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## **Vail Daily column: The time is now to address affordable workforce housing**



A friend sent me a newspaper column that focused on the community impacts resulting from a lack of workforce housing along the Oregon coast. It outlined the case of tourism-driven communities whose housing crisis can't be solved by the free-market alone and whose communities are negatively impacted by the lack of affordable housing options.

Importantly, the communities along the Oregon coast recognize that "it's not just tourism-based businesses that are running into this problem. The hospitals are saying doctors and nurses aren't coming because they can't find affordable housing. Teachers are saying the same thing. Builders are

not building for the low-income market. They are going for the least risk and highest reward. Someone building million dollar homes isn't going to suddenly say, 'Oh, out of the goodness of my heart, I'll build a \$200,000 home.'"

what is workforce housing?

We are no different. As a resort community where high real estate costs and a high number of relatively low-paying service jobs are essential to the local economy, solving our affordable workforce housing shortage in Eagle County is our number one community challenge.

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Let's provide some framework to what affordable housing is and what it means to our community. Workforce housing is commonly targeted at essential workers in a community. This might include police officers, firemen, teachers, nurses, medical personnel and, in our case, also including tourism industry service workers. Affordable housing is increasingly important to combat our demographic shifts as our community continues to lose residents in their 30s and 40s.

Housing is key

As locals know, Eagle County's cost of living is higher than many other places. To no one's surprise, housing is the key element pushing Eagle County's overall cost of living above the U.S. average. The Council for Community and Economic Research produces an annual that serves as a measure of relative cost of living between different locations across the county. Find the County Cost of Living Index at [www.coli.org/CountyLevelIndex.asp](http://www.coli.org/CountyLevelIndex.asp).

In 2013, the County Cost of Living Index indexed Eagle County's cost of living at 107.8 against a nationwide average of 100. In the County Cost of Living Index, a number above 100 is more expensive than the U.S. average, and a number below 100 is less expensive than the U.S. average.

Housing costs in Eagle County, however, are indexed at 123.2, while most other consumer goods and services in the county fall slightly above or below the U.S. average, making housing the primary driver elevating local living expenses.

This isn't a new problem; the lack of affordable housing has long been a problem throughout Eagle County. While the recent recession saw a softening of the real estate market, housing prices have been increasing, rental occupancy and rates have increased and short-term rentals have reduced the supply of housing units serving the county's workforce. In the Vail Valley Partnership's 2015 workforce survey, 69 percent of the businesses reported that the lack of affordable housing has a negative effect on their ability to attract, hire and retain employees. Polar Star Properties reports that apartment occupancy rates in June were more than 96 percent.

We can separate housing needs into two categories: catch-up, which includes housing needs generated from unfilled jobs, in-commuters and overcrowding, and keep-up, which includes housing needs generated by job growth and retirees leaving the workforce but remaining in their homes. Initial results from the 2016 Eagle County Housing Needs Assessment show Eagle County needs 3,188 housing units across all price points to meet catch -up needs. The current estimate shows Eagle

County needs 849 units in 2016 and a total of 7,944 units from 2017 to 2025 to cover job growth. When replacement housing due to retirees is added to the current update, Eagle County's keep-up housing will need to grow.

Fortunately, we have an opportunity to address our workforce housing challenge. Eagle County is mulling a ballot initiative for the November election — possibly a sales tax of \$0.03 on every \$10 purchase with exemptions for groceries. There are important issues to resolve with the ballot language regarding governance, types of housing to develop and how to engage the business community in a meaningful way.

The cost of living in Eagle County is high, and a small increase in sales tax to support affordable housing has the potential to make a significant impact in keeping our businesses healthy and allowing them to expand— in the process, creating more jobs. This business growth is unlikely to happen without a concerted, dedicated effort to address our affordable housing issue.

Vail Valley Partnership's board of governors remains committed to being the voice of business on key issues including workforce housing, and believes the time is right for a well-crafted ballot initiative to address this key community need.

Chris Romer is president and CEO of the Vail Valley Partnership.