

Moab City Council Agenda Item

Meeting Date: July 27, 2021

Title: Discussion and Possible Direction - Employee Housing Opportunities

Attachment(s):

Exhibit A: Project/Policy Matrix

Exhibit B: 2011 Barriers to Affordable Housing Resolution by Planning Commission

Exhibit C: 2018/19 Barriers to Affordable Housing Analysis

Exhibit D: Links to Ouray and Crested Butte Emergency Camping/RV websites

Introduction:

As we have all become aware, Moab City has a true shortage of employee housing. Businesses have had to reduce hours due to the lack of employees. Employers such as the city and the hospital have difficulty hiring employees due to a lack of housing. Moab is not the only place grappling with this problem. We do not have the supply of housing, and land and housing prices have escalated significantly over the last few years. This purpose of this report is to explore options for short, medium, and long-term projects and policies to alleviate the current crisis. There is no quick fix that will solve the employee housing issues we have in Moab.

We need to consider all options available to us. This is a high-level look at options. The policies and programs discussed are intended to be wide-ranging and not all of them may be practical for a city of our size and resources (both financial and staffing). **The purpose of the work session is to discuss potential solutions and have the City Council give the staff direction on how to proceed.**

Background:

This is not a new issue to Moab. Moab has grown into a major recreational mecca that appeals to many different users. The growth in tourism has been significant over the last 20 years. In 2011, the Planning Commission adopted Resolution 12-2011 prioritizing the removal of regulatory barriers to affordable housing (Exhibit B). Another analysis of regulatory barriers was conducted in 2018-19 timeframe (Exhibit C).

In 2017-2019, significant work was done by the Planning Commission and City Council to provide incentives and opportunities for affordable/employee housing. These efforts included:

- BAE Economic Study Part 1 and Part 2
- Planned Affordable Housing Ordinance (PAD)
- Employee housing requirement for new Overnight Accommodations (WAHOO)
- Walnut Lane Purchase
- Simplified ADU Process

These were important, forward-thinking initiatives to provide opportunities/incentives for Employee Housing. It is now time to reassess these tools, make modifications as necessary and add new tools to deal with our current Employee Housing needs. The tools adopted in 2019 are worthy of review and

modification. The BAE reports used 2017 numbers, which are now very outdated. The Planned Affordable Housing (PAD) Ordinance could be amended to function better. The WAHOO provided some employee units and provided funding to the City's affordable housing fund, which has been largely dedicated to the development of Walnut Lane. Shortly after the adoption of the WAHOO, the city decided not to allow new overnight accommodations in any zone in Moab, thereby shutting down the revenue source. The development of Walnut Lane has been delayed due to lack of performance of the manufacturer for the Phase 1 units. Increased materials cost has played a major role in that lack of performance. As a part of this initiative, the City can review these policies and ordinances and make changes to make them more effective.

Existing Issues/Trends:

There are some current trends that are of concern and may be impediments to employee housing. Those include:

- Land and housing costs
- Land Availability
- Pressure for higher density housing in the R-3 without any requirement for employee or otherwise deed-restricted units
- Existing trailer parks and the existing employee housing stock are experiencing pressure to redevelop into high-end townhomes targeted at second homeowners.
- Businesses have been deeply impacted by the lack of employee housing. One business owner likely does not have the ability to provide employee housing themselves (other than owners who own multiple businesses)
- The city has limited financial resources to provide incentives such as the Vail Indeed program.

Target Audiences

Our current lack of housing is impacting businesses and organizations in that housing is not available for employees. Because of that, we are calling these initiatives to move forward as Employee Housing. Employees consist of several target audiences, including:

1. Temporary Housing – housing for those moving to town for work, but do not yet have housing, homeless individuals, and temporary seasonal employees
2. Seasonal Employees - outdoor adventure employees and some hotel and food service employees
3. Lower Income year-round employees who may qualify for deed restricted housing for very low and low income – service workers (hotels and motels), store clerks, lower wage types of jobs
4. Year-round employees that make over the maximum income levels for deed restricted housing, but are still not earning enough to afford housing
5. Year-round employees who are considered “missing middle” – permanent full-time employees and residents that may be able to afford a home in a “normal” market, but cannot afford one in or around Moab – government, school, hospital, and emergency services employees

Project/Policy Matrix

Attached as Exhibit A is a spreadsheet with potential project/policy ideas to address employee housing. This is certainly not an exhaustive list and additional ideas are

welcome. For each policy/program is a project description, audience targeted, pros and cons/impediments, potential funding needs, and timeframe for implementation. Many of the ideas would involve zoning changes that may take several months for approval. Those changes may lead the way for more actual construction of employee units. Realistically, many of the ideas may take 2 or more years to see any real change in Employee Housing numbers.

Strategies for Moving Forward

Once the City Council gives the staff direction to move forward with various initiatives to be pursued, we need to come up with strategy approaches to use for the changes.

Some ideas include:

- Involve the business community – what are they willing to support and will they be able to provide financial resources to a possible public/private project.
- RV parking could be implemented through a Temporary Zoning Ordinance, or some type of emergency ordinance, that could be seasonal from April-November.
- Collaborate with the Business Community to build more units or contribute to Walnut Lane or other affordable housing projects.
- Working Group to include realtors, developers, business owners, Planning Commissioners, City Council members, and citizens at large

Questions for City Council

Based on the information in this staff report and in the work session discussion on July 27th, the staff is looking for some direction from City Council as to how to proceed and what projects/policies should be pursued. Some of the questions that may help with that determination may be:

- What is the priority(ies)?
- Is there low hanging fruit that we should move forward with right away?
- What are we trying to solve within the next 60 days? 1-year? 2-years?