



**Town of Silverthorne  
Strategic Housing Plan**

**October 2008**

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## Introduction

The provision of housing to serve the needs of the Summit County workforce and the local resident population has been a long-time challenge. It is an issue that has received significant attention from the County and towns. In November of 2006, Summit County and the incorporated municipalities formed a multi-jurisdictional housing authority and voters of Summit County approved implementation of a sales/use tax, and an impact fee, to fund affordable housing efforts in each of the Summit County communities. Silverthorne created the Housing 5A Fund to collect these revenues and pursue housing strategies. The availability of these funds, coupled with a recognition by the Town of Silverthorne that housing issues are a priority resulted in the development of this Strategic Housing Plan.

The purpose of this Plan is to guide the full range of housing implementation strategies in Silverthorne and to identify the most effective and practical uses of the Housing 5A Funds.

The Strategic Housing Plan is the result of a series of workshops during the spring/summer of 2008 by the Silverthorne Town Council and staff that were designed to focus on current housing conditions and choices for the future. Comments and suggestions were obtained through a series of three meetings facilitated by RRC Associates, Inc. This document was developed out of these sessions to provide ongoing guidance to decision makers in the community.

The document is also based in part on the professional experience and opinions of the RRC team. The consultants believe the work program identified in the Plan under the heading of "Action Steps" represents a logical and well-considered response by Silverthorne officials to the existing affordable housing conditions in the town and in Summit County. The action steps are expressed in terms of direction for the Town, but they also represent specific actions that are supported by the consultant team. In effect, we are recommending that the Town undertake the actions that have been identified through the planning process. It should also be noted that a number of these actions represent proven techniques for addressing housing affordability and they have been undertaken by towns throughout the region, including towns in Summit County that are also working through the Summit Combined Housing Authority. The Plan is a work in progress that will continue to evolve over time as specific work elements are completed and additional opportunities arise.

The Plan is organized around four major topic headings: The Housing Vision, Goals, Actions and Tools. In addition, definitions for some of the terms used in this Plan are provided on page 8. The discussion of these topics is intended to provide an action-oriented summary; additional information and background information that was used to shape the Plan is provided in the Attachments.

## **The Housing Vision for Silverthorne**

Silverthorne will strive to have a diversity of housing product providing a range of choices integrated throughout the community. This housing will remain affordable and attainable to a wide range of income levels over time. Silverthorne will become a community that provides opportunities for people to move to different housing types as preferences or resources change.

## **The Goals of the Strategic Housing Plan**

- Silverthorne recognizes that affordable housing is a regional issue and will consider housing programs and policies in that context.
- Silverthorne will proactively respond to the existing affordable housing shortfall by pursuing a number of identified programs and development opportunities.
- The Town will take jobs and wages into account when planning for new growth and will work toward providing rental and homeownership housing types at price points appropriate to the range of local worker incomes.
- Silverthorne will provide and encourage new housing product that maintains its value, promotes pride in ownership and supports community building. The Town will be receptive to innovative technologies that might reduce the cost of housing.
- Housing will be addressed comprehensively in order to provide a range of products that will permit residents to move up along the housing continuum (see Attachments) as household incomes permit.
- The Town will work within market forces when possible to provide suitable and attainable housing through programs such as homebuyer education, down payment assistance and rehabilitation loans.
- Silverthorne will work cooperatively with private sector partners and other public agencies including the County, towns and the Summit Combined Housing Authority to ensure that resources are maximized and efficiencies are realized.
- The town will focus on for sale starter homes, which allow residents to move into homeownership and become more invested in the community, recognizing there will be a need in the future for rentals to accommodate the wages of individuals filling new jobs.

## Tools

The list below summarizes tools the Town of Silverthorne might consider in achieving the goals of the Strategic Housing Plan.

Public private partnerships are essentially partnerships between public sector organizations and private sector investors and businesses for the purposes of developing affordable housing. Land banking would involve purchasing available land to preserve it for the development of affordable housing in the future.

Provision of essential services such as infrastructure to affordable housing developments.

Density bonus programs are voluntary programs that offer developers an increase in the permitted density in certain areas of town for participation in an affordable housing program.

Exempt Density would allow the development of permanently affordable housing to be excluded from the overall density calculations of the subject property.

Down payment assistance provided by the Housing Authority or another third party which can be used to offset a portion of the borrower's down payment.

Housing rehabilitation loans enable eligible low-and-moderate income homeowners to make repairs and basic home improvements that maintain the quality of their housing and create a positive effect in the surrounding neighborhood.

Free/low cost land could be provided by the county or town to encourage the development of affordable housing.

Refinement of regulations for accessory apartments would allow the addition of rental units to parcels that would otherwise be used solely as single family residences.

Forest Service conveyance/land trades would be considered to trade land more adequate for development with land more appropriate for preservation.

Buy downs of existing units provide deed restricted housing through the purchase of existing market rate units.

## Actions

Following discussions by the Council and staff a series of Actions were identified to further the Vision and Goals of the Plan. The Actions are listed below.

- Use the resources of the Summit Combined Housing Authority to oversee and implement programs within the Town of Silverthorne where appropriate. Examples of these types of programs include:
  - o Oversight and monitoring of the County-wide deed restriction program.
  - o Maintenance of the County-wide inventory of affordable units to ensure that market conditions are being monitored throughout Summit County and the demand for new units is carefully tracked over time.

- Encourage and support the Summit Combined Housing Authority to expand their rehabilitation loan program, down payment assistance program and homebuyer education classes.
- Consider expanding down payment assistance programs to increase homeownership opportunities such as the Summit Revolving Loan Fund administered by the Summit Combined Housing Authority. Silverthorne contributed to the Housing Authority's program in 2008. The Town will request that the Housing Authority provide documentation of the results from this program and, if appropriate based upon results, the Town may increase its participation.
- The Town will be responsive to annexation requests that are consistent with overall Town policies and direction. As a part of each annexation the Town will require that deed restricted affordable housing be provided, either within the annexing property or in another location that is deemed suitable by the Town.
- Consider a density bonus program that would allow increased density in selected areas of Town (primarily zone districts C1 and the River Front Mixed Use area on a discretionary basis). In these areas, additional height setback flexibility might be provided based on site specific conditions in order to encourage the creation of affordable units, either for rent or for sale. This program will provide additional development opportunities and will also increase the vitality of the core by ensuring that year-round residents are living and shopping in Silverthorne.
- Consider refining current regulations for accessory apartments. Minimum and maximum sizes should be established for the apartments and enforceable covenants restricting occupancy to employees and an administrative system with enforcement procedures will be adopted.
- Formalize incentives such as the provision of infrastructure, fee waivers, funding assistance, density transfers, supplying land and utility taps, tax rebates and other methods for new construction and conversion of existing free market to affordable units.
- Continue to seek public/private partnerships for development of a range of housing products.
- Pursue partnership opportunities with the County to develop workforce housing and land banking. Explore opportunities for land trades with towns and the US Forest Service.
- Preserve market units for occupancy as workforce housing in the future through buy downs or other methods that might be identified.
- Encourage employer assisted housing through regulatory incentives to help employers invest in workforce housing solutions.

### **Example Action and Use of Tools**

The Red Peak Village (global) development represents a very significant effort by the Town, in partnership with a private developer, to encourage the development of a considerable amount of deed restricted housing. At present, the Red Peak Village development is anticipated to have 180 units with 90 units deed restricted. These units will be priced within a range, including units affordable for households starting at about 80 percent of AMI up to 150 percent of AMI. Taken together the overall average pricing of the units will be at a level that is affordable to households making 100 percent of AMI. In addition, the development approval anticipated that up to 40 accessory apartments will be constructed in conjunction with traditional residences by those owners in Red Peak Village that choose to take advantage of the program.

It is recognized that Red Peak Village will require significant administrative time and effort on the part of the Town. However, the benefits of this project are felt to be very important. It will provide a relatively large neighborhood with housing that furthers the goals of this Plan, and will offer a demonstration of a public/private partnership to create residential products that are designed to meet the needs of local residents.

### **Roles in Furthering the Silverthorne Strategic Housing Plan**

The Town, as represented by the Town Council, will revisit the goals, actions and tools annually to track progress and update the Strategic Housing Plan. The Town will continue to pursue new opportunities to promote and produce a diversity of housing choices and will modify the Action Steps contained in this Plan as new programs and developments are undertaken.

The Summit Combined Housing Authority plays a vital role in ensuring the continuing availability and accessibility of appropriate housing County-wide for permanent county residents not otherwise adequately served by the market. The town will utilize the Summit Combined Housing Authority for administration of deed restrictions, sale and rental of workforce housing units, homebuyer education and other specific tasks associated with managing the growing inventory of units.

### **Budget/Financial**

The housing 5A fund is estimated to provide an additional \$500,000 per year to be applied to affordable housing programs. Additional funding resources include Summit County, the Colorado Housing and Finance Authority, the Colorado Division of Housing and other local, State and Federal agencies.

## Definitions

The following definitions are applicable for the terms used in this Plan.

**Accessory Apartment** - An accessory apartment is a completely independent living unit with separate cooking, eating, sanitation and sleeping facilities that is either in or added to an existing single-family dwelling or in a separate accessory structure on the same lot as an existing dwelling.

**Area Median Income (AMI) Limits** -- most communities establish income limits for the programs they administer based on the area median income (AMI) for the area according to household size, which are adjusted annually by the Department of Housing and Urban Development (HUD). Four different income categories are defined for various programs and policies:

1. *Extremely low-income*, which is less than 30 percent of the median family income;
2. *Very low-income*, which is between 30 and 50 percent of the median family income;
3. *Low-income*, which is between 50 and 80 percent of the median family income;
4. *Middle income*, which is between 80 and 120 percent of the median family income; and
5. *Above middle income*, which is over 120 percent of the median family income.

Summit County Area Median Income 2008

	1 - person	2-person	3-person	4-person	5-person
30% AMI	\$17,100	\$19,500	\$21,950	\$24,400	\$26,350
50% AMI	\$28,450	\$32,500	\$36,600	\$40,650	\$43,900
80% AMI	\$43,050	\$49,200	\$55,350	\$61,500	\$66,400
100% AMI	\$56,900	\$65,000	\$73,200	\$81,300	\$87,800
120% AMI	\$68,280	\$78,000	\$87,840	\$97,560	\$105,360
140% AMI	\$79,660	\$91,000	\$102,480	\$113,820	\$122,920

Source: HUD

**Housing Problems** – Households that are overcrowded, paying unaffordable housing payments and/or living in substandard conditions.

## Housing Units Needed

*Catch-Up Housing* – Housing needed to “catch-up” to current deficient housing conditions. In this Process, catch-up housing needs are defined by current resident households reporting housing problems, current renters and owners looking to purchase a home and workers commuting in to Silverthorne for work that would like to move to Silverthorne. Catch-up housing is generally addressed through local town

development initiatives, non-profits and housing groups and public/private partnerships.

*Keep-Up Housing* – Housing units needed to keep-up with future demand for housing. In this Plan, keep-up housing focuses on new housing units necessary as a result of job growth in Silverthorne and new employees filling those jobs. Keep-up housing is often addressed by the existing free-market, as well as regulatory requirements or incentives to produce housing that is needed and priced below the current market.

**Levels of Homeownership** – When discussing affordability of properties by Area Median Income (AMI) level (defined above) and the types of homes households among different AMI groups are seeking, reference is made to a couple different stages of homeownership. This includes:

1. *Entry-level ownership/first-time homebuyers*: These are households typically earning in the lower to middle income range. In Silverthorne, these are households earning 50 to 100 percent of the AMI. These include households that currently rent (or otherwise do not own a home) and are looking to purchase their first home.
2. *Move-up buyers*: These are households earning in the middle to upper income range (about 100 to 140 percent AMI or higher) that may currently own a home and are looking to purchase a new or different home for a variety of reasons (relocating, growing family (e.g., having children), shrinking family (e.g., empty-nesters), etc.).

**Mean** – the average of a group of numbers, which is the sum of all the data values divided by the number of items.

**Median** – the middle point in a data set.

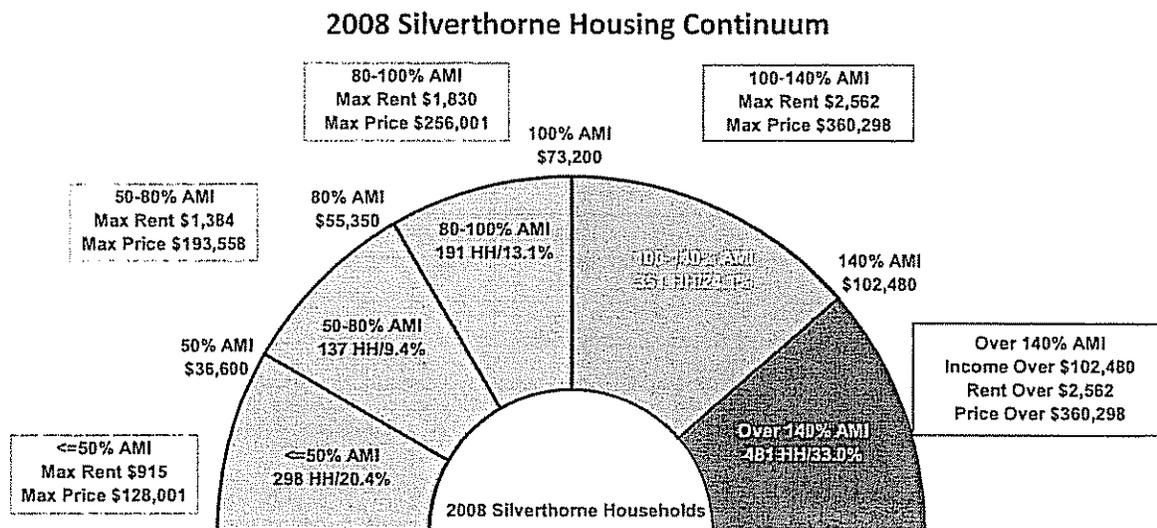
## Attachments

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### Silverthorne Housing Continuum

The Housing Continuum, illustrated below, can be helpful in moving from aggregate estimates of housing units needed to specific programs and policies that target the housing needs within the community. The Continuum shows the percentage and number of households in Silverthorne that fall into each AMI category, based on 2008 household estimates. It is important to note that the Continuum only represents current owner and renter occupied households with their primary residence in Silverthorne, it does not include units which are either vacant or used for seasonal/recreational use.

The Housing Continuum depicts what may be ideal for most communities – the availability of housing that is affordable to all households and options for changing life circumstances. What is key in this approach is that there are opportunities for households to buy or rent at different economic levels, thus supporting an economically balanced community.



Source: 2007 Household Survey, DOLA, RRC Calculations

Max Price assumes 5% down, 20% of housing payment for property insurance, taxes, HOA, 6.5% 30 year loan.

Max income estimate for a 3-person household.

### Housing Demand

The 2007 Summit County Demand Study estimated demand by basin, defining it by catch-up housing and keep-up housing. Catch-up housing includes current renters and owners who would like to buy and in-commuters who would like to move. Keep-up housing includes housing for new seniors and jobs in the community between 2007 and 2012. The table below

represents demand for housing in the Town of Silverthorne by source of demand and income level. The demand distribution by AMI provided below does not represent the community as a whole but the income distributions of households within each category. For example, while 13% of the households in Silverthorne fall between 80 and 100% AMI, 22% of demand between 2007 and 2012 falls into this category.

**Demand by Source and AMI, Silverthorne 2007**

Percent	Catch-up Housing			Keep-Up Housing			Total
	Renters want to Buy	Owners want to Buy	In-commuters	New Seniors	New Jobs Renters	New Jobs Owners	
≤ 30%	0.0%	2.3%	5.1%	3.8%	12.0%	3.6%	4.9%
31% - 50%	0.0%	6.3%	5.1%	12.8%	15.8%	4.8%	7.5%
51% - 80%	0.0%	14.8%	15.4%	10.3%	18.4%	11.3%	12.3%
81% - 100%	36.7%	13.3%	28.2%	19.2%	20.6%	17.0%	22.3%
101% - 120%	20.0%	14.1%	17.9%	9.0%	10.4%	13.0%	14.3%
121% - 150%	22.7%	21.1%	5.1%	15.4%	12.3%	18.2%	16.1%
151% - 180%	12.7%	13.3%	17.9%	9.0%	5.7%	11.5%	11.5%
181+%	8.0%	14.8%	5.1%	20.5%	4.7%	20.5%	11.0%
Total	100%	100%	100%	100%	100%	100%	100%
<b>Units</b>							
≤ 30%	0	4	6	2	24	5	42
31% - 50%	0	12	6	8	32	6	64
51% - 80%	0	28	19	6	37	14	105
81% - 100%	54	25	35	12	42	22	189
101% - 120%	30	26	22	5	21	17	121
121% - 150%	34	39	6	9	25	23	137
151% - 180%	19	25	22	5	12	15	98
181+%	12	28	6	13	10	26	94
Total	148	186	125	61	203	127	850

Current and Planned Housing Opportunities

**Summit County Affordable Housing Units**  
*\* denotes planned development*

		Own	Rent	Mix Own/Rent
<b>Lower Blue</b> Built 177 Planned 138	Retreat on the Blue, Silverthorne	4		
	Zoe Court		8	
	Cortina Suites		4	
	Silverthorne Business Center		13	
	Villa Sierra Madre		61	
	Blue River Apartments		79	
	Vowel Plumbing		2	
	Blue River Professional Building	2		
	True Value Hardware	1		
	Silverthorne Showrooms		1	
	HP Geotch		2	
	Maryland Creek Ranch*	8		
	Red Peak Village*	90	40	
	<b>Upper Blue</b> Built 617 Planned 448	Breckenridge Terrace		51
Farmers Grove		15		
Gibson Heights				40
Kennington			36	
Monarch Townhomes			13	
Pinewood Village			74	
Powder Downs			20	
Vic's Landing				24
Vista Point				19
Wellington Neighborhood				98
Wellington Neighborhood, Phase 2				128
Units dispersed in Town		99		
Block 11*				350
Maggie Placer*				18
<b>Snake River</b> Built 42	Hidden River Lodge		16	
	Key West Farms	6		
	Soda Creek Condos	20		
	David O'Neil*			
<b>Tenmile</b> Built 62	Bear's Den	3		
	Drake Landing	2	7	

	Own	Rent	Mix Own/Rent
Lakepoint Towers			6
Lodge at Riverbend	1		
Marina Park	2		
Ophir Mountain	28		
Royal Glen	2		
Royal Mountain Lodge	1		
South End Village	8		
Timberline Cove	2		
Peak One*			
<b>Dispersed</b>		97	
<b>Total Built 995</b>	196	484	315
<b>Total Planned 586</b>	98	70	418

\*planned

Ski Resort Employee Units			
	Own	Rent	Mix/Own Rent
Breckenridge		180	
Copper Mountain	270	500	
Keystone			1,000 beds

### Wages and Employment by Industry

Estimates from the Quarterly Census of Employment and Wages (QCEW) includes workers covered by unemployment insurance and, therefore, does not generally include self-employed proprietors and positions exempt for various reasons. However, QCEW provides useful estimates of the types of industries that supply jobs in a region. The data below provides an update to the data we presented in May for the 3<sup>rd</sup> Quarter of 2003.

The largest percentage of employment in Silverthorne continues to be in retail trade, which increased from 26% of all jobs in 2002 to 32% thru the 3<sup>rd</sup> QTR of 2007. While accommodation and food services showed a decrease in its share of jobs between 2002 and 2007 (-3.5%), it is still the second largest industry. Construction also saw a decrease in its share of jobs, primarily between 2006 and 2007, where it dropped from 16% to 13%.

**Town of Silverthorne, Employment by Industry 2002 to 2007**  
*(sorted in 2007 descending order)*

	2002	2003	2004	2005	2006	2007 (thru QTR3)	% Change 2002 to 2007
Retail Trade	25.5	28.6	29.9	29.2	30.5	31.6	6.1
Accommodation and Food Svc	18.0	17.0	16.4	14.9	14.6	14.5	-3.5
Construction	17.7	15.9	15.2	15.6	15.7	12.6	-5.2
Administrative & Waste Svcs	8.2	8.5	8.3	9.1	8.1	8.5	0.3
Finance, Insurance, real estate, rental & leasing	7.3	7.3	6.9	6.9	6.6	6.5	-0.8
Government	5.2	5.7	5.9	6.2	6.1	6.4	1.2
Transportation and Warehousing	6.9	5.7	5.6	5.6	5.7	5.8	-1.1
Other*	3.1	3.0	3.7	4.4	4.4	4.3	1.1
Mining	1.7	1.6	1.7	2.0	2.5	3.4	1.7
Other Services	3.2	3.3	3.1	3.1	2.9	3.0	-0.2
Information	1.4	1.5	1.3	1.3	1.3	1.7	0.3
Wholesale trade	1.8	1.8	2.1	1.8	1.6	1.7	-0.1
Total	100%	100%	100%	100%	100%	100%	-

\*Other includes: Utilities, Manufacturing, Prof & Tech Services, Mgt of Companies, Health Care and Social Assistance, Education Svcs, Arts Ent and Rec and Ag Forestry

Information and mining pay the highest average wages in Silverthorne. Other services, which include automotive repair, household goods and repair, electronic equipment and commercial machinery showed the highest percentage growth in wages since 2002 (41%), while construction and mining both showed decreases since 2002. The average retail wage increased by just 4%, from \$24,301 to \$25,281.

**Town of Silverthorne, Average Wages by Industry 2002 to 2007**  
*(sorted in 2007 descending order)*

	2002	2003	2004	2005	2006	2007 (thru QTR3)	% Change 2002 to 2007
Information	\$54,978	\$51,965	\$59,509	\$57,913	\$59,397	\$57,241	4.1%
Mining	\$50,241	\$44,792	\$49,786	\$50,067	\$52,589	\$49,792	-0.9%
Other*	\$39,595	\$44,951	\$44,782	\$44,510	\$49,381	\$46,595	17.7%
Wholesale trade	\$39,279	\$40,763	\$41,043	\$43,575	\$42,775	\$41,712	6.2%
Construction	\$38,596	\$37,689	\$38,734	\$40,936	\$44,263	\$37,476	-2.9%
Other Services	\$26,189	\$28,267	\$29,056	\$31,346	\$38,897	\$36,951	41.1%
Government	\$27,423	\$30,954	\$31,213	\$33,633	\$35,214	\$36,828	34.3%
Administrative & Waste Svcs	\$28,210	\$28,600	\$31,946	\$32,783	\$36,053	\$36,743	30.2%
Transportation and Warehousing	\$33,415	\$32,284	\$35,382	\$34,556	\$35,536	\$35,828	7.2%
Finance, Insurance, real estate, rental & leasing	\$28,198	\$27,889	\$29,805	\$30,296	\$31,780	\$31,409	11.4%
Retail Trade	\$24,301	\$24,314	\$25,085	\$25,023	\$24,644	\$25,281	4.0%
Accommodation and Food Svc	\$15,683	\$16,793	\$16,136	\$16,441	\$16,795	\$18,793	19.8%
Total	\$28,319	\$28,377	\$29,525	\$30,680	\$32,154	\$31,474	11.1%

\*Other includes: Utilities, Manufacturing, Prof & Tech Services, Mgt of Companies, Health Care and Social Assistance, Education Svcs, Arts Ent and Rec and Ag Forestry