

AGENDA

CITY COUNCIL WORK SESSION

May 12, 2025

4:00 PM, City Council Chambers
427 Rio Grande Place, Aspen



Zoom Meeting Instructions

Join from PC, Mac, iPad, or Android:

<https://us06web.zoom.us/j/85057380817?pwd=QKQgju0dk4EPuhpXilhSJw8P8bjDc0.1>

Passcode:81611

Join via audio:

Dial: +1 346 248 7799 US

Webinar ID: 850 5738 0817

Passcode: 81611

International numbers available: <https://us06web.zoom.us/j/85057380817?pwd=QKQgju0dk4EPuhpXilhSJw8P8bjDc0.1>

I. Work Session

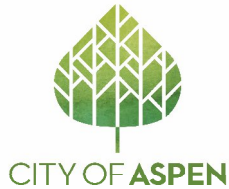
I.A West Mountain Regional Housing Coalition

[May 12 WMRHC Memo - Aspen Staff.docx](#)

[May 12 WMRHC Memo.docx](#)

I.B Habitat for Humanity Modular Factory Update

[Modular Packet High Level 25-0331 w site plan.pdf](#)



MEMORANDUM

TO: Mayor and City Council
FROM: Liz Axberg, Housing Policy Analyst
THROUGH: Diane Foster, Deputy City Manager
MEMO DATE: May 5, 2025
MEETING DATE: May 12, 2025
RE: West Mountain Regional Housing Coalition

REQUEST OF COUNCIL: This is a work session presentation by the West Mountain Regional Housing Coalition (WMRHC) with a funding request to contribute to the 2025 Good Deeds regional deed restriction program.

SUMMARY AND BACKGROUND: The City of Aspen is a founding member of the West Mountain Regional Housing Coalition nonprofit organization, which has a mission of increasing workforce housing in the Roaring Fork region with an emphasis on development neutral strategies. In 2024, Aspen City Council approved a \$450,000 contribution to the nonprofit’s deed restriction purchase program. This program has helped preserve middle income housing through converting free market homes into deed restricted units in perpetuity. After a successful first year of the program, WMRHC is continuing the program in 2025 with an additional funding request.

Regional collaboration is one of the actions identified within the approved 2024-2028 Affordable Housing Strategic Plan which was approved by City Council in July 2024.

DISCUSSION: West Mountain Regional Housing Coalition’s included memo provides more information on the program background, the 2024 success of the program, and the 2025 funding request.



FINANCIAL IMPACTS: West Mountain Regional Housing Coalition is requesting \$1 million to support the Good Deeds program in 2025. This contribution would be through the 150- Housing Development Fund.

ENVIRONMENTAL IMPACTS: Thousands of affordable housing units are needed in the upper Roaring Fork Valley, according to the 2019 Greater Roaring Fork Regional Housing study, a problem that has been exacerbated since the beginning of the COVID 19 pandemic. The deed restriction purchase program converts existing free market housing into deed restricted housing, with the intent of creating additional workforce housing so that people can live closer to where they work.

CITY MANAGER COMMENTS:

WEST MOUNTAIN REGIONAL HOUSING COALITION

MEMO

From: West Mountain Regional Housing Coalition
To: City of Aspen Mayor and Council
Re: Good Deeds Program Report and Update
Date: May 5, 2025

This memo provides an update and a request for funding of the West Mountain Regional Housing Coalition's Good Deeds Program.

BACKGROUND

The West Mountain Regional Housing Coalition (WMRHC or Coalition) formed in 2022 is a tax-exempt non-profit with a mission to increase the availability and accessibility of affordable community housing within the Roaring Fork and Middle Colorado River valleys: Aspen to Parachute. We believe a regional approach that leverages the skills and resources of our communities is the foundation for increasing affordable housing.

WMRHC is a member-based organization striving to support our members' regional affordable housing community interests and priorities. Our members, each of which have representation on the WMRHC Board, currently include:

Pitkin County	Eagle County
City of Aspen	Town of Basalt
City of Glenwood Springs	Town of Carbondale
Town of Snowmass Village	Colorado Mountain Local College District
Roaring Fork Transportation Authority	

The City of Aspen's Board member representative is Liz Axberg, Aspen's Housing Policy Analyst.

With \$10,000 of initial investment from each of its eight members in 2022 and 2023, and \$20,000 from nine members in 2024 and 2025, the Coalition has held monthly meetings, completed a Strategic Operations Plan, successfully secured over \$150,000 in state grants, hired an Executive Director, released several reports on the region's housing situation, and hosted a regional housing summit.

In general, the goals of the Coalition are to:

- increase the amount of housing available to local workforce through a development neutral approach;
- increase the number of households benefiting from housing assistance;
- secure funding to provide housing programs; and to
- establish a strong, durable organization that supports the region.

West Mountain Regional Housing: Good Deeds

In 2022, the Coalition reviewed a suite of housing program options recommended in the Housing Toolkit developed by Bohannon and Huston, supported by DOLA's Recovery Roadmap program. The Coalition Board decided to focus its initial efforts on development-neutral programs that support housing needs, strategies, or situations not currently addressed by other housing programs in the region.

Problem Statement:

In a balanced housing market, households earning low to moderate income are typically renting and households that earn above the median income begin to explore, and can achieve, home ownership. The area median income (AMI) in Pitkin County is \$91,000 for a 2-person household. For that household to own a home and not be considered cost-burdened (i.e. spending more than 30% of their income on housing), the home price would need to be approximately \$300,000. Based on a review of the most recent income, rental, and housing market data, home ownership in the free market in our region is out of reach for even those earning 300% of the median income. Therefore, moderate to high income households in the region have incomes that are too low to participate in the private ownership market yet too high to be eligible for most subsidized or assisted housing program requirements. And, therefore, the housing market in our region is noticeably shifted from that of a balanced housing market, forcing those higher-income earners to rent. This floods the rental market, driving rental rates higher, and removing competition or options for movement within the market.

WMRHC's Response:

Acknowledging these two issues – the lack of a home ownership market for moderate to high income earners, and an extremely crowded rental market – WMRHC launched a program to bridge the gap between what is available on the open market and what is affordable to local buyers by providing up-front funds towards the purchase of a deed restriction on a free market home; thus converting existing free market homes to the affordable housing market in perpetuity, creating a market for local workforce to own a home, and moving those that are likely paying a very high rent into home ownership, freeing up space in the rental market. Modeled after the successful [Eagle County Good Deeds](#), this development-neutral approach “buys down” a market rate home to a more affordable or attainable price for a local income earner in exchange for a permanent deed restriction being added to the property.

Program Details:

WMRHC took a regional and community-centered approach to eligibility (not an employer approach) and therefore structured the requirements to allow anyone working full-time for an employer principally or physically based in Pitkin, Eagle, or Garfield counties to be eligible. There is no income cap. A qualified buyer must use the home as their primary residence, is not allowed to short-term rent the home, must maintain local employment, and own no other residential property. They are eligible for a 3% simple interest annual appreciation and capital improvements of 10% every five years. WMRHC pays 30% of the purchase price of the home, up to a \$1.5 million home price (varies geographically), in exchange for a permanent price-capped deed restriction on the property.

Pilot Program Success - 2024:

In the summer of 2024, the following communities contributed to the Good Deeds program:

Pitkin County -	\$1,000,000
City of Aspen -	\$450,000
Town of Snowmass Village -	\$250,000
City of Glenwood Springs -	\$200,000
<u>Town of Carbondale -</u>	<u>\$100,000</u>
TOTAL =	\$2,000,000

The pilot program launched in mid-August. With \$2,000,000 and within only five months, WMRHC converted and preserved eight (8) homes from the free-market to price-capped, permanently more affordable homes, securing long-term stable housing through home ownership for twelve (12) working locals, whose employment ranges from Aspen to Glenwood Springs.

Continued Success - 2025:

The following organizations have committed to the continued support and success of the Good Deeds program in 2025:

Town of Snowmass Village -	\$ 250,000
City of Glenwood Springs -	\$ 100,000 annually for the next 3 years
Town of Carbondale -	\$ 100,000
<u>Pitkin County (first reading) -</u>	<u>\$1,000,000</u>
TOTAL to-date for 2025 =	\$1,450,000

With this continued support, the Good Deeds program has already closed on another home in Glenwood Springs, bringing the total number of homes in the Good Deeds program to 9 and the number of working locals now in secure homeownership to 13.

Success!

9 Deed Restricted Homes

-  7 months
-  \$2,230,200 (avg = \$247,800 per home)
-  9 homes, permanently more affordable
-  28 bedrooms (avg = \$79,650 per bedroom)
-  13 working locals in secure home ownership
+ 2 in rentals + 1 freed up AH studio
-  4 workers report to work in Aspen (and one is a City of Aspen employee!)
-  Incomes range from 40% - 220% of AMI

There are currently more than a dozen qualified buyers eager for the opportunity to participate and several new requests received each week for application to the program. WMRHC has done little to advertise this program to date – most notification was achieved through one article and spread through word of mouth.

The Coalition’s goal is to bring 30 homes into this program by 2026. The current construction price for an affordable housing unit in Pitkin County is \$800K - \$1.2 million. If it was possible to acquire land and permits and also complete design and construction of 30 units by 2026, it would cost approximately \$30 million (not including the associated infrastructure and utilities). WMRHC estimates the conversion cost of 30 free-market homes to affordable deed restricted homes in the region at \$8-10 million, which does not require any additional land, utilities, infrastructure, or construction materials.

Funding Request:

The pilot program was made possible through financial support from across the region, serving as a proof of concept to attract additional funding from philanthropic partners and state agencies. The City of Aspen’s contribution demonstrated that upvalley partners are invested in regional collaboration and shared success. WMRHC and the participants of the Good Deeds Pilot Program wish to extend our sincere gratitude for the support and success of this incredible program. The Coalition is actively exploring other funding strategies including philanthropic support, donations, grants, mitigation fees, etc. to continue offering and growing this program in 2025.

The Coalition respectfully requests continued financial support and leadership from the City of Aspen, without which the Coalition’s goal cannot be achieved. The opportunity is ripe. The

Good Deeds program offers a unique opportunity to secure homes for our workforce before those homes are sold to outside investors and before the price of those homes becomes completely out of reach. Additionally, with new housing opportunities, we may be able to retain and recruit valuable employees that have been at risk of relocation to more affordable regions, leaving our businesses unable to fill positions and potentially causing long-term economic harm to our community.

We urge you to invest in the future of the City of Aspen by continuing your support of the Good Deeds program with \$1 million in 2025. We also request the opportunity to explore continued, annual support of the Coalition and its programs, during the preparation of the 2026 budget.



Building HOMES
Building HOPE
Building COMMUNITY



MODULAR HOUSING PRODUCTION: BUILDING HOMES, CREATING FUTURES

2555 Innovation Drive, Rifle, Colorado 81650.





PROJECT OVERVIEW

Habitat for Humanity of the Roaring Fork Valley is developing an \$18.4M Modular Housing Production and Construction Trades Training Facility to expand off-site construction, lower housing costs, and train a skilled workforce. To complete the project, we are seeking \$2.5M in equity through grants, donations, and low-cost capital.

Why This Project Matters:

- **Addresses Housing Crisis:** Over the next decade over **2,500 homes** will be needed each year to combat the housing shortage. (Gruen & Gruen Feasibility Study)
- **Trains the Workforce:** Up to **100 students per year** will gain hands-on experience in advanced construction techniques.
- **Creates Quality Jobs:** **64 full-time positions** with wages averaging **\$36.94/hour** plus benefits.
- **Supports Sustainability:** **Net-zero-ready homes** align with Colorado's 2030 energy efficiency goals. Also results in very low energy costs for homeowners.
- **Reduces Costs:** Traditional construction costs can range from \$650 to over \$2500 per SF; modular production provides an affordable alternative. Offsite construction is 20% cheaper, and 40% faster.
- **Closes the gap:** To provide affordable housing, Habitat RFV find funding to cover the gap between our cost to build (\$650/SF) and what new homeowners can afford to pay (\$300-380/SF). With the very high construction costs, it is becoming more and more difficult to fill the gap (at about \$350+/SF). This is not sustainable for Habitat RFV. Off site construction reduces the amount of the gap, thereby allowing Habitat RFV to continue with out mission.

Project Development:

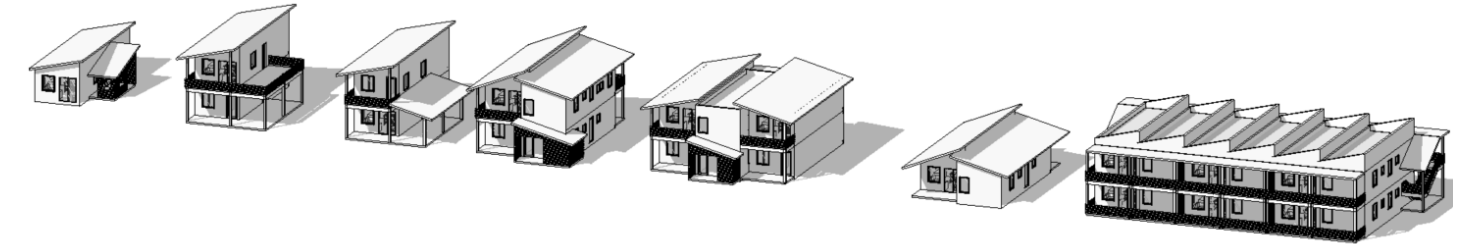
- **Site Secured:** 50-year lease on a **10-acre site** in Rifle's Energy Innovation Center (\$10/year).
- **Facility Details:** **66,000 SF modular factory** designed for efficiency, powered by **1MW of solar energy**.
- **Production:** Within the first couple of years, we will be producing 200 boxes a year that can be small single family, or combined to build larger, single-family duplex, triplex, townhome, and multi-family. This capacity can be expanded to 500 boxes a year.
- **Funding Secured:** \$18.4M in **Tax-Exempt Bonding** funds construction and equipment.
- **Workforce Training Partners:** **BOCES & Colorado Mountain College** for industry certification programs.

Timeline:

- Q1 of 2025:** Site preparation & utility work begins
- Q2 of 2025:** Facility construction begins
- Q2 of 2026:** Factory operational; first homes produced



PRODUCT DESIGN



Product Design Based off Basalt Vista:

- (1) box = 1 bedroom / 1 bath single family home
 - (2) boxes stacked = 3 bedroom / 2 bath single family home
 - (2) boxes on one level = 3 bedroom / 2 bath single family home or 3 bedroom/2 bath apartment "flat" for multifamily use
 - (4) boxes on two levels = Duplex
 - (6) boxes on two levels = Triplex
 - (12) boxes on two levels ("flat" style) = Six-plex w/ exterior walkway & exterior stairs
- *can add in 1 bedroom boxes for a mix of 1 and 3 bedrooms in building, can be expanded to have more units

Thank you to our dedicated industry consultants who have made this project into a reality!



Modular Housing Plant Project Costs

General Contractor	\$11.32 million
Owner's Contingency	\$0.57 million
Solar Array	\$1.70 million
Metal Building (TPI)	\$2.60 million
Tools & Equipment	\$0.98 million
HFHRFV Predevelopment Costs	\$1.25 million
	<hr/>
	\$18.40 million

Modular Housing Plant Capital Stack & Working Capital

Cap Ex Sources

Tax-Exempt Bond Proceeds for Project Costs	\$18.40 million
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Cap Ex Uses

Repayment of Planning Costs	\$0.50 million
Deposit to Project Fund	\$17.90 million
	<hr/>
	\$18.40 million

Anticipated Operating Expense Reserve Fund Sources

Solar Array Direct Payment from IRS	\$0.70 million
Working Capital	\$2.50 million
	<hr/>
	\$3.20 million

The information above was accurate as of February 19th, 2025. These numbers are subject to change, please reach out to our team with any questions. This proforma was created by D.A. Davidson.

For information about the bond scan here



Annual Proforma using GAAP rules for Revenue Recognition (based on HFH RFV Fiscal Year, 7-1 – 6/31) *,1

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Order Volume - Number of Units Ordered ¹	--	16	128	176	192	200
Order Volume - Number of Units Shipped ²	--	--	118	194	200	200
Order Volume - Aggregate Square Footage of Units	--	--	84,960	139,680	144,000	144,000
Sale Price (\$ PSF)	n/a	\$160.00	\$160.00	\$164.80	\$169.74	\$174.84
Accounting Revenue (recognized when units are shipped)	\$ --	\$ --	\$13,593,600	\$23,019,264	\$24,443,136	\$25,176,430
Debt Service Reserve Fund Earning at 5%	21,377	99,339	100,596	100,596	100,596	100,596
Cost of Goods Sold	--	338,580	2,718,045	3,552,532	3,587,212	3,628,187
Direct Labor	--	50,787	407,707	532,880	538,082	544,228
Direct Labor Benefits	--	248,936	8,614,953	11,538,169	12,072,954	12,953,273
Direct Material Cost	--	12,447	430,748	576,908	603,648	647,664
Factory Consumables	--	650,749	12,171,452	16,200,489	16,801,895	17,773,352
Total Cost of Goods Sold	--	1,042,772	11,763,198	15,668,589	15,995,711	16,973,477
Gross Income	--	(551,411)	1,522,744	6,919,371	7,741,837	7,503,675
Operating Expenses	--	365,125	787,750	1,088,360	1,131,894	1,177,170
Total Indirect Labor	--	6,000	36,000	37,440	38,938	40,495
Inspection (Contract)	--	30,000	60,000	61,200	62,424	63,672
HR Support & Placement	--	30,000	53,333	41,600	43,264	44,995
IT Services	--	4,167	45,833	52,000	54,080	56,243
Insurance	--	30,000	60,000	61,200	62,424	63,672
Legal & Professional Services	--	16,667	40,000	40,800	41,616	42,448
Marketing & Advertising	--	9,000	12,000	12,240	12,485	12,734
Office Expense	--	3,833	23,000	23,690	24,401	25,133
Electricity	--	10,000	60,000	62,400	64,896	67,492
Remaining Utilities	--	2,000	12,000	12,240	12,485	12,734
Waste	--	--	118,000	194,000	208,000	216,320
Warranty Expense	--	--	50,000	52,000	54,080	56,243
Work Force Development	--	50,000	300,000	306,000	312,120	318,362
Contingency	--	191,667	870,167	956,810	991,212	1,020,545
Total Other G&A	--	556,792	1,657,917	2,045,170	2,123,106	2,197,715
Total Operating Expenses	--	365,125	787,750	1,088,360	1,131,894	1,177,170
Accounting Net Operating Income used for Fixed Charges Coverage Ratio Calculation	21,377	(1,108,202)	(135,172)	4,874,201	5,618,731	5,305,959
SENIOR Series 2025A&B Pro-Forma Bond Debt Service	--	--	(372,255)	(1,441,375)	(1,397,719)	(1,357,238)
Interest net of capitalized interest	--	--	--	(635,000)	(635,000)	(670,000)
Principal	--	--	--	--	--	--
Total SENIOR Series 2025A&B Pro-Forma Debt Service	--	--	(372,255)	(2,076,375)	(2,032,719)	(2,027,238)
Debt Service Coverage Ratio based on Accounting Net Income (Test starts FYE2028) > 1.20x	n/a	n/a	n/a	2.35	2.76	2.62

¹ Preliminary; subject to change.
² 50% of Sales Price received as Cash Deposit.
³ Remaining 50% of Sales Price received in Cash; 100% of Revenue recognized.

The information above was accurate as of February 17th, 2025. These numbers are subject to change, please reach out to our team with any questions. This proforma was created by D.A. Davidson and Prosono.



**DIRECT
IMPACT**



**COMMUNITY
SUPPORT**

Who Will Benefit?

Habitat for Humanity RFV Homebuyers: Local workforce families gaining homeownership opportunities.

Neighboring Habitat for Humanity Affiliates: Mesa, Eagle, and Summit counties integrating our modules into their housing efforts.

Public-Private Partnerships: Collaboration with **healthcare providers, local governments, school districts,** and other essential service organizations to create affordable workforce housing.

Private Developers: Partnering on deed restricted **affordable and mixed income housing developments.**

Community & Economic Impact

Expands Affordable Housing: Demand for at least **2,500 affordable homes per year** for the next decade in our region.

Creates Living-Wage Jobs: 64 full-time jobs with competitive pay and benefits.

Equips the Next Generation: Training local students in modern, energy-efficient building techniques and preparing them for good paying jobs.

Environmental Leadership: **First Western Colorado** facility meeting Colorado's ambitious net-zero energy goals.

Habitat for Humanity of the Roaring Fork Valley is continuing to raise \$2.5M to complete this initiative and begin production by Q2 of 2026.

Your support will:

- Fund construction and startup costs for long-term community impact.
- Establish a regional workforce training program to address labor shortages.
- Produce net-zero-ready homes that lower utility costs and increase affordability.
- Provide stability for educators, first responders, healthcare workers, retirees, and more!

Ways to Give:

We welcome contributions through grants, donor-advised funds, stock transfers, and monetary gifts. As an Enterprise Zone Contribution Project, donations may be eligible for **Colorado State tax credits.**

Join us in creating affordable homeownership opportunities for those who serve and strengthen our communities every day.



Learn more about Enterprise Zone

Learn more about donating today

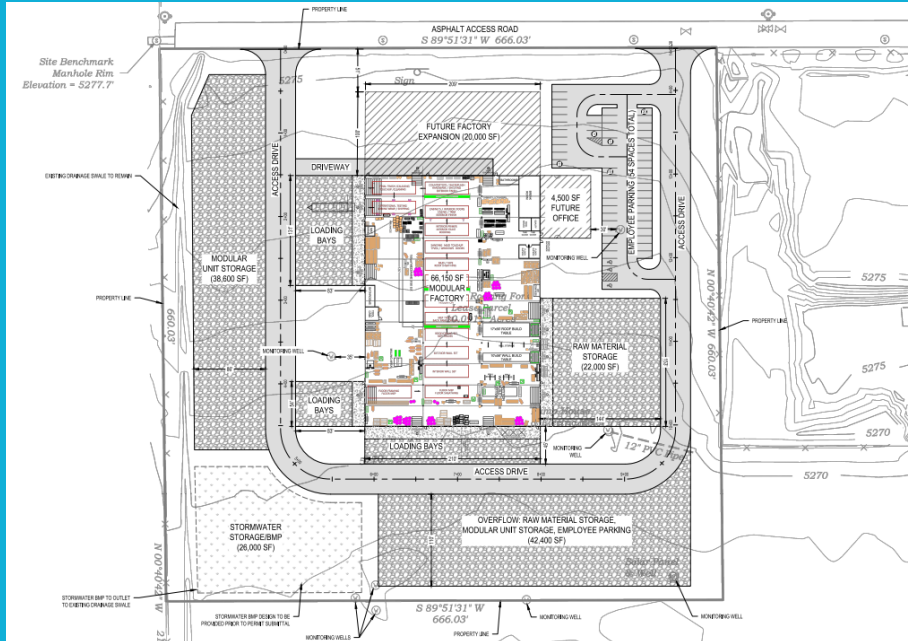


Thank you to all of our community partners!



every day

for 25 years, Habitat for Humanity RFV has built 74 affordable homes with workforce families — solving the affordable housing crisis.



Gail Schwartz, Chief Executive Officer
 (970) 309-1411
 GailS@HabitatRoaringFork.org

Sheryl Bower, Chief Operating Officer
 (970) 279-1858
 SherylB@HabitatRoaringFork.org

Habitat RFV Team:

Gail Schwartz, *CEO*

Sheryl Bower, *COO*

Kristen Wilmes, *CFO*

Trent Marshall, *Project Manager*

Rick Farr, *Site Supervisor*

Consulting Team:

Dr. Joshua Smith - *Prosono, Director of Research & Development*

Bryan Lynch - *3-in-1 Solutions, President*

Allyson Decatur - *Decatur Wilkie Inc., General Contractor*

Gwyn Drop - *EVolution Design Studio, Project Architect*

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