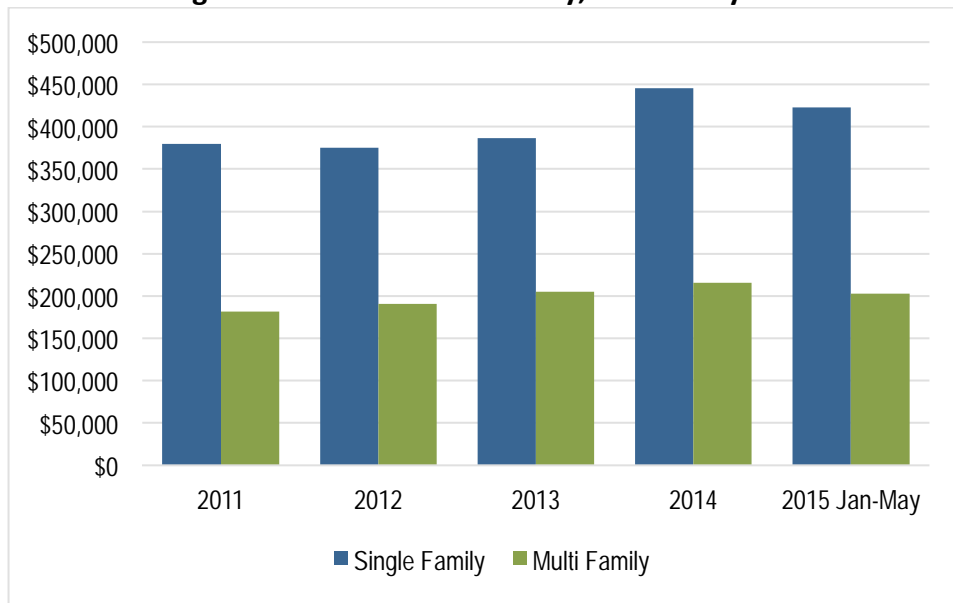
Gross Sales Volume for Grand County, 2004 - 2014



Source: Land Title

- The recovery has been slower than in most comparable Colorado mountain counties with the exception of Routt County (Grand Profile).
- Price increases in Grand County have been modest – slightly less than 12% in the past four years for both single-family and multi-family homes.

Average Sales Price: Grand County, 2011 - May 2015



Source: Land Title

- The number of sales countywide, however, has jumped since 2011 – over 40% for single-family homes. Growth in multi-family sales has been slower.
- Sales in Winter Park have comprised over 20% of sales in the county as a whole since 2012. Sales between 2011 and 2012 jumped significantly and have shown little increase since 2012.

Number of Residential Sales, Grand County and Winter Park, 2011 - 2014

	Grand County		Winter Park
	Single Family	Multi Family	All Residential
2011	324	330	115
2012	408	347	188
2013	413	366	164
2014	459	407	192
Change (2011-2014)	41.7%	23.3%	67.0%

Source: Land Title, County Assessor, MLS

Availability – Homes Listed for Sale

Housing availability has significantly decreased in the past year. Compared with the 180 units that sold in 2014, the July inventory of about 170 units equals nearly a one-year supply. While this suggests Winter Park is still a buyer’s market overall, homes at several price points are in short supply.

Residential Units Listed For Sale, July 2015

	Town of Winter Park	Balance of County	County Wide
# of Listings			
Condos	96	119	215
Townhomes	20	58	78
Single Family	21	322	343
Total	137	499	636
Median Price			
Condos	\$240,000	\$195,000	\$219,000
Townhomes	\$609,900	\$379,750	\$405,300
Single Family	\$1,599,900	\$479,950	\$499,000
Overall	\$363,000	\$375,000	\$375,000
Median Price/SF			
Condos	\$252	\$177	\$208
Townhomes	\$225	\$165	\$182
Single Family	\$215	\$141	\$145
Overall	\$244	\$152	\$174

Source: MLS

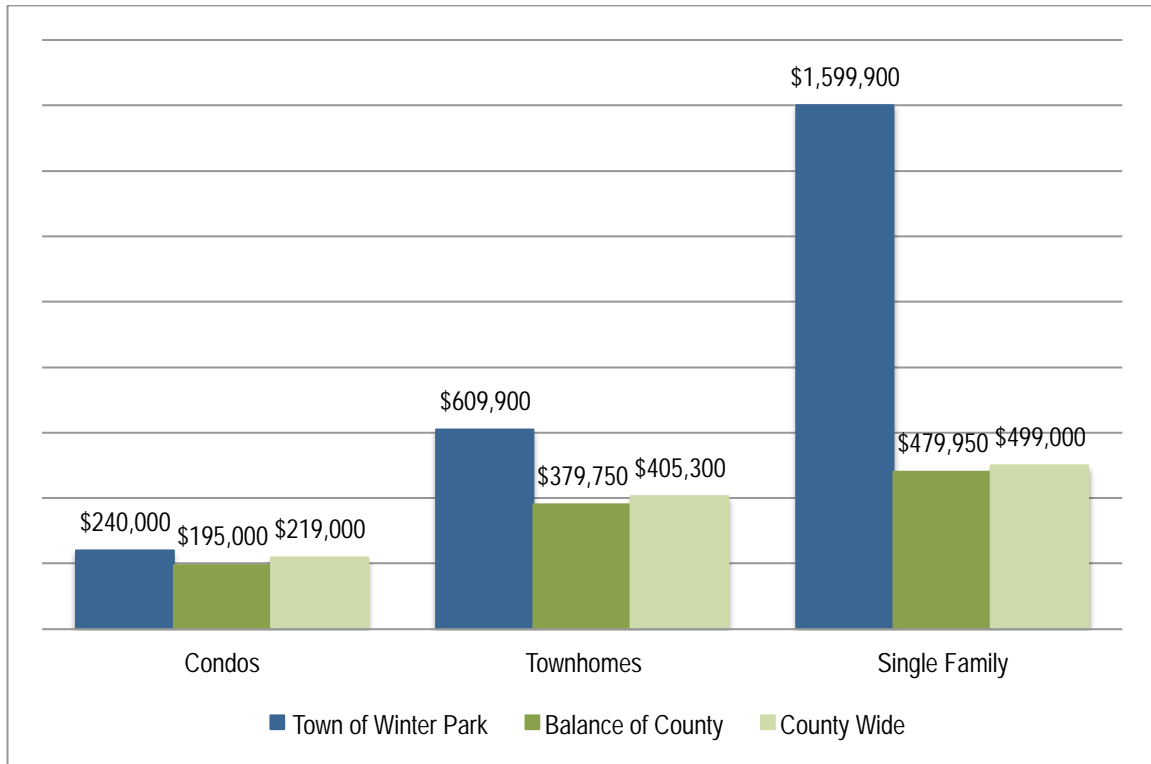
The inventory of homes listed for sale has decreased the most at the lower end of the market. Specifically:

- Homes that have been listed for several years in the \$500,000 to \$700,000 range are now selling; single-family homes in this price range would be very marketable.
- Homes priced at or under \$400,000 are “hot,” including townhomes with garages.
- Bargains have disappeared; there is almost no inventory for sale under \$200,000.
- The availability of single-family homes is especially limited, yet townhomes priced around \$500,000 are still available.

Home Prices and Attainability

Homes in Winter Park remain higher than elsewhere in Grand County. Single-family homes, which are only a small part of the inventory in Winter Park, are priced so high (\$1.6 million median price), that the days when a couple holding multiple jobs could afford to buy a detached home with garage and yard are in the past.

Median Price Comparison of For Sale Listings in Grand County, CO: July 2015

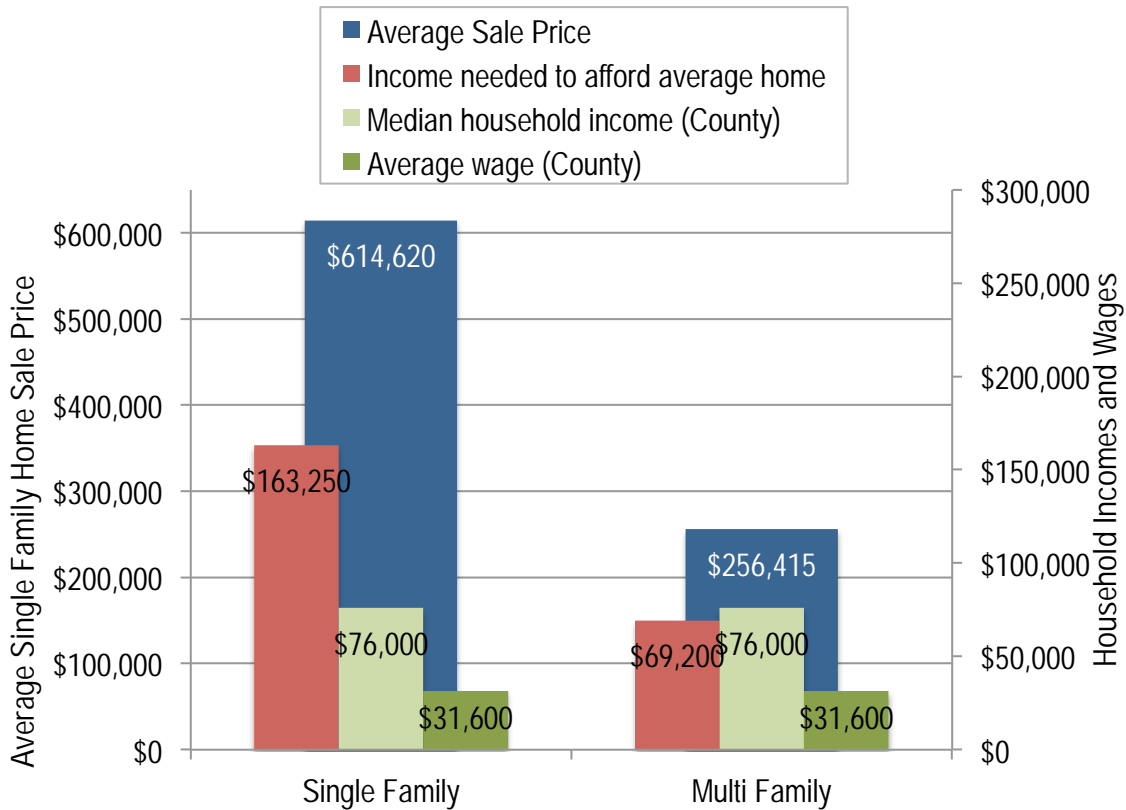


Source: MLS

Even though prices have not returned to previous peak levels, they are still too high for most workforce households. An income of over \$163,000 (or about 260% AMI) is needed to afford the average priced single-family home in Winter Park sold in 2014.

Even with prices that are still much lower than the pre-recession peak, condominiums do not pass the standard attainability test. Incomes of over 100% AMI are required to afford the median price multi-family unit listed for sale.

Average Price of Residential Homes Sold in Winter Park, Income Needed to Afford Average Home Compared to Incomes and Wages, 2014



Source: Land Title, HUD, DOLA, Consultant team

New construction is not targeting the local workforce segment of the market. Of the 76 residential sales in January through June 2015, only 4 were for new units. They were modest in size, averaging about 1,250 square feet, but sold for an average price of nearly \$600,000.

Ownership Opportunities for the Workforce

Low-, moderate- and even middle-income households have very little opportunity to buy homes in Winter Park.

While 58 units were listed for sale in late July at prices attainable for households with incomes equal to or less than 120% AMI, 56 were condominiums that are not appropriate for year round residents due to:

- HOA dues -- an average of \$398 per month;
- Age – lower-end units were built primarily in the 70’s;
- Design – insufficient storage and no garages; and

- Financing – limited mortgage availability, as explained later in this section.

MLS Listings in Winter Park: July 2015

	Total Units	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Maximum Price*		\$115,684	\$185,206	\$277,642	>\$277,642
Total Listings	137	11	16	31	79
Condos	96	10	16	30	40
Townhomes	20	1	0	0	19
Single Family	21	0	0	1	20
Percent of Total	100%	8%	12%	23%	58%

Source: MLS

*Assumes 2-person households qualifying for a 30-year fixed-rate mortgage at 5.5% with a 5% down payment.

Deed Restricted Sales

Hideaway Junction and Miller’s Inn provide ownership opportunities for households with at least one member employed in the local workforce. Since both projects are small with little turnover, the opportunities have been very limited, however. In the past five years (2010 through 2014):

- 8 of the 10 units at Hideaway Junction were sold for an average price of \$240,250, similar to original prices on the units due to discounting by the Town of Winter Park.
- 2 of the nine units at Miller’s Inn resold for an average price of \$176,207.

Combined, these sales average only two units per year.

Deed Restricted Sales

	Hideaway Junction	Miller’s Inn
Total Units	10	9
Units Sold		
2010	3	1
2011	1	
2012	0	1
2013	3	
2014	1	
Average Price	\$240,250	\$176,207

Source: Grand County Assessor

Hideaway Junction has been popular and is occupied mostly by local professionals and essential service providers – a teacher and other school district personnel, police, Town staff, physical therapist, ski patroller, store manager and resort employees.

Miller's Inn is home to a variety of service providers – ski instructor, retail and restaurant employees, Town staff, construction workers, property managers, maintenance workers and housekeepers.

While turnover has been low at Miller's Inn, one unit was recently listed for sale and is now under contract. The slow increase in AMI reported in the Demographic section is an issue at Miller's Inn. Units are permitted to appreciate up to 3% per year, whereas HUD incomes have increased an average of only 2% or less per year since 2005. This means that for owners to receive their full appreciation value, current sale prices would be higher than households earning 115% AMI can afford – the income group that the nine units are intended to serve.

Buyer Profile

The ownership housing market in Winter Park is heavily dominated by second home buyers. Only 5% of residential sales in 2014 were to buyers with local addresses. Of Winter Park's second home buyers, an unusually high proportion live on the Front Range, though realtors noted this appears to be declining slightly due to an increase in purchases by international residents and other states.

- Few units are being purchased by investors. Short-term rents are not high enough for them to obtain a sufficient return on their investment.
- Retirees who purchase generally fall within the second home owner category looking primarily for a summer residence; although some may move to the area full time to be near children/grandchildren living in Grand County or in the Denver area.
- Families who live in the community all or most of the time, but with high-paying jobs elsewhere or income from other resources, are purchasing homes around or above \$700,000 and do not compete with local employees for homeownership.

The size of the local employee homebuyer market is small. In 2014, only 9 residential units out of 180 sold in Winter Park were purchased buyers from Grand County. The profile of local residents who buy in Winter Park reflects little diversity:

- About half are first time buyers and half are moving up from a smaller/less expensive home. Owners rarely cash out of larger homes and move into lower

cost/lower maintenance units. Move-up buyers generally look for homes priced up to \$400,000.

- Approximately 70% are longtime residents of Winter Park, 20% are employees who have been commuting in for work and only 10% are new to the area.
- Most are younger singles and couples, though some small families with children have purchased in Winter Park. The lack of an elementary school in Winter Park has deterred families with young children from purchasing in the town; although, if a charter school is started as is now being discussed, this may change.
- Longtime residents have not been moving up valley even after becoming empty nesters because they have become ingrained in Granby and other communities, and because one or more household members may not work in Winter Park.

Fraser is preferred as a place to live by many employees who work in Winter Park and want to live up valley with only a short commute. Lower home prices, greater choice in type of housing, schools, a grocery store, and other retail and commercial services all contribute to Fraser's attractiveness over Winter Park for many buyers.

Local Buyer Preferences

Residents generally have few demands when seeking homes to purchase.

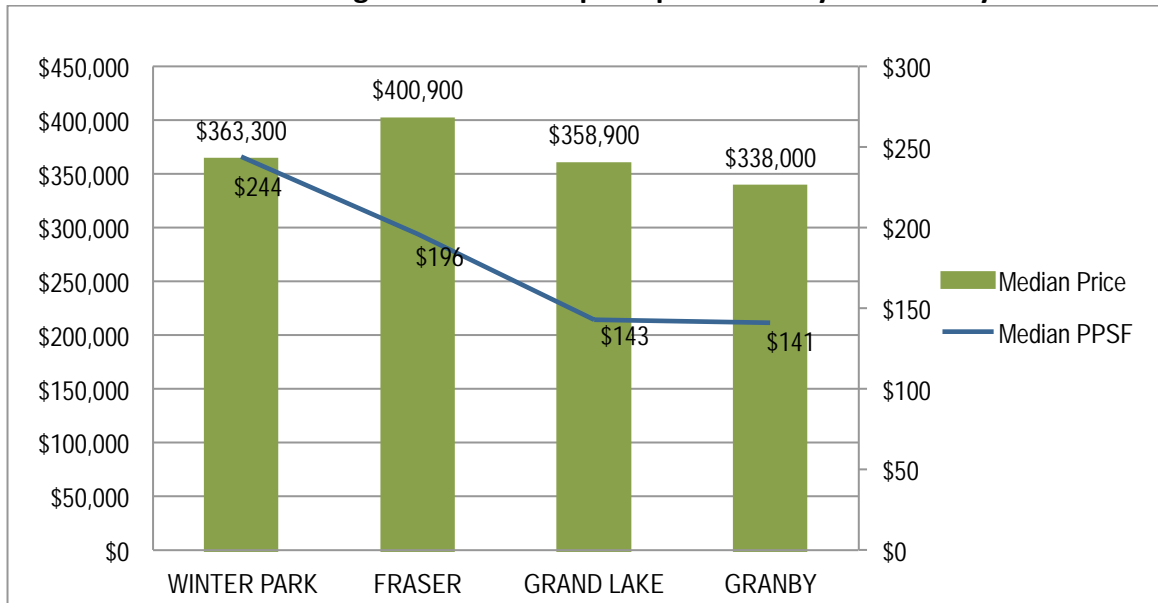
- Price is the single biggest factor. Residents who hold jobs in the area and are dependent upon local wages can typically only afford homes in the \$200,000 to \$300,000 price range. A few can afford to move up into more expensive homes if they have owned for a long time and accumulated equity.
- Most prefer single-family homes, but with little to no inventory of homes for sales in their price range, many have compromised and purchased townhomes or condominiums if storage was adequate.
- A garage tops the list of amenities preferred. Realtors agree that townhomes would be marketable to workforce households if they included garages.
- Two-bedroom units are popular, yet the three-bedroom units at Hideaway Junction were preferred by buyers – a choice that should be explored further when planning future phases for the development.
- Locals prefer convenient neighborhoods close to town but often have little choice and will compromise on location.

Downvalley Conditions

The low end of the market has also tightened downvalley with prices rising in communities where locals comprise a large segment of the market.

- The median price of homes listed for sale does not, however, adequately reflect the difference in prices between Winter Park and other Grand County communities due to variation in the type of units. The median price is actually higher in Fraser and about the same in Grand Lake where there are more single homes listed for sale than in Winter Park, where most units are condominiums.
- The median price per square foot reveals a significant price differential. Homes are a much better value outside of Winter Park.

Median Listing Price and Price per Square Foot by Community



Source: MLS

Mortgage Availability

For single-family homes and townhomes, conventional and government-backed mortgages are readily available at competitive rates. Condominium financing, however, is problematic. Since the mortgage melt down of 2008, the industry has gone through many changes that have limited condominium financing primarily to portfolio loans (i.e., loans not sold on the secondary market). These changes include:

- Enforcement of underwriting criteria on the number of short-term rentals that can be located within the project;
- Prohibition of any on-site rental offices – looks too much like a condo-hotel to lenders;
- Tight limits on the amount of commercial space that can be within the project;
- No more “spot” loans by FHA, USDA and VA in projects that are not approved; no condominium projects in Winter Park are approved for these government-backed loan programs.

Numerous lenders are active in Grand County. No one mortgage company or bank dominates. Wells Fargo tops the list of lenders in 2015 with 10% of the loans closed in the first five months of 2015. This provides a wide selection of loan products and competitive terms for single family, duplex and townhome units.

SECTION 5 – RENTAL MARKET CONDITIONS

Rental Inventory

About 42% of households in Winter Park rent their homes. Rentals in Winter Park are primarily individually owned condominiums, townhomes and other attached product managed by their owners. Relatively few units are leased through professional property managers.

Renter-Occupied Households: Winter Park, 2010 to 2020 (projected)

	2010	2015	2020
Total Households	481	499	562
Renter-occupied	204	212	238

Source: 2010 US Census, DOLA projections (Grand County), Consultant team

The only apartment property in Winter Park is Miller's Inn, which is a small six-unit complex with only studio and one-bedroom units.

Age/Condition of Units

An estimated 85% of rented properties in Winter Park were built prior to 1990.

- One predominate property management company manages about 70 units for owners leasing their homes in the Fraser Valley, reports about 70% of their Winter Park properties were built in the 1980's or earlier.
- Apartment property managers in Fraser noted increased incidence of new tenants complaining that their prior owner-managed rental was not well maintained and that owners were slow to respond to needed repairs. Employers noted a similar rise in complaints from their employees regarding rented accommodations in recent years.
- Both Wapiti Meadows and Fox Run are reported to be in good shape. Fox Run underwent significant renovations since initial construction and the new owner has continued doing improvements. Both projects have management on site to address needed repairs.

Vacancy Rates

Vacancy rates vary by season and property type although market conditions have tightened across the board.

- There are no vacant units in the attainable rentals projects (Wapiti Meadows and Miller’s Inn). Wapiti Meadows had 13 units turnover in the year 2013; six units turnover in 2014 and only three units turnover so far this year. The project has been consistently over 95% occupied the past two years. Miller’s Inn has about two units turnover each year – their smaller studios. The project remained full during the recession.
- Of 70 units managed by a local property management company in the Winter Park to Granby area, 9 were vacant in June (13% vacant) – one of which is in Winter Park and six in Fraser.
- Fox Run apartments had 4 vacant units (6% vacant) – these have been vacant since April.
- Only two non-apartment homes were listed for rent in Winter Park on Craigslist for either the winter season or a year-round lease; four were available in Fraser.

Vacancy Rates: Winter Park and Fraser, August 2015

	Winter Park	Fraser
Attainable rentals	0%	0%
Condo, TH, Single-Family rentals	1% (3 units)	4%
Market-rate apartments	NA	6%

Source: Craigslist; Interviews; consultant team

Turnover primarily occurs in May and October of each year. Vacant units in October fill up quickly, whereas units are typically slow to fill in the summer and vacancy rates always increase.

Last year was the first year since the recession that a significant number of workers could not find housing in the winter. Several camped in their cars.

The inventory this summer of vacant units is unusually small, meaning next winter is shaping up to be a tighter rental market than last winter.

- Vacancies went from zero and waitlists in the winter up to about 30% in May when winter workers vacated. Both apartment and non-apartment property managers noted that their units leased up faster this summer than in past years – at least since the recession – and that they are full of year-round lease holders.

- One property manager had 10 units lease up in May with year-round tenants. It has been five years since he has leased up units in May (i.e., pre-recession).
- The manager of Fox Run noted that last summer she had 30% of units vacant through the summer (20 units total), which then leased up in the winter. This summer she only has 4 two-bedroom units available.
- Seasonal worker housing reserved through either master leases or business ownership can be up to 50% vacant in the summer months. Leasing units to other businesses with summer employees helps to fill these units, but requires communication and collaboration.
- Winter Park Resort master leases 30 two-bedroom units at Fox Run as of last spring – only 4 (13%) are presently vacant. The master leased units have helped boost summer occupancy at this property.

Rents

Rents of condominiums, townhomes, and single family homes have been rising since the recession in the Winter Park area. Based on an inventory of 44 occupied and vacant rental units in Fraser and Winter Park, rents average over \$800 for a one-bedroom and up to \$1,700 or more for a three-bedroom home. These rents are affordable for households earning from 60% up to 110% AMI.

Of units available mid-August, the average rent asked in Winter Park is \$1.74 per square foot compared to \$1.13 in Fraser.

Average Non-Apartment Rents: Winter Park and Fraser, 2015

	Winter Park	Fraser
1-bedroom	\$841 (60% AMI)	\$808
2-bedroom	\$1,175 (80% AMI)	\$1,243
3-bedroom	\$1,860 (110% AMI)	\$1,700
Average rent per square foot (available units only)	\$1.74	\$1.13

Source: Craigslist (Aug. 17, 2015); www.resortsofgrandcounty.com; consultant team

Apartment rents have also been increasing. Wapiti Meadows was asking unsustainably low rents six years ago, but is now able to charge near the maximum permitted LIHTC rents for each income range. Fox Run rents have also been increasing the past few years.

- The only market rate apartment complex in the area is Fox Run. Rents average about \$1.63 per square foot. These rents include all utilities, including WIFI and Direct TV.
- The income-restricted rentals at Wapiti Meadows range from \$0.69 up to \$1.05 per square foot.
- Rentals at Miller’s Inn, which are restricted for occupancy by employees working in Grand County, average \$1.12 per square foot.

Apartment Rents: Winter Park and Fraser, 2015

	Fox Run (Market Rate)		Wapiti Meadows (LIHTC)			Miller's Inn (Employee restricted)		
	Units	Rent	Units	40% AMI	50% AMI	60% AMI	Units	Rent
1-bedroom	14	\$975	4	\$498	\$644	\$790	6 (2 studios)	\$400- \$675
2-bedroom	46	\$1,350	26	\$605	\$780	\$956	0	-
3-bedroom	4	short-term rented	20	\$811	\$906	\$1,109	0	-
Avg. rent per sq. ft.	-	\$1.63	-	\$0.69	\$0.85	\$1.05	-	\$1.12

Source: Interviews; consultant team

Occupancy Trends and Renter Characteristics

Each apartment complex has unique occupancy patterns and trends:

Fox Run. This property is set up to accommodate seasonal shifts, although year-round leases are preferred. Tenants receive one month of free rent as an incentive to sign one-year leases. Utilities, WIFI and TV are included in rent to avoid changeover of utilities with new tenants and simplify the move-in/move-out process.

Winter Park Resort began master leasing 30 two-bedroom units in Fox Run in May 2014. As part of the master lease agreement, Fox Run must provide transportation for resort workers to their jobs. Fox Run contracts with the local bus service in the winter for \$3,000 per month to provide this service and runs a self-operated van in the summer. These 30 units currently house a range of Winter Park Resort employees, from human resources to bike patrol.

One- and two-bedroom units may be leased year-round or for six-months. Only one is occupied by a family with children. All other units are occupied by single adults and roommates ranging from age 21 to 59 and about 25% are occupied by couples. Most occupants work for Winter Park Resort or Devil’s Thumb Ranch, plus a couple of housing

maintenance workers (painters, window washers, etc.). Many have been in their apartments for 2 or more years.

The three-bedroom units are leased on a short-term basis to visitors throughout the year through VRBO and Airbnb for \$99 per night Sunday through Thursday and \$250 per night on Friday and Saturday.

Wapiti Meadows. Tenants in Wapiti Meadows typically stay several years, averaging from 4 to 5 years, with some having occupied their units for over 10 years. The complex offers one-year leases only, but did 6-month leases a few years ago when units were hard to fill. Seasonal turnover in LIHTC units is management intensive given tenant qualification requirements.

Occupants are primarily middle-aged working class families with children and some single parent households. Two-income couples often earn too much to income-qualify for their units. Many tenants are employed by Winter Park Resort, Safeway and other retail/ restaurants in the area. The lack of year-round transportation adversely impacts their tenants.

Miller’s Inn. Occupants are mostly singles and occasionally a couple. At least one-half of tenants have been in the property for 10 years or more. Current occupants work at local restaurants/shops, one is a yoga instructor and another is in property maintenance.

Availability – Units Listed For Rent

About 40% of rentals available in Winter Park and Fraser would be affordable to households earning over 100% AMI. None are available for workers earning under 50% AMI – entry level workers earning \$10 to \$15 per hour.

**Available Rentals by AMI Affordability:
Winter Park and Fraser, August 2015**

	Maximum Affordable Rent	Units Available
<50% AMI	\$780	0
50-80% AMI	\$1,250	2
80-100% AMI	\$1,560	6
100-120% AMI	\$1,870	2
Over 120% AMI	Over \$1,870	3
TOTAL	-	13

Source: Interviews, Craigslist, www.resortsofgrandcounty.com, consultant team

Competition for Local Rentals

Factors on both the supply-side and demand-side for rentals have contributed to the increased occupancy of rentals this summer – and the decreased availability in the coming winter:

- Now that home prices have started to recover, rentals are being lost to the for-sale market. Employers noted that several of their employees occupy units that owners have for sale. One property manager lost five units this year because owners sold their homes. Most of these units are purchased by out-of-area owners who are not renting their homes.
- Short-term rentals have increased at the Winter Park mountain base area in recent years with sites like VRBO, reducing seasonal rentals for workers. Short-term rentals are not as prevalent in town. They cannot compete with base-area prices.
- Workers are coming to the area wanting more year-round leases compared to prior years. This year is the most new workers that property managers have seen since the recession five years ago. Construction workers, service workers and workers related to the marijuana industry were most noted.
- Front Range renters tired of the traffic have leased more units than in prior years for the winter season. A non-apartment property manager leased a few units to Front Range renters last year, but it is prevalent this year. Fox Run has a waitlist of winter seasonal renters, many of which are Front Range skiers, but provides preference to year-round renters that lease units before the winter season begins. Fox Run had no Front Range renters last year.

Renter Preferences and Needs

A few patterns emerged from an analysis of property manager and employer interviews along with apartment pricing and vacancy information:

- Pets are popular. Fox Run and Wapiti Meadows allow pets. Owner-rented units are more challenging – many HOA covenants do not allow renters to have pets. A property manager of non-apartment units noted that “pets are where the money is,” meaning units allowing pets are typically the first to be leased.
- Units renting for about \$500 per bedroom are in demand. Employers noted these are needed by their entry workers earning \$10 to \$15 per hour. A local property manager has received several calls per day this summer from tenants seeking pet-friendly units, priced around \$1,000 for a two-bedroom.

- Rentals priced for two-income, two-person households earning over 60% but below 100% AMI are needed. These households cannot qualify for LIHTC units, yet can only afford older market-rate units that are often in poor repair, if available.
- Almost all employers stated their seasonal and entry-level workers would prefer to live in Winter Park if rentals they could afford were available. These workers are mostly singles and a few couples – very few if any have children.

SECTION 6 – HOUSING NEEDS AND PREFERENCES

This section of the report estimates the total number of housing units needed to support job growth, sustain businesses and meet resident needs in the Town of Winter Park through 2020.

First, average year-round workforce housing needs are presented and is divided into two categories:

- **Current Conditions and Needs**, which summarizes the current number of households occupied by local workers and presents options for the Town to consider increasing this ratio upon establishing housing goals for the Town. Currently 22% of the Winter Park workforce lives in Town and the number of units need to raise this to 30% of workers are provided.
- **Future (or Keep-Up) Needs**, which includes housing needs generated by job growth through 2020 both under the current status scenario (22% of workers housed) and for a potential higher percentage of workers living in Town (30% of workers housed).

Second, seasonal housing needs are discussed. This segment of the workforce has unique needs and considerations that need to be made when providing housing for this segment of the workforce.

Current Conditions and Needs

All indicators suggest there is current demand for additional workforce housing in Winter Park. High rental occupancy levels, small inventory of homes for sale, employer interviews, and applications for Hideaway Junction are all evidence of the need to build additional units. In Winter Park, however, as in comparable communities, sufficient housing cannot be developed at attainable prices by the market to address all potential demand.

Winter Park has yet to establish specific goals for its attainable housing program. Many mountain resort towns base their plans and strategies for development of attainable housing on housing a percentage of their workforce. For example, Vail's goal is 30%, Breckenridge established a goal of 47%, and Jackson Hole adopted a Comprehensive Plan goal for housing 65% of their workforce. This is what these communities feel they need to sustain their economies and to preserve or create the towns that they desire. As Winter Park provides more attainable housing and increases its resident base, the ratio

of the workforce housed may need to be revisited and change in light of community and business goals and resident demand for housing.

Winter Park now houses approximately 22% of its employees on average year round (320 households). To house 30% of existing employees, approximately 110 additional units are needed. This assumes that each unit would house 1.84 workers on average, and that employees would hold 1.2 jobs on average.

Current Condition Compared to Current Needs

Current condition (22% of workers housed)	2015	Alternative (30% of workers housed)
3,175	Average jobs in Winter Park	3,175
1.2	Jobs per worker	1.2
2,650	Workers needed to fill jobs	2,650
22%	% living in Winter Park	30%
590	# living in Winter Park	800
1.84	Workers per household	1.84
320	Locally employed households	430

Future (Keep-Up) Needs

To keep up with estimated job growth, another 40 housing units will be needed to retain 22% of local workers in town by 2020. If the goal is to house 30% of the workforce locally, an additional 50 housing units affordable for local workers will be needed in the next five years. These figures are likely conservative because they do not take into consideration retiring employees, whose jobs will need to be filled by new workers.

Estimate of Housing Needed to Fill New Jobs, 2015 – 2020

	Current Condition (22% of workers housed)	Alternative (30% of workers housed)
Increase in Jobs through 2020	370	370
Jobs per Employee	1.2	1.2
New Employees Needed	310	310
Employees housed in Winter Park	70	90
Employees/Housing Unit	1.84	1.84
New housing needed	40	50

Needs by Own/Rent and AMI

There is need for both ownership and rental housing in the town of Winter Park that is affordable for the local workforce. Presently about 58% of resident’s homes in Winter Park are owner-occupied. The below estimates retain the current mix of owners and renters in the town, but the precise ratio is somewhat dependent upon the desired direction and policy of the Town. While the rental market is currently tighter than the ownership market and has a stronger post-recession recovery, ownership is needed long term for year round residents.

Summary of Housing Needs by Own/Rent Through 2020

	Current Condition (22% of workers housed)	Alternative (30% of workers housed)
Units needed through 2020	40	160
Ownership	25	90
Rental	15	70

Ownership products should be evenly distributed at price points ranging as low as \$120,000 up to about \$325,000 (50% through 140% AMI). A similar percentage of owner households earn within each AMI category in this range. The Town should consider providing between 6 to nearly 25 units in each income category over the next five years, totaling between 25 to 90 units depending upon Town goals.

- Neither home sales in 2014 nor current inventory are providing needed products in this price range for locals, whereas homes affordable to households earning over 140% AMI are over supplied for locals.
- Homes affordable for households earning under 50% AMI are also undersupplied; however, producing homes at this price will not occur without substantial subsidies or will require programs such as Habitat for Humanity. These households also have trouble qualifying for loans and meeting down payment purchase requirements.

Homeowner Income Distribution Compared to Homes Sales and Availability

AMI Range	Maximum Affordable Sale Price	Owner Income Distribution	2014 SF/TH/Dup Sales*	Current SF/TH/Dup Listings*
<50%	\$115,700	12%	5%	2%
50% to 80%	\$185,200	12%	2%	0%
80.1 to 100%	\$231,400	9%	5%	0%
100.1 to 120%	\$277,600	14%	3%	2%
120.1 to 140%	\$323,900	11%	3%	2%
Over 140%	Over \$323,900	42%	82%	93%
TOTAL	-	100%	100%	100%

*Sales exclude condominium listings. As discussed in other sections of this report, multiple factors make condominiums largely unsuitable for ownership occupancy by locals, particularly existing product – see Section 3 – Homeownership Market Conditions and Section 2 – Housing Inventory (Ownership).

Rentals should be evenly distributed among households earning under 50% AMI and between 50 and 80% AMI. These would be units priced below \$1,250 per month for a 2-person household. A similar percentage of renter households earn within each AMI category in this range. The town should consider providing between about 7 up to 35 units in each income category over the next five years, totaling between 15 to 70 units depending upon Town goals

- None of the available rentals are affordable to households earning under 50% AMI and rentals between 50 to 80% AMI are undersupplied.

Renter Income Distribution Compared to Available Rentals

	Maximum Affordable Rent	Renter Income Distribution	Available Rentals*
<50% AMI	\$780	28%	0%
50-80% AMI	\$1,250	27%	15%
80-100% AMI	\$1,560	14%	46%
100-120% AMI	\$1,870	6%	15%
Over 120% AMI	Over \$1,870	25%	23%
TOTAL	-	100%	13

*Available rentals include rentals available in Winter Park and Fraser in August 2015.

Housing Preferences

Hideaway Junction applicants provide a benchmark for some of the ownership demand. Their characteristics and preferences also generally tracks information provided by realtors and employers:

- The large majority already live in the vicinity – 13 in Winter Park and an equal number in Fraser. Of the few households who live downvalley, half were from Granby.
- Most are long-term residents. Half have lived in the area for 10 or more years.
- They hold all types of jobs – restaurant, real estate, resort and government.
- They generally want townhomes or single-family homes. Only two applicants since 2012 would consider a condominium.
- When they were placed on the list, their average housing payment was \$1,100 per month; equivalent to a mortgage on a \$165,000 home.
- About 1/3 now own their homes. One-half of owners are interested in buying a townhome with three-bedrooms.
- Of the households that rent, two-thirds are interested in buying a two-bedroom unit.
- About 85% have three or fewer persons in their household. About 55% desire a three-bedroom home and 45% want two-bedrooms. About one-third need access to day care, or will in the near future.

In addition, a few business owners and upper-level management positions with the ski area are also interested in purchasing homes in Winter Park. These households could afford homes nearer the \$300,000 to \$350,000 range and are generally middle-aged couples either with older children or without children at home.

Rentals priced below 80% AMI will be primarily for one- and two-person households, mostly targeting singles and some young couples:

- Households earning below 50% AMI include entry level and service workers earning \$10 to \$15 per hour.
- Households earning up to 80% AMI includes two-income households that cannot income qualify for LIHTC units and young professionals earning near \$25 per hour.
- Renters want pets. Renters also want their units to be kept well maintained and in good repair. A well-managed apartment complex avoids HOA restrictions that

prohibit renters to have pets and ensures repairs are completed in a timely manner.

Seasonal Housing

This winter, over 2,000 seasonal workers will be needed in Winter Park to fill jobs both with smaller in-town employers and at the Resort. Seasonal worker housing is treated separate from year-round housing needs discussed above. This is a different product and requires different considerations. In a winter-heavy employment environment like Winter Park, it can be expected that many of the units will remain vacant through the summer absent alternative avenues for filling them. The lack of consistent year-round rent revenue means units cannot typically be built nor maintained without significant subsidies.

In general:

- Almost two-thirds (63%) of the seasonal employees will be filled by repeat seasonal workers – workers that take these jobs in consecutive seasons. This means that about 700 workers will need to be newly recruited to fill positions.
- These units should be designed for low-cost, short-term occupancy – dorm style units with bedrooms that can be rented individually, shared kitchens, compartmentalized bathrooms and storage lockers.
- As with year-round renters, seasonal renters are increasingly desiring pets, adding to their housing challenge.
- Larger employers, including Devil’s Ranch and Winter Park Resort, have added to their supply of housing for seasonal workers over the past year. Winter Park Resort is continuing to explore options for increasing housing for this segment of the workforce. These employers have the best understanding of this market and the number of units needed in the future.
- The lack of transportation in the area poses challenges for housing this population. Even with adequate transportation up- and downvalley, the best location for housing seasonal workers is typically at or near their place of employment – e.g., the Resort base or at Devil’s Ranch grounds – both from a housing preference standpoint and for employment convenience. Seasonal resort worker housing does not mix well in established local neighborhoods or with local families.

The number of units needed to accommodate seasonal workers who typically live six months or less in the area is highly volatile. It varies depending up the economy. During

the recession, seasonal jobs at ski resorts were almost all filled by year round residents who were un/under employed. Seasonal worker housing had high vacancies.

Because of the high subsidies required, the ski corporations typically provide the bulk of seasonal worker housing. Towns and counties seldom adopt goals and strategies specifically for seasonal workers. Too much dependence on the seasonal worker flow in and out of the community does not enhance economic sustainability and community character.

As the economy diversifies over time and through the efforts now underway to create an economic development plan for the Fraser Valley, the number of seasonal worker housing units needed should decline in relation to housing for year round residents. With growth in summer jobs, employees will be able to switch jobs each season and live in Winter Park year round.

SECTION 7 – TOWN LAND AND HOUSING RESOURCES

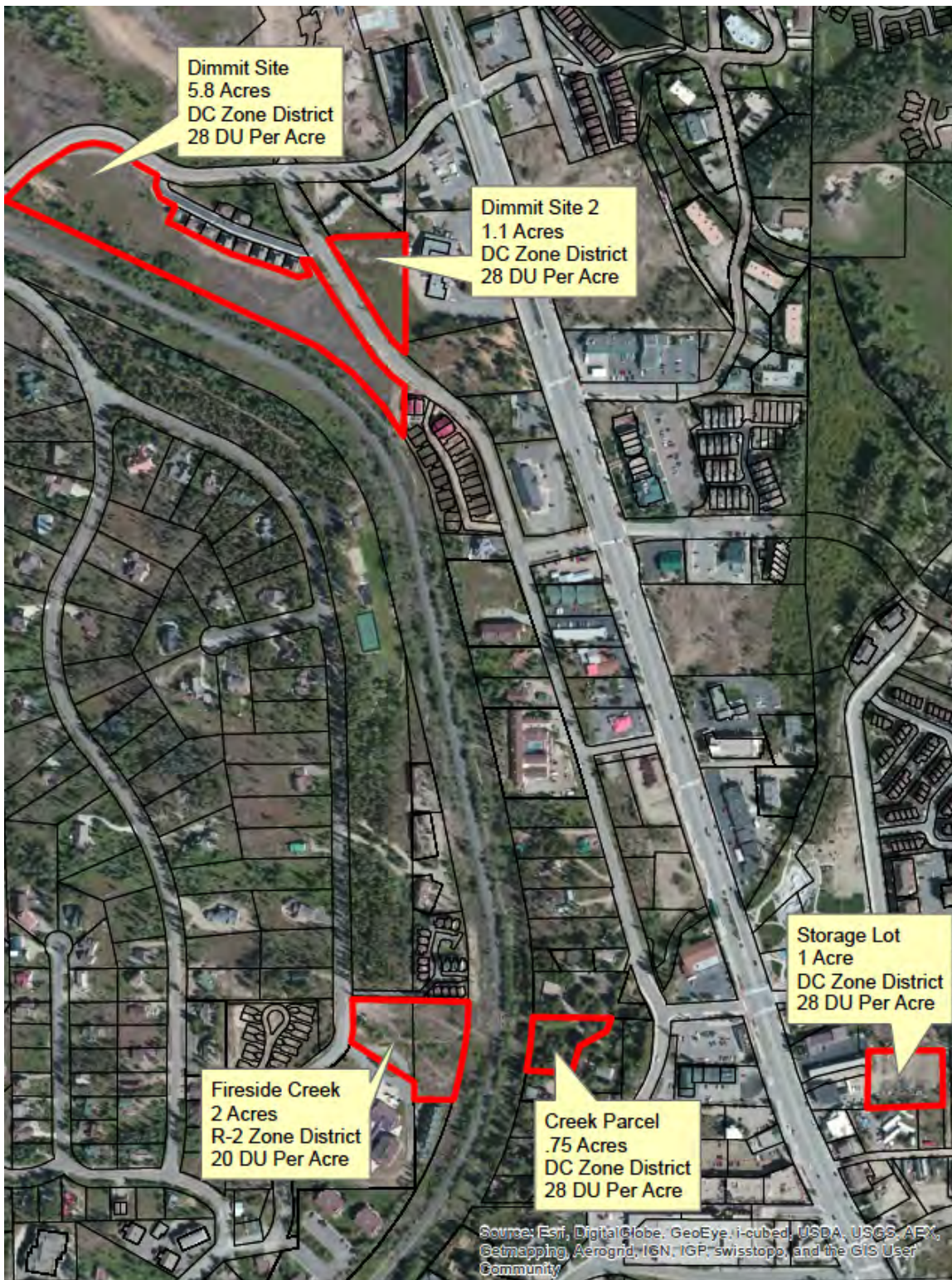
Town-Owned Land

The Town owns four parcels, comprising over 10 acres, on which attainable housing could be built. Under current zoning, these parcels could accommodate up to 280 homes. This includes:

- The Dimmit Site, on which the first phase of Hideaway Junction attainable homes was built. Only ten of 40 planned homes have been built. Under current zoning, however, about 190 units could be constructed. A grocery store is planned for the parcel along Hwy 40, with potential for some rental units or other housing to be accommodated with the commercial use;
- Fireside Creek, which was planned to have 24 townhomes before being purchased by the town. Current zoning could permit up to 40 units;
- Storage lot, which could develop up to 28 units; and
- The Creek Parcel, zoned for about 20 units.

Town-Owned Land: 2015

Source: Town of Winter Park Planning Dept.



Regulatory Requirements and Funding

The town has several provisions in place that can help fund attainable housing and provide incentives to developers to provide units. These include:

- A \$3 per square foot impact fee dedicated to an Attainable Housing Fund that has been in place since 1999. Revenue was near \$1.5 million during the peak development year in 2007 and dropped below \$2,000 in 2011 when development halted. Revenues last year were about \$95,000.
- The town also has a 1% Real Estate Transfer Tax (RETT) that was in place before TABOR. Revenues have peaked over \$2 million in 2007 and returned just over \$650,000 last year. These revenues are not dedicated for housing but could be used for that purpose.

Real Estate Transfer Tax and Housing Impact Fee Revenue

	Real Estate Transfer Tax	Affordable Housing Fees
2014	\$659,528	\$95,830
2013	\$524,366	\$33,689
2012	\$441,992	\$97,934
2011	\$388,956	\$1,878
2010	\$486,215	\$98,075
2009	\$490,873	\$464,349
2008	\$1,516,142	\$567,959
2007	\$2,020,459	\$1,474,954
2006	\$1,153,439	\$471,342
2005	\$1,020,686	\$178,785

Source: Town of Winter Park Planning and Building Department

- An additional 1% RETT assessment on the Rendezvous development per a development agreement. This will be a permanent RETT on all home sales in this development once they are built. A portion could be used for attainable housing, but the monies are not specifically targeted for such.
- A development agreement for the Lakota Development which will require six attainable homes to be constructed if the development builds to maximum density.
- Up to a \$10,000 credit on attainable housing fees per attainable unit if a developer builds an attainable home for residents earning low to moderate incomes. Current Housing Guidelines specify these units are to be rented to an

employee earning 80% of his/her gross salary within Grand County to be considered attainable. This incentive has never been used.

- Accessory dwelling units may be built with a single-family home. These units must be rented to an employee earning 80% of his/her gross salary within Grand County. A handful have been built, but the local rental provision is not well enforced.

Organizations

Two organizations exist in the region that can be used to help develop and manage attainable housing in Winter Park. The Winter Park Affordable Housing Corporation (WPAHC) and the Grand County Housing Authority (GCHA).

Winter Park Affordable Housing Corporation (WPAHC)

The Town created the WPAHC in 2005. Its primary purpose is to ensure that an adequate supply of affordable housing is available within the Town. This Corporation is managed by a 3-member board appointed by the Town Council, which is comprised of at least one Town Council member. It has no paid staff members. It is primarily funded by the Attainable Housing Fund.

This Corporation was created by the Town to build the ability to run their own attainable housing program. It is a separate legal entity from the Town and can take on partnerships and projects with the for profit sector that the Town cannot. The Corporation can accept conveyance and hold title to land from the Town and others and can enter into contracts for the design and construction of houses and residential facilities.

The Corporation constructed the first phase of Hideaway Junction and manages these attainable housing units. The Corporation holds title to the over ten acres of land that can be used for attainable housing development shown in the above map.

Grand County Housing Authority (GCHA)

The Grand County Housing Authority was created in 1977. GCHA acquires, develops, leases, and manages/operates affordable housing for Grand County residents with limited incomes. Funding comes primarily from the federal government and from tenant rents and local funding partners. GCHA also works in partnership with city and state governments as well as private investors.

The Town of Winter Park no longer contributes funds to this organization. Changeover in staffing is expected to occur this fall with the retirement of the current director.

Managed housing includes:

- Two senior LIHTC projects – one in Kremmling and another in Granby;
- An assisted living center in Kremmling; and
- Miller’s Inn attainable homes in Winter Park. GCHA manages approval of applicants for purchase of these units and oversees property re-sales and improvements.

GCHA also built Fox Run as a LIHTC project in 2002, which performed well until the recession. Improper drainage on site contributed to a mold problem, requiring 60% of tenants to be relocated. Investment in repairs occurred just as the recession hit, rents dropped and vacancies rose. Undergoing foreclosure in 2009, the property was purchased as a market rate rental complex in 2013 and was 75% occupied at the time of sale.

Additional programs include:

- Down payment assistance program, for which funding needs increased with rising home prices and larger down payments;
- Homebuyer education classes; and
- Section 8 rental assistance vouchers. GCHA administers Section 8 in Grand County, Summit County and Clear Creek. With rising rents in the area, choice vouchers are taking two months for recipients to find units and rents are exceeding the payment standard.

APPENDIX A – HOUSEHOLD INCOME AND AFFORDABILITY CALCULATIONS

Housing in Winter Park is affordable when the monthly payment (rent or mortgage) is equal to no more than 30% of a household’s gross income (i.e., income before taxes). Although there is some variation, this standard for affordability is commonly applied by federal and state housing programs, local housing initiatives, mortgage lenders and leasing agents.

Affordable rents and purchase prices, meeting this 30% standard, are often calculated for various income levels, expressed as a percentage of the Area Median Income (AMI). AMI is published annually by the U.S. Department of Housing and Urban Development (HUD) for each *county* and represents the Median *Family* Income of an area. This means that the AMI does not incorporate incomes from non-family single and roommate households, which make up 56% of Winter Park’s households. As a result, the AMI will generally be higher than the average income of all households.

The AMI varies by household size. The median (or middle) family income estimate in an area generally falls on or near the 100% AMI rate for a family of four. In Grand County, for example, the AMI in 2015 is \$78,000.

Grand County AMI’s by Household Size: 2015

AMI Level	1-person	2-person	3-person	4-person	5-person
30%	\$16,400	\$18,750	\$21,100	\$24,250	\$28,410
50%	\$27,300	\$31,200	\$35,100	\$39,000	\$42,150
60%	\$32,760	\$37,440	\$42,120	\$46,800	\$50,580
80%	\$43,700	\$49,950	\$56,200	\$62,400	\$67,400
100%	\$54,600	\$62,400	\$70,200	\$78,000	\$84,300
120%	\$65,520	\$74,880	\$84,240	\$93,600	\$101,160
140%	\$76,440	\$87,360	\$98,280	\$109,200	\$118,020

Source: US Department of Housing and Urban Development (HUD)

Throughout this report, the analysis of affordability will be based on the income for a 2-person household, which is about the average size of households in Winter Park. The affordable rents and purchase prices of the average Winter Park household at various rates of AMI are as follows:

Maximum Affordable Housing Costs

AMI	Household Income	Max Rent	Max Purchase Price*
30%	\$18,750	\$470	\$69,520
50%	\$31,200	\$780	\$115,680
60%	\$37,440	\$940	\$138,820
80%	\$49,950	\$1,250	\$185,210
100%	\$62,400	\$1,560	\$231,370
120%	\$74,880	\$1,870	\$277,640
140%	\$87,360	\$2,180	\$323,920

Source: HUD, Consultant team

*Assumes 30-year mortgage at 5.5% with 5% down and 20% of the payment covering taxes, HOA, PMI and insurance.

Interest rates have been kept low for several years and will eventually rise. Rates for a 30-year fixed rate mortgage currently average around 4.5% depending upon credit scores. As rates rise, higher incomes will be required of buyers to buy the same priced home today. For example, a one percentage point increase drops the affordable purchase price by \$20,000 to \$25,000 for households with incomes at 80% AMI. This should be a consideration when setting prices for new homes and making decisions about resale price calculations.

APPENDIX B – NEXT STEP RECOMMENDATIONS

Before acting upon the specific program recommendations made in this report, it is recommended that the Town first undertake a strategic planning process to identify housing goals and establish the framework needed to manage attainable units. The below outlines some suggested components of this process.

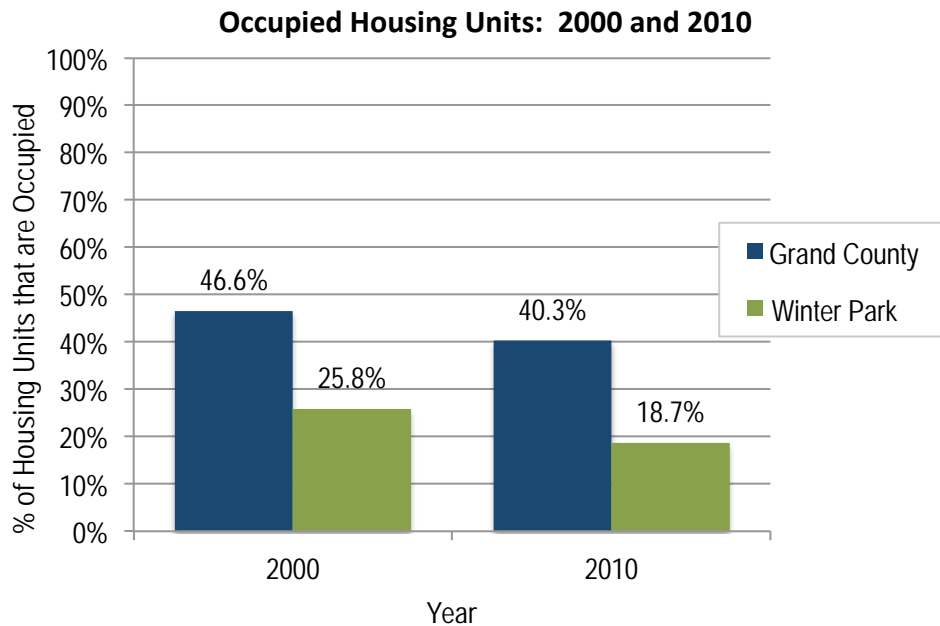
- A. Strategic housing plan/program
 - a. Establish housing goals
 - i. Is housing 22% of the workforce satisfactory?
 - ii. Owners, renters, seasonal, all?
 - b. Strategy development
 - i. Implementation strategy:
 - 1. How will housing be provided/produced
 - 2. Prioritize housing needs/implementation schedule
 - ii. Inventory and maximize resources: local and regional
 - iii. How will progress be monitored (indicators, regular updates)
 - iv. Housing management plan
- B. Housing and program management
 - a. Staffing
 - b. Rental management: whom, how
 - c. Ownership management: whom, how
 - d. Deed restrictions
 - e. Local resources/funding
 - f. Learn from others: site visits, documents, management structure, etc.
- C. Partnerships and collaboration
 - a. Regional collaboration/resources
- D. Housing development (see the recommendations made in the Conclusions section of this report (see pages 8 to 14) for more detail)
 - a. Project design options: conduct site visits of developed projects
 - b. Financing and construction options
 - i. Hideaway Junction Phase II
 - ii. Apartments
 - iii. Employer assisted housing
 - iv. Downtown housing
 - v. RFP process for land
- E. Housing incentives/regulations
 - a. Inclusionary zoning
 - b. Annexation policies/agreements
 - c. Attainable Housing Guidelines
 - d. Impact fee

APPENDIX C – KEY HOUSING INDICATORS

As housing programs are implemented, certain indicators can be assessed to evaluate the effectiveness of programs and monitor changes. In Winter Park, some key indicators to monitor include:

Local Occupancy:

- Are you gaining or losing ground?



Source: 2000 and 2010 US Census

Home Prices and Incomes:

- Are homes becoming more or less affordable? Sale prices rising faster than incomes means homes are becoming less affordable.

Change in Home Sale Prices and Household Incomes: 2013 to 2014

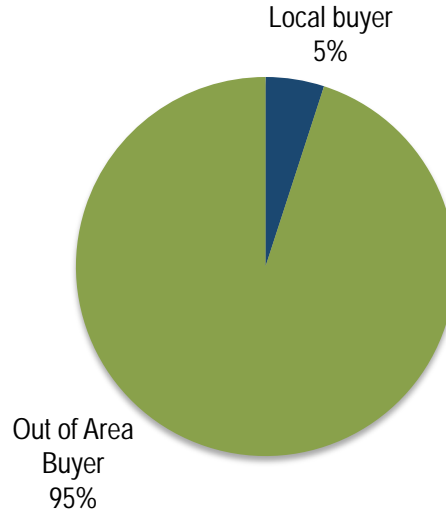
	2013	2014	% change (2010- 2014)
Average Single Family Sale Price (Winter Park)	\$572,160	\$614,623	7%
Average Single Family Sale Price per Sq. Ft. (Winter Park)	\$209.08	\$235.48	13%
Median Household Income (Grand County)	\$73,800	\$76,000	3%

Source: Land Title, HUD

Local Homeownership:

- Is the percentage of homes purchased by locals increasing?

2014 Winter Park Home Sales by Primary Address of Buyer

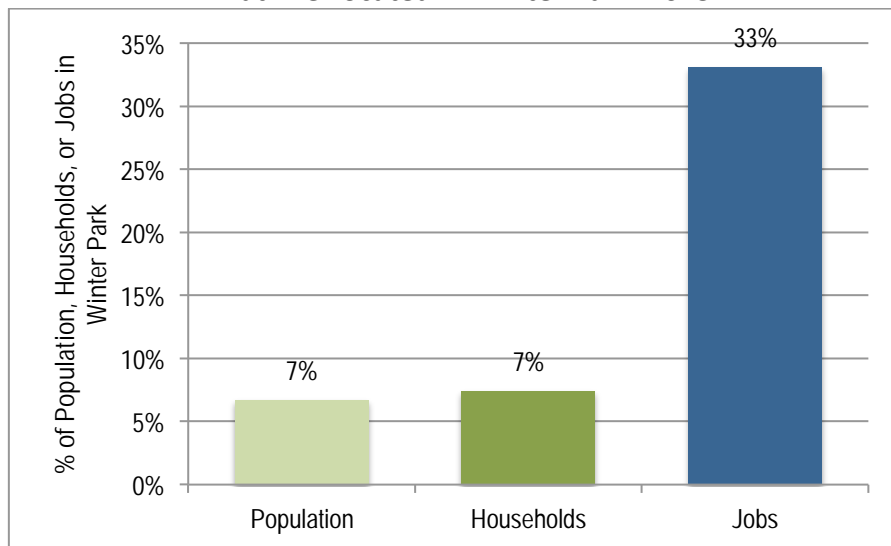


Source: Grand County Assessor records

Percentage of Households and Jobs in Winter Park:

- Is Winter Park's share of households in Grand County increasing or decreasing in relation to its share of jobs? If the Town is housing its share of workers, the ratio of population and households in Grand County that are located in the Town should approximate the ratio of jobs in the Town.

Share of Grand County's Population, Households and Jobs That Are Located in Winter Park: 2015



Source: DOLA, QCEW zip code files

Growth in the Labor Force:

- Is labor force trailing or tracking job growth? Labor force growing slower than jobs leads to a labor shortage and may be a symptom of a lack of housing options.

Change in Labor Force and Jobs: Grand County – 2010 to 2014

	2010	2011	2012	2013	2014	% change (2010- 2014)
Labor force	8,950	8,793	8,750	8,810	8,934	-0.2%
Jobs	8,816	8,809	8,799	9,104	9,348	6.0%

Source: Bureau of Labor Statistics (BLS) LAUS, Colorado Dept. of Local Affairs (DOLA)

Rental Vacancy Rates:

- Are vacancy rates too low? Vacancy rates below 5% are generally too low – demand is exceeding supply and rents will likely rise.
- Are units able to be filled in the summer as well as winter? Rising summer occupancies indicate a more even summer to winter employment base and/or more year round residents are occupying units.

Vacancy Rates: Summer and Winter

	Fox Run Apartments			Non-Apartment Rentals		
	Summer 2014	Winter 2014/15	Summer 2015	Summer 2014	Winter 2014/15	Summer 2015
Vacant Units	20	0	8	21	0	9
Total Units	64	64	64	70	70	70
Vacancy Rate	31%	0%	13%	30%	0%	13%

Source: Property manager interviews; <http://www.resortsofgrandcounty.com>

Market rents:

- Are market rents rising or falling?

Average Rents: Winter Park, 2015

	Non-Apartments (Winter Park)	Fox Run (Fraser)
1-bedroom	\$841 (60% AMI)	\$975
2-bedroom	\$1,175 (80% AMI)	\$1,350
3-bedroom	\$1,860 (110% AMI)	VRBO
Average rent per square foot	\$1.74*	\$1.63

Source: Property manager interviews; Craigslist (Aug. 17, 2015); www.resortsofgrandcounty.com

*Includes vacant (for-rent) rentals only