



Brown Ranch Annexation Committee
Meeting No. 10
Carver Conference Room and Via Zoom
WEDNESDAY, MAY 24, 2023
9:00 AM

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MEETING LOCATION: In-person and virtual via Zoom. See Instructions above. Carver Meeting Room, Centennial Hall; 124 10th Street, Steamboat Springs, CO

A. PRIOR MEETING RECAP

1. Approval of Minutes

1.a. May 10, 2023 Meeting Summary.

2. Affordability / Attainability of Housing.

3. Sustainability Measures.

4. Parks and Open Space.

5. BRAC Agenda Topic Schedule.

6. Communications and Public Outreach Update.

B. CURRENT DISCUSSION

- 7. Post Annexation Land Use Approval Process.**
- 8. Draft Annexation Agreement.**
- 9. Draft Fiscal Impact Analysis.**

C. NEXT MEETING

- 10. Contingencies.**
- 11. Draft Annexation Agreement.**
- 12. Draft Fiscal Impact Analysis.**

D. PUBLIC COMMENT

PUBLIC COMMENT IS SCHEDULED FOR 30 MINUTES, AND IT SHALL BEGIN AT 11:30 A.M. OR THE CONCLUSION OF THE ABOVE AGENDA ITEMS, WHICHEVER COMES FIRST. THOSE ADDRESSING THE COMMITTEE ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES. ALL COMMENTS SHALL RELATE ONLY TO TOPICS OF DISCUSSION ON TODAY'S AGENDA.

13. RAINBOW

AGENDA ITEM #1.a.

BROWN RANCH ANNEXATION COMMITTEE

FROM: Emily Katzman, Yampa Valley Housing Authority

DATE: May 24, 2023

ITEM: May 10, 2023 Meeting Summary.

ATTACHMENTS:

Attachment 1: May 10, 2023 Meeting Summary.

ATTACHMENT 1

Brown Ranch Annexation Committee (BRAC) Wednesday, May 10, 2023 Meeting Summary

Attendance: Robin Crossan, Joella West, Gary Suiter, Leah Wood, Kathi Meyer, Jason Peasley (BRAC); Jason Lacy (third-party facilitator); Angela Cosby, Kim Weber, Jon Snyder, Mark Beckett, Rebecca Bessey, Dan Foote, Chuck Cerasoli, Brad Calvert, Matt Barnard (City staff); Emily Katzman (YVHA staff) Sheila Henderson, Robin Schepper (BRAC outreach)

A. PRIOR MEETING RECAP

1. **Approval of Minutes** – Minutes (the official video recording) from the April 26, 2023 meeting were approved unanimously (first by Leah Wood, second by Robin Crossan)
2. **Traffic Impacts and Infrastructure** – The group did not have any feedback or follow-up on the Traffic Impacts and Infrastructure conversation from the April 26, 2023 BRAC meeting.

City Council president Robin Crossan noted that City Council has been asked about live/work industrial units at Brown Ranch. Jason Peasley clarified this is on the table for Brown Ranch and if/where it can be built at Brown Ranch will be dependent on zoning.

Robin Crossan requested an update on the Parks & Open Space Plan and whether YVHA and City staff have made any additional progress. Matt Barnard, Parks & Recreation Development Manager, reported that City Council has the most current information on the Brown Ranch parks plan. YVHA has indicated the 40-acre regional park conversation should be discussed/negotiated by BRAC, not through staff coordination at this point.

3. **BRAC Agenda Topic Schedule** – Revisit this topic at end of meeting.
4. **Communications and Public Outreach Update** – Robin Schepper, BRAC communications and public engagement contractor, shared the following updates:
 - BRAC held two town halls on May 4th. Attendance: 30 non-staff attendees at first meeting and 15 non-staff attendees at second meeting.
 - Community Engagement team continues to hold meetings with local groups.
 - Recently met with: Steamboat Springs Chamber Board of Directors, Rotary clubs, Routt County Republicans, Young Professionals Network, CMC class
 - Upcoming meetings: Steamboat schools, Chamber restaurant group, YVEA, Routt County Democrats, and meetings with residents at YVHA properties.
 - Developed an “Annexation 101” fact sheet.
 - General feedback and questions from community members:
 - Will there be a property tax?
 - How soon can I move into Brown Ranch?
 - Questions about Area Median Income (what is it and how does it apply to me?)
 - Who are the developers and builders and who will work on Brown Ranch?

- Responding to a question and suggestion from Joella West, Robin Schepper will provide analytics on social media reach and email open rates. Current email list = 1,000 people.
- Future town hall meetings: Robin Schepper will report when the next town hall is scheduled.
 - Robin Crossan suggested scheduling town halls more frequently: “the more information we can give in shorter periods of time, the better.”
 - Next town hall should include “AMI 101” including a fact sheet on Area Median Income (AMI).
 - In future, follow-through to get answers to specific questions posed to group during town hall presentations.
 - Angela Cosby suggested asking for more specific feedback after the parks plan is more solidified.
 - Include surveys in future email blasts to solicit input on specific questions.

B. CURRENT DISCUSSION

5. Affordability and Attainability of Housing – Jason Peasley, YVHA Executive Director, presented on affordability and attainability at Brown Ranch: community’s vision for affordability, how affordability is defined, how YVHA intends to both achieve and maintain affordability at Brown Ranch. [Note: this meeting summary is not intended to capture the details of the presentation. Please see the [presentation slides](#) and meeting recording at approximately 29:30 for additional details.]

- Current need of 1,400 housing units for local workforce.
- Affordability Vision defined as top priority of Brown Ranch Steering Committee: *“the Brown Ranch will provide affordable and attainable housing options for the Routt County workforce in a timely and efficient manner that meets both the urgent and long-term need.”*
 - Non-negotiables: 100% of housing dedicated to local workforce: no second homes, no short-term rentals. “Local workforce” includes people who have retired from local employment.
 - Emphasis on simplicity of deed restriction (Community Affordability Agreement).
- What is “affordable?” National standard: less than 30% gross household income spent on housing expenses. For rental housing = rent + fees + utilities. For for-sale housing = mortgage PI + taxes + insurance + HOA + utilities.
 - Other factors contribute to affordability to an individual, including other debts, childcare costs, commuting costs, goals, etc.
- Area Median Income
 - Derived from local tax returns filed in Routt County.
 - The standard tool used at local, state, and federal levels in affordable housing.
 - Brown Ranch will include housing for a broad spectrum of AMIs: under 30% AMI up to ~250% AMI, because that range is reflective of the local workforce and that entire range is experiencing housing shortage in Steamboat Springs.
 - Question: Joella West: How does AMI apply after a unit is occupied?
A: Jason Peasley: For deed-restricted ownership units, residents are qualified only at the time of occupancy. Do not need to requalify each year. Leah Wood

clarified it is different for rental properties and is dependent on how rental properties are financed. For example, housing built using the Low-Income Housing Tax Credit requires annual income verification.

- Question: Robin Crossan: when it comes to mobility, if someone vacates a unit at Brown Ranch when life circumstances change, will they have priority to get into a different unit at Brown Ranch that better serves needs?

A: Jason Peasley: YVHA has not deeply considered this, but the concept is on the table.

- Achieving Affordability: When it comes to developing housing, the costs “are what they are.” It does not cost less to build affordable housing (eg lumber costs the same as other construction, labor, etc.). Affordability is achieved by injecting subsidy into housing projects at key points in the process. For Brown Ranch, these points have included or will likely include:
 - Land and infrastructure investments:
 - \$24M land donation
 - Local, state, and federal grants
 - Philanthropic grants
 - Short term rental tax grants
 - Vertical development subsidy:
 - Federal Low-Income Housing Tax Credit (30 - 80% AMI rental) -- for example, this program was used to develop The Reserves, Anglers 400, Alpenglow Village.
 - Federal Loan programs (80% AMI rental) – For example, this program was used to develop Sunlight Crossing.
 - State Housing programs (30% - 140% AMI rental and for-sale)
 - Local housing programs (30% - 250% AMI rental and for-sale)
 - Direct assistance at time of occupancy:
 - [Down Payment Assistance](#) – Longstanding program of YVHA; YVHA intends to expand and adjust this program to meet the anticipated need.
 - Rental Assistance – Housing Choice Vouchers (HUD program) and/or USDA rental subsidy (utilized for some housing units at Hillside Village)
- Maintaining Affordability: The two key legal tools to maintain affordability in the long-term are:
 - Community Affordability Agreement (deed restriction for ownership units)
 - Sole residency requirement
 - Short term rental prohibition
 - Local work requirement
 - Income Limits (AMI)
 - Appreciation cap
 - Land Use Restrictive Agreements (for rental units)
 - Income limits (AMI)
 - Rental appreciation cap
 - YVHA property management

- Promoting Mobility: In Steamboat Springs, people are currently “stuck” in their housing, generally unable to “move up” or “move down” as life circumstances change (lack of mobility). To create housing mobility, there must be an increase in housing supply and diversification of housing types. This creates options so people can move depending on life circumstances.
 - Product diversity: apartments, condos, single-family attached, single-family detached housing choices.
 - Housing support: homebuyer education, financial education, mortgage product support (recognizing interest rates play huge role in affordability).
 - Equity building: Recognizing that appreciation caps, which help maintain affordability, are contrary to equity building. So how can Brown Ranch promote equity building while maintaining affordability:
 - Tenant equity programs (to begin building equity as renters)
 - Down payment assistance
 - Community Affordability Agreement to have provisions for home improvements. Encourage owners to invest in sweat equity and realize appreciation above and beyond appreciation cap for qualified home improvements.
 - YVHA non-profit real estate company: to handle transaction of deed restricted houses. Creates deed restriction compliance consistency and significantly reduces the transaction fees, leaving more money to seller.
- YVHA process of developing Community Affordability Agreement (deed restriction):
 - Workshops with peer communities, local lenders, real estate professionals, and aspiring homeowners: to understand trade-offs, what works and does not.
 - Evaluated deed restriction vs. community land trust model to find best affordability tool.
- Questions and Discussion:
 - The group discussed whether to include the Brown Ranch Deed Restriction in the Annexation Agreement.
 - Decision: include a form of the deed restriction as an exhibit to the Annexation Agreement with basic details that cannot change. Include provisions in the body of the Annexation Agreement with provisions for how a deed restriction could be amended if necessary.
 - The group discussed who would be party to the deed restriction: City of Steamboat Springs, YVHA, or both entities? City Council will evaluate/discuss. YVHA is committed to administering the deed restrictions at Brown Ranch.
 - The group had a brief discussion about why deed restrictions in Steamboat Springs have been released in past, reducing the amount of attainable housing in the community. The two main reasons were:
 - Typically deed restrictions are released if the property is foreclosed. YVHA has had Right of First Refusal, but in the past has not had the financial capacity to execute on ROFR.
 - During the Great Recession, owners petitioned to release deed restrictions on their units because market rate units were temporarily less expensive than deed

restricted units and no one knew how long that economic environment would last.

- The group discussed the process of amending or releasing a deed restriction when petitioned by homeowners. Agreement that the process needs to be very robust. Maintaining consistency of policy is “recipe for success” – creates fairness, transparency and defensibility.
- Next Steps:
 - YVHA to provide a document with key concepts of deed restriction for City Council to review.
 - City Council to discuss its vision for deriving and maintaining affordability at Brown Ranch. Two key/open items for discussion:
 - Who owns/is party to deed restriction?
 - Level of detail included in Annexation Agreement form? Bullet point of non-negotiables? Are the affordability commitments proposed by YVHA what the City is looking for? Are they specific enough?

6. Sustainability Measures

Jason Peasley and Kristen Belt, *Brown Ranch Community Development Plan* project manager, presented on sustainability measures at Brown Ranch: [Note: this meeting summary is not intended to capture the details of the presentation. Please see the [presentation slides](#) and meeting recording at approximately 2:02:00 for additional details.]

- Sustainability is the second guiding principle of Brown Ranch (second only to affordability): *“The Brown Ranch will provide quality housing that is sustainable yet flexible, modern, efficient, safe, healthy, environmentally responsible, and in harmony with existing natural systems.”*
- Local, state, national expertise contributed to the sustainability vision of Brown Ranch.
- Significant community input contributed to sustainability vision of Brown Ranch. Key topic areas:
 - Ecosystem
 - Energy
 - Materials
 - Resilience
 - Water
 - Wellness
- Urban Design-focused sustainability strategies:
 - Compact development is more sustainable and more affordable: enhances walkability, increases open space, minimizes water and energy use, and minimizes development footprint.
 - Grid design: blocks are oriented north-south to maximize solar access, take advantage of prevailing wind to maximize natural ventilation.
 - Storm water design: making use of natural features of site to channel stormwater and promote water quality. Grid maximizes this efficiency.

- Water efficiency: irrigation limited to where there is largest community benefit (public parks and greenways).
- District parking: minimizes paving (important to stormwater and reduces localized heat islands, carports with photovoltaic arrays, centralized EV charging, encourages walking, biking, and transit use).
- Fire resilience: management of open space vegetation, setbacks on neighborhood edges, trails double as firebreak and wildland firefighter access, resilience hubs and evacuation routes planned.
- Site-scale sustainability measures: lots of detailed information that was not verbally presented. Please read packet.
- Building-scale sustainability measures: lots of detailed information that was not verbally presented. Please read packet.
- Brown Ranch plan is in alignment with Climate Action Plan and helps promote implementation of CAP strategies.
- Key point: compact development is sustainable. It is also more affordable. Key reason behind density at Brown Ranch.
- Implementation steps to date:
 - [Brown Ranch Energy Master Plan:](#)
 - YVHA worked with consultants to evaluate site-wide energy delivery and building mechanical systems. Looked at many metrics including: First cost, Life-cycle cost to resident, Life-cycle cost to development, Energy usage & carbon emissions, Social cost of carbon, Risk assessment. Modeled high use of electric vehicle charging to plan for future.
 - Key point: With respect to upfront cost, life cycle cost, and carbon emissions, community geothermal is at the intersection of affordability and sustainability.
 - Community geothermal heating and cooling system will reduce energy useage of community by estimated 52% = reduction in resident energy bills and CO2 emissions.
 - Slate Creek Restoration: integrating restoration of Slate Creek into design prior to engineering and construction. Focus on amenity for community/connection to nature, water quality, and habitat restoration.
 - Health Equity, Sustainability, and Resiliency Design Guidelines: private regulatory framework that will go above and beyond what City currently requires and makes sure that vertical development and subdivisions meet YVHA's sustainability goals.
- Discussion and Questions:
 - Q: Robin Crossan: I understand the original intent of a food market is for it to be small and community-based, but that is more expensive to do. Is that vision changing?
 - A: Jason Peasley: YVHA needs to find an operator who is willing to invest and put their business at Brown Ranch. Viability determination will be made based on their own market study. YVHA is committed to providing land for a food market. Sheila Henderosn added that YVHA has convened a community group including Community Agriculture Alliance, Routt County Extension, etc. to work together to help make sure there is access to affordable, healthy food at Brown Ranch.

- Q: Robin Crossan: What does Health Equity include? Does it include access to outdoor space? Where can I find more information about health equity at Brown Ranch?
A: Sheila Henderson: Health equity means everyone has equal and best possible opportunity for healthy living. Housing stability is a social determinant of health. YVHA just started using surveys to track indicators and outcomes including: de-doubling, cost burden, etc. so we can measure if/how affordable housing contributes to health equity in the community.
- Joella West: concern that sustainability measures will be expenses.

PUBLIC COMMENT

Public comment was held at 11:35 pm. Three community members provided comment.

- Mackenzie Finlay – Grew up in Steamboat and has background and expertise in sustainability. Concern about environmental impact, sustainability of infrastructure. Be sure community continues to provide input. First question: what sort of environmental impact studies have been done?
- Larry Jordan – Question regarding Area Median Income – what happens when someone has 4 jobs and has a job change that impacts income?
- Tim Sullivan – Representing Yampa Valley Sustainability Council. Leading facilitation of implementing Climate Action Plan, overseeing land use and water. Serves on Routt County Wildfire Mitigation Board. Commend work in focus teams, the sustainability principles, which have been translated into the Brown Ranch Community Development Plan. Commitments on water conservation will probably exceed local regulation. Wildfire resiliency components also go beyond new local requirements. Water conservation IS climate action. Restoration of natural systems is reflected in Slate Creek Plan. These are key components of Climate Action Plan being included in Brown Ranch. There is a lot of work to be done, but the commitments are there.

Response to public comment from Jason Peasley:

- YVHA has not yet engaged a formal NEPA study yet but will once YVHA receives federal funding for Brown Ranch. YVHA has started a Phase 1 environmental assessment.
- YVHA can work with people when their employment situation changes (in the event they move from 4 jobs to 1).

7. DRAFT Annexation Agreement

Jason Peasley reviewed the [executive summary](#) of the May 5, 2023 version of YVHA's proposed [DRAFT Annexation Agreement](#).

- Dan Foote, City Attorney, asked for the following clarification on changes to the Agreement since the last version.
 - Why delete the informational items?
 - Paragraph about right of way widths

- Description of basic transit service and micro-transit.
- Land use approvals: AA language suggests variances would be approved by Planning Director. YVHA will adjust clarify that language in the next draft.
- Questions and Discussion:
 - Gary Suiter: concerned about STR tax and its association with enterprise funds.
Jason Peasley Response: YVHA is suggesting utilizing a grant from the City's STR tax revenue to prepay Plant Investment Fees (tap fees).
 - Jason Lacy: How far in advance would Plant Investment Fees be prepaid? Is there a concern there would be an underpayment?
Jon Snyder response: City of Steamboat Springs does not allow prepayment of tap fees. Tap fees are adjusted annually and collected at issuance of building permit. Also, current tap fees do not take into account the need for a third redundant water source/Elk River treatment plant.
 - Discussion about prepayment of tap fees: Both parties seem open to discussing prepayment option if YVHA agrees to pay the delta between the fee at time of prepayment and the fee at time of building permit.
 - Question about 4 acres shown in Exhibit D. Would affordability, local work requirement be required if YVHA sells this land?
 - Assignment language: If City negotiates an Annexation Agreement with YVHA, City does not want the agreement itself to be assigned. There is a distinction between assigning the agreement itself and land sales or joint ventures within the Brown Ranch property. YVHA staff and City staff will work on this so there is alignment and language is clarified in the Agreement.
- Next steps: City Councilors Robin Crossan and Joella West will review the Agreement using a "green," "yellow," and "red" framework to identify areas of agreement (green), less agreement (yellow), and non-agreement (red). Will also review with full City Council.

8. Draft Fiscal Impact Analysis

Jason Peasley reviewed the [summary](#) of assumptions used in the Fiscal Impact Analysis. [Go to 3:56:15 in the meeting recording for detail.]

- Revenue: not all households at Brown Ranch are new growth, which explains the difference between the revenue provided to the City by existing households versus Brown Ranch households.
- RCLCO's summary shows three different scenarios using different expense assumptions.
- More work is needed to understand costs specifically for Parks and Recreation Department, Fire, and Police Departments.

Brian Duffany of Economic Planning Systems (EPS), a firm hired by the City to perform a peer review of RCLCO's Fiscal Impact Study, reviewed the key points in his [memo](#).

- Fiscal Impact Analysis is a useful tool but there are limitations to it. It only looks at direct impacts, not indirect impacts/benefits like providing affordable housing, reducing commutes, building community fabric, etc.

- Key finding: One of the biggest factors of a FIA is tax structure. If we were to analyze Brown Ranch to another deed restricted development in Steamboat, there would be similar results. The negative fiscal impact of existing residents is the reality of many policy decisions, especially tax structure. Steamboat Springs has eliminated a general property tax and funds cost of services using visitor sales tax. Residents enjoy a good quality of life that supports the amenities beyond the scale of Steamboat.
- EPS worked closely with Kim Weber and other City department heads, as well as RCLCO to review the FIA. Overall, a collaborative, productive exercise.
 - Changes:
 - Major change: revised the de-doubling and net new households analysis: Now assume 80% net new households at Brown Ranch.
 - Sales tax calculations.
 - Parks costs is in flux and will be refined over time after parks plan is also refined.
- Key points of Fiscal Impact Analysis per EPS:
 - There is a negative fiscal impact, which was expected.
 - Not having a general operating property tax has a big impact, because this project isn't generating tourists, so it doesn't generate the same level of sales tax as other developments.
 - Revenue on capital side may be impacted if any of the development at Brown Ranch is exempt from property tax (use tax).
 - Free transit: contributes to operating gap, but it is a good policy.
 - Mitigation measures BRAC could consider: HOA, metro district, real estate transfer assessments
 - In summary: it seems like the City and YVHA are still early in defining the Annexation Agreement, so the Fiscal Impact Analysis will need to be refined as details are finalized.
- Questions and Discussion:
 - Q: Jason Lacy: To make decisions, it would be good to have big-picture understanding of the overall capital costs overtime so those can be put in perspective: what items should be paid for and who will pay them.
 A: Jason Peasley: Fiscal Impact Assessment is built to include the capital revenue and expenses. That information can be provided for the next meeting. Need to make sure that analysis is kept separate from operations revenue and expense analysis.
 A: Kim Weber: Capital revenue/expense analysis will include public improvements, not onsite improvements funded by YVHA.
- Next Steps:
 - More work to refine assumptions on Police and Parks & Recreation Departments.
 - Ensure YVHA's low-income property tax exemption is included in FIA.
 - Capital revenue/expense analysis.
 - Detailed summary report from RCLCO

C. NEXT MEETING

May 24 2023 (9 am – 2pm)

Post annexation land use approvals

Annexation Agreement (cont.)

Fiscal impact analysis (cont.)

June 7 (9 am – 2pm)

Contingencies

Annexation Agreement (cont.)

fiscal impact analysis (cont.)

June 23

Outstanding issues

Robin Crossan: expressed concern that City Council has not had sufficient time to review and understand YVHA's proposed Annexation Agreement. Do not necessarily need to add more BRAC meetings at this point, but City Council may schedule more City Council meetings.

Meeting summary prepared by Emily Katzman, YVHA Development Project Manager
May 10, 2023

AGENDA ITEM #2.

BROWN RANCH ANNEXATION COMMITTEE

FROM: Jason Peasley, Yampa Valley Housing Authority

DATE: May 24, 2023

ITEM: Affordability / Attainability of Housing.

ATTACHMENTS:

Attachment 1: YVHA Presentation – to be provided in Rainbow packet.

AGENDA ITEM #4.

BROWN RANCH ANNEXATION COMMITTEE

FROM: Angela Cosby, Parks & Recreation Director

DATE: May 24, 2023

ITEM: Parks and Open Space.

ATTACHMENTS:

Attachment 1: Staff Presentation - to be provided in Rainbow packet.

AGENDA ITEM #5.

BROWN RANCH ANNEXATION COMMITTEE

FROM: Rebecca Bessey, Planning & Community Development Director

DATE: May 24, 2023

ITEM: BRAC Agenda Topic Schedule.

ATTACHMENTS:

Attachment 1: BRAC Agenda Topic Schedule.

BRAC Agenda Topic Schedule

Meeting	Discussion Topic	Primary Party for Packet Material
1: January 20	Meeting Procedures and Schedule	City
2: February 1	Community Outreach Plan	City
	General Plan of Development a) Unit types and numbers b) Phasing plan c) Parks d) Wildfire mitigation e) Public Infrastructure Plan provided by YVHA <ul style="list-style-type: none"> • Water, wastewater, stormwater, multi-modal transportation, Fire Station • Construction costs • Phasing • Maintenance • Onsite v offsite (offsite cost shares) • Exactions/Land Dedications f) Private Infrastructure Plan provided by YVHA <ul style="list-style-type: none"> • Cable, telecoms, wireless, gas, electricity 	YVHA
3: February 15	City Services/Operations/Maintenance Responsibilities a) City to provide City public utility services <ul style="list-style-type: none"> • Timing dependent construction of infrastructure • Water service • Water Demand Report provided by YVHA • Wastewater, stormwater • Existing fee system 	City
4: March 1	City Services/Operations/Maintenance Responsibilities b) General Municipal Services <ul style="list-style-type: none"> • Transit, streets • Capital equipment needs (Buses, snow removal) • Equitable service levels for SS and BR residents (parties to define) • Identification of equipment/maintenance responsibilities and costs 	City
5: March 15	Fiscal Impact Analysis Assumptions/Introduction	YVHA
6: March 29	Exactions/Dedication of Land a) Parks and open space and trails easement dedications b) Indoor Field House and Sports Complex c) Fire station d) Aviation easements e) Utility easements f) Other agencies, School District, Arts and Humanities	City & YVHA

Meeting	Discussion Topic	Primary Party for Packet Material
7: April 12	City Services/Operations/Maintenance Responsibilities b) General Municipal Services <ul style="list-style-type: none"> Public safety, parks and open space Capital equipment needs (fire/police/parks vehicles and equipment) Equitable service levels for SS and BR residents (parties to define) Identification of equipment/maintenance responsibilities and costs 	City & YVHA
8: April 26	Traffic Impacts and Infrastructure <ul style="list-style-type: none"> Traffic Study Offsite cost share 	City & YVHA
9: May 10	Affordability/Attainability of Housing a) Ownership model and breakdown <ul style="list-style-type: none"> YVHA rental, restricted sales, market rate sales b) Deed/rental restrictions? <ul style="list-style-type: none"> Income, workforce, primary residence, STR, Pacaso, etc. Flexibility over time c) Conformance with WSSAP	YVHA
	Sustainability Measures a) Energy efficiency: LEED, Energy Star, etc., energy conservation, smart home and construction practice tech, living classroom b) Reflective roofs, airtight homes, passive solar, thermal mass, xeriscaping, graywater use, fireproofing, aircrete, permeable surfaces, sidewalks, parks, driveways, walkable neighborhood design, shared spaces/community gathering spaces, integrated pest management plan, EV chargers	YVHA
	Draft Annexation Agreement and Fiscal Impact Analysis	City & YVHA

Meeting	Discussion Topic	Primary Party for Packet Material
10: May 24	Post Annexation Land Use Approval Process a) Zoning <ul style="list-style-type: none"> • YVHA/City staff to propose TND Zoning with STR Overlay and Airport Overlay. • Result of zoning ordinance cannot be guaranteed; petition may be withdrawn if TND Zoning not granted • Property may be re-zoned per CDC procedures • YVHA -- requested changes to administrative approvals b) Subdivision applications <ul style="list-style-type: none"> • Petition may be withdrawn if subdivision applications filed during the annexation process are not approved. c) CDC shall govern post annexation land use applications <ul style="list-style-type: none"> • Engineering, Water, and Sewer Standards shall apply to post annexation land use applications. • YVEA requested exemptions for infrastructure bonding and surety d) Fire, building, electrical, etc. Codes shall apply e) Vested Rights <ul style="list-style-type: none"> • Term 	YVHA
	Draft Annexation Agreement and Fiscal Impact Analysis	City & YVHA
11: June 7	Contingencies a) Legal Challenges b) Referendum/Referred Measure c) Annexation shall not occur until forty days have passed from approval of annexation ordinances. City shall not complete statutory process until the forty-day period has expired.	City
	Draft Annexation Agreement and Fiscal Impact Analysis	City & YVHA
12: June 23	Outstanding Topics and Issues	

AGENDA ITEM #6.

BROWN RANCH ANNEXATION COMMITTEE

FROM: Sheila Henderson
Robin Schepper
Mike Lane, Communications Manager

DATE: May 24, 2023

ITEM: Communications and Public Outreach Update.

ATTACHMENTS:

Attachment 1: Communication and Public Outreach Update – to be provided in Rainbow packet.

AGENDA ITEM #7.

BROWN RANCH ANNEXATION COMMITTEE

FROM: Jason Peasley, Yampa Valley Housing Authority
Rebecca Bessey, Planning Director

DATE: May 24, 2023

ITEM: Post Annexation Land Use Approval Process.

ATTACHMENTS:

Attachment 1: YVHA Presentation.

Attachment 2: Staff Presentation.



YVHA Proposal¹

CDC to be amended to provide for:

1. New TND transects to facilitate development of Brown Ranch Community Development Plan
2. By-Right uses: residential, restaurants, parking, and all civic, public, and institutional use (excluding utilities)
3. Administrative review / approval: Preliminary Plats and Final Plats, Development Plans and Conceptual Development Plans, Major Adjustments, and Major Variances
4. New Variance criteria related to affordable and attainable housing
5. Exempt from collateral requirements
6. Exempt from subdivision and TND open space requirements
7. Exempt from development phasing standards

7.3

¹Draft Annexation Agreement from YVHA, May 4, 2023

Zoning

- City drafting new TND transect zones
 - Not exclusive to Brown Ranch
 - Intended to provide greater flexibility than existing transects
 - Allow for broader mix of uses, housing types, and building forms within a transect
 - Collaborating with YVHA
- Accompanying design guidelines
 - Focused on health equity
 - Supplement transect zone standards
 - Applicable during development review

Development Review

	Current Code				YVHA Proposal ¹
	Admin	PC	CC	BOA	Admin
Preliminary Plat		X			X
Final Plat	X				X
Conceptual Dev Plan		X			X
Development Plan	<16,000 ft ²	>16,000 ft ²			X
Major Adjustment				X	X
Major Variance		X	X		X

¹Draft Annexation Agreement from YVHA, May 4, 2023

Variance Criteria – must only meet 1 criterion

Current Code	YVHA Proposal ¹
<p>a) Unnecessary Hardship / Practical Difficulty</p> <ul style="list-style-type: none"> • Related to special circumstances of the property <p>b) Acceptable Alternative (3 options)</p> <ol style="list-style-type: none"> Achieves equal or better result Purpose of standard will not be achieved Improves application of other code standards 	<p>c) Affordability / Attainability</p> <p>“The proposed variation is necessary to achieve the affordability and/or attainability goals of the proposed development.”</p> <div style="border: 2px solid red; padding: 10px;"> <ul style="list-style-type: none"> • Concept may have support • Extremely broad language • Not quantifiable </div>

7.6

Development and Subdivision Standards

- Phasing

- Each phase shall consist of all private and public improvements necessary to serve the phase.
- Phasing cannot be used to delay construction of public improvements beyond the time of occupancy of the phase being served.
- Phasing approved as part of the development review process.
- Critical improvements constructed in the first phase.

- Unsure of YVHA's intent

- Collateral

- Collateral shall be submitted prior to the execution of the Final Plat or prior to the issuance of a Certificate of Occupancy if the improvements relate to an approval other than a subdivision
- Intended to insure satisfactorily and timely construction of improvements

- Safeguard future owners and renters?

7.7

Development and Subdivision Standards

- Parks and Open Space

- Area requirements for parks, open space, and amenity space
- Proximity requirements for parks to residents (lots)
- Standards for integration of stormwater drainage and water quality treatment facilities
- Long-term maintenance responsibility of parks, open space, and amenity space

- May be addressed with TND amendments

- Allow City and YVHA staff to continue working together toward draft TND zoning amendments
- Explore options to incorporate affordable / workforce housing into Acceptable Alternative variance criteria
- Maintain public hearing process for Major Adjustments and Major Variances
- Maintain collateral requirements

1. New TND transects to facilitate development of Brown Ranch Community Development Plan
2. By-Right uses: residential, restaurants, parking, and all civic, public, and institutional use (excluding utilities)
3. Administrative review / approval: Preliminary Plats and Final Plats, Development Plans and Conceptual Development Plans, Major Adjustments, and Major Variances
4. New Variance criteria related to affordable and attainable housing
5. Exempt from collateral requirements
6. Exempt from subdivision and TND open space requirements
7. Exempt from phasing standards

AGENDA ITEM #8.

BROWN RANCH ANNEXATION COMMITTEE

FROM: Dan Foote, City Attorney
DATE: May 24, 2023
ITEM: Draft Annexation Agreement.

ATTACHMENTS:

Attachment 1: DRAFT Annexation Agreement (submitted by YVHA, dated 5/4/2023).

ATTACHMENT 1

BROWN RANCH ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2023, by and between the CITY OF STEAMBOAT SPRINGS, a Colorado municipal corporation ("City") and the Yampa Valley Housing Authority, a multi-jurisdictional housing authority ("YVHA").

WHEREAS, YVHA owns the real property described in Exhibit A ("Brown Ranch"), which consists of approximately 420 acres; and

WHEREAS, Brown Ranch is contiguous with the city limits and within the Urban Growth Boundary; and

WHEREAS, YVHA filed a Petition for Annexation with the City on October 18, 2022, to annex Brown Ranch into city limits; and

WHEREAS, the City has determined that it would be in the best interest of the public health, safety, and welfare of its citizens to impose certain terms and conditions on YVHA in connection with the annexation of Brown to the City;

NOW, THEREFORE, in consideration of the recitals, promises, and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS. As used in this Agreement, unless the context clearly requires otherwise:

"Annexation Ordinance" shall mean the ordinance adopted by the City Council of the City of Steamboat Springs pursuant to the Municipal Annexation Act of 1965 (Section 31-12- 101, et seq., C.R.S.) officially annexing the Property into the City of Steamboat Springs.

"Applicable City Ordinances" shall mean all ordinances of the City which regulate the development, subdivision and use of the Property, as in effect from time to time.

"Regulating Plan" shall mean document which establishes density, uses, patterns, open space and parks, and primary streets and their general locations within the Property, to be approved by the City pursuant to the requirements and procedures set forth in the TND Standards in effect as of the date this annexation becomes effective.

"YVHA" shall mean the Yampa Valley Housing Authority, and any entity owned in whole or part by the Yampa Valley Housing Authority, and any District of Master Homeowners Association formed by the Yampa Valley Housing Authority.

[TO SUPPLEMENT AS NEEDED]

2. GENERAL PLAN OF DEVELOPMENT

a. Unit Types & Numbers

YVHA may develop up to 2,264 residential units at Brown Ranch through full build-out. YVHA may develop up to 419,000 square feet of non-residential uses at Brown Ranch.

Brown Ranch shall generally consist of four neighborhoods, currently identified by letter. Neighborhood A shall consist of 400 to 480 Units. Neighborhood B shall consist of 330 to 360 Units. Neighborhood C shall consist of 1030 to 1070 Units. Neighborhood D shall consist of 480 to 510 Units.

The contemplated unit composition at full build-out will consist of 1,486 multi-family units (65.5% of total units), 484 single-family attached units (21.5% of total units), and 294 single-family detached units (13% of total units).

	PROGRAM		# OF UNITS BY NBH				TOTAL PER TYPE
			NBH A	NBH B	NBH C	NBH D	
RESIDENTIAL	Multi-family	Rental	319	109	418	138	1486
		Condo	96	36	156	110	
		ADU	0	10	52	42	
		Sub-Total	415	155	626	290	
	Single Family Attached	Rental	8	50	143	43	484
		Owner	6	40	117	77	
		Sub-Total	14	90	260	120	
	Single Family Detached	Rental	0	11	18	8	294
		Owner	0	73	122	62	
		Sub-Total	0	84	140	70	
	Total by NBH		429	329	1026	480	2264

	PROGRAM	Building Type	Area in Square Feet				TOTAL PER TYPE
			NBH A	NBH B	NBH C	NBH D	
COMMERCIAL/COMMUNITY	Grocery	Mixed Use	15,000	-	-	-	15,000
	Retail Space (coffee, restaurant, etc.)	Mixed Use	16,000	16,000	32,500	31,500	96,000
	Office Space/ Non-Profit Center	Mixed Use	3,333	3,333	9,334	12,000	28,000
	Childcare accepting CCAP	Mixed Use	2,500	2500	2,500	2,500	10,000
	Fire Station Site Area (3 FT Staff)	Free Standing	50000	-	-	-	50,000
	K-8 School Site Area (590 people)	Free Standing	-	-	200,000	-	200,000
	Indoor Field House	TBD	-	-	10,000	10,000	20,000
	Total by NBH		86,833	21,833	254,334	56,000	419,000

The unit numbers and composition outlined above are based upon current assumptions about housing need, community preferences, and available subsidies. It is YVHA's intention the unit numbers, composition, and size of non-residential uses will be updated over time to account for changes in local housing need. Based upon the same, YVHA may seek to amend the Regulating Plan consistent with the Applicable City Ordinances, including seeking to add additional Units or square feet of non-residential uses to changes in demand.

b. Phasing Plan

The Brown Ranch phasing plan is shown in the attached Exhibit B.

Unit composition and density may be shifted between phases during the development approval process. YVHA may, in response to market conditions, funding, development capacity, and site conditions, seek to amend the Regulating Plan consistent with the applicable City Ordinances.

c. Parks, Trails, and Open Space

YVHA shall provide at least 70.3 acres of parks, as generally shown in the attached Exhibit C, or as may be amended through the development review process.

At least 125 acres of Brown Ranch shall be designated as Open Space through the development approval process, as generally shown on the attached Exhibit C. The specific location of Open Space shall be determined through the development review process.

YVHA shall provide trails as generally shown on the attached Exhibit C. The specific location and character of trails shall be determined through the development review process.

Parks, trails, and open space shall be phased with the development of each Neighborhood, and as the CDC requires.

Dedication and maintenance provisions for Brown Ranch parks, open space, and trails are provided for in Section 7c below.

Brown Ranch will not be subject to any further requirements for the provision of parks, open space, or trails as a condition of any City approval during the vesting term provided in Section ____, or any future extension of such term.

YVHA retains all development rights for the 114 acres of the YVHA property north of the Urban Growth Boundary. YVHA shall maintain the area of the YVHA Property north of the Urban Growth Boundary as open space for a minimum of twenty (20) years. YVHA shall develop the trails in this area as shown in Exhibit C.

d. Wildfire Mitigation

Health Equity, Sustainability, and Resiliency Guidebook will impose a private regulatory scheme on development within Brown Ranch. The Guidebook will include recommendations identified in the *Increasing Wildfire Resilience at Brown Ranch* report prepared by the Community Wildfire Planning Center. These strategies may include 1) incorporating design features that reduce wildfire susceptibility in the Home Ignition Zone; 2) managing open space vegetation in strategic locations to support fire suppression tactics and further support defensible space; 3) providing adequate setbacks on peripheral edges of all neighborhoods from hazardous fuels and

terrain features; 4) planning for the strategic location of trail networks to support fire suppression resource access and tactics; and 5) planning for evacuation opportunities.

Maintenance provisions for the wildfire mitigation measures are provided for in Section ____ below.

3. PRIVATE INFRASTRUCTURE PLAN

YVHA shall pay from YVHA revenue, including without limitation YVHA tax revenues, grant proceeds, contributions from the City, including allocations of STR Tax funds, and any other source in YVHA's discretion, all costs for the design and construction of all utility services necessary to serve the Brown Ranch, including, but not limited to, electricity, geothermal, telephone, gas, and cable television service, in accordance with applicable City or public utility company standards and specifications. YVHA shall dedicate to the City and applicable public utility companies without charge, free and clear of all liens and encumbrances, those easements and rights-of-way necessary for installation and maintenance of said utility lines.

Any contribution or payment for offsite electrical infrastructure will be agreed upon between YVHA and the electrical provider, and shall be paid from YVHA revenue, including without limitation YVHA tax revenues, grant proceeds, contributions from the City, including allocations of STR Tax funds, and any other source in YVHA's discretion. The construction of utility services shall be phased with the development of each Neighborhood, and as the CDC requires.

YVHA reserves the right to provide utility service, in whole or part, to Brown Ranch, through the establishment of a District. The City will reasonably consent to and approve the formation of any such District. Any District formed pursuant to this paragraph shall be allowed to use the utility easements and rights-of-way with Brown Ranch necessary for the installation and maintenance of utility lines.

The City will reasonably consent to and approve the formation of any other Districts, as defined in the Colorado Special District Act, which YVHA determines is beneficial to the development of Brown Ranch.

The City agrees to reasonably provide non-financial support for any filings or applications by YVHA for permits and other approvals as may be required by State and/or federal agencies. If the City is the actual applicant of any required permits (e.g., CDOT access permits), the City will reasonably cooperate with YVHA in acquiring same.

4. GENERAL PUBLIC INFRASTRUCTURE PLAN

YVHA shall pay from YVHA revenue, including without limitation YVHA tax revenues, grant proceeds, contributions from the City, including allocations of STR Tax funds, and any other source in YVHA's discretion, all costs for the design and construction of all public improvements to serve Brown Ranch, including, but not limited to, roads, curbs, gutters, sidewalks, sanitary and drainage sewers, water, and street lights, in accordance with applicable City or public utility

company standards and specifications. YVHA shall dedicate to the City and applicable public utility companies without charge, free and clear of all liens and encumbrances, those easements and rights-of-way necessary for installation and maintenance of said public improvements, including public streets, and in addition shall convey the public improvements to the appropriate entity upon completion and acceptance of the improvements.

YVHA shall construct stormwater systems within Brown Ranch in conformance with City Engineering Standards.

YVHA shall construct multi-modal transportation within Brown Ranch in conformance with City Engineering Standards.

The Parties agree that YVHA shall be entitled to reimbursement of certain costs of construction of certain public improvements. The City agrees that it will require, as a condition of annexation of any portion of the West Steamboat Area Plan adopted June 19, 2006 (the “Benefited Property”) that YVHA will be reimbursed by the developer of such portion of the Benefited Properties a proportionate share of the cost of such infrastructure which serves a Benefited Property. The proportionate share shall be reasonably determined by the City Council at the time of annexation and as a condition of annexation of a Benefitted Property based upon the benefits received by the Benefited Property, which shall be determined, without limitation, by reference to: the cost savings to the Benefited Property by YVHA’s construction of the additional infrastructure; age and physical condition of the infrastructure; and the length and capacity of utilities and roadways infrastructure used by the Benefited Property. Nothing in this Paragraph shall prohibit YVHA from making application to the City for a Public Improvements Reimbursement Agreement pursuant to the requirements of the City’s Community Development Code for reimbursement of expenses not otherwise reimbursable under this Paragraph. This provision shall not apply to any property annexed pursuant to an annexation ordinance adopted more than twenty (20) years from the effective date of the ordinance annexing the Brown Ranch.

The terms of the provision of City services related to the public infrastructure, and the maintenance of same, are provided for in Section ____ below.

The City agrees to reasonably provide non-financial support for any filings or applications by YVHA for permits and other approvals as may be required by State and/or federal agencies. In the event that the City is the actual applicant of any required permits (e.g., CDOT access permits), the City will reasonably cooperate with YVHA in acquiring same.

5. WATER & WASTEWATER SERVICE, OFF-SITE WATER & WASTEWATER FACILITIES

The City will provide water and wastewater services to Brown Ranch through its existing water and wastewater utility, which presently operates as an enterprise fund for purposes of the Taxpayers Bill of Rights (“TABOR”), Article X, Section 20 of the Colorado Constitution and which the City intends to continue to operate as an Enterprise Fund for purposes of TABOR.

a. Water Service

The parties acknowledge that the determination as to whether the City has a reliable and secure water supply to serve the Brown Ranch and whether the City can make the determination regarding adequacy of the City's water supply required by C.R.S. 29-20-301, et. seq. and Section 25-78 of the City's municipal code depends on the completion of a Water Demand Analysis, which is expected to be complete in May 2023. Based on current information, the parties acknowledge that the provision of water to Brown Ranch by the City will require the construction by the City of the following four additional elements to the City's water infrastructure:

- i. The West Area Water Tank booster station, which must be constructed and accepted prior to the occupancy of any units at the Brown Ranch. This project will be constructed at City expense. The City will use all reasonable efforts to construct this project prior to 2025.
- ii. The US Highway 40 delivery pipeline, which must be constructed and accepted prior to the occupancy of any units at the Brown Ranch. This project is underway and will be constructed at City expense at an estimated cost of \$1,000,000. The City will use all reasonable efforts to construct this project prior to 2025.
- iii. Onsite distribution facilities. Construction of these facilities shall be the responsibility of YVHA as provided in Section ____.
- iv. New water treatment facility, diversion system, pumps, raw water delivery line, clearwell, and treated water distribution lines (together "Elk River Water Treatment Facility"), which must be constructed and accepted prior to the issuance of building permits at Brown Ranch that would cause Brown Ranch water demand to exceed 800 Equivalent Residential Units (EQRs). Estimated costs of construction are \$40,000,000-\$58,000,000. The parties' current estimate is that construction could begin at the earliest in 2028 with the treatment facility completed and operational by 2030.

The parties acknowledge that the Elk River Water Treatment Facility will benefit the existing City water utility customer base by providing needed resiliency and redundancy to the City's existing treatment facilities. Pursuant to the distribution modeling study completed by the City, Brown Ranch is allocated ____% of the need for the Elk River Water Treatment Facility.

The City shall be responsible for payment of that share of the costs of the Elk River Water Treatment Facility allocated to City water utility customers within the current district boundaries from revenue sources to be determined by the City, including without limitation City utility plant investment fees collected from City utility customers not located at the Brown Ranch.

YVHA shall be responsible for paying that share of the costs of the Elk River Water Treatment Facility allocated to Brown Ranch on the following terms:

- i. Units at Brown Ranch will be assessed utility plant investment fees (i.e., tap fees) on the same basis as other City water utility customers. Based upon current tap fees, which may increase subject to the study referenced above, and the planned number of units at Brown Ranch, this assessment will be approximately \$29,000,000.
- ii. Payment to the City of that portion of the taps fees which are attributable to water will be contingent on the City allocating and distributing to YVHA STR Tax funds for the payment of the same. In the event the City distributes STR Tax funds to YVHA for water tap fees, and water tap fees are not owed at that time (e.g., no units have been built at Brown Ranch at the time of distribution of tax funds), YVHA shall pre-pay for future water tap fees, for which YVHA shall receive a credit for future water tap fees.
- iii. YVHA shall have no responsibility for the payment of water tap fees for units at Brown Ranch, at the time of issuance of any building permit or otherwise, or for any payment for the Brown Ranch share of the costs of the Elk River Water Treatment Facility, unless and until the City allocates and distributes to YVHA STR tax funds for the payment of same.

Brown Ranch will not be subject to any further water related payments as a condition of any City approval or the issuance any building permit during the vesting term provided in Section ____, or any future extension of such term.

The City will use all reasonable efforts to acquire a site for the Elk River Water Treatment Facility prior to water demand at Brown Ranch exceeding 300 EQRs. The City will use all reasonable efforts to begin construction of the Elk River Water Treatment Facility prior to water demand at Brown Ranch exceeding 600 EQRs. The City will use all reasonable efforts to complete construction of the Elk River Water Treatment Facility prior to demand at Brown Ranch exceeding 800 EQRs.

b. Water Conservation

YVHA shall implement a water conservation and efficiency plan outlining commitments. The plan shall meet or exceed the City's current policy of a 10% reduction in treated water use in ten years. The parties' staffs will collaborate to develop the water conservation and efficiency plan to include, without limitation, the following elements:

- i. Significant reduction in private yards in favor of common spaces that are centrally managed;
- ii. Integrate water conservation with land use planning;
- iii. water budget agreement and monitoring plan;
- iv. Water-efficient building practices such as low flow fixtures;
- v. Site design that preserves areas important for water quantity or quality;
- vi. Water re-use capabilities.

The water conservation and efficiency plan may be amended from time to time with the approval of the City Public Works Director, which approval shall not be unreasonably withheld.

c. Water Rights Dedication

The annexation of Brown Ranch shall be exempt from the requirements of Sec. 25-77 (Water Rights Dedication Policy) of the Municipal Code.

d. Wastewater Service

The parties acknowledge that the provision of wastewater services to Brown Ranch by the City will require the following offsite improvements:

- i. Connection from onsite collection facilities in the Brown Ranch “West Basin” to the existing City trunk line running from Sleepy Bear/KOA to the existing wastewater treatment plant. The parties acknowledge that existing facilities provide the necessary connection from the Brown Ranch “East Basin.” Costs of constructing these facilities shall be the responsibility of YVHA.
- ii. Expanding the capacity of the existing wastewater treatment facility.

Pursuant to state law, design of the expansion of the wastewater treatment facility must commence when the wastewater treatment facility is at 80% capacity, and construction must commence when the wastewater treatment facility is at 90% capacity. The wastewater treatment facility is currently at 73% capacity.

The expansion of the wastewater treatment facility will be paid for by the City.

Units in Brown Ranch will pay wastewater tap fees on the same basis as other City wastewater utility customers. Wastewater tap fees may be paid using STR Tax funds.

Brown Ranch will not be subject to any further sewer related payments as a condition of any City approval or the issuance any building permit during the vesting term provided in Section ___, or any future extension of such term.

6. OTHER OFFSITE INFRASTRUCTURE

Except as otherwise provided in this Annexation Agreement as to offsite water and wastewater improvements, payment for any contribution from YVHA for offsite infrastructure improvements, including but not limited to any contribution for improvements to existing rights-of-way pursuant to CDC §602.F, shall be contingent on the City allocating and distributing to YVHA STR Tax funds for the payment of same.

If the City distributes STR Tax funds to YVHA for offsite infrastructure improvements, but no contribution is required from YVHA at that time (e.g., YVHA has not platted any part of

Brown Ranch), YVHA will prepay for future required contributions based upon Brown Ranch's estimated proportionate share of the estimated cost of the offsite improvements.

YVHA shall have no responsibility for the payment of any required contribution for offsite infrastructure improvements unless and until the City allocates and distributes to YVHA STR tax funds for the payment of same.

7. CITY SERVICES/OPERATIONS/MAINTENANCE RESPONSIBILITIES

Subject to the following subsections, the City hereby agrees to provide City services in the same manner and commensurate with the level of service provided to citizens generally.

a. Streets

The City shall accept the Brown Ranch internal street system for maintenance in accordance with the provisions of the Community Development Code and the City's Engineering Standards. YVHA shall design and construct the Brown Ranch internal street system in accordance with standard street cross sections and specifications as set forth in the City's Engineering Standards. City maintenance shall include snow removal in accordance with standard City practice; maintenance, repair, and replacement of pavement and appurtenances; and maintenance, repair, and replacement of stormwater and drainage facilities located within public rights of way. Except as otherwise expressly provided in this agreement, the City shall provide the same level of service for Brown Ranch street maintenance that the City provides in other areas of the City.

Whether the City will accept Brown Ranch alleys for maintenance purposes will depend on the City's approval of the design of each alley that YVHA requests the City to maintain, including whether YVHA proposes to grant easements or other property rights adequate to accommodate the storage of snow removed from alleys. Adequate snow storage is mutually agreed to include utility and snow storage easements as described in the Engineering Standards, plus pocket snow storage easements equal to or greater than 1 square foot for every 5 square feet of pavement surface. Pocket snow storage easements shall be located immediately adjacent to the alley, at intervals no less than once per block. Pocket snow storage easements must be free and clear of any obstructions that limit the use of the easement as intended. Square-shaped pocket snow storage easements are preferable, though no easement dimensions may be less than 18 feet in width.

The City will make this determination in connection with its CDC review of the subdivision plat or plats that propose the dedication of alleys and acceptance of the alleys by the City for maintenance purposes. YVHA acknowledges that the CDC does not address this issue and that the City's Public Works Director shall have the discretion to approve or deny alley maintenance requests based on the application of the terms contained herein.

The City generally provides a level of snow removal services that depends on storing snow in road rights of way and/or easements adjacent to the roadway. The City provides a level of service in some commercial areas, such as the downtown commercial district, that incorporates the removal and transportation of snow to a central snow storage facility. The City will provide this

level of service in limited commercial or school zones at the Brown Ranch, as depicted as Mixed-Use Village Core in the attached Exhibit B. YVHA shall provide snow storage for snow removed from these zones at internal Brown Ranch sites. Snow storage for Neighborhood A is depicted and described in Exhibit D. Future commercial and school zone snow storage will be provided for in future plats.

The City's assumption of maintenance obligations for all or parts of the Brown Ranch street system will require the City to implement a sixth plow route in order to maintain existing service levels. Capital costs to implement a sixth plow route, including acquisition of a new motor grader with wing, sand truck with plow, loader with bucket and black, and a storage facility, are estimated at \$847,000 in 2023 dollars. These capital costs will be paid for by YVHA from YVHA revenue, including without limitation YVHA tax revenues, grant proceeds, contributions from the City, including allocations of STR Tax funds, and any other source in YVHA's discretion. Alternatively, YVHA may defer the payment of the foregoing capital costs and hire a third-party contractor to provide plow service to Brown Ranch for an indeterminate period of time. The City will commence plow service at Brown Ranch upon payment by YVHA of the requisite capital costs.

b. Transit

YVHA shall construct, at its expense, transit infrastructure and facilities within Brown Ranch as provided for in Section 4.

The City shall provide transit service to Brown Ranch commensurate with the level of service provided to other bus lines in the City.

The City shall be responsible for the operational costs of providing transit service to Brown Ranch. The City shall be responsible for the acquisition of any additional busses. The City shall be responsible for the maintenance of transit infrastructure and facilities within Brown Ranch.

c. Parks, Trails, and Open Space

YVHA shall construct, at its expense, the Neighborhood Parks and Greenways identified in Section 2.c and Exhibit C. The Neighborhood Parks and Greenways will be dedicated to the City following construction and accepted by the City for Maintenance. YVHA shall dedicated to the City land for the Community Parks identified in Section 2.c and Exhibit C. Construction and maintenance of the Community Parks shall be the responsibility of the City.

YVHA shall construct, at its expense, the trails identified in Section 2.c and Exhibit C. The trails within Brown Ranch will be dedicated to the City following construction and accepted by the City for maintenance.

YVHA shall construct, at its expense, the open space identified in Section 2.c and Exhibit C. Open space within Brown Ranch will be dedicated to the City and accepted by the City for maintenance.

Maintenance of sidewalks shall be the responsibility of the adjoining property owner, as provided for in the Code.

d. Police, Fire, and EMS Services

The Steamboat Springs Police Department and Steamboat Springs Fire Rescue shall provide police, fire, and EMS services to Brown Ranch.

8. AFFORDABILITY/ATTAINABILITY OF HOUSING

Pursuant to C.R.S. 29-1-204.5 and the Intergovernmental Agreement Establishing the Yampa Valley Housing Authority, YVHA will develop Brown Ranch in accordance with its mission to develop affordable and attainable housing for low- and moderate-income households and for the local workforce. All units sold or rented within Brown Ranch will be subject to restrictions requiring the owner or renter to work for an employer physically located within Routt County, use the unit as their sole primary residence (to prevent ownership by second homeowners), and short-term rentals will be prohibited throughout Brown Ranch.

The 2021 Housing Demand Study has identified the current housing needs in Routt County based upon income levels. Over the course of the full build-out of Brown Ranch, the unit and income mix will be allocated to address the housing needs identified in the Demand Study. Development of Brown Ranch will comply with the affordability requirements of the WSSAP.

YVHA will periodically update the Demand Study to ensure that housing needs are being appropriately addressed. Updates to the Demand Study will be presented to City Council through YVHA's annual report.

Much of the housing at Brown Ranch will be financed using state and federal grants, tax credits, etc. Housing projects using these financing mechanisms will be subject to the affordability requirements of the relevant program.

For housing projects in Brown Ranch which are not subject to specific affordability requirements pursuant to the preceding paragraph, for-sale Units will be encumbered by the Deed Restriction attached hereto as Exhibit E, at the appropriate AMI levels for the Unit, and for-rent Units will be encumbered by the Use Covenant attached hereto as Exhibit F, at the appropriate AMI levels for the Unit. The Deed Restriction and Use Covenant may be reasonably modified over the course of the development of Brown Ranch to address changes in circumstances, law, or best practices.

All residential developments within Brown Ranch will be subject to the foregoing affordability and attainability measures, except that YVHA may sell approximately 4.8 acres the southeast area of Brown Ranch, shown on Exhibit G, without any affordability requirement. If the event that YVHA sells or otherwise conveys any other portion of Brown Ranch to a third-party developer, the conveyance will be subject to the property being developed with affordability, attainability, and workforce requirements.

YVHA may convey land in Brown Ranch for non-residential purposes to community partners and for projects with a community benefit (e.g., for the development of a special use sports facility). Any such conveyance will be subject to a use restriction by which the transferee would be required to develop the property for a specific purpose, and the transferee would be restricted from reselling the property.

The City agrees that the foregoing satisfies the affordability requirements of the West Steamboat Springs Area Plan (WSSAP).

9. SHORT-TERM RENTAL TAX

City Council agrees to annually review the allocation of the Short-Term Rental Tax funds. City Council agrees to target allocation of at least 75% of the Short-Term Rental Tax funds to Brown Ranch and YVHA.

The Parties hereby agree and acknowledge that all costs and expenses of the development of Brown Ranch are eligible for use of the Short-Term Rental Tax funds.

10. POST-ANNEXATION LAND USE APPROVALS

The City shall approve text amendments to the CDC, prior to annexation, at the time of annexation, or within a reasonable timeframe thereafter, which shall provide for the following:

1. New zone districts will be established, to be referred to as Brown Ranch Transect Zones (“BRTZs”), with the dimensional standards of these zones district reasonably agreed to by YVHA and City Staff in order for Brown Ranch to be developed according to the Development Plan.

2. All Residential Use Classifications, all Eating and Drinking Establishments, all Vehicle Parking, all Civic, Public, and Institutional Use Classifications, excluding Utilities, use categories shall be designated as a Use-by-right in the BRTZs.

3. CDC § 713 and 714, Preliminary Plat and Final Plat applications, shall specify that for properties zoned BRTZ the applications will be reviewed and approved pursuant to Administrative Review.

4. CDC § 739, Collateral, shall provide for an exemption from the collateral requirement for Final Plats which include properties zoned BRTZ.

5. CDC § 602.L, Open Space, Parks, and Amenity Space, § 605.G, Parks and Open Space, and § 606, TND Parks and Open Space Standards, shall provide for an exemption from the requirements of those Sections for Preliminary Plats and Final Plats which include properties zone BRTZ.

6. Notwithstanding the provisions of CDC § 709(3)(b) and (c), § 708 and 709 shall specify that Conceptual Development Plans and Development Plan applications which include properties zoned BRTZ shall be reviewed and approved pursuant to Administrative Review.

7. CDC § 413, Phasing, shall provide for an exemption from the phasing standards for land use applications including properties zoned BRTZ. However, no Certificates of Occupancy will be granted for any development until critical improvements have been constructed.

8. Table 702-1 shall specify that the Decision Maker for Major Adjustments and Major Variances shall be the Planning Director.

9. CDC § 719.D(3) shall specify that for Variances for applications which include properties zoned BRTZ, in addition to Unnecessary Hardship, Practical Difficulty, and Acceptable Alternative, the criteria for approval includes:

The proposed variation is necessary to achieve the affordability and/or attainability goals of the proposed development.

11. DEDICATIONS OF LAND

YVHA shall dedicate to the City, or to the appropriate governmental entity, approximately 50,000 square feet of property for a fire station, generally in the areas shown in the Development Plan. The dedications will occur upon commencement of Phase 2. YVHA will dedicate the parks, trails, and open space identified in Section 3.c, and the City will accept the same for maintenance. The dedication of parks and trails will occur upon completion of construction, and the dedication of open space will occur upon platting of adjacent land. YVHA intends to partner with the Steamboat Springs School District for the development of a new school.

12. SUSTAINABILITY MEASURES

YVHA has articulated a sustainability framework in the Brown Ranch Community Development Plan with sustainable design considerations at both the development scale and building scale. The sustainability measures shall include, but not be limited to:

- i. Developing Health Equity, Resiliency, and Sustainability Design Guidelines that establish minimum criteria for all vertical development at Brown Ranch and are aligned with actions identified in the Routt County Climate Action Plan.
- ii. Exploring and innovating when feasible with respect to energy conservation, geothermal heating and cooling, photovoltaic energy and storage, energy-efficient building envelopes, energy-efficient fixtures and building systems, solar orientation and passive solar gain, meeting the highest standards for indoor water efficiency, and minimizing the need for outdoor irrigation.
- iii. Optimizing and planning for electric vehicle and bicycle transportation.
- iv. Preserving and restoring the section of the Slate Creek riparian corridor that passes through Brown Ranch.

13. VESTED PROPERTY RIGHTS

a. **Vested Property Rights.** The City will approve the creation of vested property rights for the Property pursuant to the Vested Property Rights Act, C.R.S. §24-68-101 et seq. In the event of conflict between this Agreement and the Vested Property Rights Statute or Municipal Code, this Agreement shall prevail.

b. **Vesting Term.** The term of vesting shall be 40 years commencing upon the date of recording the Annexation Ordinance and Map.

c. **Site-Specific Development Plans.** YVHA and the City agree that the Regulating Plan constitutes an approved “site specific development plan” as defined in the Vested Property Rights Statute, and that pursuant thereto, YVHA and its successors and assigns shall have vested rights to undertake and complete the development and use of the Property under the terms and conditions thereof during the vesting term established in Paragraph (b) above. The vesting term shall be memorialized in a Development Agreement in connection with the approval of the Regulating Plan (“Regulating Plan Development Agreement”).

d. **Rights Not Vested.** The establishment of rights vested under this Agreement, the Regulating Plan, and Regulating Plan Development Agreement shall not preclude the application by the City of City ordinances and regulations, including, without limitation, the following:

- i. City building, fire, plumbing, engineering, electrical, and mechanical codes and other similar technical codes and standards of the City;
- ii. City architectural, landscaping, and other development standards that are not inconsistent with the uses and densities permitted by the approved Regulating Plan;
- iii. Applicable federal regulations;
- iv. Any other general City ordinance or regulation that does not conflict with the uses and densities permitted by the approved Regulating Plan.

14. TERM

The term of this Agreement shall commence on the effective date (“Effective Date”) of the City ordinance annexing the Property and approving this Agreement (the “Annexation Ordinance”) and shall continue until the obligations of the Developer hereunder have been completed, satisfied, or financially secured to the satisfaction of the City (the “Term”), but not less than the period of vesting set forth in Section _____. After the expiration of the Term, this Agreement shall be deemed terminated and of no further force or effect; provided, however, that such termination shall not affect the (a) annexation of the Property to the City; (b) any common law vested rights obtained prior to such termination; (c) any rights arising from City permits, approvals, or other entitlements for the Property or the Development which were granted or approved concurrently with, or subsequent to the approval of this Agreement, the TND Zone District, and the Regulating Plan; (d) the parties’ rights pursuant to Section _____ concerning the prevailing party’s right to fees and costs in the event of litigation. Termination

of this Agreement shall not be construed to cause the termination of any of the agreements entered into pursuant to this Agreement which are of longer duration than this Agreement.

15. ANNEXATION CONTINGENCIES

Final approval of the Annexation Ordinance shall not be deemed to have occurred if on or before the thirtieth (30th) day following the effective date of the Annexation Ordinance either a) legal proceedings are commenced challenging the Annexation Ordinance or b) a petition is submitted to the City Clerk for a referendum on the Annexation Ordinance. Either party may, but shall have no obligation, to defend legal proceedings concerning the validity of the Annexation Ordinance.

In the event of a legal challenge and/or referendum, final approval shall occur upon final and non-appealable resolution of legal proceedings and/or referendum results affirming annexation of the Property. The annexation of the Property to the City shall not be effective until the occurrence of final approval.

If a referendum challenge to the Annexation Ordinance succeeds, this Agreement and all provisions contained herein shall be null and void and of no further effect. In the event the Annexation Ordinance or any portion thereof is voided by the final action of any court, this Agreement and all provisions contained herein shall be null and void and of no further effect unless the parties agree in writing to ratify the Agreement and seek to cure the legal defect(s) that resulted in the court action. If the parties agree in writing that such a cure is successful, YVHA may re-apply for annexation.

YVHA may withdraw the petition for annexation and terminate this Agreement if any legal challenge remains unresolved one (1) year after the effective date of the Annexation Ordinance. City shall not be responsible for processing applications for land use approvals relating to the Property and YVHA shall not be responsible for making payment, constructing improvements, or dedicating interests in real property to the City during the pendency of any legal challenge to or referendum regarding the Annexation Ordinance.

16. MORATORIA, GROWTH CONTROL, AFFORDABLE HOUSING AND/OR INCLUSIONARY ZONING MEASURES

No development moratorium or growth control limitation shall be applied against the Property unless the same is applied throughout the City generally, and which does not, in its structure or application, have a disproportionate impact upon the Property as compared to other properties. In addition, beyond the commitments in this Agreement, YVHA shall not, during the vesting term set forth in Subsection ___, be subject to any further affordable housing contributions and/or assessments, including but not limited to, affordable housing contributions, inclusionary zoning or other similar ordinance or rule intended to address the City's housing problem.

17. MISCELLANEOUS

a. **Effective Date.** This Agreement is contingent upon the City approval of the annexation and shall become effective as provided for in Paragraph ___.

b. **Parties' Authority.** The City and YVHA represent that each has the authority to enter into this Agreement according to applicable Colorado law and the City's Home Rule Charter and Ordinances, and each represents that the terms and conditions hereof are not in violation of any agreement previously entered into by such party. This Agreement shall not become effective until a resolution or other necessary authorizations for the execution of the Agreement are effective.

c. **Recording.** This Agreement shall be recorded in the Routt County Clerk and Recorder's Office in order to put prospective purchasers of the Property or other interested parties on notice as to the terms and conditions contained herein.

d. **Entire Agreement.** This Agreement and the exhibits hereto represent the entire understanding between the parties, and no other agreement concerning the Property, oral or written, made prior to the date of this Agreement, which conflicts with the terms of this Agreement shall be valid as between the parties.

e. **Modification.** This Agreement may be modified by the written agreement of the City and YVHA. No approval of a modification to this Agreement shall be required of any owner or person or entity holding any interest in any portion of the Property unless such right of approval has been specifically assigned to such owner, person, or entity in a written instrument of assignment, but nothing herein shall prohibit the City from requiring the approval of any such amendment in appropriate cases by other owners within the Property as a condition of the City agreeing to such amendment. An amendment to the TND zone district regulations, Regulation Plan, or City ordinances or other City regulations shall not constitute or require an Amendment to this Agreement. All amendments to this Agreement shall be in writing, shall be recorded with the County Clerk and Recorder of Routt County, Colorado, shall be covenants running with the land, and shall be binding upon all persons or entities having an interest in the Property, unless otherwise specified in the amendment.

f. **Additional Remedies.** If at any time any material part hereof has been breached by YVHA, the City may, in addition to other remedies, withhold approval of any or all building or other permits applied for by YVHA on its Property, or withhold issuance of certificates of occupancy, until the breach or breaches has or have been cured.

g. **Binding Effect.** Once the contingencies set forth in Section ___ have been satisfied, the agreements and covenants as set forth herein shall be binding upon YVHA and its successors and assigns, and shall constitute covenants or servitudes that shall touch, attach to, and run with the land that constitutes the Property. The burdens and benefits of this agreement shall bind and inure to the benefit of all persons who may hereafter acquire an interest in the Property, or any part thereof. YVHA shall as a condition of approval of the Annexation Ordinance execute and record

a document acknowledging and ratifying the binding effect of this Annexation Agreement on its successors and assigns to the Property.

h. **Severability.** In case one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

i. **Incorporation of Exhibits.** Exhibits A through G, inclusive, which are attached hereto, are incorporated herein by reference.

j. **Attorney's Fees.** If any action is brought in a court of law by either party to this Agreement concerning the enforcement, interpretation or construction of this Agreement, the prevailing party, either at trial or upon appeal, shall be entitled to reasonable attorney's fees, as well as costs, including expert witness' fees, incurred in the prosecution or defense of such action.

k. **Notices.** Any notices required or permitted hereunder shall be sufficient if personally delivered or if sent by certified mail, return receipt requested, addressed as follows:

City: Dan Foote
City Attorney
City of Steamboat Springs
137 10th St.
Steamboat Springs, CO 80487

with copy to:
(which shall not
constitute notice) Gary Suiter
City Manager
City of Steamboat Springs
137 10th St.
Steamboat Springs, CO 80487

YVHA: Yampa Valley Housing Authority
Attn: Jason Peasley
2100 Elk River Road
Steamboat Springs, CO 80477

with copy to: Elevation Law Group, P.C.
Attn: George M. Eck III
P.O. Box 770908
Steamboat Springs, CO 80487

Notices mailed in accordance with the provisions of this Paragraph shall be deemed to have been given on the 2nd day following mailing. Notices personally delivered shall be deemed to have been given upon delivery. Nothing herein shall prohibit the giving of notice in the manner provided for in the Colorado Rules of Civil Procedure for service of civil process

l. **Waiver.** The failure of either party to exercise any of its rights under this Agreement shall not be a waiver of those rights. A party waives only those rights specified in writing and signed by either party waiving such rights.

m. **Applicable Law.** This Agreement shall be interpreted in all respects in accordance with the laws of the State of Colorado.

n. **Counterparts.** This Agreement may be executed in several counterparts and/or signature pages and all counterparts and signature pages so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties are not signatories to the original or the same counterpart or signature page.

o. **Paragraph Headings.** Paragraph headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this Agreement.

p. **Terminology.** Wherever applicable, the pronouns in this Agreement designating the masculine or neuter shall equally apply to the feminine, neuter and masculine genders. Furthermore, wherever applicable within this Agreement, the singular shall include the plural, and the plural shall include the singular.

q. **Assignment.** The rights and obligations of YVHA under this Agreement may not be assigned to a party unaffiliated with YVHA without prior written approval of the City, which may be granted or withheld by the City Council acting in its sole and exclusive discretion. Such approval shall not be unreasonably withheld or delayed unless the City Council reasonably believes such denial is justified based upon the reputation, credit, standing, or other similar qualifications of the proposed assignee. The express assumption of any of YVHA's obligations under this Subsection with the written consent of the City will thereby relieve YVHA of such obligations with respect to the matter so assumed and assigned.

r. **No Third-Party Beneficiaries.** Enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the City and YVHA, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party. It is the express intent of the City and YVHA that any party other than the City or YVHA receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

s. **Colorado Constitution, Article X, Section 20.** This Agreement is not intended by the parties to create, and does not create, any multi-fiscal year financial obligation of the City or YVHA. All financial obligations of the City or YVHA hereunder are expressly subject to the annual appropriation of funds by the City Council or the Board of Directors, acting in their sole discretion.

IN WITNESS WHEREOF, the parties have executed this Agreement the date first written above.

[Signature pages follow]

EXHIBIT A

Legal Description of Property

PROPERTY DESCRIPTION

A PARCEL OF LAND LOCATED IN LOT 4, THE SW1/4NW1/4, AND THE NW1/4SW1/4, SECTION 1, TOWNSHIP 6 NORTH, RANGE 85 WEST OF THE 6TH P.M., AND IN LOT 1, LOT 5, LOT 6, LOT 7 AND THE SE1/4NE1/4, SECTION 2, TOWNSHIP 6 NORTH, RANGE 85 WEST OF THE 6TH P.M., AND IN THE SE1/4 SECTION 35, TOWNSHIP 7 NORTH, RANGE 85 WEST OF THE 6TH P.M., AND IN THE S1/2SW1/4SW1/4 SECTION 36, TOWNSHIP 7 NORTH, RANGE 85 WEST OF THE 6TH P.M.; COUNTY OF ROUTT, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PARCEL OF LAND DESCRIBED IN RECEPTION NO. 828216 IN THE ROUTT COUNTY RECORDS;

EXCEPTING THEREFROM THAT PARCEL OF LAND LOCATED IN THE S1/2NE1/4 AND THE SE1/4 OF SECTION 35, TOWNSHIP 7 NORTH, RANGE 85 WEST OF THE 6TH P.M.; COUNTY OF ROUTT, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SE1/4 SECTION 35, TOWNSHIP 7 NORTH, RANGE 85 WEST OF THE 6TH P.M., BEARING S01°13'31"W BASED ON NAD83(2011) COLORADO NORTH ZONE COORDINATE SYSTEM.

BEGINNING AT THE E1/4 CORNER OF SAID SECTION 35;

THENCE S01°13'31"W, ALONG THE EAST LINE OF SAID SE1/4 OF SECTION 35, A DISTANCE OF 103.39 FEET;

THENCE S65°49'10"W, A DISTANCE OF 91.74 FEET;

THENCE S24°46'30"W, A DISTANCE OF 38.61 FEET;

THENCE S13°23'34"W, A DISTANCE OF 58.21 FEET;

THENCE S14°02'10"W, A DISTANCE OF 55.59 FEET;

THENCE S30°04'07"W, A DISTANCE OF 59.20 FEET;

THENCE S58°27'55"W, A DISTANCE OF 139.20 FEET;

THENCE S90°00'00"W, A DISTANCE OF 53.93 FEET;

THENCE N75°57'50"W, A DISTANCE OF 177.88 FEET;

THENCE N85°10'45"W, A DISTANCE OF 224.60 FEET;

THENCE N67°40'17"W, A DISTANCE OF 162.54 FEET;

THENCE S57°59'42"W, A DISTANCE OF 19.85 FEET;

THENCE S64°23'36"W, A DISTANCE OF 648.86 FEET;

THENCE S64°07'23"W, A DISTANCE OF 401.59 FEET;

THENCE S88°47'53"W, A DISTANCE OF 385.68 FEET;

THENCE S89°12'02"W, A DISTANCE OF 366.19 FEET TO A POINT ON THE WEST LINE OF SAID SE1/4 OF SECTION 35;

THENCE N00°28'24"W, ALONG SAID WEST LINE OF THE SE1/4 OF SECTION 35, A DISTANCE OF 843.09 FEET TO THE NW CORNER OF SAID SE1/4 OF SECTION 35;

THENCE N00°28'24"W, ALONG THE WEST LINE OF SAID S1/2NE1/4 OF SAID SECTION 35, A DISTANCE OF 1347.99 FEET TO THE NW CORNER OF SAID S1/2NE1/4 OF SECTION 35;

THENCE S88°17'20"E, ALONG THE NORTH LINE OF SAID S1/2NE1/4 OF SECTION 35, A DISTANCE OF 2598.77 FEET TO THE NE CORNER OF SAID S1/2NE1/4 OF SECTION 35;

THENCE S00°34'31"E, ALONG THE EAST LINE OF SAID S1/2NE1/4 OF SECTION 35, A DISTANCE OF 1347.24 FEET TO THE POINT OF BEGINNING;

AND EXCEPTING THEREFROM THAT PARCEL OF LAND DESCRIBED IN CITY OF STEAMBOAT SPRINGS ANNEXATION ORDINANCE RECORDED IN BOOK 677 AT PAGE 774 IN THE ROUTT COUNTY RECORDS;

CONTAINING A NET CALCULATED AREA OF 420.12 ACRES.

EXHIBIT B

NEIGHBORHOODS

Each neighborhood contains a minimum capacity based on a specific mix of housing types, but provides the flexibility for additional homes if needed in the future. The potential range of units for each neighborhood is listed below.

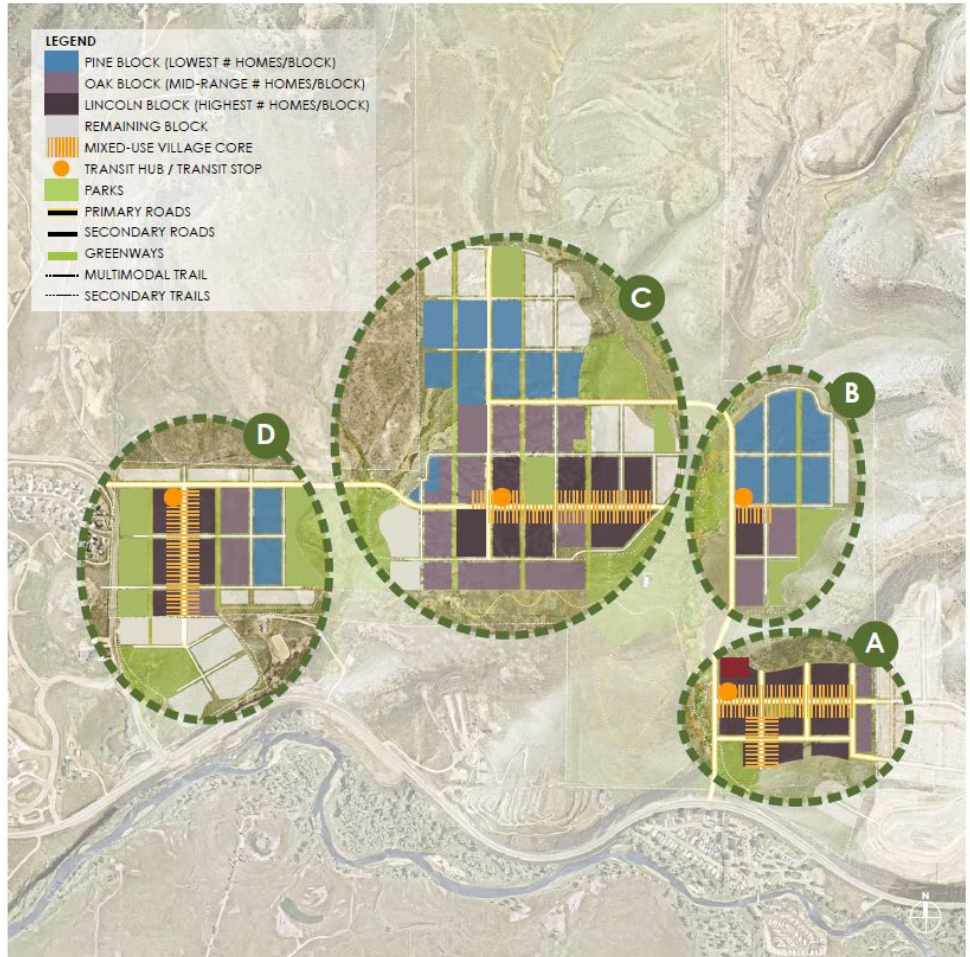
TOTAL POTENTIAL DEVELOPABLE AREA ON SITE, IN BLOCKS: 82*

*A representative block area equals 74,470 square feet or 1.7 acres, and only includes the private parcel area (excluding public right of ways, sidewalks, streets, and alleys). The blocks shaded in blue, light purple, and dark purple represent the parcel areas that are needed in order to meet the development plan (number of units, types of housing, non-residential areas and parking) and provide housing choices. The white shaded blocks indicate areas that could be developed if needed to accommodate potential changes to the development plan. Factors that could lead to changes in the development plan include: detailed geotechnical, wildfire, grading, and feasibility analysis, or changes in the roadway widths, typical block sizes, or parcel sizes.

NEIGHBORHOOD A:	9 BLOCKS	400 - 480 UNITS
NEIGHBORHOOD B:	9 BLOCKS	310 - 340 UNITS
NEIGHBORHOOD C:	28 BLOCKS	1110 - 1140 UNITS
NEIGHBORHOOD D:	10 BLOCKS	430 - 460 UNITS

POTENTIAL SCHOOL SITE: 3 BLOCKS

A ~200,000 SF site for a school and associated program will be held in either Neighborhood C or D.



PARKS, OPEN SPACE, AND TRAILS

CONCEPT PLAN

	CURRENT AREA	REQUIRED AREA
TOTAL PARKLAND	70.30 AC	70.30 AC
COMMUNITY PARKS	39.66 AC	36.678 AC
PARK A	22.49 AC	
PARK B	17.17 AC	
NEIGHBORHOOD PARKS	30.65 AC	33.6215 AC
PARK C1	5.35 AC	
PARK C2	1.07 AC	
PARK D	0.53 AC	
PARK E	1.59 AC	
PARK F	1.97 AC	
PARK G	1.97 AC	
PARK H1	1.79 AC	
PARK H2	1.16 AC	
PARK I*	5.60 AC	
GREENWAY	9.60 AC	

**Assumed population of 6,113 with Community Parkland at 6 acres / 1,000 population and Neighborhood Parkland at 5.5 acres / 1,000 population

*Park I is a neighborhood park with special use facility

TOTAL OPEN SPACE	125.00 AC
------------------	-----------

TOTAL TRAIL LENGTH	8.30 MI
MULTIMODAL TRAIL	1.30 MI
SECONDARY TRAIL CONCRETE	4.40 MI
SECONDARY TRAIL SOFT SURFACE	2.60 MI

- COMMUNITY PARKS
- NEIGHBORHOOD PARKS
- GREENWAY
- OPEN SPACE
- FUTURE DEVELOPMENT AREA
- BROWN RANCH PROPERTY
- MULTIMODAL TRAIL
- SECONDARY TRAIL | CONCRETE
- SECONDARY TRAIL | SOFT SURFACE

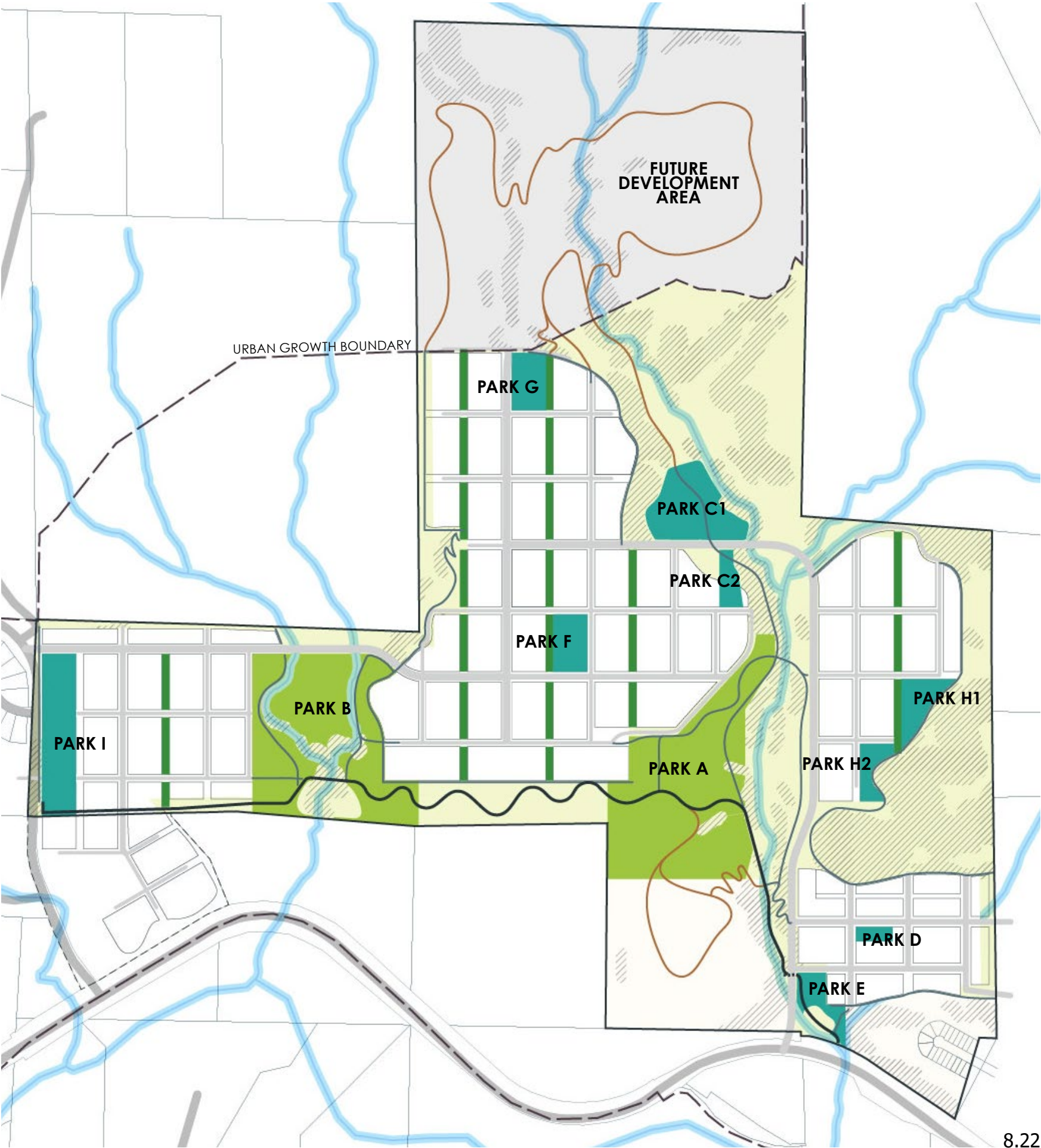
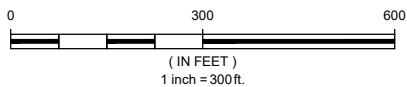


EXHIBIT D

DRAWING FILENAME: P:\2583-001\DWGs\Production Drawings\Exhibits\2583-001-Snow Storage Exhibit.dwg LAYOUT NAME: A DATE: Apr 28, 2023 - 9:21am CAD OPERATOR: Ryan

LIST OF XREFS: [2583-001-xUS40Trail] [2583-001-xBndy] [2583-001-xExist] [2583-001-xImage] [2583-001-xSite]



PROJECT: 2583-001
 DATE: 4/28/2023
 DRAWN BY: RS
 CHECKED BY: RS

BROWN RANCH SNOW STORAGE EXHIBIT EXHIBIT A

CITY OF STEAMBOAT SPRINGS, COUNTY OF ROUTT,
 STATE OF COLORADO

SHEET

8.23

Of 1 Sheets

EXHIBIT E

(Deed Restriction Forthcoming)

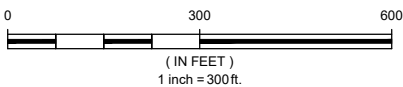
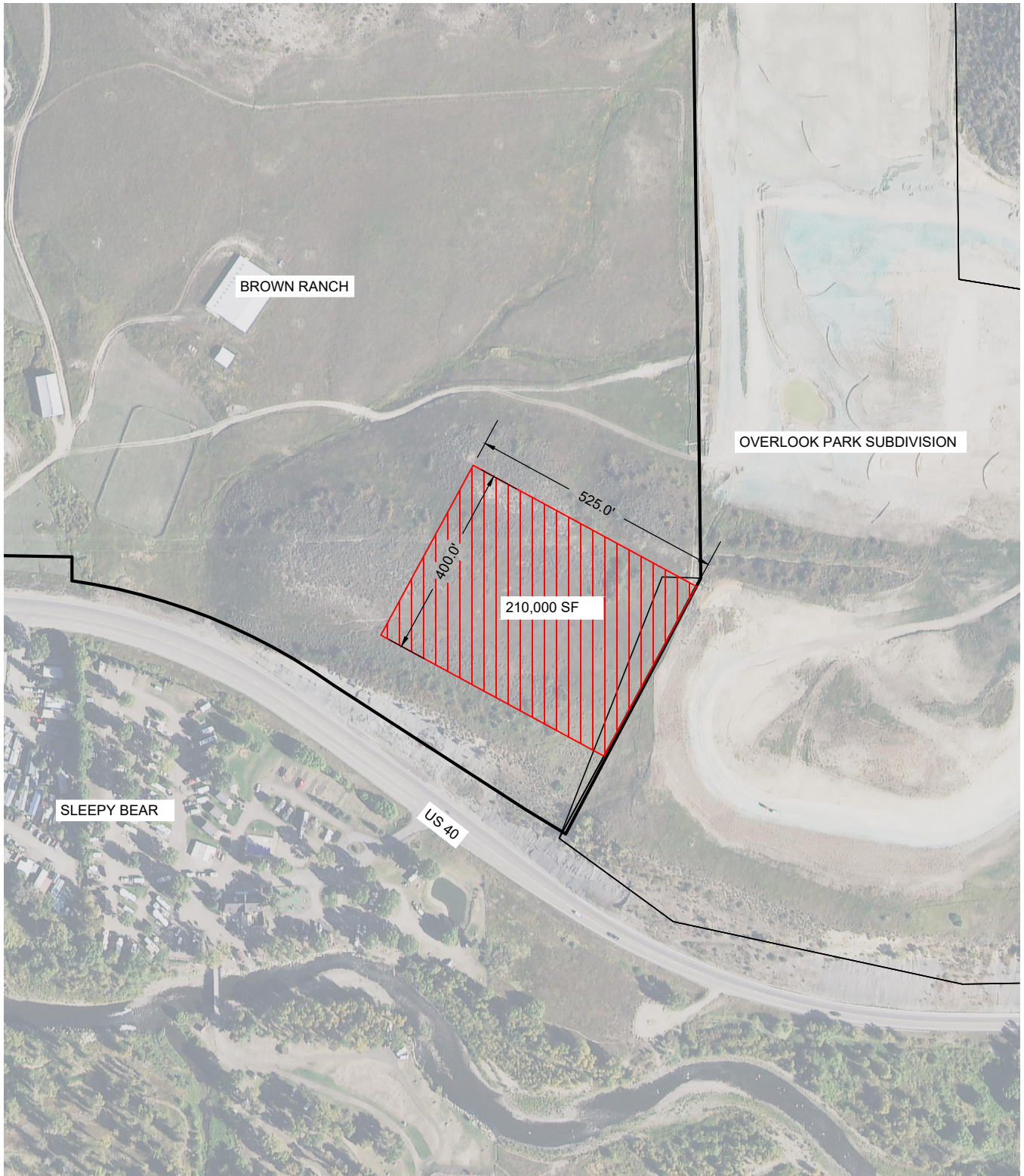
EXHIBIT F

(Use Covenant Forthcoming)

EXHIBIT G

DRAWING FILENAME: P:\2583-001\DWGs\Production Drawings\Exhibits\2583-001-Overlook Spur Exhibit.dwg LAYOUT NAME: B DATE: Apr 28, 2023 - 9:23am CAD OPERATOR: Ryan

LIST OF XREFS: [2583-001-xUS40Trail] [2583-001-xBndy] [2583-001-xExist] [2583-001-xImage] [2583-001-xSite]



PROJECT: 2583-001

DATE: 4/28/2023

DRAWN BY: RS

CHECKED BY: RS

BROWN RANCH
OVERLOOK SPUR RUN
EXHIBIT B

YVHA DRAFT
CITY OF STEAMBOAT SPRINGS, COUNTY OF ROUTT,
STATE OF COLORADO

SHEET

1
8.26

Of 1 Sheets

AGENDA ITEM #9.

BROWN RANCH ANNEXATION COMMITTEE

FROM: Kim Weber, Finance Director
Jason Peasley, Yampa Valley Housing Authority

DATE: May 24, 2023

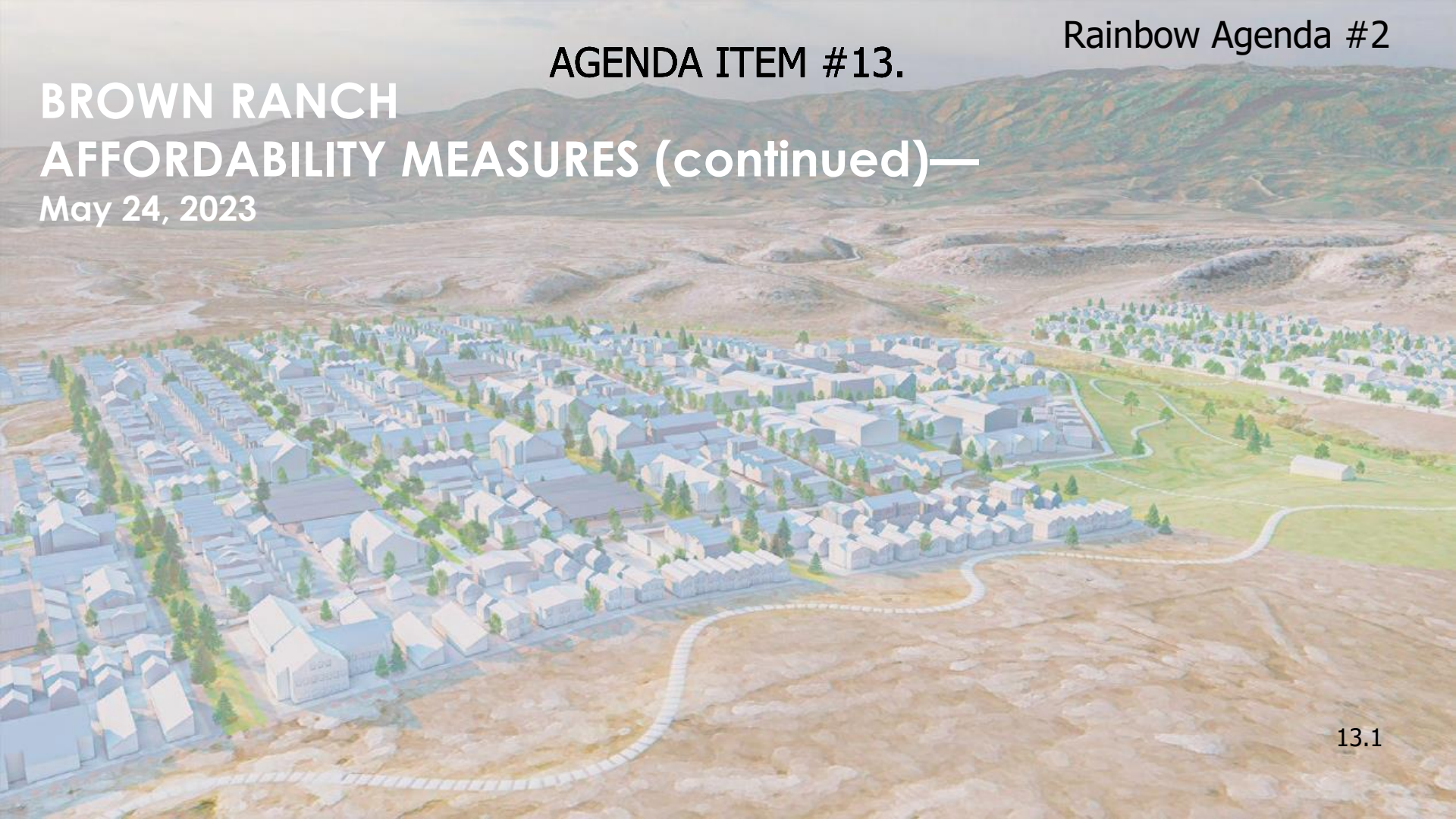
ITEM: Draft Fiscal Impact Analysis.

ATTACHMENTS:

Attachment 1: Draft Capital Cost Analysis – to be provided in Rainbow packet.
Attachment 2: Draft Fiscal Analysis (Operating) Report – to be provided in Rainbow packet.

AGENDA ITEM #13.

BROWN RANCH
AFFORDABILITY MEASURES (continued)—
May 24, 2023



Affordability Vision —

The Community's Top Priority

*"The Brown Ranch will provide affordable and attainable housing options for the Routt County Workforce in a timely and efficient manner that meets both the **urgent** and **long-term** need."*

100% Local Housing
NO Short-Term Rentals
NO Second Homes

Affordable Housing Commitment

- Local Workforce (including retirees) requirements for all units.
- Restrictions on every unit to achieve and maintain affordability (Community Affordability Agreement)
- Designed to promote mobility among affordable supply as life changes.

Project Economics and Stewardship **Focus Team Framework**

- Simplicity
- Affordability
- Mobility
- Wealth Building
- Communication

What is Affordable? —

Federal Standard < 30% of gross household income

- Rent + fees + utilities
- Mortgage (PI) + taxes + insurance + HOA + utilities

Other factors that determine personal affordability

- Total income
- Household size
- Childcare
- Other debts (student loan, car loans, credit cards)
- Length of commute to work
- Life goals

Area Median Income (AMI) Explained —

- Released annually by HUD through Colorado Housing and Finance Authority (CHFA)
- Uses tax return data to determine Median Income (50% above/50% below) for Routt County
- Percentages of Area Median Income are universally used to restrict rental rates and deed restriction qualifications
- Affordable Monthly Housing Payment calculated using 30% of Gross Monthly Income (before taxes)

<u>2022 AMI</u>	<u>30%</u>	<u>60%</u>	<u>80%</u>	<u>100%</u>	<u>120%</u>	<u>140%</u>	<u>200%</u>
Three Person Household Income	\$27,630	\$55,260	\$73,680	\$92,100	\$110,520	\$128,940	\$184,200
Single Person Household Income	\$21,510	\$43,020	\$57,360	\$71,700	\$86,040	\$100,380	\$143,400
Single Person Affordable Monthly Housing Payment	\$538	\$1,075	\$1,434	\$1,793	\$2,151	\$2,510	\$3,585
Occupation	Seasonal Lifty	Parks Tech	Bus Driver	Firefighter /EMT	Sworn Police Officer	Civil Engineer	IT Manager 13.4

Maintaining Affordability —

DRAFT Community Affordability Agreement (for-sale)

Owner Qualifications:

Local Work Requirement

- Resident: 30+ hours/wk annual average for business physically located in Routt County.
- Retired: worked for business physically located in Routt County for 5+ consecutive years.
- Partially retired: work for business physically located in RC for 15+ hours/wk and used to work for business physically located in RC for 30+ hours/wk for 7+ consecutive years.
- Disabled: Unable to work due to disability; worked for business physically located in RC for 30+ hours/wk for 5 consecutive years prior to disability.
- Self-employed: 30+ hours/wk for business located within and serving RC + requires physical presence within RC to furnish the service.

Maintaining Affordability —

DRAFT Community Affordability Agreement (for-sale)

Owner Qualifications (continued)

Income Limits (AMI)

- Household combined income does not exceed Area Median Income designated to Unit.
- Likely 60% - 250% AMI.

Sole Residency Requirement

- Unit must be occupied by Owner.
- Owner cannot own other developed residential property in Colorado.

No asset test and no debt-to-income ratio test

- Promotes simplicity.
- Promotes accessibility to program.

Short Term Rentals Prohibition

- Long-term rental of bedrooms OK if Owner continues to reside in Unit and uses YVHA-approved Lease Agreement.

Maintaining Affordability —

DRAFT Community Affordability Agreement (for-sale)

Determining initial sale price

- Formula utilizing Area Median Income.

Maximum Resale Price Equation

- Original purchase price + 2% annual appreciation (non-compounding) + Qualified Capital Improvements OR
- Original purchase price + 50% average annual increase in AMI annualized over ownership period + Qualified Capital Improvements.

YVHA as Listing Broker

- YVHA may use lottery system.
- Total commission of 2% per transaction (compared to traditional 6%).

Foreclosure

- YVHA option to buy Unit to retain Community Affordability Agreement.
- If YVHA does not exercise its option, Unit is released from Community Affordability Agreement restrictions.

Maintaining Affordability —

DRAFT Use Covenant (rental)

- Requires “Project Owner” to construct income and residency-restricted rental housing.
- Restriction transferred with title.
- **Key provisions:**
 - Units tied to Area Median Income (30% - 200% AMI).
 - Annual **rent increases** restricted to no more than 50% of increased published in HUD AMI tables or 2% of existing rent.

Other follow-up— Neighborhood A and AMIs served at Brown Ranch

Brown Ranch total housing mix by AMI (ownership & rental)

	TOTAL (2026-2040)	SHARE (2026-2040)
OWNER DEMAND		
Less than 60% AMI	0	0%
60%-80% AMI	157	16%
80%-120% AMI	295	31%
120%+ AMI	508	53%
CUMULATIVE DEMAND	960	100%
RENTER DEMAND		
Less than 60% AMI	507	39%
60%-80% AMI	209	16%
80%-120% AMI	275	21%
120%+ AMI	312	24%
CUMULATIVE DEMAND	1,303	100%

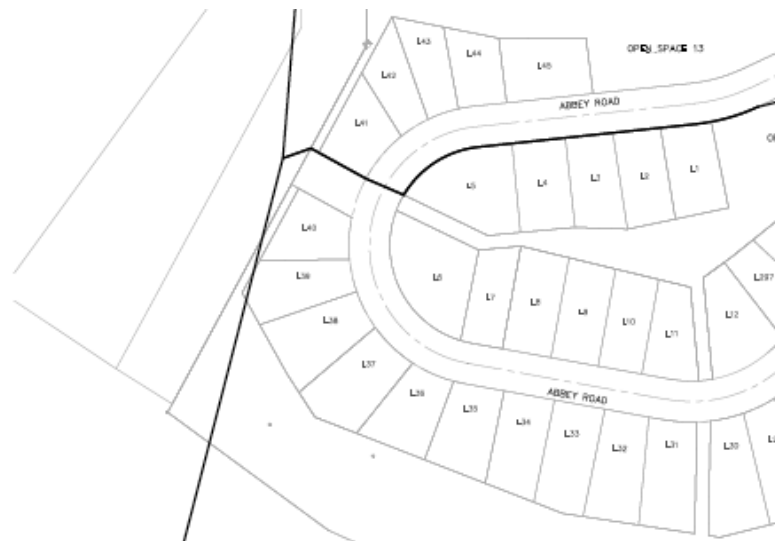
Neighborhood A detail



Other follow-up— Exhibit G to Annexation Agreement

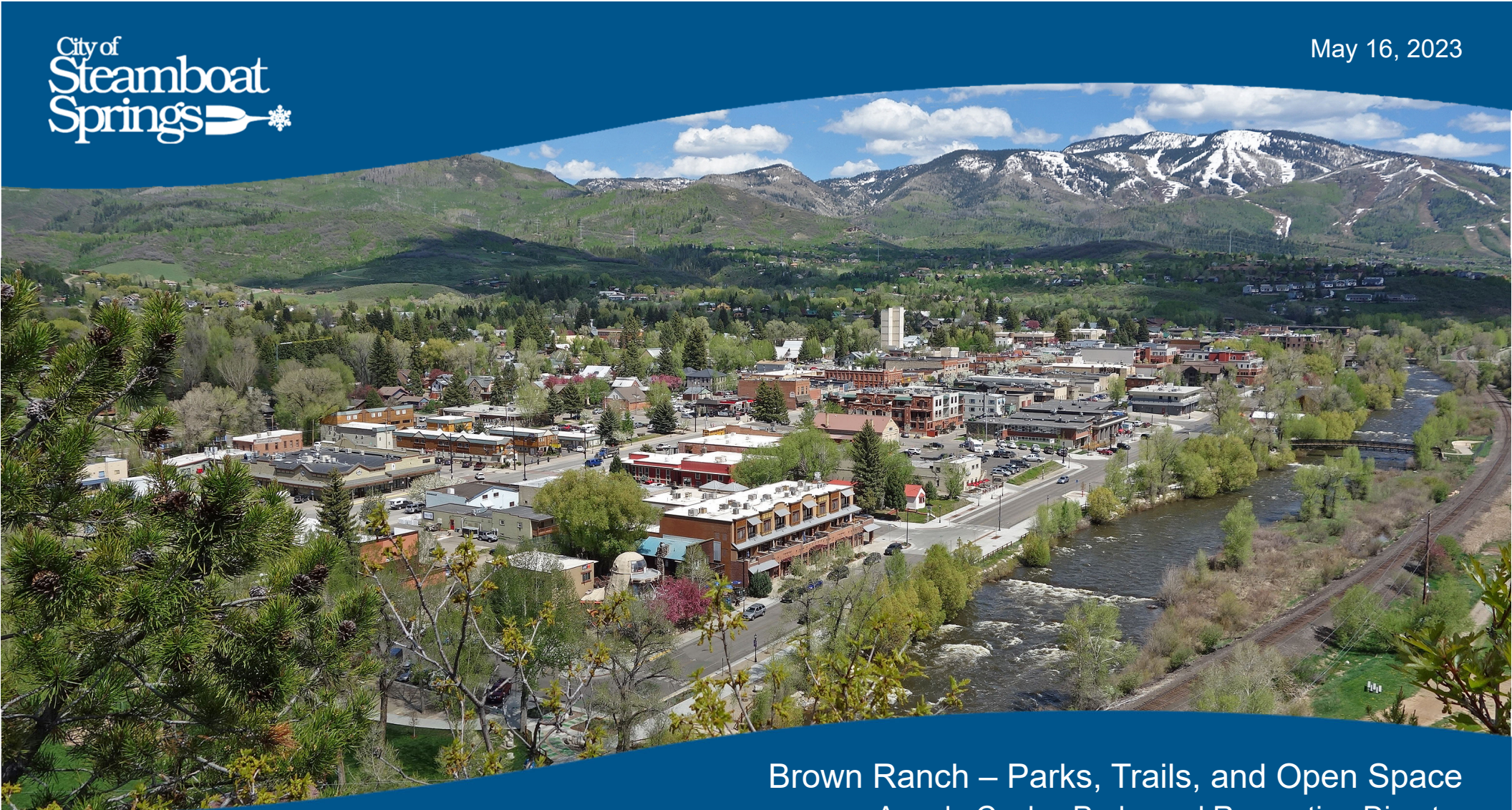


4.8 acres



13.10

May 16, 2023



Brown Ranch – Parks, Trails, and Open Space
Angela Cosby, Parks and Recreation Director

City Council and BRAC Reviewed:

- CDC, WSSAP, SSACP & PROSTR
- Existing level of service & use
- Brown Ranch Development Plan
- Discussed importance of equity and equality in service levels
- City Council provided direction



YVHA Provided 4
Alternatives for the
City to consider



YVHA Provided
Parks, Open
Space and Trails,
Draft Concept Plan



YVHA Provided a
Draft Annexation
Agreement

PARKS, OPEN SPACE, AND TRAILS

CONCEPT PLAN

	CURRENT AREA	REQUIRED AREA
TOTAL PARKLAND	70.30 AC	70.30 AC
COMMUNITY PARKS	39.66 AC	36.678 AC
PARK A	22.49 AC	
PARK B	17.17 AC	
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PARK C2	1.07 AC	
PARK D	0.53 AC	
PARK E	1.59 AC	
PARK F	1.97 AC	
PARK G	1.97 AC	
PARK H1	1.79 AC	
PARK H2	1.16 AC	
PARK I*	5.60 AC	
GREENWAY	9.60 AC	

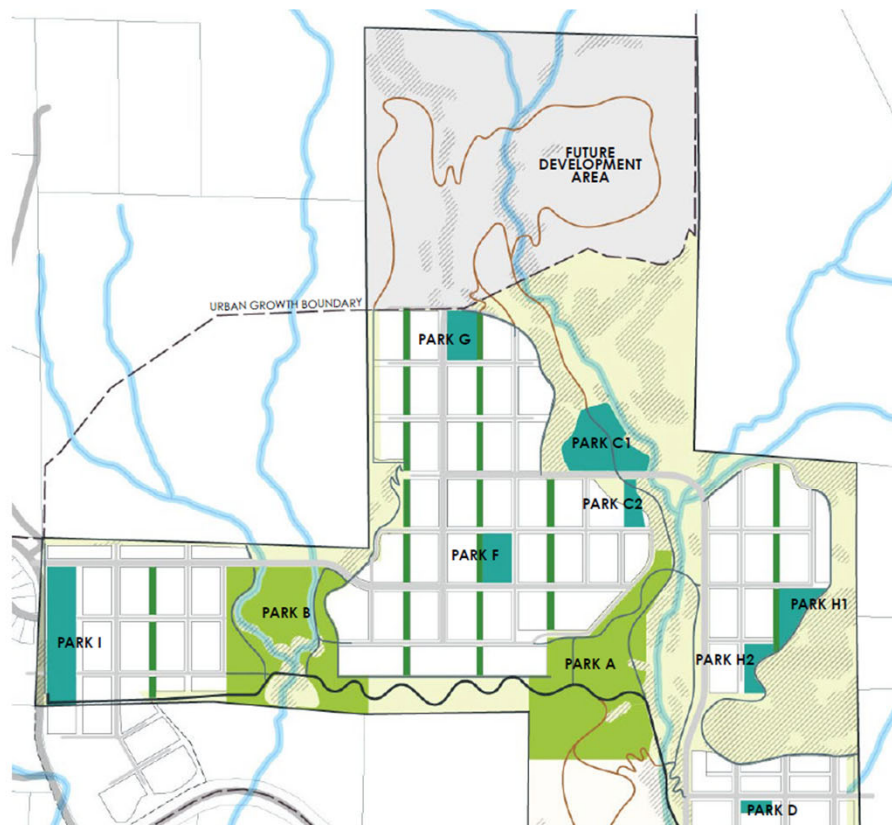
**Assumed population of 6,113 with Community Parkland at 6 acres / 1,000 population and Neighborhood Parkland at 5.5 acres / 1,000 population

*Park I is a neighborhood park with special use facility

TOTAL OPEN SPACE	125.00 AC
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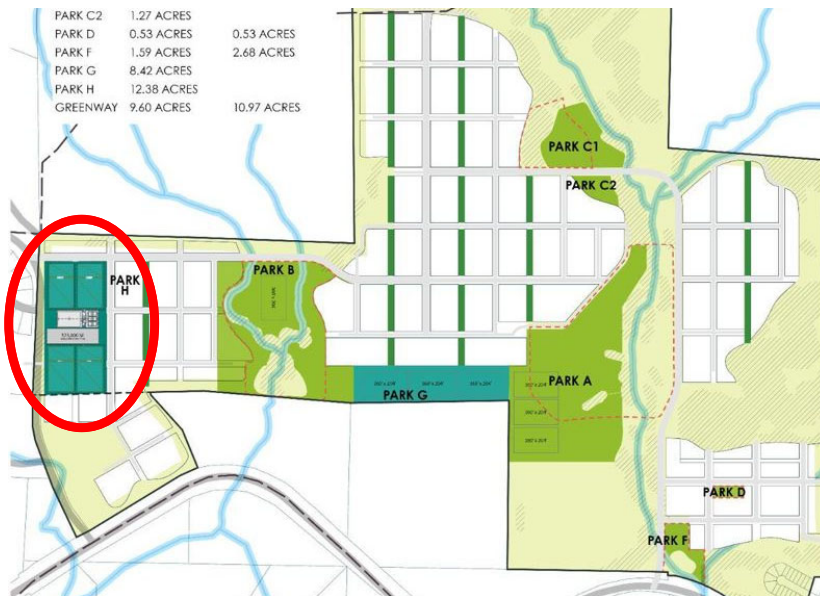
TOTAL TRAIL LENGTH	8.30 MI
MULTIMODAL TRAIL	1.30 MI
SECONDARY TRAIL CONCRETE	4.40 MI
SECONDARY TRAIL SOFT SURFACE	2.60 MI

■ COMMUNITY PARKS

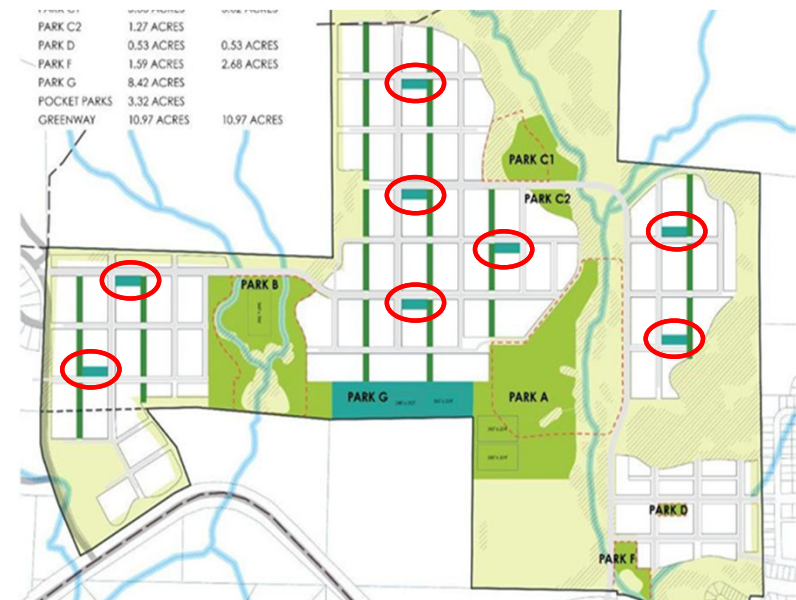


Type	Current Level of Service	PROSTR/2017 Level of Service	Brown Ranch Requirements	Equitable Service	Brown Ranch Proposal	Delta (Requirements - Proposal)
Mini/Neighborhood Parkland	4.8 acres per 1,000 pop.	5.5 acres per 1,000 pop.	33.6 acres	33.9 acres	30.63 acres	- 2.97 acres
Community Parkland	23.4 acres per 1,000 pop.	6 acres per 1,000 pop.	36.7 acres	152.8 acres	39.66 acres	+ 2.96 acres
Regional Parkland	19.2 acres per 1,000 pop.	46+ acres	46+ acres	125.3 acres	0 acres	- 46 acres
Open Space/Natural Areas	179 acres per 1,000 pop.	192 acres per 1,000 pop.	N/A	1,171 acres	125 acres	N/A
Trails	4 miles per 1,000 pop.	3.71 miles per 1,000 pop.	N/A	26.4 miles	8.3 miles	N/A
Special Use Facilities	0.52 facilities per 1,000 pop.	1 facility	1 facility	3.4 facilities	1 facility	0 facilities

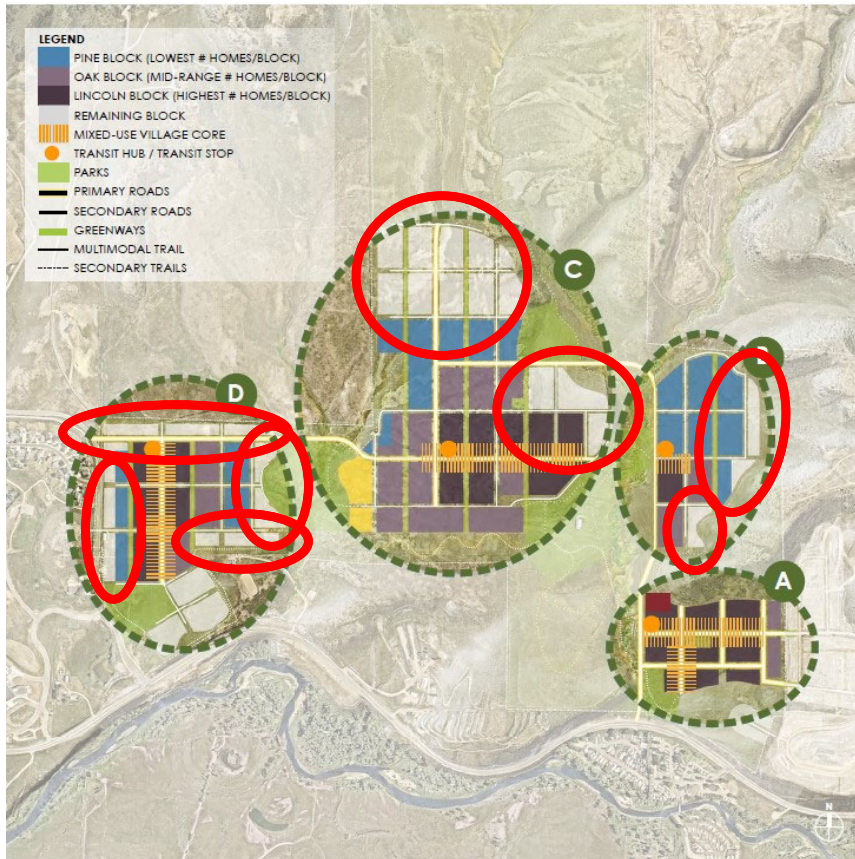
Mini/Neighborhood & Community Parkland



1. Add Park H from Alt #3 to the Regional Parkland Category.

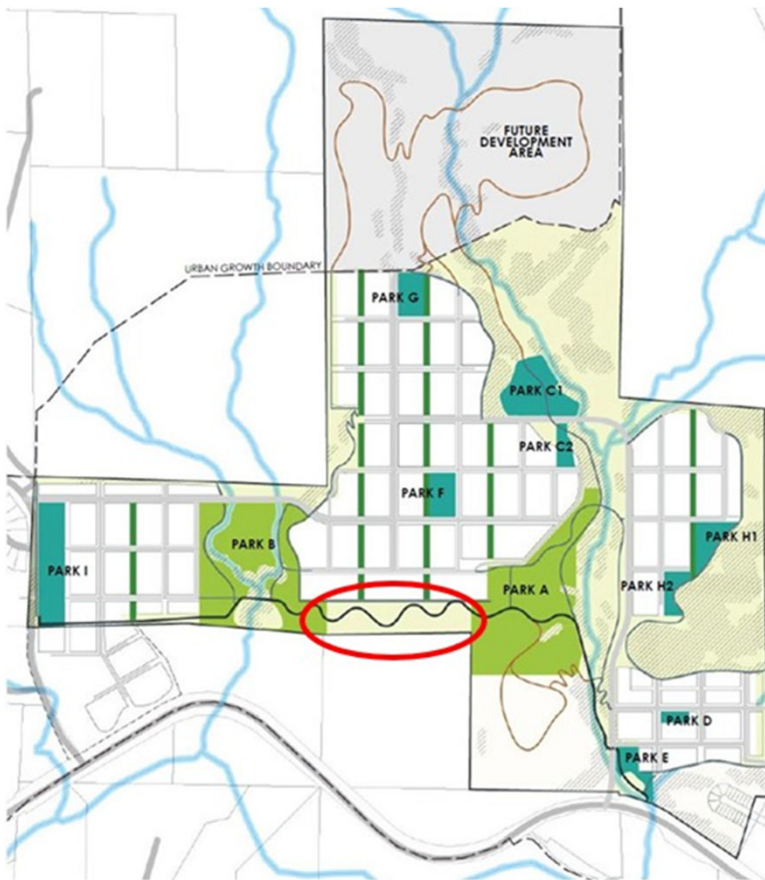


2. Add 8 pocket parks Alt #4
~90'x200'=18,000sf ~ .41 acres.

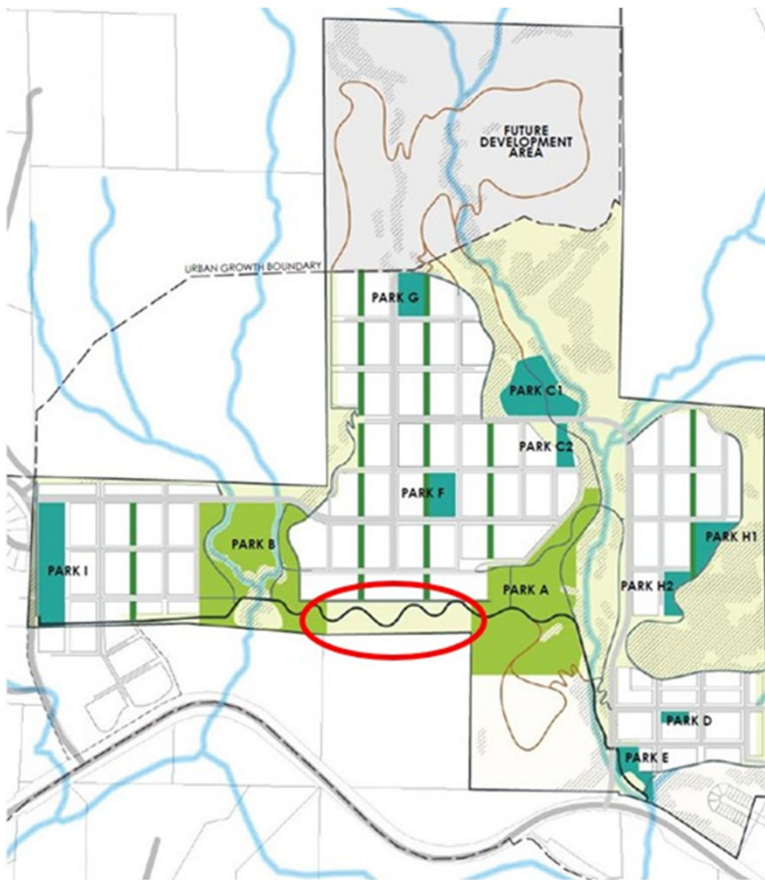


1. Require Alternative 3, Park H of 12.38 acres to provide services of a regional park and expand Park H's acreage by relocating ghost blocks to expand the park.
2. Require the 46+ acres of regional park land.

Open Space/Natural Areas

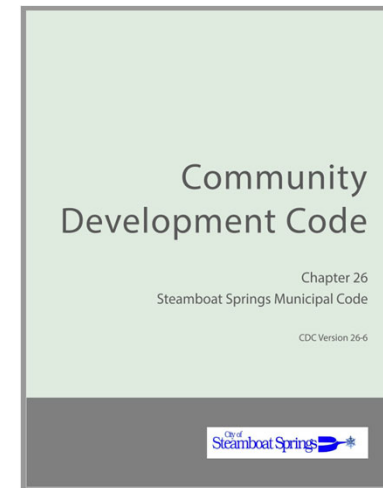


1. Accept YVHA current proposal with exclusion of the 8.42 acres within the Routt County Rifle Club – Shot Fall Zone.

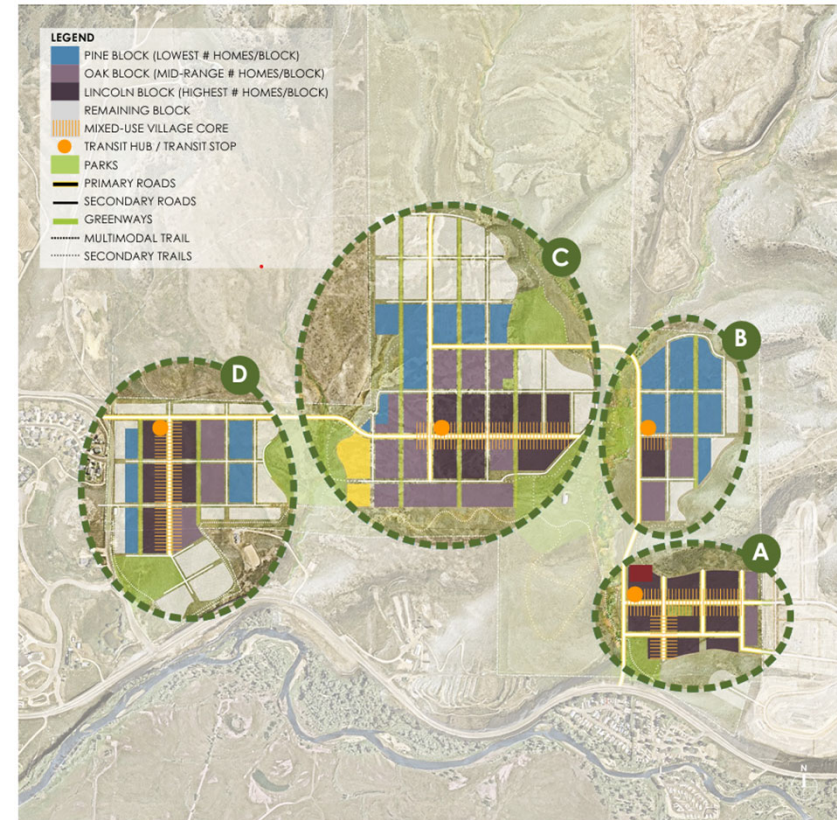


1. Accept YVHA current proposal of 8.3 miles of trails and reroute of the Multi-Modul trail through the Brown Ranch Development that excludes having pedestrians from traveling through Routt County Rifle Club – Shot Fall Zone.

1. YVHA to construct mini parks, neighborhood parks, and greenways. City to construct community parks, regional parks, trails, and open space. YVHA to maintain mini parks, neighborhood parks, and greenways. City to maintain community parks, regional parks, trails, and open space.



1. Mini parks, neighborhood parks, community parks, and greenways to be phased as Brown Ranch development and population progresses. With exception of open space, trails and regional parks, which access to these locations will be included in the first phase of development.



Questions?

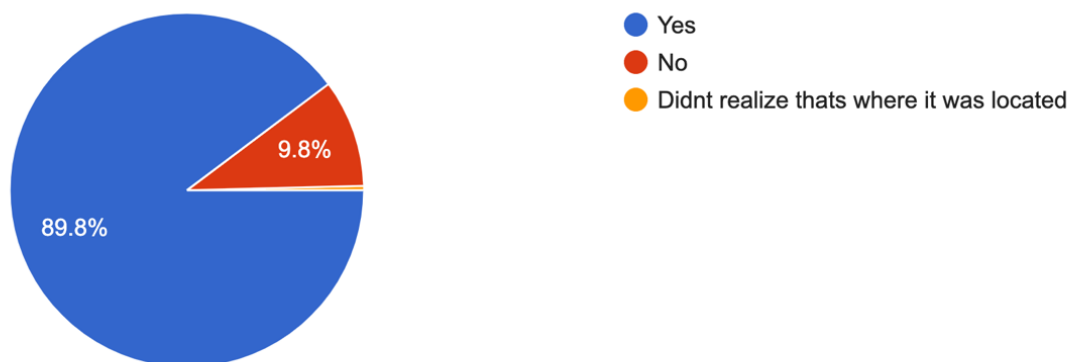


SURVEY REPORT **Young Professional Network (YPN) Survey**

For the first two weeks of May 2023, the Young Professional Network as part of the Steamboat Springs Chamber conducted a housing survey to its members in partnership with the Brown Ranch Annexation Committee (BRAC). The following are the results of the survey which received 254 responses.

1. The Brown Ranch is a large piece of property on the west end of town across from the KOA and the Sleepy Bear trailer park. It is owned by the Y...ounty workers. Have you heard of the Brown Ranch?

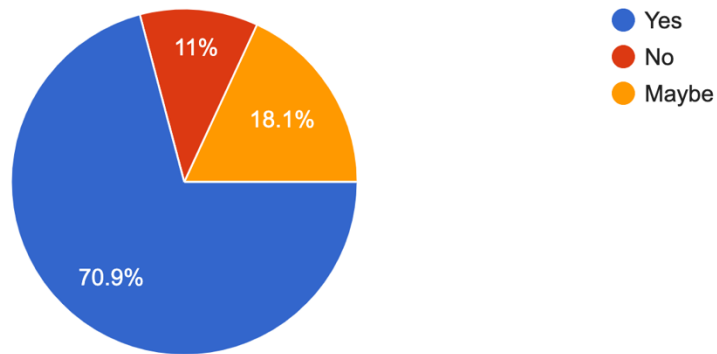
254 responses



- 89.8% said yes (228 responses)
- 9.8% said no (25 responses)
- Others said they did not know where it was located

2. Are you interested in learning more about the Brown Ranch and the Yampa Valley Housing Authority?

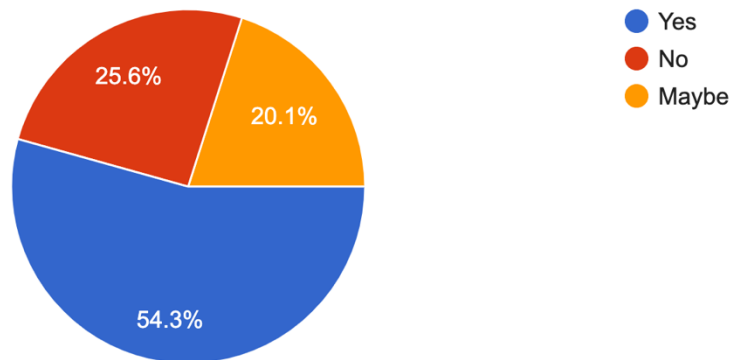
254 responses



- 70.9% said yes (180 responses)
- 11% said no (28 people)
- 18.1% said maybe (46 people)

3. Do you currently have stable housing?

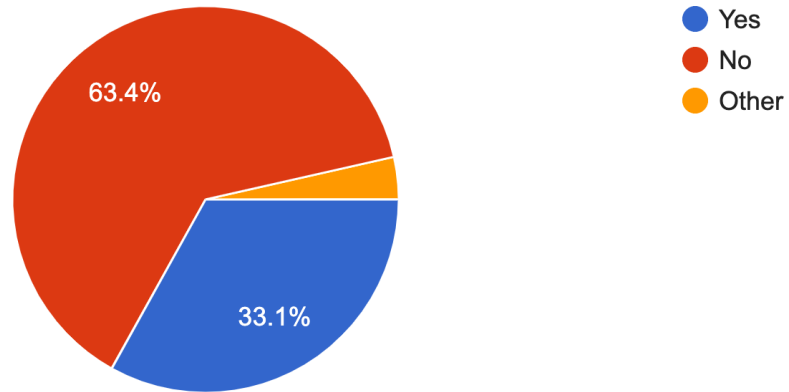
254 responses



- 54.3% said yes (138 responses)
- 25.6% said no (65 responses)
- 20.1% said maybe (51 responses)

4. Is your housing affordable? No more than 30% of your income.

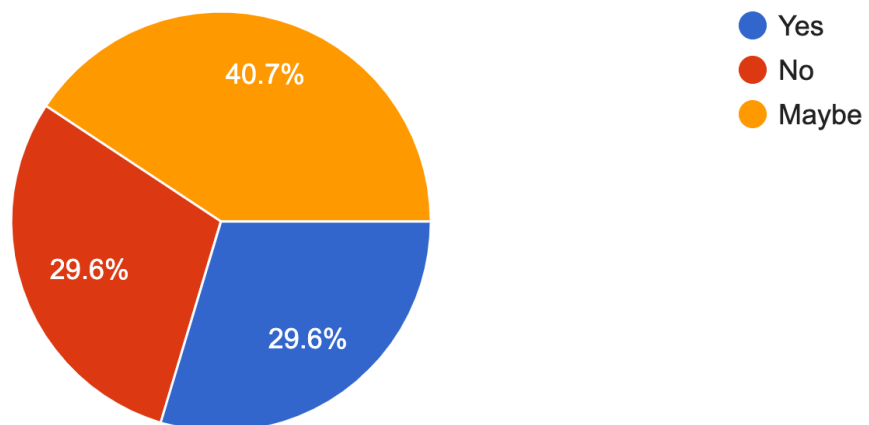
254 responses



- 33.1% said yes (84 respondents)
- 63.4% said no (161 respondents)
- 3.5% said other (9 responses)

5. Do you hope to live at the Brown Ranch?

253 responses



- 29.6% said yes (75 respondents)
- 29.6% said no (75 respondents)
- 40.7% said maybe (103 respondents)

6. Are you worried that you may have to leave our community because you can't find housing?

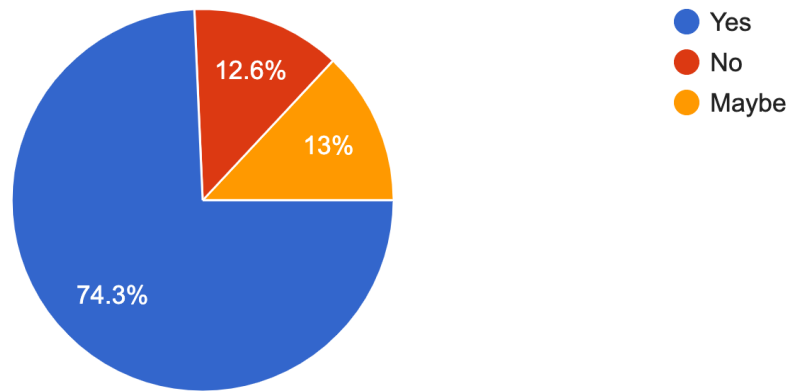
252 responses



- 67.1% said yes (169 respondents)
- 27.4% said no (69 responses)
- Other comments:
 - "Currently my answer is no. I do a lot of work in the summer to supplement my teacher income. Without that income I would be worried. If I were to start a family, I don't know how I could afford to stay."
 - "I am not but concerned for friends and colleagues."
 - "I am leaving in the fall because the lack of availability and affordability."
 - "I am worried that my landlord can tell us to leave at the end of each lease."
 - "I currently commute from Craig."
 - "I am a current solo homeowner, and I am worried I will have to move out of my condo and rent it to live here. The cost of living has become too high to afford my mortgage."
 - "Not at this time. I own a townhome but can't afford to upgrade."

7. If there was affordable for sale housing would you be interested in purchasing a home?

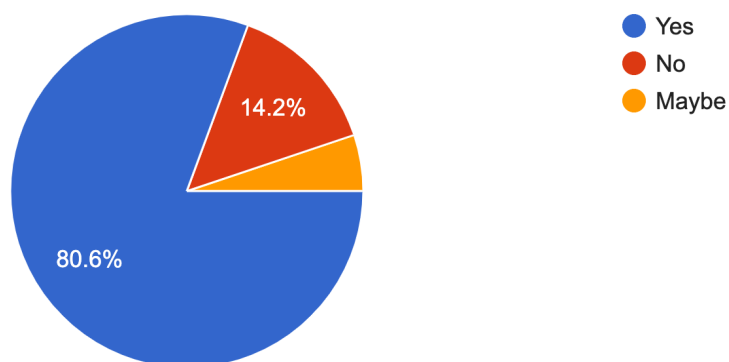
253 responses



- 74.3% said yes (188 responses)
- 12.6% said no (32 responses)
- 13% said maybe (33 responses)

8. Representatives from the Yampa Valley Housing Authority and the City of Steamboat Springs have been meeting to discuss potential annexation ...e annexation process that is currently happening?

253 responses

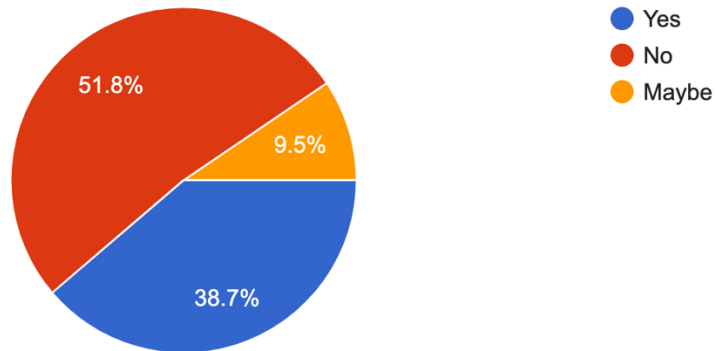


- 80.6% said yes, (204 respondents)
- 14.2 % said no (36 respondents)

- 5.1% said maybe (13 responses)

9. Do you use public transportation?

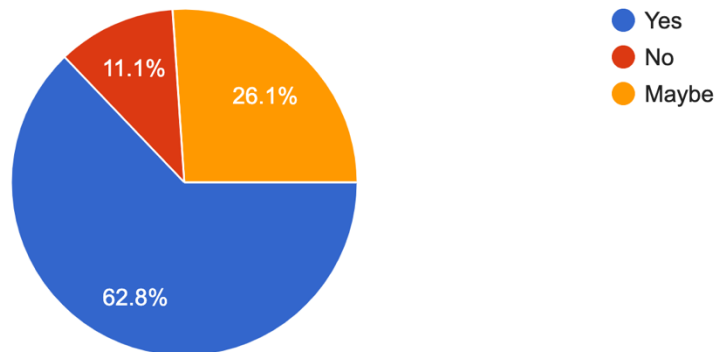
253 responses



- 38.7% said yes (98 responses)
- 51.8% said no (131 responses)
- 9.5% said maybe (24 responses)

10. If you lived at the Brown Ranch and public transportation was available, would you use it?

253 responses



- 62.8% said yes (159 respondents)
- 11.1% said no (28 respondents)
- 26.1% said maybe (66 respondents)

11. If you would like to share information about your housing situation, questions you have about the Brown Ranch or any other comments, please submit them here. We will share with the Brown Ranch Annexation Committee.

104 comments were submitted, see below.

1. I am a teacher in SSSD, and my monthly take home pay is \$4,318. My monthly rent is \$3,000 for my two kids and myself and finding more affordable housing in Steamboat has not been successful.
2. I am a schoolteacher. Teachers either need to be paid A LOT more, or there needs to be some sort of housing option for them, or there will be no teachers.
3. The school community is losing out on a lot of wonderful hires for the district because of the lack of affordable and available housing. It is such a shame that our district is not able to grow. We are also losing lots of people from our school community for this same reason.
4. I was able to purchase a townhome in Stagecoach in 2020 with my now husband. I think my situation is unique and I am lucky in this way. If a family, stand-alone home with a yard was available for me to purchase in the Brown Ranch, then I would be interested in purchasing and moving into that neighborhood. I also feel like the sports barn and parks proposed by the YVHA are great for the West side of town and provide more equity to that region. However, a 46-acre park is not needed if that is going to cost 500 homes.
5. I am in a senior management position at a local nonprofit organization and am still spending nearly 50% of my income on rent each month. I believe that Brown Ranch is vital to the future of our community and strongly support the annexation.
6. Close the gate. Steamboat is already overcrowded, and traffic and parking will be way worse not to mention the grocery store shelves are empty now as it is.
7. My landlord has just informed me she will be raising rent by \$1K. At that price point I'd rather invest in buying but mortgage rates are crazy and prices in town have not gone down.
8. I have six figure job but still can't afford much of anything as a currently single person.
9. I do not want to live in college style housing in my mid 30s (example Sunlight Crossing). I already live on the west side and traffic is crazy. Not excited for the direction of Brown Ranch whatsoever and I do not know anyone who actually wants to live there.
10. Affordable housing is important, but there has to be give and take. Affordable housing should be basic/cheap. Charging 9% to STR hurts our community and affordable housing should be able to be accomplished without heavy taxes. Tone down the scale of the Brown Ranch project. Make it simple and cheap to implement. Someone in affordable housing shouldn't have a nicer

place than I do while I pay 4x the rent because I'm barely outside of qualifying for the affordable housing.

11. What kind of recreation and commercial space will exist in browns ranch? There needs to be grocery and trails so that people living in browns ranch don't have to commute for everything they do.
12. Don't let the grumpy old folks get you down, you are doing a wonderful thing for this community and 20-40-year-olds are looking forward to this opportunity even though they are horrible at attending your forums. Thank you, thank you, THANK YOU!
13. We desperately need affordable housing that locals can purchase.
14. As a family of 4 (2 adults/2 teens), the "affordable housing" apartment style complex model is not remotely what we are looking for. We would like to have options like deed restrictions, down payment assistance, sale/transfer pricing caps, and realistic expectations to what "affordable" means to day workers in the community. Not to mention reducing regulatory processes for housing developers beyond the YVHA initiatives to encourage additional development and market competition.
15. My biggest concerns are the impacts of a project of this magnitude on the quality of life of our current residents, impacts on wildlife and natural landscapes and resources, traffic, etc. Building units does not solve problems if it is not supported by infrastructure and mitigation of these impacts. Traffic, especially West and downtown is already a problem and will not be solved soon due to the HWY running past the river, Emerald Mountain and Old Town. Also, I fear that building this will only create more supply, more demand, more influx of residents, and the ball continues to keep building and rolling down the road. I support phased, small scale housing to help meet current crisis and current residents' needs, not huge neighborhoods the size of towns, that may only attract more people and create more problems. I also worry that affordable is not affordable, that it does stay affordable, does not prioritize critical employees like fire, teachers, and health care workers, and could make Steamboat just a mecca for retirees or those dreaming of moving to the mountains, again only creating more problems down the road, and more needs. We wake up and we don't recognize Steamboat and we resemble Bend, OR or some other place we don't want to live.
16. Young adults in this town are desperate for any housing relief. I am sick of paying for second and third homeowner's mortgages if I am even lucky to find long-term housing. Most young adults I know are on the brink of leaving this town as a result.
17. I have lived and worked year-round in steamboat for the last 6 years, in that time i have moved +8 times. Every time I have moved i have seen the same apartments listed for \$100 or more dollars more a month increase in rent with no improvements or amenities adding value. What steps are in place to prevent continued price gouging of rent by landlords? Also, what steps have you implemented to prioritize new houses going on the market going to the local work force and not just continued to be bought up by out-of-town

investors looking to capitalize on the high value of land in the valley?
Additionally, what is stopping new housing on the market being purchased by people who work remotely for high paying tech jobs outside of the valley, so that the local labor force has opportunities to procure local housing and not have to resort to moving out to Craig and other nearby communities that require personal transportation or finding ourselves stuck in a never ending cycle of paying rent that costs more than some mortgage payments?

18. I am concerned the Brown Ranch will be like other YVHA workforce housing projects that are not desirable to live in long term. To truly benefit our community, and in particular young professionals, the housing offered will need to be accessible for young families and offer things like storage, outdoor space, privacy, etc. These features are non-negotiable if you are wanting long-term commitment towards your neighborhoods, even at the sake of affordability.
19. I currently live at Sunlight Crossing apartments. Since day one, the entire apartment community has gone straight downhill. There is dog poop EVERYWHERE. Trash, glass, and beer bottles constantly fill the parking lot and surrounding areas. This place is a joke and costs me more than 50% of my monthly income.
20. In order to stay in this community, I have had to purchase a camper and live in the forest. I own a condo at Sunrise HOA and cannot live there because the HOA Board President denied my request to have my girlfriend's ESA move in with us since I already have a dog of my own. The experience made being in that community so uncomfortable we found a place to rent instead and starting long term renting my own condo. We have been living happily and comfortably for 1.5 years in our rental but are being forced out because the landlord is moving for the summer only. We have been looking for new housing since January and have yet to find anything suitable or affordable. First, the houses/condos we have looked are in very poor shape, holes in walls, unfixed leaks, and potentially uninhabitable for one we looked at. Second, because we have two dogs, the options available to us are even more limited. It feels like we are being punished for having two dogs which I think we can agree is not a bad thing, however this town has made us feel like we are bad people because of having two dogs. I see a big part of the problem is that most individual HOA's restrict pets to owners only. Please consider making pets allowable in Brown's Ranch for renters and owners because there are a LOT of dogs in town and people need housing with their furry family members.
21. I love the housing authority is working toward more affordable housing here in Steamboat. I am in a unique situation where my dual income household makes over the median income but does not make enough to afford a house with the current prices. With second homeowners driving the market, I would love to see more options for both the lower income and as well as lower to middle class households.

22. I am a single mom of 2 just recently separated and have to afford a place to accommodate all of us. I currently pay over 50 percent of my take home income on housing, and I have a 2-bedroom place. I am in a top position in my career field and I hate that I have to question whether it is worth this struggle and not being able to set up my kids and their future. I do think the cost of living here makes couples stay together (when they shouldn't be) just to be able to afford to live. That is sad to me. Choice is taken away.
23. I am in temporary housing now, but need a more permanent solution to allow for the winter staff that comes to work here. I was hired in as year-round.
24. I've owned my home for 27 years. I firmly believe that this annexation MUST be brought to a vote by residents of Routt County. Not passed in secret by the City Council and YVHA. I completely disagree with the size and scope of this development, and I think YVHA does not have the best intentions for residents who actually need affordable housing, after the Sunlight Crossing debacle. I've had too many friends have to move away because they could not afford YVHA's "affordable housing."
25. The 9% tax to fund the infrastructure needed for Brown Ranch, assessed on the tourism industry was a big mistake. Summer 2023 Reservations (providing other existing sales tax income to the city) are already suffering a big decline since the new tax was imposed.
26. I bought a house in Hayden because I couldn't afford anything in Steamboat. If you want to help the housing situation, then one needs to accommodate the entry level workers or seasonal workers. This means building an apartment complex where individuals pay rent and don't need to be locked into living here because the only option is to buy. The housing authority should have a rental program not affordable housing for more families. The town needs entry level workers who need rentals not homes.
27. I have lived in Steamboat for 27 years, have a full-time job in town, raised my kids here. I have contacted Yampa Valley Housing Authority multiple times for housing and there is nothing available for me and my son.
28. Based on projected outlooks, Brown's Ranch would be less affordable than anything I could live in working 3 jobs in Steamboat. May as well move away or join the growing commuters to Craig....and spend all of my hard earned money working in Steamboat elsewhere.
29. Is this going to be accessible for all the community, or only for the poor community? I consider myself middle income and I can't afford expensive rent, but when I tried to apply to YVHA housing, seeing the income guidelines, it means that I shouldn't be working at all, or being in limited income to be able to qualify for an affordable rent, so my question is if this is would be available for everybody, no matter what class you are. I don't understand how those incomes guidelines are met for the people living in those properties, and they work probably more than I do and make more income than i do, same thing, they even have better vehicles, so how can they afford a car loan, and they apply for rent under income restriction, please make sure to go further investigation for the real people.

30. Putting the burden of this development on the tourism industry alone is a travesty. all businesses benefit from tourism in Steamboat and the vacation property managers are now having to carry the weight of this project with the 9% tax, was extremely poorly planned and implemented, shame on the city for this! the trickle effect of how it will negatively impact our city can be seen already this summer with little to no summer travel tourism dollars.
31. I have been in Steamboat a long time (32) years and am fortunate that I was able to purchase a home before prices got so high. However, I am a long-term rental property manager and realtor, and work directly with many people who are greatly affected by the lack of affordable housing options, and am hopeful that the Brown Ranch can offer solutions for some of these people. I want to see this work and want to kept updated on the Brown Ranch progress.
32. I am a communications professional for a local organization who lives behind old town in a small house with a roommate. I pay just under 30% of my income but again, have to have a roommate and it is a six-month lease, so it is unstable.
33. I currently live with my parents while I pay off student loan debt. Even if I didn't have student loans to pay off, I would have no hope of finding housing that was maximum 30% of my income. Currently, renting within the city limits is impossible. it would cost my entire monthly income.
34. Intent to develop this property has been going on for years. I sat at many City Council meetings and as much as people talk about affordable housing, nothing has ever really been voted in. It would be just another disappointment if this annexation did not go through,
35. I am unique in that I've been in the valley long enough to have purchased a home at a low price (during the economic downturn), so I am not the target audience for Brown Ranch. I am however VERY supportive of the project as I work for a business that needs affordable housing for it's workforce, I recognize the service industry individuals who make our community thrive and NEED Brown Ranch to live here, and I'm losing friends who have to leave our community because they can't afford to put down roots. The time is now for Brown Ranch- we can no longer push this project down the road.
36. I want to purchase a home. So far, I've heard that Brown Ranch is only rental. Being a young professional should allow opportunity to invest in my future, not just throw away rent money.
37. Right now, I rent a home that I have a very difficult time affording. My partner helps by taking a higher percentage of the monthly rent. If not for him, I would have to leave the steamboat community.
38. I am concerned about what is considered "affordable" here. I am a 6th year teacher and many of the "cheaper" housing options available are still more than half my monthly income. I am most likely going to me commuting from Craig next school year because I just can't justify the expense of living here. One concern I have heard is about the water supply for this community, given expected drought conditions. Do we have resources and infrastructure to support that many more people?

39. I have been living in Steamboat Springs for 11 years, and have had to move six times, due to landlords raising the rent every year. It has been becoming increasingly unaffordable to live in Steamboat Springs. During my time I have lived in Steamboat I have always had to work 2-3 jobs to even come close to approaching 50% or less of my total income expenditure on rent. I live in Steamboat because I love the town and community, I do not want to live in the outlying cities such as Oak Creek, Hayden, or Craig.
40. After 14 years in Steamboat, I had to move to Hayden to find semi-affordable housing for my family. It was heartbreaking to have to leave the community, and the added cost of commuting offsets much of the "affordability" of our home.
41. I have been a teacher for Steamboat Springs School District for more than 8 years now. I have been renting a home to live in but my rent keeps going up at a much faster and higher rate than any raises I have received as a teacher. For example, my rent went up \$400 a month this past year and is projected to go up again this coming year. At this rate, I won't be able to keep up with paying rent on my teacher's salary. I already work three side jobs in addition to teaching. This is not sustainable for long term. I am really hoping to buy an affordable townhome/condo in Brown's Ranch so I can have a stable and affordable living situation. I really would like to stay in Steamboat Springs and continue to teach for Steamboat Springs School District but in order for me to do that for the remainder of my teaching career, I would need to have affordable housing become a reality.
42. I have been here 6 years and moved 5 times. The last time I had to move into temporary housing before I found a year lease. Not sure if my landlord will renew my lease at at what rate? Waiting to hear back. May have to leave if I don't find anything. I have been registered with yampa valley housing authority for years but no luck. Every place we have been in keeps getting sold.
43. I currently live in Oak Creek because I was unable to find affordable housing in Steamboat. If there were affordable housing in Steamboat, I would love to be able to move back and be closer to my place of employment.
44. Currently Renting 3 bedroom, would be interested in buying.
45. I should not have to live in Craig and drive an hour each way to afford to live where I work.
46. I am currently renting with my husband, but as a teacher, rent is deeply unaffordable.
47. I am leaving Routt County, because there are no dog friendly affordable apartments for a single person.
48. I am a newer teacher at the high school. I want to spend my entire career working for the high school but am worried that due to housing I may have to move. I am hoping that teacher housing is a high consideration for the BAC. Without affordable housing I do not think I can ever afford to purchase a home in steamboat. I can pull off paying rent now as a single person with no

- children, but as my life changes I would like to have stable housing that isn't taking up the majority of my income.
49. We live with family currently, so it is not a stable situation for long term housing. We are hoping that Brown Ranch will happen sooner rather than later.
50. I am a teacher in town and am worried about how long I can live and teach here....
51. We have been renting for 8 years. We have put in over 10 bids in the last 3 years for houses in Oak Creek, Clark, and Hayden only to be outbid over asking or bought out with cash offers. We are not young but are professionals. I resent that fact that only "young" people are in a housing crisis. A lot of young people in Steamboat have trust funds and some working professionals are just that- WORKING class people trying to carve out a living. My husband and I don't even consider living in Steamboat on a teacher salary and a public servant salary. Steamboat 700 has been in the works for YEARS! Build homes for all types of working folks with different options for homes sizes and salary ranges.
52. I'm very fortunate to have the situation I'm living in right now and feel lucky. I have a month-to-month lease though. At any point I could be asked to move out with minimal notice. I do have a pet and with the current situation our rental market is in, I would have to pay upwards of 50% of my income to live in Steamboat under a new rental agreement.
53. I am a teacher in SSSD and at some point in the near future I would like to own a home, currently that is not possible in Steamboat Springs with my income level, so I would have to leave the community to own a home. I would be very interested in owning a home in Steamboat. Additionally, my rent is very high for the space I have in my home, so again I would be very interested in owning options.
54. Will it truly be affordable and what does that look like and mean? Will there be deed restrictions preventing resales at higher prices? What type of HOAs and new subdivision taxes will there be? Hidden costs. I am skeptical that Brown Ranch will truly be affordable and is the right thing for our community.
55. I obviously would love to be able to buy my own place with affordable housing, but I think having affordable rent with the option to later buy should be considered. Depending on when Brown Ranch is actually built. Right now I couldn't afford to buy a house even if its affordable, but within a couple years I could.
56. I do hope public transit and the Core Trail extend out to the Brown Ranch and the adjacent neighborhoods.
57. I would be interested in buying a house in Steamboat, and potentially Brown Ranch, but am unsure if those houses will come with the land they're built on? Or if the land will be leased like trailer parks?
58. I am currently living in a small studio attached to my students' house. I would like to live on a property where my students' family does not live so I have a

separate work/life balance, but I have no other option. I have challenges with this student and have to bring work home every day.

59. I am a single mother of two young children, one of which has severe needs. I relocated back here to the Yampa Valley, due to DV. This has been my home most of my life, this is where my roots are, this is where my family is, and this is an amazing community to raise a family. I am currently working for SSSD and am working towards my teaching license. However, my children and I are in a bad living situation here. If I cannot find affordable housing I will move back towards a city where it is more reasonable to be able to provide for my family and ensure stability.
60. I and MANY others are very concerned about infrastructure. There continues to be more and more building of housing etc (housing is needed especially affordable housing!), and nothing is being done about roads and water. There are limited options from the west of town to Rabbit Ears. One accident or one flood changes everything. We need a bypass, and we needed it years ago. There are also no options for alternative methods of transportation - biking etc. We live out west and I would never let my children bike nor do I feel comfortable biking. It is a joke that we continue to build housing without anything else in place to support the growth.
61. I live with my boyfriend and work at a school in town. I moved in with my boyfriend before I was truly ready because I knew rent would be much cheaper. Now I have to consider breaking up with him as a partially financial decision because I don't think I can afford to live in Steamboat by myself on a school salary... I lost my original apartment because my landlord raised my rent by 60%. Then I lived by myself, paying \$1600, more than 50% of my paycheck. I couldn't afford to live there alone even though I wanted to keep my own place. This could be potentially dangerous for someone in a manipulative or abusive relationship. Protect the backbone of our community...
62. I, my spouse + two daughters (both in SSSD) rent a condo in Condoland (mountainside). Without my wife's salary, I would not be able to afford to live in Steamboat Springs. Teaching at the High School is my dream job so I plan on being here for a while (retirement in 15ish years) so I would financially prefer to buy. Will Brown Branch offer single-family detached homes? Will an HOA (if any) be 'affordable' compared to the very high HOA fees that exist throughout Steamboat? Will VA financing be available?
63. I own a condo but want to start a family. If I start a family, I may have to leave the community because our condo is too small, and we can't afford anything else.
64. I own my home and currently have an affordable mortgage, which I'm thankful for. Our family would like to upgrade to something a little bigger that also had a fenced yard, but there is no way we can afford to upgrade with prices of homes and current interest rates. I have children that currently share a bedroom, and I'm sure they'll want their own room when they get older, but I'm not sure if that can happen. I would hope the homes in Brown Ranch aren't packed in tightly with no yards/green space (think Sunlight neighborhood-

that place is jam packed with homes and no yards whatsoever. The houses are so close together and it just feels cramped). It would be nice to have homes with a small yard and not so tightly packed.

65. I currently live in Craig, but it would be great to move closer to Steamboat and not have the long commute to work.
66. Both my significant other and I work year-round and live in Steamboat. We have invested years into the community and attempts to stay in the valley. At 27 and 30 years old, we have exhausted options, lived in employee housing, and sought to purchase our own home/property with no avail or hope. It seems impossible for young adults such as us to build our lives and continue working in this town with no available affordable housing. We are at a breaking point, just like many others in our situation. If we cannot find affordable housing soon, it is almost definite that we will have to leave the Steamboat and give up our search.
67. I am a teacher and have been in Steamboat Springs for 5 years. I currently live in a rental house with three other individuals. I am hoping that Brown Ranch will help provide a long-term, stable living situation for me to be able to stay in Steamboat Springs. My dream is to purchase a two- or three-bedroom deed restricted house with a one or two car garage in Brown Ranch. I have explored purchasing a house with two other individuals, and even then, there is very little on the market that we could afford and would fit our needs.
68. I am eager to learn what the selection criteria will be for people to purchase in Brown Ranch - Will it be taken into account if people have previously purchased a home, etc.
69. Steamboat 700 was unsuccessful for a reason. This new development will continue to destroy the character of Steamboat.
70. We are concerned about the additional traffic/parking that will result in adding hundreds of residents to our community. While affordable housing is an issue, parking and traffic must be planned for and addressed before annexation. How do teachers get on the waitlist? Is there a waitlist or sign-up or how does one get that info?
71. there should be no higher income housing here there is already enough. it should be all low income, middle income, employee housing SEASONAL. rentals and not all for sales
72. I left Hayden after 4 years to move to Grand Junction, never was able to find anything affordable in Steamboat and the affordable housing in Hayden is terrible quality. I don't know if this annexation would be able to compete with what Grand Junction has to offer, but if it does I believe many Steamboat "ex-pats" like myself who have left the area, would likely consider moving back.
73. I moved to Steamboat to fulfill a dire need in the community. There is a childcare crisis in this town, and I am happy to be a part of the solution. Steamboat Ski Resort is the first of its kind to open an employee based childcare center. With that said, the teachers they hired for this center are mostly from out of state. They offered employee housing to help us settle in,

but that means living in small quarters (5 people in a 2-bedroom unit). Please note that I am working professional that works a very demanding job, then I come "home" to a house with no privacy and often times roommates behaving poorly...It is a less than ideal living situation, then try and be the best teacher I can be. This employee housing is a great option for employees moving to Steamboat and get their bearings, only to find out that in order to move out of employee housing, you have to advertise yourself on social media in the hopes that your post is appealing enough for a total stranger to agree for you to live in their home, at a price that is not affordable. This town is trying to expand and desperately needs teachers... where are all of these people supposed to live. I came to SS with the hopes of starting my career but am quickly coming to the conclusion that I cannot sustain my life here much longer.

74. What is affordable housing to you? Often can be a disconnect between what developers believe is affordable and what people can actually pay which is usually much lower.
75. How can you build affordable housing when the cost of material and labor is so high? 2. How will our supply and waste waters systems handle this? 3. This is really about having a work force to support the business here. Why are the taxpayers paying for this and not the businesses?
76. The last time an "affordable" housing option was provided by the YVHA, by building those apartments, the rent was outrageous and there was no way I could afford it. What are you doing differently with this property?
77. What is important is remembering the keyword in this is AFFORDABLE. Individuals who make \$40k to \$54k are often left behind because they aren't considered low income but can't afford higher income homes.
78. I currently live in Clark but commute for work. Having more housing options that are closer to work would encourage me to stay in the valley. I grew up here and it is really disheartening that I can't afford to stay.
79. Affordable housing is not \$300k housing. A single person who makes less than \$50k a year cannot afford to buy anything in this town. The word "affordable" has a different meaning to those who do not have dual income streams.
80. I was born in Steamboat Springs and am still living in the valley. However, I have been living outside of city limits for over 8 years now due to the housing cost in town being too high. My current one bedroom is outside of city limits and rent still over half of my income with 2 jobs. Anyway, I would really like to see the new affordable housing offered to locals of Steamboat first whether they have children or not at a truly affordable rate 1 bedrooms should be no more than 1,100 per month and 2bd should be no higher than 2,100.
81. I have been renting here for almost 9 years because i've been chasing the market. Every time I get a pay bump, the cost of housing seems to have gone up at least 20%. I don't need to make money on a house, I just want to be able to afford my own space to live without it breaking my bank.

82. I have had to move 2 times because the place from under me got sold. This is a common occurrence for many people, and although it is the way the world works, it is terrifying thinking that I will not be able to find a new place in time and affordable. I would hate to leave my job and community of 9 years because I can't find/afford housing.
83. I have been following the brown ranch development closely. I am very hopeful we will be able to someday move there.
84. I am a single young professional in the area. I currently own a home that is NOT affordable for me, as it costs me 50% of my income. I was only able to purchase said home with the help of my mother. I am not able to live in the area without having a roommate. I would like to be able to live alone and comfortably without the help of my mother.
85. This is the highest I have ever paid for rent and while it is coming in under 30% of my income there were/are not many rental options. Also, there is no way I can afford to purchase a home in Steamboat based upon what is available and at these extremely high prices along with the current mortgage rates.
86. All housing built at the Brown Ranch should be affordable, only available to the local workforce of Routt County and deed restricted. Affordable would be a 3-bedroom house selling for \$200,000.
87. Hi, we have been fortunate enough to own affordable housing near a bus route...I hope Brown Ranch development is considering access to public transport.
88. I currently rent and have been since 2019 and could be asked to leave at any time. I have a roommate with my 3 sons because I can't afford housing on one income. I signed up to be on the list for affordable housing with YVHA in 2019. I am currently still waiting to hear back. My current rent is 55% of my income. I have been providing mental health services for our community for the last 6 years and would do whatever it takes to stay in Routt County and own a home for me and my boys. Thank you for thinking of this population!
89. My concern is that this community will be built but the housing isn't really affordable and people from out of town will purchase these properties.
90. Steamboat is a truly unique and incredible community, but this community will disappear if our housing crisis is not solved. I believe I speak for the majority of this community when I say that affordable housing is the top priority for the local population. I really hope this project can be completed and kept affordable. We've seen so many "affordable" housing projects pop up only to cost \$4,000 a month for a three-bedroom condo. Please, for the sake of this community hold true to this goal.
91. is this going to be another one of those sliding scale opportunities? I had to buy a house in craig and commute 2 hours a day. I would love to be able to live in the town I lived in for 20 yrs. but wonder if I would be punished for finding my own housing even though it's a dangerous 2 hour commute.
92. Hey there! I wanted to tell you about my current housing situation in Steamboat. As you probably know, the housing prices here are crazy, and finding a decent place to live can be tough. Right now, I'm living in an

affordable housing complex, but it's not exactly comfortable. There are six of us living in a two-person apartment, which feels pretty cramped. I know I chose this housing option, but it's hard not to feel like the living conditions are unfair. Living in such close quarters with so many people can be stressful, and it's tough to find any personal space or privacy. While I appreciate that this housing option is affordable, I'm starting to question whether it's worth the discomfort and stress.

93. I'm currently looking for other options for housing, but it's not easy to find affordable housing in Steamboat, and I would like to live within 30 minutes to an hour from steamboat. Nonetheless, I'm determined to keep searching until I find a place that feels like home. Also, I am looking to purchase a home, but it doesn't seem possible unless I live an hour away. What would affordable housing mean to Brown Ranch and how can I be put on a list to get in line to purchase property? Overall, my housing situation in Steamboat is far from ideal. I hope sharing my experience with you helps shed some light on the challenges of finding affordable housing in this town.
94. I'm currently looking at purchasing housing to stay at my Stable position of employment.
95. We need affordable housing. We don't need people buying homes and renting them for short term rentals for income. There must be a work-category (i.e., essential worker) and residency requirement for these homes. This requirement should transfer with sales. We don't need wealthier residents buying the homes and then turning them into rentals for income. The roads also need to be seriously considered - traffic on the west side is a nightmare during rush hour. Please don't use (county road) 42 across from the school as a main outlet. That area is already inundated with morning and afternoon traffic.
96. I am concerned about how the environmental impact, and forcing animals out of the area, negative impacts on water.
97. Just that I rent, and my rent goes up each yr. sometimes 200.00 and yes, I pay more than 50% of my income to RENT. I have lived here for 43 yrs. I love Steamboat but more than likely sadly, will have to move.
98. I, and the bank, own a home in town. Now with kids gone, we would love to have a smaller more efficient home, and a lesser financial burden, and free up our space hopefully for a family that would use it all. But can't do the switch with lack of reasonable options to move to.
99. You should not be allowed to build one more anything in this town until the infrastructure is built, like all these houses you want to put in on a one lane road, 40 needs to be 2 lanes coming and leaving steamboat all the way past steamboat 2. But don't listen to a Native of the area. all you transplants know everything.
100. The brown ranch's first priority should be manufactured homes in the 1000-1500 sq ft range. Set aside one or two plots now and start developing them. Take your time on the big picture and get it right or at least do it slowly.

101. My housing now is probably the least expensive I will be able to find. If my landlord decides to sell or hike rent for some reason, I would probably have to leave town.
102. I have had to move twice this year due to land lord deciding to sell. I am priced out of the market to buy a home. I'm currently living in my office space I rent until I find something else. I have had to keep a storage unit to help with the unstable living. I work on the finance team for SSRC and am also self-employed, total comp about \$100k. An affordable place on the west side to settle in and start a family would be ideal.
103. If it is going to be "affordable housing" it needs to actually be affordable to the working class. there are currently no studio apartments in steamboat for less than \$1500 a month and that is outrageous.
104. I currently live in a house of 5 in order to afford living in Steamboat. While our rent is affordable, it is only because we live with so many people which is not sustainable as we get older. My roommates and I are regularly concerned that our landlord could sell the property and we would not be able to find affordable housing given the current rental rates.

**BROWN RANCH COMMUNITY AFFORDABILITY AGREEMENT,
RESIDENTIAL HOUSING RESTRICTIVE COVENANT, AND NOTICE OF LIEN**

This Community Affordability Agreement, Residential Housing Restrictive Covenant, and Notice of Lien (this "Restriction"), is made this ____ day of _____, 20____, by _____ ("Developer"), and the **YAMPA VALLEY HOUSING AUTHORITY**, a body corporate and politic of the State of Colorado ("YVHA").

RECITALS

A. Developer is the fee owner of land located in Routt County, Colorado legally described on **Exhibit A** attached hereto (the "**Property**").

B. YVHA is a multijurisdictional housing authority pursuant to the laws of the State of Colorado with the purpose of planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, and operation of housing projects or programs pursuant to a multijurisdictional plan in order to provide dwelling accommodations at rental prices or purchase prices within the means of families of low or moderate income living within the jurisdiction of the Authority, and to provide affordable housing projects or programs for employees of employers located within the jurisdiction of the Authority.

C. Developer has or will construct an income and residency restricted housing development containing ____ units of for-sale condominiums at the Property. Developer agrees to restrict the acquisition and/or transfer of the Units to Qualified Buyers, as define herein.

D. Developer is entering into this Restriction in exchange for YVHA's contribution of the Property to Declarant.

RESTRICTION

NOW, THEREFORE, in consideration of the foregoing Recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer hereby declares that the Property and the Units shall hereafter be held, sold, and conveyed subject to the following covenants, restrictions, and conditions, all of which shall be covenants running with the land, and which are for the purposes of ensuring that the Property and the Units remains available for purchase and occupation by persons residing and working in Routt County, Colorado, as affordable and attainable housing, and protecting the value and desirability of the Property and the Units, and which covenants, restrictions, and conditions shall be binding on all parties having any right, title, or interest in the Property or the Units, or any part thereof, and their heirs, successors, and assigns, and shall inure to the benefit of YVHA.

ARTICLE I DEFINITIONS

- 1.1. **Definitions.** Words used in this Restriction shall have the meanings as defined in the *Definitions & Miscellaneous Provisions for the Brown Ranch Community Affordability Agreement* document recorded at Reception No. _____ in the real property records of the Routt County Clerk & Recorder, which is incorporated herein by this reference, or the meanings set forth in this Restriction, and the use of capitalization or lower case letters shall have no bearing on the meaning.

ARTICLE II INITIAL SALE OF THE UNITS

- 2.1. **Initial Sales.** Upon completion of construction by the Developer, the Units shall be sold to initial purchasers who are Qualified Owners at the time of the purchase.

A Qualified Owner means one or more individuals who intend to live together in the Unit as a single household, together with their dependents, at least one of whom is a Resident, and is Income Eligible, as determined and approved by YVHA prior to the purchase.

A. A Resident means an individual who:

- i. works at a business physically located in Routt County for an average of at least 30 hours per week on an annual basis;
- ii. is retired, and who prior to retirement had worked at a business physically located in Routt County for an average of at least 30 hours per week on an annual basis for at least five (5) consecutive years;
- iii. is partially retired, working at a business physically located in Routt County for an average of at least 15 hours per week on an annual basis, and who prior to partial retirement had worked for a business physically located in Routt County for an average of at least 30 hours per week on an annual basis for at least seven (7) consecutive years; or
- iv. is disabled and unable to work due to their disability, but who prior to becoming disabled had worked for a business physically located in Routt County for an average of at least 30 hours per week on an annual basis for at least five (5) consecutive years.

For individuals claiming self-employment or work-from-home status, the employment must be for an average of at least 30 hours per week on an annual basis for a business that is located within and serves Routt

County, and requires their physical presence within the boundaries of Routt County in order to complete the task or furnish the service, and such individuals must demonstrate they are earning at least minimum wage from this employment.

- B. Income Eligible means the household's combined income does not exceed the applicable percentage of AMI for which the specific Unit is designated, as identified in **Exhibit B**.

2.2. Initial Purchase Price. The Purchase Price for the sales to the initial Qualified Owners shall be set and determined by YVHA as follows:

- A. The number of bedrooms in the Unit shall determine the household size from which the AMI Income Limit will be calculated. A one-bedroom unit will use the 1.5-person household size. A two-bedroom unit will use the 3-person household size. A three-bedroom unit will use the 4.5-person household size. A four-bedroom unit will use the 6-person household size;
- B. The AMI Income Limit for a household of the size determined in subpart (a), at the applicable percentage of AMI designated for the Unit in accordance with **Exhibit B**, shall be determined;
- C. The AMI Income Limit determined in accordance with subpart (b) above shall be divided by twelve (12), and that number shall then be multiplied by .30, to determine the total dollar amount available to the household on a monthly basis for the payment of principal, interest, payment protection insurance, taxes, insurance and homeowner's association dues in connection with the purchase of the Property;
- D. The amount of \$450 shall be subtracted from the total dollar amount available to the household on a monthly basis (as determined in accordance with subpart (c) above) in order to determine the total dollar amount available to the household on a monthly basis for the payment of principal and interest on a mortgage loan for purchase of the Property; and
- E. The total dollar amount available to the household on a monthly basis for the payment of principal and interest (as determined in accordance with subpart (d) above) shall be used to determine the Purchase Price, through extrapolation, by determining the maximum loan amount that said dollar amount will support, assuming a mortgage loan with a standard amortization schedule, a term of thirty (30) years, a 95% loan to value ratio, and an annual interest rate determined by calculating, from data published by the Federal

Home Loan Mortgage Corporation, the average interest rate, for the preceding twelve (12) months calendar years, for a thirty-year fixed rate loan.¹

- 2.3. YVHA As Listing Broker.** As otherwise provided for in a separate agreement between Developer and YVHA, Developer shall use YVHA, or its designated listing affiliate, as the Listing Broker for the initial sales of the Units. YVHA reserves the right to require that the Unit be sold via a lottery system, as set forth in the *Brown Ranch Lottery System Rules* maintained by YVHA, as may be amended from time-to-time, and which will be published on the YVHA website.

ARTICLE III RESALES OF THE UNIT

- 3.1. Resales.** Units shall not be transferred after the original purchase from the Developer except upon full compliance with the procedures set forth in this Article.
- 2.4. General Rules on Resales.** If an Owner desires to Transfer their Unit, the Owner shall notify YVHA in writing of their intention to Transfer the Unit. The Owner must list the Unit for sale through YVHA, or its designated listing affiliate, for a commission equal to 2.0% of the sales price, and upon such other reasonable and customary terms as YVHA may determine. YVHA reserves the right to require that the Unit be sold via a lottery system, as set forth in the *Brown Ranch Lottery System Rules* maintained by YVHA, as may be amended from time-to-time, and which will be published on the YVHA website.

Units shall **NOT** be sold, transferred, and/or conveyed (1) to any person(s), entity, or entities other than a Qualified Owner, as defined in Article II and as approved by YVHA; (2) for consideration to be paid by such Qualified Owner that exceeds the Maximum Resale Price as such is determined pursuant to the provisions of this Article; or (3) without listing the Unit for sale through YVHA.

3.2. Maximum Resale Price.

- A. The Maximum Resale Price of a Property shall be no greater than the sum of:
- i. The Original Purchase Price paid by the Owner when the Owner acquired ownership of the Unit;

¹ For example: Using 2022 AMI numbers, a two-bedroom unit designated for 100% AMI would use the three-person income limit (\$92,100). $\$92,100 \div 12 = \$7,675$. $\$7,675 \times .3 = \$2,303$. $\$2,303 - \$450 = \$1,853$. With a 5% downpayment and assuming a 6.13% interest rate, the maximum loan amount \$1,853 would support is \$304,950. As such, together with the downpayment in the amount of \$16,050, the Purchase Price would be \$321,000.

- ii. Plus a percentage not more than the greater of (1) a two-percent (2%) increase in the Original Purchase Price per year (prorated at the rate of 1/12th for each whole month) from the date the Owner acquired ownership of the Unit to the date of the listing of the Unit for resale by YVHA, which percentage shall be calculated annually without compounding²; or (2) fifty-percent (50%) of the average annual increase in AMI, annualized over the period of Owner's ownership of the Unit, from the date the Owner acquired ownership of the Unit to the date of the listing of the Unit for resale by YVHA, which percentage shall be calculated annually without compounding³ ; and
- iii. Plus the cost of Qualified Capital Improvements, except that the increase to the Maximum Resale Price due to Qualified Capital Improvements shall not exceed one-percent (1%) of the Original Purchase Price per year of ownership.⁴

Qualified Capital Improvements means those improvements to the Unit performed by the Owner, which qualify for inclusion in the preceding paragraph, as set forth in the *Brown Ranch Qualified Capital Improvements Rules* maintained by YVHA, and as may be amended from time-to-time, and which will be published on the YVHA website.

No Owner-Seller shall permit any prospective buyer to assume any or all of the Owner's customary closing costs or accept any other consideration which would cause an increase in the Purchase Price above the Maximum Purchase Price.

The Maximum Purchase Price is not a guaranteed price, but merely the highest price an Owner may obtain for the sale of the Unit. YVHA, as listing broker, will use commercially reasonable efforts to sell the Unit for the Maximum Purchase Price. However, market conditions, the condition of the Unit, etc., may preclude a sale at the Maximum Purchase Price. Failure by YVHA to obtain a sale for the Maximum Purchase Price does NOT entitle the Owner to seek to sell the Unit via any other method than the method prescribed herein.

² For example: If the Original Purchase Price of a Unit is \$100,000, at the end of Year 1 the Unit could be sold for a maximum of \$102,000. At the end of Year 2, the Unit could be sold for a maximum of \$104,000, and at the end of Year 5, the Unit could be sold for a maximum of \$110,000.

³ For example: An owner purchases their Unit for \$100,000, and sells the Unit at the end of Year 5. The average annual increase in AMI over those five years was 10%. The maximum the Unit could be sold for would be \$125,000 (a simple five-percent (5%) annual increase from the original purchase price).

⁴ For example: An owner purchases their Unit for \$100,000, and sells the Unit at the end of Year 5. The owner installed \$10,000 in capital improvements to the Unit in those 5 years. The Unit could be sold for a maximum of \$105,000 (\$5,000 being 1% of the original purchase price over 5 years).

- 3.3. Maintenance Responsibilities.** Each Owner shall be responsible for ensuring that the Unit is in good condition at the time of resale, with reasonable wear and tear acceptable. This obligation includes all matters which are in the control and responsibility of an Owner, and includes, but is not limited to cleaning the Unit and making necessary improvements to repair and maintain plumbing and mechanical fixtures, appliances, carpet or other flooring, roofs, painting and other similar items in good working order and condition, the Unit must contain all of the appliances that originally came with the Unit, of similar quality, and there must be no outstanding health or safety code violations.

If the Unit is not in good condition, YVHA has the right to bring the Unit into good condition and collect the costs of taking such efforts, by means of a lien upon the Unit, and the right to collect upon such lien through appropriate means, including the right to be paid the cost of any expenses incurred from the Owner's proceeds at closing of the sale of the Unit.

ARTICLE IV SALES AND REALES COMPLIANCE

- 4.1. Compliance.** Any sale, transfer, and/or conveyance of a Unit **SHALL BE WHOLLY NULL AND VOID AND SHALL CONFER NO TITLE WHATSOEVER** upon the purported transferee unless there is recorded the real property records of the Routt County Clerk & Recorder, along with the instrument of conveyance, a completed copy of the *Acceptance of Brown Ranch Community Affordability Agreement, Residential Housing Restrictive Covenant, and Notice Of Lien, and Approval of Conveyance*, in the form recorded at Reception No. _____ in the real property records of the Routt County Clerk and Recorder, executed by the transferee(s) and acknowledged by a notary public, and bearing the acknowledged signature of an authorized representative of YVHA.

Each sales contract for a Unit shall also (a) recite that the proposed purchaser has read, understands, and agrees to be bound by the terms of this Restriction; and (b) require the proposed purchaser to submit such information as may be required by YVHA under its rules and regulations or policies adopted for the purpose of ensuring compliance with this Restriction.

- 4.2. Non-Compliance.** If a Unit is sold, resold, transferred and/or conveyed without compliance with this Restriction, YVHA shall have the remedies set forth herein, including, but not limited to, the rights set forth in Section 7.3 (Forced Sale for Violations). Except as otherwise provided herein, every conveyance of a Unit, for any purpose, shall be deemed to include and incorporate the terms and conditions of this Restriction.

- 4.3. Liquidated Damages for Noncompliant Transfers.** The parties acknowledge and agree that in the event that an Owner Transfers a Unit in violation of this Restriction, the determination of actual monetary damages to YVHA would be difficult to ascertain. Therefore, YVHA and Owner hereby agree that liquidated damages shall be calculated and applied in the event an Owner Transfer a Unit in violation of this Restriction. The amount of liquidated damages shall be the amount of consideration given to Owner in relation to the Transfer, less the then applicable Maximum Purchase Price. In the event of a transfer or conveyance of a Unit which violates the terms of this Restriction, both the grantor and grantee shall be jointly and severally liable for any damages and costs due under this Agreement. The foregoing is in addition to any other relief or remedy YVHA may have be entitled to, either pursuant to this Restriction, under the laws of the State of Colorado or otherwise, and shall not preclude YVHA from enforcing this Restriction against any Non-Qualified Transferee who acquired title to a Unit in violation of this Restriction.

ARTICLE V OWNERSHIP RULES & RESTRICTIONS

- 5.1. Ownership Requirement.** Ownership of a Unit is hereby limited exclusively to individual(s), who, at the time they acquired title to the Unit, was a Qualified Owner approved by YVHA.
- 5.2. Ownership Interest By Inheritance.** Any person who acquires title or ownership of a Unit, in whole or part, through inheritance, shall within 30 days of acquiring title or ownership notify YVHA of the same. The Owner-by-inheritance may request a determination from YVHA as to whether they meet the requirements to be a Qualified Owner of the Unit (meeting Resident and Income Eligible requirements for the Unit), and submit such information as may be required by YVHA under its rules and regulations or policies to make that determination. The Owner-by-inheritance shall have twelve (12) months from the date which they acquired title or ownership of the Unit to meet the requirements of a Qualified Owner. If the Owner-by-inheritance has not been approved by YVHA as a Qualified Owner during that twelve (12) month period, and the Owner-by-inheritance has not otherwise had YVHA list the Unit for resale pursuant to Article III, YVHA may sell the Unit as provided for in Section 7.3 (Forced Sale For Violations), in addition to any other remedies YVHA may have hereunder. Until such time as the Owner-by-inheritance is determined by YVHA to be a Qualified Owner, the Owner-by-inheritance will not occupy the Unit. Until such time as the Owner-by-inheritance is approved as a Qualified Owner, there will be an appreciation pause for the Unit, where the allowable annual rate of increase to the Maximum Purchase Price is suspended.
- 5.3. Ownership Interest in Other Residential Property.** If at any time an Owner also owns any interest, alone or in conjunction with others, in any other developed residential property in the State of Colorado, the Owner shall immediately list such

other property interest for sale and sell his or her interest in such property. If said other property has not been sold by the Owner within one hundred eighty (180) days of its listing required hereunder, then the Owner shall immediately list the Property for resale pursuant to the Article III. In the case of an Owner whose business is the construction and sale of residential properties, the properties which constitute inventory in such Owner's business shall not constitute "other developed residential property" as that term is used in this Article.

- 5.4. Additional Financing and Refinancing Restriction.** An Owner shall not encumber a Unit, exclusive of interest, in any form(s) which exceeds, in total, at any time, an amount in excess 95% of the Purchase Price.
- 5.5. Owner Insurance Requirements.** Each Owner shall maintain, with a generally accepted insurance carrier, property insurance insuring against loss or casualty of the Unit by fire or hazards included within the term "extended coverage" in an amount equal to the replacement costs of returning the Unit to its condition prior to the loss. YVHA shall have the right, but not the obligation, to request proof of insurance and/or continued coverage limits from the Owner by written request, at any such time(s) as YVHA deems appropriate. Insurance proceeds shall be applied to restoration or repair of the Unit damaged, provided such restoration or repair is economically feasible and the security of any existing deed of trust or mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of an existing deed of trust would be impaired, the insurance proceeds shall be applied to the sums secured by the deed of trust, with the excess, if any, paid to Owner.

So long as a Homeowners Association maintains a "master" or "blanket" policy for the entire condominium project which the Unit is in, which provides insurance coverage for the amounts and against the losses specified in the preceding paragraph, YVHA waives the provisions of the preceding paragraph.

ARTICLE VI USE RULES & RESTRICTIONS

- 6.1. Occupancy.** Except as otherwise provided in this Restriction, a Unit shall be occupied solely as the principal place of residence of the Owner, along with his or her Dependents. If the Owner ceases to occupy the Unit as their principal place of residence for a period of more than ninety (90) consecutive days (as reasonably determined by YVHA), and the Owner has not otherwise had YVHA list the Unit for resale pursuant to Article III, YVHA may sell the Unit as provided for in Section 7.3 (Forced Sale For Violations), in addition to any other remedies YVHA may have hereunder.

An Owner who has established the Unit as his or her principal place of residence shall not be considered to have ceased occupancy of the Unit during any period of time the Owner is serving on active duty with the United States Armed Services.

6.2. Exceptions to Occupancy Requirements. The Owner of a Unit may request an exception to Section 7.1 through the following process:

- A. The Owner requesting an exception must provide a narrative explaining the need for the exception (e.g., a temporary relocation to care for an ill family member, a temporary work relocation) as well as written evidence confirming the reason for the request.
- B. The decision regarding the request for an exception to the occupancy requirements of this Restriction shall be made by YVHA within thirty (30) days of the completed application submittal with supporting information.
- C. YVHA may, in its sole discretion, grant an exception to the occupancy requirement of this Restriction upon finding that the circumstances justify granting the exception and that strict application of the occupancy requirements would result in a significant hardship on the Owner.

If the exception is granted, YVHA may impose specific conditions of approval, and shall fix the duration of the term of such exception.

6.3. Rentals. Under no circumstances shall a Unit, or any part thereof, be used as a Short-Term Rental. Under no circumstances shall an entire Unit be wholly leased or rented, including for a long-term rental. If an Unit, or any portion thereof, is leased or rented in violation of this Restriction, such rental or lease shall be wholly null and void and shall confer no right or interest whatsoever to or upon the purported tenant or lessee.

Provided that the Owner continues to reside in the Unit on a permanent basis, an Owner may request from YVHA permission to rent additional bedroom(s) within the Unit. The request may be approved or denied in YVHA's sole discretion.

Any rental approved by YVHA shall be to a Resident, and at or below the rent rates set in the *Brown Ranch Bedroom Rental Rates Rules* maintained by YVHA, and as may be amended from time-to-time, and which will be published on the YVHA website.

Any tenancy will be required to use a YVHA-approved form Lease Agreement, and be for a period of at least six (6) months. A single bedroom may only be rented to one individual, or to a couple. An Owner shall not cause the Unit, through leasing, to exceed the maximum occupancy standards as established by the City.

ARTICLE 7 ENFORCEMENT

- 7.1. Failure to Comply with Restrictions.** If an Owner fails to comply with any of the provisions of this Restriction, YVHA may send a written notice of default and provide the Owner an opportunity to cure the default. The notice provisions are set forth in the *Brown Ranch Covenant Violations Regulations & Penalty Schedule* maintained by YVHA, as may be amended from time-to-time, and which will be published on the YVHA website. If the foregoing schedule is not maintained by YVHA, a minimum of fourteen (14) days notice of default and opportunity to cure is hereby declared to be reasonable and sufficient.

In addition, an Owner who violates the provisions of this Restriction will be liable to YVHA for reasonable monetary penalties, as set forth in the *Brown Ranch Covenant Violation Regulations & Penalty Schedule* maintained by YVHA, as may be amended from time-to-time. This may include an appreciation pause for any Units that are determined to be in violation of this Restriction, where the allowable annual rate of increase to Maximum Purchase Price is suspended during a period when a violation notice has been issued, until such violation has been resolved to the satisfaction of YVHA.

In YVHA has reasonable cause to believe that a violation of this Restriction is occurring, YVHA may inspect the Unit during normal business hours and upon at least twenty (24) hours written notice to the Owner, which may be given by posting notice on the door of the Unit. This Restriction shall constitute permission to enter the Unit during such times and upon such notice, without further consent.

- 7.2. Relief.** In the event of Owner's default under or non-compliance with the terms of this Restriction, YVHA shall have the right to enforce this Restriction by an action for any equitable remedy, including injunction or specific performance or an action to set aside or rescind any sale of a Unit made in violation of this Restriction, as well as pursue an action to recover damages. Any amount due and owing to YVHA shall bear interest at the rate of 12% per annum until paid in full. YVHA shall be entitled to recover any costs related to enforcement of this Restriction including but not limited to attorneys' fees, court filing costs and county recording costs. Any relief provided for in this Section may be sought singly or in combination with such legal remedies as YVHA may be entitled to, either pursuant to this Restriction, under the laws of the State of Colorado or otherwise. The remedies provided herein are cumulative and not exclusive, of all other remedies provided by law.

- 7.3. Forced Sale For Violations.**

- A. If a Unit is occupied, vacated, owned, transferred, or leased in violation of this Restriction, or for any other violation of this Restriction, after notice and

opportunity to cure, YVHA may, at its sole discretion, notify an Owner that it must immediately list the Unit for sale. The sale will be conducted as provided for in Article III, except that the real estate sales commission charged by YVHA, or its designated listing affiliate, shall be six percent (6%).

- B. The owner shall (1) consent to such sale, conveyance, or transfer of the Unit to a Qualified Owner; (2) execute any and all documents necessary to do so; and (3) otherwise reasonably cooperate with YVHA to take actions needed to accomplish such sale, conveyance or transfer of such Unit. For this purpose, Owner constitutes and appoints YVHA as the Owner's true and lawful attorney-in-fact with full power of substitution to complete or undertake any and all actions required under this Restriction. It is further understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked. Owner specifically agrees that all power granted to YVHA under this Covenant may be assigned by it to its successors or assigns.

- 7.4. Owner agrees to provide, upon request of YVHA or its designee, all documents and information necessary for YVHA to establish continued compliance with this Restriction, including rules and regulations promulgated by YVHA as provided herein. Documents may include, but are not limited to Federal and State Income Tax Returns, W2's, 1099's, and bank statements. YVHA shall maintain the confidentiality of financial information as provided by law.

ARTICLE VIII FORECLOSURE

- 8.1. **YVHA Option to Buy Upon Foreclosure.** In the event of a foreclosure or acceptance of a deed in lieu of foreclosure by the holder (including assigns of the holder) of the promissory note secured by a first deed of trust on a Unit, and subject to the issuance of a public trustee's deed to the holder following expiration of all statutory redemption rights, or issuance of a deed in lieu of foreclosure to the holder, YVHA or its assigns shall have the option to buy the Unit as provided in the Option to Purchase as recorded in the real property records of the Routt County Clerk & Recorder at Reception No. _____.

Notwithstanding any provision herein to the contrary, except for persons or entities having a valid lien on the Subject Property, only Qualified Owners may acquire an interest in at Unit at a foreclosure sale or in lieu of foreclosure.

Notwithstanding the foregoing, in the event of foreclosure or acceptance of a deed in lieu of foreclosure by the holder (including assigns of the holder) of the promissory note secured by a first deed of trust on a Unit, if the holder of such deed of trust is the grantee under the public trustee's deed or deed in lieu of foreclosure and YVHA

does not exercise its Option to Purchase as provided herein, then the YVHA agrees to release the Unit from the requirements of this Restriction.

It is specifically agreed that nothing contained herein shall require YVHA to release and waive its ability to enforce this Restriction in the event of a foreclosure of a lien secured in second or subsequent position.

- 8.2. Non-Qualified Transferees.** In the event that title to a Unit vests in any individual or entity that is not a Qualified Owner ("Non-Qualified Transferee") by foreclosure and/or redemption by any lien or mortgage holder (except any holder of a First Mortgage), or by operation of law or any other event, YVHA may elect to notify the Non-Qualified Transferee that it must sell the Unit in accordance with Articles III. A Non-Qualified Transferee shall not occupy the Unit, or sell or otherwise Transfer the Unit except in compliance with Article III. There will be an appreciation pause for any Units owned by a Non-Qualified Transferee, where the allowable annual rate of increase to Maximum Purchase Price is suspended during the term of the Non-Qualified Transferee's ownership of the Unit.

The Non-Qualified Transferee shall (1) consent to such sale, conveyance, or transfer of the Unit to a Qualified Owner; (2) execute any and all documents necessary to do so; and (3) otherwise reasonably cooperate with YVHA to take actions needed to accomplish such sale, conveyance or transfer of such Unit. For this purpose, Non-Qualified Transferee constitutes and appoints YVHA as the Non-Qualified Transferee's true and lawful attorney-in-fact with full power of substitution to complete or undertake any and all actions required under this Restriction. It is further understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked. Non-Qualified Transferee specifically agrees that all power granted to YVHA under this Covenant may be assigned by it to its successors or assigns.

- 8.3.** All liens and other encumbrances recorded of record against the Unit and subsequent to the recording of this Restriction shall be subordinate to terms hereof.

ARTICLE IX GENERAL PROVISIONS

- 9.1.** Section 2 (Miscellaneous Provisions) of the *Definitions & Miscellaneous Provision for the Brown Ranch Community Affordability Agreement* document recorded at Reception No. _____ in the real property records of the Routt County Clerk & Recorder, is hereby incorporated herein by this reference, as if said Section 2 was set forth in full herein.

IN WITNESS WHEREOF, the parties have executed and adopted this Restriction this ____ day of _____, 20____. \

Exhibit F

USE COVENANT

THIS USE COVENANT (this "**Covenant**") is made as of the ____ day of _____, 20____ (the "**Effective Date**"), by and between _____, a Colorado limited liability company ("**Project Owner**"), and **YAMPA VALLEY HOUSING AUTHORITY**, a body corporate and politic of the State of Colorado ("**YVHA**").

RECITALS

This Covenant is entered into upon the basis of the following facts, understandings and intentions of the parties:

A. Project Owner is the fee owner of land located in Routt County, Colorado legally described on Exhibit A attached hereto (the "**Property**").

B. YVHA is a multijurisdictional housing authority pursuant to the laws of the State of Colorado with the purpose of planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, and operation of housing projects or programs pursuant to a multijurisdictional plan in order to provide dwelling accommodations at rental prices or purchase prices within the means of families of low or moderate income living within the jurisdiction of the Authority, and to provide affordable housing projects or programs for employees of employers located within the jurisdiction of the Authority.

C. Project Owner intends to construct an income and residency restricted housing development containing ____ units of rental apartments (each, a "Unit"), on that _____ real property _____ legally described _____ as _____ (the "Project"), with the renderings, drawings, and specifications for construction of which are attached hereto as Exhibit B (the "Plans and Specifications");

D. Project Owner is entering into this Covenant in exchange for YVHA's contribution of the Property to Project Owner.

E. The parties desire to establish the terms and conditions of this Covenant to govern Project Owner's construction of the Project on the Property and otherwise fulfill the foregoing objectives.

COVENANT

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the foregoing recitals are true and correct and incorporated herein by this reference, and further agree as follows:

1. **Property Subject to Covenant; Agreement Binds the Property.** The Use Covenant applies to the Units in the Property throughout the term of this Covenant. This Restriction shall constitute covenants running with title to the Property as a burden thereon, for benefit of, and enforceable by, the YVHA and its successors and assigns, and this Use Covenant shall bind Project Owner and all subsequent Owners of the Property. Each Owner, upon acceptance of a deed to the Property, shall be personally obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during the Owner's period of ownership of the Property. Each and every conveyance of the Property, for all purposes, shall be deemed to include and incorporate by this reference, the covenants contained in this Restriction, even without reference to this Restriction in any document of conveyance.

2. **Income and Rent Restriction Set-Asides.**

a. *Income Restrictions.* ___ of the ___ Units will be set aside to households that, on average, earn up to ___ of AMI (as defined below), and ___ of the ___ Units will be set aside to households that, on average, earn up to ___ of AMI (collectively, all such Units, the "**Restricted Units**"). The Unit designations and AMI limits are set forth in Exhibit B.

b. *Income Restrictions for New Tenants.* The income restrictions for the Restricted Units shall be calculated upon initial occupancy. Thereafter, for each new tenant, Project Owner shall ensure compliance with average AMI for the Restricted Units based on the last available information for tenants in the Restricted Units and the new tenant (that is, Project Owner need not obtain new certificates from all tenants in Restricted Units each time a new tenant moves into the Project).

c. *Compliance with Income Restrictions.* To the extent YVHA is not acting as property manager for Project Owner, YVHA shall be entitled to obtain reasonable evidence of annual compliance by Project Owner and

the tenants in the Restricted Units. To the extent a tenant does not comply with income restrictions in a Restricted Unit, Project Owner and YVHA shall work in good faith to effect a cure, as more particularly set forth below.

d. *Initial Rent Restrictions.* The Restricted Units will be initially offered at a maximum of an average rental rate set at the greater of (i) the applicable 20__ AMI Rent Level for the Restricted Units or (ii) the applicable AMI Rent Level for the Restricted Units in the year during which all the Restricted Units are available for rental.

e. *Rent Increases for Renewing Tenants.* On an annual basis for each renewing tenants in the Restricted Units, Project Owner may increase rent on the Restricted Units to an amount equal to not more than the greater of (i) fifty percent (50%) of any increase in the revised AMI Rent Level published by HUD for the applicable year; or (ii) two percent (2%) of existing rent.

f. *Rent for New Tenants.* Project Owner shall set rent for new tenants in the Restricted Units at the greater of: (i) the then applicable AMI Rent Level for said Restricted Unit; or (ii) the rent payable by the previous occupant.

g. *Default and Cure.* In the event Project Owner discovers that an existing tenant no longer complies with the restrictions set forth in this Section 2, Project Owner shall ensure the Project is brought back into compliance within one year, including by causing the tenant in question to physically move out of the Restricted Unit to another development (to the extent permitted by applicable law), or such other action as determined by Project Owner.

h. *Definitions.*

- i. **"AMI"** shall mean the median annual income for Routt County, Colorado, adjusted for household size that is calculated and published annually by the United States Department of Housing and Urban Development (**"HUD"**).
- ii. **"AMI Rent Level"** shall mean the maximum allowable rent adjusted for unit size that is calculated and published annually by HUD. For the avoidance of doubt, HUD's

published AMI Rent Level shall be deemed to be exclusive of utility costs, notwithstanding any HUD guidance to the contrary. Therefore, AMI Rent Level as used in this Covenant is not intended to restrict Project Owner from charging the maximum AMI Rent Level and also causing tenants in the Restricted Units to pay their own utility costs. In the event HUD does not publish AMI Rent Level for any specific income percentage level, the AMI Rent Level for such Units shall be calculated by multiplying AMI by said percentage level, dividing the same by twelve (12), and then multiplying the same by 30%.

3. **Workforce Restrictions.** Each of the Restricted Units shall be initially set-aside for households with at least one family member that is employed in Routt County and who reasonably expects to work on a full-time basis within Routt County during the term of the lease, which means being employed at least 1800 hours in a 12-month period (a "**Routt County Employed Tenant**").

a. *Ongoing Workforce Restrictions.* After initial occupancy for each Restricted Unit, Project Owner shall target the Restricted Units for Routt County Employed Tenants; provided, however, that after 15 calendar days of good faith efforts to rent a Restricted Unit to a Routt County Employed Tenant without a successful lease, Project Owner may rent the Restricted Unit to a household without a Routt County Employed Tenant.

b. *Default and Cure.* For the avoidance of doubt, Project Owner shall not be deemed in default if a tenant commits fraud to Project Owner regarding the tenant's status as a household with a Routt County Employed Tenant. In the event a Routt County Employed Tenant changes jobs during the term of its lease and, as a result, the household no longer has a Routt County Employed Tenant, Project Owner has no obligation to attempt to remove or relocate the tenant, other than upon the expiration of the lease term.

4. **Default.** If Project Owner is in default in the observance or performance of any of the covenants and agreements required to be performed and observed by Project Owner under this Covenant, and any such default continues beyond any notice or cure period set forth herein, YVHA will be entitled bring suit for the specific performance this Covenant. The foregoing remedy is in addition to all remedies otherwise provided in this Covenant, or as otherwise

available at law or in equity under the laws of the United States or the State of Colorado.

5. **Notice.** Any notice, request, offer, approval, consent, or other communication required or permitted to be given by or on behalf of either party to the other must be given or communicated in writing by (i) reputable overnight courier service which keeps receipts of deliveries (e.g., Federal Express), (ii) United States certified mail (return receipt requested with postage fully prepaid), (iii) express mail service or (iv) via electronic delivery, provided such delivery is followed by one of the foregoing methods of delivery, addressed to the other party as follows:

OWNER:

with a copy to:

MANAGER: Yampa Valley Housing Authority
Attn: Jason Peasley
2100 Elk River Road
Steamboat Springs, CO 80477

with copy to: Elevation Law Group, P.C.
attn: George M. Eck III
P.O. Box 770908
Steamboat Springs, CO 80487

or at such other address as may be specified from time to time in writing by either party. All such notices hereunder will be deemed to have been given on the date delivered or the date marked on the return receipt, unless delivery is refused or cannot be made, in which case the date of postmark will be deemed the date notice has been given.

YVHA will provide notice to any mortgagee, to the extent YVHA has been made aware of the mortgagee's interest in the Property. YVHA will accept any cure proffered by a mortgagee or by a member of Project Owner in the same manner as if proffered directly by Project Owner.

6. **Term; Amendment.** This Covenant shall be perpetual, provided, however, the parties shall work together in good faith to ensure the Property is financeable to lenders and investors, such that Project Owner is able to construct and operate the Project with the Restricted Units. To that

end, the parties agree to consider modifications requested by the other party, including, without limitation, with respect to clarifications related to income averaging, setting rent amounts, and compliance. The parties may also agree to terminate this Covenant by mutual assent, in each party's sole discretion.

7. Recording And Filing; Covenant Running With The Land.

a. This Covenant is to be recorded in the real property records of Routt County, Colorado.

b. Project Owner and YVHA agree that all of the requirements of the State of Colorado which must be satisfied for the provisions of this Covenant to constitute a restrictive covenant running with the land are deemed to be fully satisfied. All requirements of privity of estate are intended to be satisfied, or in the alternative, an equitable servitude is created to ensure that these restrictions run with the land. During the term of this Covenant, each and every material contract, deed or other instrument executed relating to the Property will expressly provide that such contract, deed or instrument is subject to this Covenant. However, the covenants contained in this Covenant survive and will continue to be effective as to successors and assigns of all or any portion of the Property regardless of whether such contract, deed or other instrument provides that it is subject to this Restrictive Covenant.

c. If any of the terms, covenants, conditions, restrictions, uses, limitations, obligations or options created by this Covenant shall be unlawful or void for violation of: (1) the rule against perpetuities or some analogous statutory provision; (2) the rule restricting restraints on alienation; or (3) any other statutory or common law rules imposing like or similar time limits, then such provision shall continue only for the shorter of (x) the term of this Restriction, or (y) the period of the lives of the current duly elected and seated board of directors of YVHA, their now living descendants, if any, and the survivor of them, plus twenty-one (21) years.

8. **Partial Invalidity.** If any provision of this Covenant or the application thereof to any person or circumstance is, to any extent, held to be invalid, the remainder of this Covenant or the application of such provision to persons or circumstances other than those as to which it is held invalid will not be affected thereby, and each provision of this Covenant will be valid and enforceable to the fullest extent permitted by law.

9. **Interpretation.** In interpreting this Covenant in its entirety, any additions written or typed thereon will be given equal weight, and there will be no inference, by operation of law or otherwise, that any provision of this Covenant will be construed against either party hereto. This Covenant will be construed without regard to any presumption or other rule requiring construction against the parties causing this Covenant to be drafted.

10. **Headings, Captions and References.** The section captions contained in this Covenant are for convenience only and do not in any way limit or amplify any term or provision hereof. The use of the terms "hereof," "hereunder," and "herein" will refer to this Covenant as a whole, inclusive of the Exhibits, except when noted otherwise. The terms "include," "includes," and "including" incorporate the meaning "without limitation." The use of the masculine or neuter genders herein includes the masculine, feminine, and neuter genders, and the singular form includes the plural when the context so requires.

11. **Governing Law.** This Covenant will be construed under the laws of the State of Colorado.

12. **Execution of Documents.** Project Owner and YVHA will each cooperate with the other and execute such documents as the other party may reasonably require or request so as to enable it to conduct its operations, so long as the requested conduct or execution of documents does not derogate or alter the powers, rights, duties, and responsibilities of the respective parties.

13. **Counterparts.** For the convenience of the parties, this Covenant may be executed in one or more counterparts, and each executed counterpart will for all purposes be deemed an original and will have the same force and effect as an original, but all of such counterparts together will constitute in the aggregate but one and the same instrument. Any electronic counterpart of this Covenant will be deemed to be an original.

14. **Assignment.** The rights and interests of YVHA pursuant to this Covenant may be assigned by YVHA, in whole or in part, by an instrument in writing signed by YVHA and recorded in the Routt County, Colorado real property records. In addition, the rights and interests of YVHA pursuant to this Covenant shall automatically transfer to any entity or organization succeeding to all or substantially of the property and assets of YVHA.

15. **Attorneys' Fees.** If any action is commenced between the Parties concerning this Agreement or for the enforcement of rights and duties of any Party

pursuant to this Agreement, the court shall award the substantially prevailing Party in the action its reasonable attorneys' fees in addition to any other relief that may be granted.

16. **No Subleasing.** The Project Owner shall cause the property manager to include in any leasing agreement with residents that no subleases shall be permitted without the express written consent of the Project Owner, in its sole and absolute discretion. The Project Owner shall not agree to such sublease provisions as a matter of course but only in the case of extreme hardship (i.e., the tenant is relocating outside of Routt County).

[Signature Pages Follow]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B

UNIT DESIGNATIONS & AMI LIMITS

Attachment 1



May 24, 2023



BRAC – Capital Cost & Revenue Forecast
Kim Weber, Finance Director & Brian Duffany, EPS

Development Cost Framework

Cost Category	Description / Examples	Typical Responsibility
<u>On-site</u> infrastructure and improvements	<p>All infrastructure <u>internal</u> to the development</p> <ul style="list-style-type: none"> • Roads, utilities, permit-ready lots • Developer-required parks and amenities • Everything required to meet City code standards 	<ul style="list-style-type: none"> • Developer • Equity, financing, metro district...
<u>Off-site</u> improvements	<p>Infrastructure needed <u>outside project boundary</u></p> <ul style="list-style-type: none"> • Direct project impacts/needs • Off-site water, wastewater, utility upsizing, drainage • Traffic impacts (intersections, road widening) 	<ul style="list-style-type: none"> • Developer • Cost sharing w/City and adjacent properties that also benefit
<u>Projects with Citywide Benefit</u>	<ul style="list-style-type: none"> • Proposed project creates all or some of the need • Can be on and/or off-site • Examples: regional parks, transit, fire stations/public safety, some road/transportation projects • Combination of <u>negotiation and policy</u> 	<ul style="list-style-type: none"> • Development pays its proportionate share • City pays its proportionate share

Phasing – Based on initial Brown Ranch Development Plan

RESIDENTIAL

PROGRAM		# of Units by Phase			# of Units by AMI Group			Total per type
		Phase 1	Phase 2	Phase 3	0-60%	61-128%	129-258%	
Multifamily	Rental	593	221	221				
	Condo	179	136	136	381	642	463	1486
	Sub-Total	772	357	357				
Single-Family Attached	Rental	126	46	46				
	Owner	104	81	81				
	Sub-Total	230	127	127	102	220	161	484
Single-Family Detached	Rental	28	11	10				
	Owner	94	76	75				
	Sub-Total	122	87	85	22	165	108	294
Total by Phase		1124	571	569				2264

For projection purposes assumes:

- Phase 1 – begins 2024
- Phase 2 – begins 2030
- Phase 3 – begins 2035

Category	Brown Ranch Cost				City Cost			
	A	B	C	Total	A	B	C	Total
Dwelling Units	1,124	571	569	2,264				
Public Works								
Water	\$500,000	\$42,340,000	\$0	\$42,840,000	\$2,200,000	\$15,660,000	\$0	\$17,860,000
Wastewater	0	12,000,000	0	12,000,000	0	0	0	0
Streets	846,514	0	0	846,514	0	0	0	0
Transit	0	4,500,000	0	4,500,000	0	0	0	0
Offsite Multimodal	2,395,313	0	0	2,395,313	2,395,313	0	0	2,395,313
Offsite Roads	4,721,000	1,060,000	16,272,297	22,053,297	1,025,000	2,940,000	52,538,715	56,503,715
Total	\$8,462,827	\$59,900,000	\$16,272,297	\$84,635,124	\$5,620,313	\$18,600,000	\$52,538,715	\$76,759,027
Per unit	\$7,529	\$104,904	\$28,598	\$37,383	\$5,000	\$32,574	\$92,335	\$33,904
Fire [1]								
Station and Apparatus	\$16,556,848	\$0	\$0	\$16,556,848	\$4,114,368	\$0	\$0	\$4,114,368
Per unit	\$14,730	\$0	\$0	\$7,313	\$3,660	\$0	\$0	\$1,817
Police								
Vehicles	\$0	\$0	\$0	\$0	\$146,000	\$146,000	\$146,000	\$438,000
Substation	0	0	0	0	2,040,000	0	0	2,040,000
Total	\$0	\$0	\$0	\$0	\$2,186,000	\$146,000	\$146,000	\$2,478,000
Per unit	\$0	\$0	\$0	\$0	\$1,945	\$256	\$257	\$1,095
Parks [2]								
Capital Equipment	\$0	\$0	\$0	\$0	\$547,553	\$278,161	\$277,186	\$1,102,900
Streetscape Equipment	0	0	0	0	54,000	0	0	54,000
Maintenance Facility	0	0	0	0	0	3,000,000	0	3,000,000
Parks and Open Space	20,529,135	10,428,947	10,392,418	41,350,500	57,411,875	29,165,641	29,063,485	115,641,000
Trails	5,112,515	2,597,194	2,588,097	10,297,807	0	0	0	0
Total	\$25,641,651	\$13,026,141	\$12,980,515	\$51,648,307	\$58,013,427	\$32,443,802	\$29,340,671	\$119,797,900
Per unit	\$22,813	\$22,813	\$22,813	\$22,813	\$51,613	\$56,819	\$51,565	\$52,914
Total Offsites and Public Capital Costs	\$50,661,325	\$72,926,141	\$29,252,813	\$152,840,279	\$69,934,107	\$51,189,802	\$82,025,386	\$203,149,295
Per unit	\$45,072	\$127,717	\$51,411	\$67,509	\$62,219	\$89,649	\$144,157	\$89,730
Capital Revenues								
Water and Sewer Tap Fees	\$13,571,176	\$6,894,254	\$6,870,106	\$27,335,536				
Building Use Tax	8,939,220	6,296,170	4,834,970	20,070,360				
Excise Tax	5,363,532	3,777,702	2,900,982	12,042,216				
Total	\$27,873,928	\$16,968,126	\$14,606,058	\$59,448,112				
Per Unit	\$24,799	\$29,717	\$25,670	\$26,258				
[1] Fire District share estimated at \$2.1 million.								
[2] Costs allocated by percentage of population by phase.								
Source: Economic & Planning Systems								
Z:\Shared\Projects\DEN\233051- Steamboat Springs Brown Ranch Annexation\Models\233051EPS Capital Cost Analysis 05- 19- 2023.xlsx\1- Summary								

Capital Cost vs. Revenue Projection 2023-2042

Brown Ranch Portion	Phase 1 Assumes 2024	Phase 2 Assumes 2030	Phase 3 Start 2035	STR Collections (2036-2042)	Total 2023-2042
Revenue – STR Tax (Assumes 50% of \$14M/year)	<u>\$14,000,000</u>	<u>\$42,000,000</u>	<u>\$35,000,000</u>	<u>\$49,000,000</u>	<u>\$140,000,000</u>
Offsite Infrastructure Costs	<u>50,661,325</u>	<u>72,926,141</u>	<u>29,252,812</u>		<u>152,840,278</u>
Revenue less Costs	(\$36,661,325)	(\$30,926,141)	\$5,747,188	\$49,000,000	(\$12,840,278)
Cumulative Balance (Brown Ranch)	(\$36,661,325)	(\$67,587,466)	(\$61,840,278)		(\$12,840,278)
City Portion					
Revenue – Building Use/Excise Tax & Tap Fees	<u>\$27,873,928</u>	<u>\$16,968,126</u>	<u>\$14,606,058</u>		<u>\$59,448,112</u>
Offsite Infrastructure Costs & Citywide Benefit	<u>69,934,109</u>	<u>51,189,802</u>	<u>82,025,386</u>		<u>203,149,297</u>
Revenue less Costs	(\$42,060,181)	(\$34,221,676)	(\$67,419,328)		(\$143,701,185)
Cumulative Balance (City)	(\$42,060,181)	(\$76,281,857)	(\$143,701,185)		(\$143,701,185)
Total					
Cumulative	(\$78,721,506)	(\$143,869,323)	(\$205,541,463)		(\$156,541,463)

Notes: Additional Revenue such as grants, intergovernmental contributions, etc. TBD
5/22/23 Draft – Subject to negotiations

- STR tax is a significant financing source – roughly \$140M in project capacity for Brown Ranch
- Outstanding questions:
 - What are the on-site infrastructure costs needed for a first phase of development?
 - On-site costs are not included in this analysis
 - Sources and uses / financing plan for on-site (and necessary off-sites) needed to further evaluate allocation of use tax, excise tax, and STR tax revenues
 - Need to understand what we all can feasibly pay for

Table 1
Summary: Offsite Capital Costs and Public Facilities (Infrastructure needed to provide City's level of service)

Category	Brown Ranch Cost				City Cost			
	A	B	C	Total	A	B	C	Total
Dwelling Units	1,124	571	569	2,264				
Public Works								
Water	\$500,000	\$42,340,000	\$0	\$42,840,000	\$2,200,000	\$15,660,000	\$0	\$17,860,000
Wastewater	0	12,000,000	0	12,000,000	0	0	0	0
Streets	846,514	0	0	846,514	0	0	0	0
Transit	0	4,500,000	0	4,500,000	0	0	0	0
Offsite Multimodal	2,395,313	0	0	2,395,313	2,395,313	0	0	2,395,313
Offsite Roads	<u>4,721,000</u>	<u>1,060,000</u>	<u>16,272,297</u>	<u>22,053,297</u>	<u>1,025,000</u>	<u>2,940,000</u>	<u>52,538,715</u>	<u>56,503,715</u>
Total	\$8,462,827	\$59,900,000	\$16,272,297	\$84,635,124	\$5,620,313	\$18,600,000	\$52,538,715	\$76,759,027
Per unit	\$7,529	\$104,904	\$28,598	\$37,383	\$5,000	\$32,574	\$92,335	\$33,904
Fire [1]								
Station and Apparatus	\$16,556,848	\$0	\$0	\$16,556,848	\$4,114,368	\$0	\$0	\$4,114,368
Per unit	\$14,730	\$0	\$0	\$7,313	\$3,660	\$0	\$0	\$1,817
Police								
Vehicles	\$0	\$0	\$0	\$0	\$146,000	\$146,000	\$146,000	\$438,000
Substation	0	0	0	0	<u>2,040,000</u>	0	0	<u>2,040,000</u>
Total	\$0	\$0	\$0	\$0	\$2,186,000	\$146,000	\$146,000	\$2,478,000
Per unit	\$0	\$0	\$0	\$0	\$1,945	\$256	\$257	\$1,095
Parks [2]								
Capital Equipment	\$0	\$0	\$0	\$0	\$547,553	\$278,161	\$277,186	\$1,102,900
Streetscape Equipment	0	0	0	0	54,000	0	0	54,000
Maintenance Facility	0	0	0	0	0	3,000,000	0	3,000,000
Parks and Open Space	20,529,135	10,428,947	10,392,418	41,350,500	57,411,875	29,165,641	29,063,485	115,641,000
Trails	<u>5,112,515</u>	<u>2,597,194</u>	<u>2,588,097</u>	<u>10,297,807</u>	0	0	0	0
Total	\$25,641,651	\$13,026,141	\$12,980,515	\$51,648,307	\$58,013,427	\$32,443,802	\$29,340,671	\$119,797,900
Per unit	\$22,813	\$22,813	\$22,813	\$22,813	\$51,613	\$56,819	\$51,565	\$52,914
Total Offsites and Public Capital Costs	\$50,661,325	\$72,926,141	\$29,252,813	\$152,840,279	\$69,934,107	\$51,189,802	\$82,025,386	\$203,149,295
Per unit	\$45,072	\$127,717	\$51,411	\$67,509	\$62,219	\$89,649	\$144,157	\$89,730
Capital Revenues								
Water and Sewer Tap Fees	\$13,571,176	\$6,894,254	\$6,870,106	\$27,335,536				
Building Use Tax	8,939,220	6,296,170	4,834,970	20,070,360				
Excise Tax	<u>5,363,532</u>	<u>3,777,702</u>	<u>2,900,982</u>	<u>12,042,216</u>				
Total	\$27,873,928	\$16,968,126	\$14,606,058	\$59,448,112				
Per Unit	\$24,799	\$29,717	\$25,670	\$26,258				

[1] Fire District share estimated at \$2.1 million.
[2] Costs allocated by percentage of population by phase.
Source: Economic & Planning Systems

Attachment 2



Prepared for Steamboat Springs
May 19, 2023



FISCAL IMPACT ANALYSIS

BROWN RANCH DEVELOPMENT
STEAMBOAT SPRINGS, CO

ABOUT RCLCO



Since 1967, RCLCO has been the “first call” for real estate developers, investors, the public sector, and non-real estate companies and organizations seeking strategic and tactical advice regarding property investment, planning, and development.

RCLCO leverages quantitative analytics and a strategic planning framework to provide end-to-end business planning and implementation solutions at an entity, portfolio, or project level. With the insights and experience gained over 50 years and thousands of projects—touching over \$5B of real estate activity each year—RCLCO brings success to all product types across the United States and around the world.

Learn more about RCLCO at www.RCLCO.com.

Report Authors

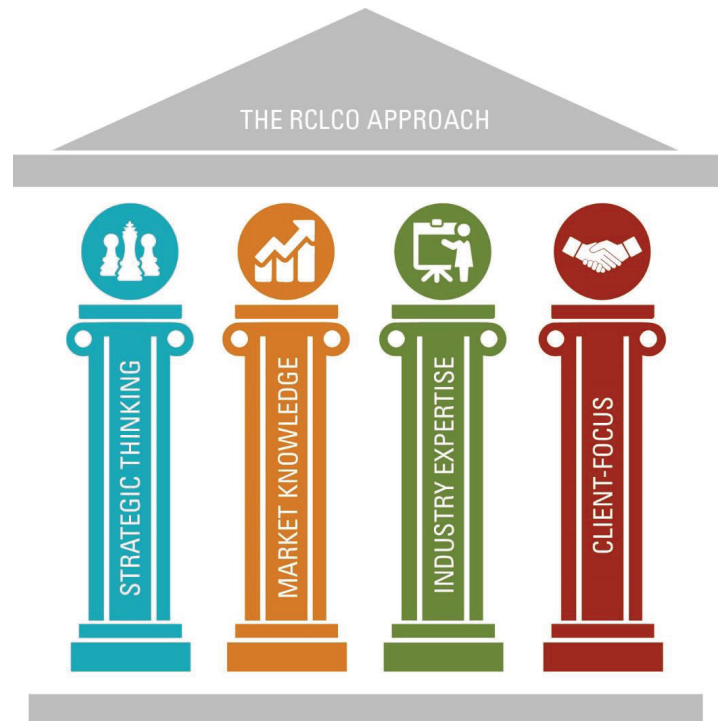
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OBJECTIVES & KEY FINDINGS

OBJECTIVES

At buildout, Brown Ranch is contemplated to be a 2,264 -unit development with a mix of products that will serve local workforce households, as well as a small neighborhood-serving commercial core with a mix of civic uses. Given the large scale of development planned for Brown Ranch, there are expected to be significant long-term community benefits to the City of Steamboat and Routt County that will enable sustainable economic growth. More workforce housing in Steamboat will not only provide a more stable and diverse community and employment base, but there will also be tangible benefits such as some increase in sales tax, vehicle taxes, and spillover impacts related to lodging taxes as the economy grows. However, given the need for more City and County services, there are also expected to be significant operating costs.

In order to better understand these trade-offs and inform City Council of the estimated cost of annexing Brown Ranch into the city boundaries, the Yampa Valley Housing Authority and the City of Steamboat Springs seek a comprehensive fiscal and economic impact analysis as Brown Ranch is considered for annexation, including the following key tasks:

- Determine major city revenues that would be generated by the Brown Ranch development
- Determine major city expenses that would be generated by the Brown Ranch development
- Calculate the projected direct net fiscal impact of the annexation and development at Brown Ranch on an overall and per household basis

Aerial View
Brown Ranch Parcel; May 2023

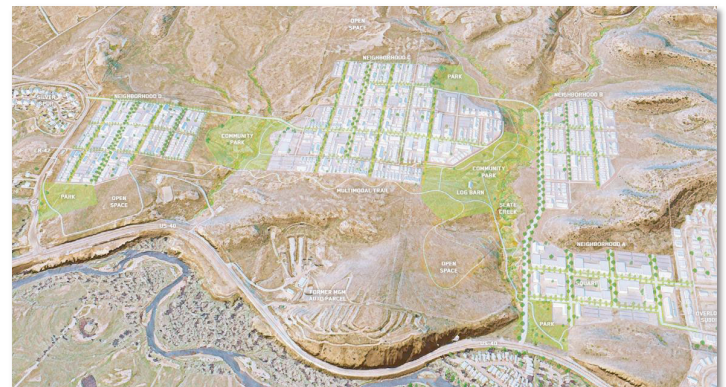
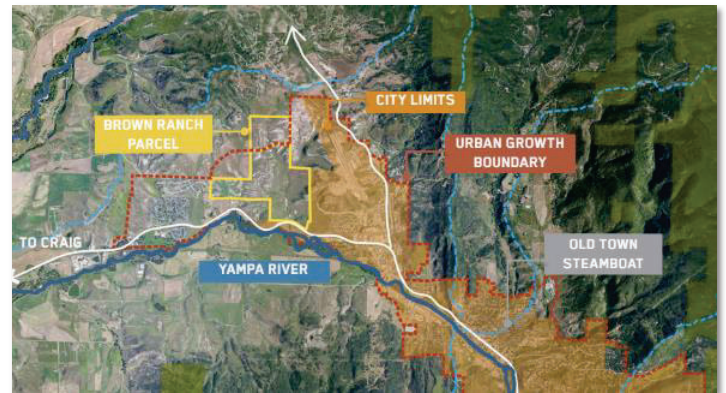


Image Source: BrownRanchSteamboat.org

KEY FINDINGS



SUMMARY

- ▶ RCLCO worked with the City, EPS, and the Yampa Valley Housing Authority to refine the Brown Ranch Fiscal Impact Study over the past several months.
- ▶ Fiscal analyses are a useful tool but are often used to highlight extraordinary circumstances and should not be the only thing considered when making annexation decisions.
- ▶ Brown Ranch will generate a net negative fiscal impact on the City's budget; the question is how negative, how does this relate to existing dynamics, and how to proceed?

KEY ASSUMPTIONS

- ▶ The model is built on a per household basis, given Brown Ranch Community Master Plan is based on a household basis.
- ▶ The analysis focuses only on the General Fund and Fire & EMS Fund (property taxes) per the direction of the City. The model does not include revenues outside these areas.
- ▶ All intergovernmental revenue and transfers have been ignored for both existing dynamics and Brown Ranch's impact – the goal of the study is to isolate revenues and expenses generated within Steamboat Springs.

- ▶ The model looks at the net fiscal impact per new household at Brown Ranch. The net new impact per total household (existing and Brown Ranch households) within the city will be significantly less negative.
- ▶ Capital and STR revenues have not been considered in the following document. RCLCO estimates Brown Ranch will generate an additional \$32 million in Capital Projects revenue through the Buildings Use Tax and Excise Tax. There are additional STR revenues not factored in as well.
- ▶ RCLCO and EPS have decided to include no net new tourists as a result of Brown Ranch. However, Brown Ranch will likely have indirect impacts that increase the tourism base within Steamboat Springs, softening the negative fiscal impact.

NET FISCAL IMPACT



BROWN RANCH IS EXPECTED TO GENERATE AN ANNUAL NET OPERATING COST TO THE CITY BETWEEN \$688 AND \$2,004 PER NET NEW BROWN RANCH HOUSEHOLD

- At present, the city loses an estimated \$541 annually per full-time household; an outsized share of revenue generation is placed on tourists and in-commuters living elsewhere (see Page 8 for more information on existing fiscal conditions). Given Brown Ranch will directly generate little to no new tourism, **it is unlikely the project will create a net positive fiscal impact**. The estimated fiscal cost of the Brown Ranch development varies from \$688 per household to \$2,004 per household, depending on the sensitivity analysis outlined below. All scenarios utilize the same revenue analysis, but differ in how costs are calculated:
- » **Scenario 1:** Utilizes transit, fire, park and police expense provided by the City. Under this scenario, police costs are expected to increase dramatically, where the current police budget costs the city \$763 per household, and the calculated increase will cost the City \$830 per household added at Brown Ranch.
- » **Scenario 2:** Suggests a more modest police and transit expense, where added the cost of each is proportional to the existing cost per household. The scenario also includes a custom RCLCO park cost based on acres serviced.
- » **Scenario 3:** Has the same transit and park costs as Scenario 2 but utilizes RCLCO's expense analysis to calculate police and fire costs. In this case, economies of scale allows fixed and overhead costs to remain steady as the household base increases, so the overall cost per new household is lower than the existing cost per household.

	Existing Dynamics		Scenario 1		Scenario 2		Scenario 3	
Key Expenses Comparison	Current Budget	Impact per Full-Time HH	Assumption	At Full Build-Out (2040)	Avg Cost Per BR HH	Assumption	At Full Build-Out (2040)	Avg Cost Per BR HH
Streets Expense	\$4,165,345	\$418	Uses City Analysis Based on Lane Miles	\$577,450	\$255	Uses City Analysis Based on Lane Miles	\$577,450	\$255
Transit Expense	\$5,742,703	\$577	Uses City Analysis and Assumes New Bus Route	\$1,487,057	\$657	Utilizes Proportional Increase*	\$1,305,837	\$577
Police Services Expense	\$7,597,024	\$763	Uses City Analysis	\$1,879,050	\$830	Utilizes Proportional Increase*	\$1,727,493	\$763
Fire Services Expense	\$7,485,114	\$752	Uses City Analysis	\$1,595,885	\$705	Uses City Analysis	\$1,595,885	\$705
Parks & Recreation Expense	\$10,036,786	\$1,008	Utilizes RCLCO Analysis*	\$1,152,224	\$509	Utilizes RCLCO Analysis*	\$279,147	\$123
Total Revenues	\$50,273,868	\$5,403		\$3,202,423	\$1,414		\$3,202,423	\$1,414
Total Costs	\$53,110,169	\$5,943		\$7,740,099	\$3,419		\$6,534,246	\$2,886
Total Fiscal Impact	(\$2,836,301)	(\$541)		(\$4,537,677)	(\$2,004)		(\$3,331,824)	(\$1,472)

*Proportional increase implies expenses per HH will remain constant and overall expenses will increase with HH additions
RCLCO analysis assumes some economies of scale; fixed and overhead costs will not increase with new development, reducing expense per HH
Total existing and Brown Ranch revenues exclude intergovernmental revenues in an attempt to isolate revenues to those generated within the city
Steamboat Springs | Fiscal Impact Analysis | Brown Ranch Development & Annexation

Source: Steamboat Springs; Yampa Valley Housing Authority; RCLCO

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EXISTING FISCAL CONDITIONS



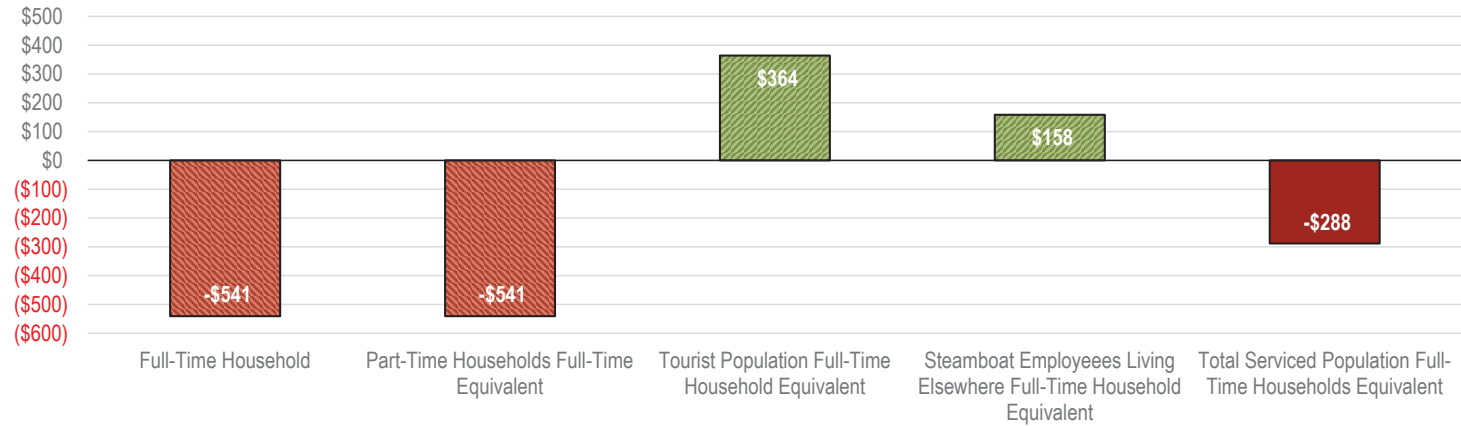
THE CURRENT FISCAL STRUCTURE PLACES THE BURDEN OF A BALANCED BUDGET ON REVENUES GENERATED BY TOURISTS AND EMPLOYEES LIVING ELSEWHERE

- Steamboat Springs' current fiscal structure is such that part-time and full-time households have a net-negative impact on the budget, with a large share of operating income revenues generated by tourists and employees living elsewhere. The use of minimal property taxes, specifically, is atypical and makes it difficult for full-time households to generate positive cash flow to the city.
- » As a result of the existing fiscal framework, **it is unlikely the city will be able to annex land and develop full-time housing of any capacity without creating additional net costs to the city.**

Estimated Net Fiscal Impact by Service Group
Brown Ranch; May 2023

Service Group	2023 Revenues	2023 Expense	2023 Net Impact
Full-Time Households	\$29,974,770	\$32,974,197	(\$2,999,427)
Part-Time Households	\$5,954,474	\$6,550,308	(\$595,835)
Tourists	\$5,498,842	\$5,047,144	\$451,698
Employees Living Elsewhere	\$8,845,782	\$8,537,269	\$308,513
Total	\$50,273,868	\$53,110,169	(\$2,836,301)

Estimated Net Fiscal Impact by Service Group Fill-Time Equivalent
Brown Ranch; May 2023



Note: General Fund and future Brown Ranch revenues ignore intergovernmental revenues in an attempt to isolate cash flow generated by the city's service population
Full-time equivalencies are used throughout the report to create an apples-to-apples comparison
Source: Steamboat Spring: RCLCO
Steamboat Springs | Fiscal Impact Analysis | Brown Ranch Development & Annexation
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OVERVIEW OF BROWN RANCH & FISCAL METHODOLOGY

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SUMMARY OF PLANNED DEVELOPMENT



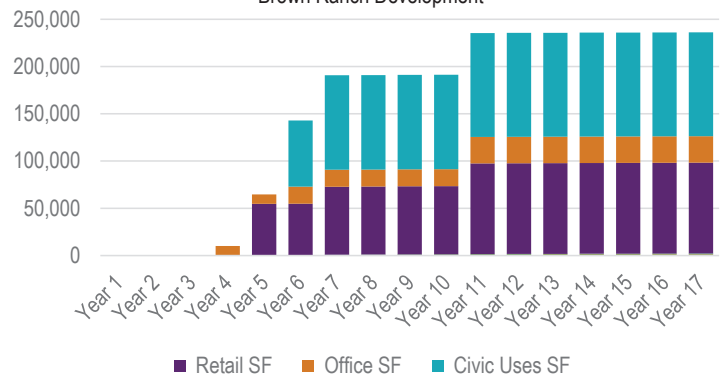
BROWN RANCH IS EXPECTED TO INCLUDE 2,264 HOMES AND INCREASE THE HOUSING SUPPLY WITHIN STEAMBOAT SPRINGS BY ~20% AT BUILD OUT

- Brown Ranch is a 534-acre site located northwest of the existing Steamboat Springs city limits. Initial plans for the site include development of several residential uses, for **a total of 2,264 housing units**.
- The development will target existing full-time households within Routt County and in-commuters, as opposed to part-time households or seasonal users. Given the current housing supply of roughly 10,000 units in Steamboat Springs, **this development will create a significant increase to the housing stock and will assuage housing supply issues for the local workforce**, allowing Steamboat to grow in a sustainable manner.
- In addition to significant housing supply increases, Brown Ranch will include a town center which incorporates retail, civic and office space.

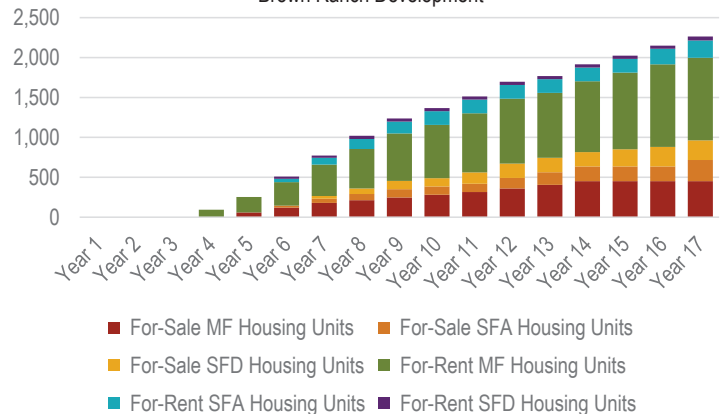
Current Development Program; Brown Ranch Development

LOCATION AND USE	QUANTITY
Total Residential	2,264
For-Sale MF Housing Units	451
For-Sale SFA Housing Units	266
For-Sale SFD Housing Units	245
For-Rent MF Housing Units	1,035
For-Rent SFA Housing Units	218
For-Rent SFD Housing Units	49
Total Commercial	234,000 SF
Retail SF	96,000 SF
Office SF	28,000 SF
Civic Uses SF	110,000 SF

Square Footage of Commercial Space by Year and Type;
Brown Ranch Development



Residential Units by Year;
Brown Ranch Development



SOURCE: RCLCO

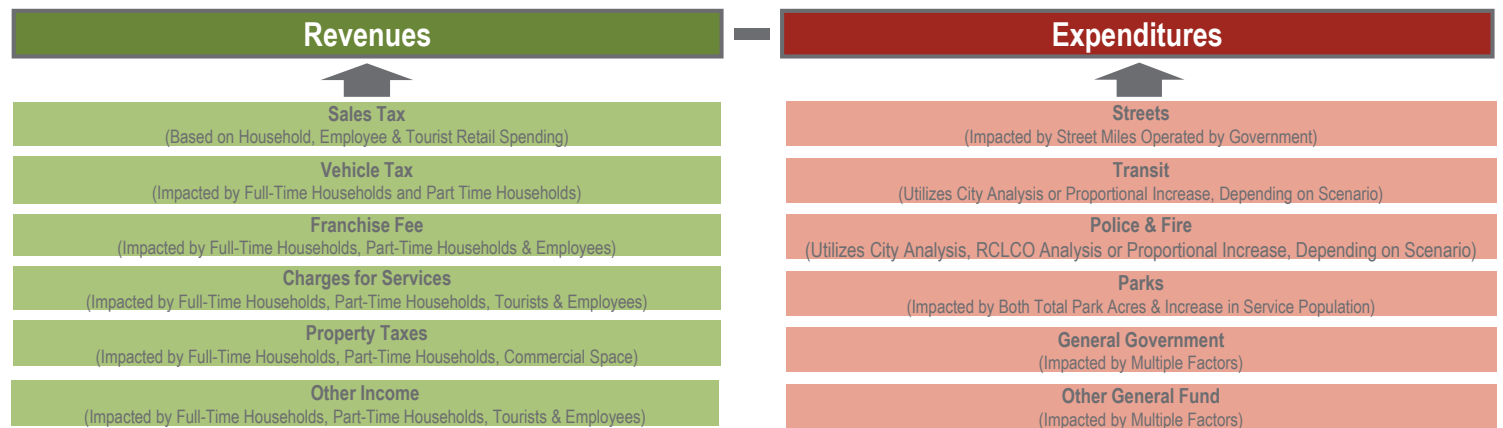
FISCAL IMPACT OVERVIEW & METHODOLOGY



RCLCO CALCULATED THE FISCAL IMPACT THROUGH A MIX OF CUSTOM ANALYSIS AND CITY-PROVIDED EXPENSES

- The analysis summarized in this report calculates the net fiscal impact of the development that will occur at Brown Ranch. The net fiscal impact is defined as the annual operating tax revenues that Brown Ranch will generate less annual expenses. For the purpose of the study, RCLCO focused the analysis specifically on the General Fund and property taxes levied through the Fire & EMS Fund.
- To calculate revenues, RCLCO first identified the expected revenue streams outlined in the 2023 Steamboat Springs Adopted Budget. For each revenue stream, RCLCO determined what percentage was fixed and would not increase with additional development, and what percentage is variable and likely to increase as Brown Ranch takes shape. RCLCO then used expected household growth, direct tourism growth – which was assumed to be zero – and employment growth induced by the Brown Ranch development (see Page 11) in order to determine the net impact the development is likely to have on each of Steamboat Springs revenue streams.
 - » **Sales Tax** was calculated using a custom analysis. In order to project sales tax, RCLCO calculated annual taxable retail spending by full-time household, part-time households, tourist and Steamboat employees living elsewhere, and then applying that figure to the relevant tax rate and expected growth induced by Brown Ranch.
 - » **Property Tax** was calculated by taking likely construction costs of the full development and applying the appropriate property tax rate, taking into consideration the cities taxable value approach and tax exemptions for affordable housing.
- RCLCO calculated costs for streets, general government, and other expenses using a similar framework as revenues, taking variable cost per stakeholder and applying that to the expected growth at Brown Ranch. For fire, transit, parks and police RCLCO created multiple scenarios utilizing both city estimates and in-house projections in order to determine the overall costs. These scenarios are outlined on Page 6.

Calculation of Net Fiscal Impact; Brown Ranch Development & Annexation



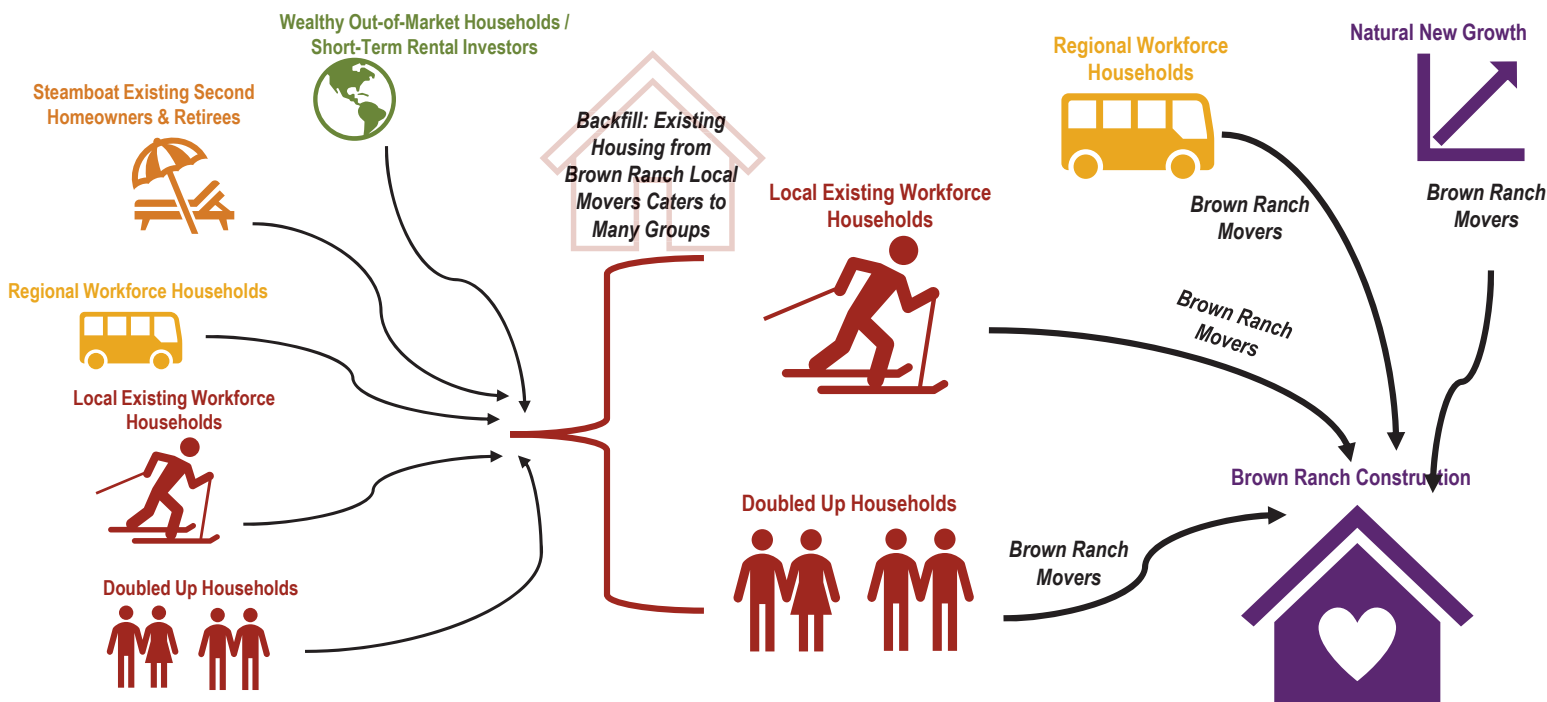
Steamboat Springs | Fiscal Impact Analysis | Brown Ranch Development & Annexation

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BROWN RANCH NET NEW GROWTH

BROWN RANCH IS EXPECTED TO GENERATE 80% NET NEW GROWTH AND 20% BACKFILLING OF EXISTING SUPPLY DUE TO SHIFTING AND DE-DOUBLING HOUSEHOLDS

- While the majority of new units at Brown Ranch are expected to generate direct net new household growth (largely due to workforce households living in other parts of Routt or Moffat counties relocating to Brown Ranch as well as natural growth), a share of moves to Brown Ranch will consist of existing Steamboat workforce households relocating within the market (de-doubling and shifting households), opening up “backfill” within the existing housing stock.



Source: RCLCO

NET IMPACTS

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REVENUES SUMMARY



HOUSEHOLDS AT BROWN RANCH WILL GENERATE AN ESTIMATED \$1,415 OF REVENUE ANNUALLY PER HOUSEHOLD, MOST OF WHICH COMES FROM SALES TAX

- Unlike expenses, **RCLCO only utilized only one base scenario to determine expected revenues generated by Brown Ranch.** For vehicle tax, franchise fee, General Government, streets, fire & police, park & rec and other revenues, RCLCO analyzed existing revenue streams and calculated what percentage of revenues were fixed and what revenues would increase with additional development. Then, RCLCO allocated those revenues to the Steamboat Springs service population (i.e. full-time households, part-time households, tourists and employees living elsewhere – all converted to full-time household equivalents). Using this framework, RCLCO was able to determine the net revenue increase expected for each additional household and apply these figures to expected growth at Brown Ranch.
- For sales tax, RCLCO calculated total taxable retail spending within the city by full-time households, part-time households, tourists and employees living elsewhere. RCLCO then applied those figures to the relevant tax rate and household growth at Brown Ranch.
- For property tax, RCLCO calculated the cost of construction for the Brown Ranch development and factored in potential market values, taxable values, the city tax rate and the proportion which is affordable or tax exempt to estimate total annual property tax.
- **Sixty-five percent of all revenue generated by Brown Ranch is expected come in the form of sales tax.** Other significant revenue drivers include vehicle tax and franchise fee and property tax levied through the Fire & EMS Fund.

Estimated Net Fiscal Impact on General Fund & Fire & EMS Fund – Cumulative & Per Household Brown Ranch Development & Annexation

Impact of Development on General Fund Revenues		
Total Revenues from Brown Ranch	Annual At Full Build-Out	2023-2040 Total
General Fund	\$3,037,390	\$28,043,954
Sales Tax	\$2,010,540	\$18,543,577
Vehicle Tax	\$356,516	\$3,282,652
Franchise Fee	\$165,198	\$1,539,753
General Government	\$35,231	\$326,644
Streets & Transit	\$3,094	\$28,489
Fire & Police	\$108,573	\$999,901
Parks & Rec	\$176,076	\$1,638,802
Other	\$182,162	\$1,684,136
Fire & EMS Fund (Property Tax)	\$165,033	\$1,612,927
TOTAL REVENUES	\$3,202,423	\$29,656,881

Impact of Development on General Fund Revenues		
Revenues Per HH at Brown Ranch	Annual At Full Build-Out	2023-2040 Total
General Fund	\$1,342	\$12,386
Sales Tax	\$888	\$8,190
Vehicle Tax	\$157	\$1,449
Franchise Fee	\$73	\$680
General Government	\$16	\$144
Streets & Transit	\$1	\$12
Fire & Police	\$48	\$441
Parks & Rec	\$78	\$723
Other	\$80	\$743
Fire & EMS Fund (Property Tax)	\$73	\$712
REVENUES PER NEW HH	\$1,415	\$13,098

Note: All findings are in 2023 dollars and are not inflation adjusted

Source: RCLCO

EXPENDITURES CALCULATIONS



RCLCO UTILIZED THREE DIFFERENT EXPENSE SCENARIOS IN ORDER TO SENSITIVITY TEST EXPENSE OUTCOMES

- » **Scenario 1:** Utilizes transit, fire, park and police expense provided by the City. Under this scenario, police costs are expected to increase dramatically, where the current police budget costs the city \$763 per household, and the calculated increase will cost the City \$830 per household added at Brown Ranch.
- » **Scenario 2:** Suggests a more modest police and transit expense, where added the cost of each is proportional to the existing cost per household. The scenario also includes a custom RCLCO park cost based on acres serviced.
- » **Scenario 3:** Has the same transit and park costs as Scenario 2 but utilizes RCLCO's expense analysis to calculate police and fire costs. In this case, economies of scale allows fixed and overhead costs to remain steady as the household base increases, so the overall cost per new household is lower than the existing cost per household.

Expense Comparison	Key City Department Expense Assumptions	Cost Per Expense Influence	Increase with Brown Ranch	Annual Expense Attributed to Brown Ranch
General Government	Assumes 75% fixed costs based on 2023 budget and 25% variable costs, applied to Brown Ranch net new household growth	Cost Per Full Time HH = \$409 Cost Per Part Time HH* = \$409 Cost Per Employee Living Elsewhere* = \$316	Net New Full-Time HH's = 1,854 Net New Part-Time HH's* = 16 Net New Employees Living Elsewhere* = 75	All Scenarios = \$789,287
Public Works	Assumes 72% fixed costs based on 2023 budget and 28% variable costs, applied to Brown Ranch net new household growth	Cost Per Full Time HH = \$37 Cost Per Part Time HH* = \$37 Cost Per Employee Living Elsewhere* = \$37	Net New Full-Time HH's = 1,854 Net New Part-Time HH's* = 16 Net New Employees Living Elsewhere* = 75	All Scenarios = \$71,639
Streets	Uses cost per lane mile of 2023 road maintenance applied to 23.53 miles of Brown Ranch roads (plowing, maintenance, etc.); includes 3 new staff	Cost Per Lane Mile = \$24,541	Lane Mile's Added = 23.53 Miles	All Scenarios = \$577,450
Transportation Services (Transit)	Scenario 1: Assumes new full-service route, with 6 new busses needed, a bus replacement fund, and winter/summer servicing of \$772,000 annually	Cost per Household: Scenario 1 (City Analysis) = \$657 Scenario 2 & 3 (Existing Cost) = \$577	Housing Units Built = 2,264 Units	Scenario 1 = \$1,487,057 Scenario 2 & 3 = \$1,305,835
Police Services	Scenario 1: Assumes 54% population increase at Brown Ranch, based on current ratios of calls per capita, translating to 12 new officers and 5 staff plus operating equipment	Cost per Household: Scenario 1 (City Analysis) = \$1,225 Scenario 2 (Existing Cost) = \$830 Scenario 3 (RCLCO Estimate) = \$379	Housing Units Built = 2,264 Units	Scenario 1 = \$2,773,709 Scenario 2 = \$1,727,493 Scenario 3 = \$751,409
Fire Services	Scenario 1: Assumes consistent ratio of population to calls per capita with household increase; new fire station needed with 16 staff and a share of costs directly attributable to BR	Cost per Household: Scenario 1 & 2 (City Analysis) = \$705 Scenario 3 (RCLCO Analysis) = \$352	Housing Units Built = 2,264 Units	Scenario 1 & 2 = \$1,595,885 Scenario 3 = 796,806
Parks & Recreation	Scenario 2 & 3: Assumes 125 acres of open space and 70 acres of park space, with expenses calculated per acre based on 2023 budget, with largely fixed overhead costs	Existing Cost Per Acre of Park = \$1,941 Existing Cost per Acre of Open Space = \$395 Additional Cost = Varies by Expense Item	Parks Acres Added = 70 Acres Open Space Added = 125 Acres Additional Fixed & Overhead Costs	Scenario 1 = \$1,152,224 Scenario 2 & 3 = \$279,147
Community Development	Assumes 72% fixed costs based on 2023 budget and 28% variable costs, applied to Brown Ranch net new household growth	Cost Per Full Time HH = \$73 Cost Per Part Time HH* = \$73 Cost Per Employee Living Elsewhere* = \$0	Net New Full-Time HH's = 1,854 Net New Part-Time HH's* = 16 Net New Employees Living Elsewhere* = 75	All Scenarios = \$135,700
Other Expenses	Assumes 85% fixed costs based on 2023 budget and 15% variable costs, applied to Brown Ranch net new household growth	Cost Per Full Time HH = \$27 Cost Per Part Time HH* = \$27 Cost Per Employee Living Elsewhere* = \$27	Net New Full-Time HH's = 1,854 Net New Part-Time HH's* = 16 Net New Employees Living Elsewhere* = 75	All Scenarios = \$51,808

EXPENDITURES SUMMARY



BROWN RANCH WILL INCREASE THE CITY'S OVERALL EXPENSES BY FIVE TO EIGHT MILLION DOLLARS ANNUALLY

- All three scenarios assume the overall cost to the city will be less than the cost of existing households, due to a series of fixed and overhead costs which will not need to increase, especially among the parks and general government departments. Even so, **the costs generated by these households outweigh revenues in all scenarios, which makes sense given the city's existing fiscal structure.**

	Existing Dynamics		Scenario 1			Scenario 2			Scenario 3		
Expense Comparison	Current Budget	Existing Cost per HH	Assumption	At Full Build-Out (2040)	Avg Cost Per HH	Assumption	At Full Build-Out (2040)	Avg Cost Per HH	Assumption	At Full Build-Out (2040)	Avg Cost Per HH
General Government	\$13,352,672	\$1,341	Utilizes RCLCO Analysis	\$876,667	\$387	Utilizes RCLCO Analysis	\$876,667	\$387	Utilizes RCLCO Analysis	\$876,667	\$387
Public Works	\$1,303,702	\$131	Utilizes RCLCO Analysis	\$81,800	\$36	Utilizes RCLCO Analysis	\$81,800	\$36	Utilizes RCLCO Analysis	\$81,800	\$36
Streets	\$4,165,345	\$418	Uses City Analysis Based on Lane Miles	\$577,450	\$255	Uses City Analysis Based on Lane Miles	\$577,450	\$255	Uses City Analysis Based on Lane Miles	\$577,450	\$255
Transportation Services (Transit)	\$5,742,703	\$577	Utilizes City Analysis	\$1,487,057	\$657	Utilizes Proportional Increase	\$1,305,837	\$577	Utilizes Proportional Increase	\$1,305,837	\$577
Police Services	\$7,597,024	\$763	Uses City Analysis	\$1,879,050	\$830	Utilizes Proportional Increase	\$1,727,493	\$763	Utilizes RCLCO Analysis	\$857,991	\$379
Fire Services	\$7,485,114	\$752	Uses City Analysis	\$1,595,885	\$705	Uses City Analysis	\$1,595,885	\$705	Utilizes RCLCO Analysis	\$796,806	\$352
Parks & Recreation	\$10,036,786	\$1,008	Utilizes RCLCO & City Analysis	\$1,152,224	\$509	Utilizes RCLCO Analysis	\$291,778	\$129	Utilizes RCLCO Analysis	\$291,778	\$129
Community Development	\$1,722,988	\$173	Utilizes RCLCO Analysis	\$135,700	\$60	Utilizes RCLCO Analysis	\$135,700	\$60	Utilizes RCLCO Analysis	\$135,700	\$60
Other Expenses	\$1,703,835	\$171	Utilizes RCLCO Analysis	\$59,157	\$26	Utilizes RCLCO Analysis	\$59,157	\$26	Utilizes RCLCO Analysis	\$59,157	\$26
Total Costs	\$53,110,169	\$5,334		\$7,879,203	\$3,480		\$6,651,768	\$2,938		\$4,983,188	\$2,201

Source: RCLCO

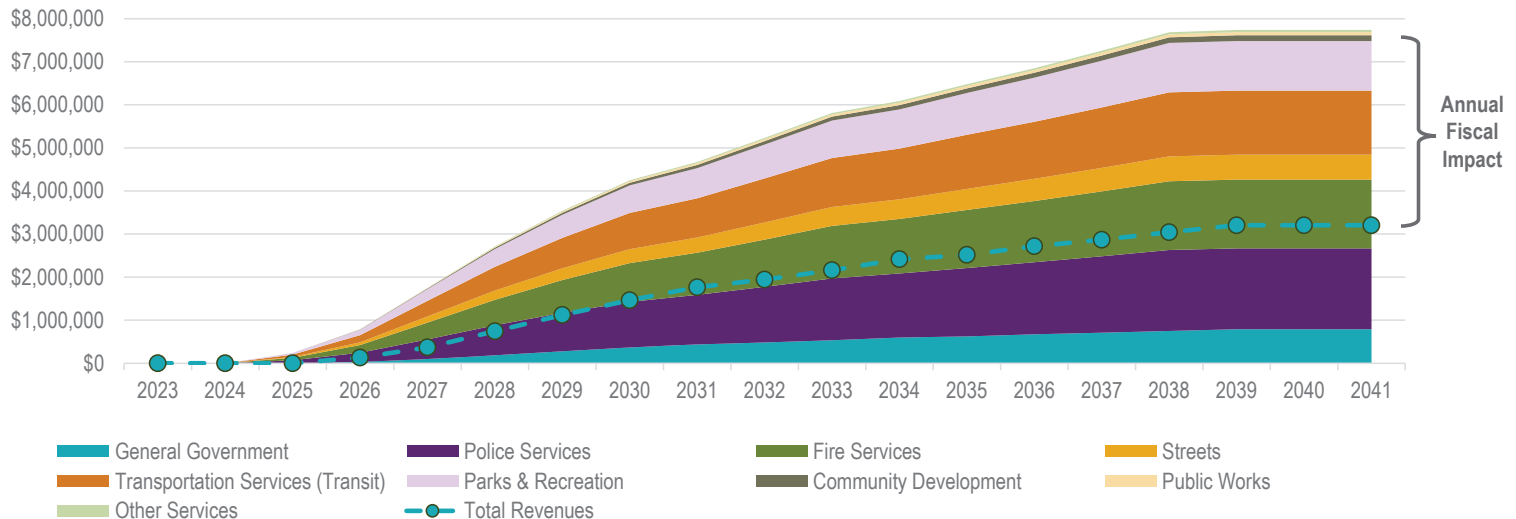
NET FISCAL IMPACT – SCENARIO 1



SCENARIO 1 OFFERS THE MOST CONSERVATIVE OUTLOOK WITH CITY-PROVIDED EXPENSES, WITH AN ANNUAL NET NEGATIVE FISCAL IMPACT OF \$2,004 PER HOUSEHOLD OR \$4,538,000 OVERALL

- Scenario 1 offers the most conservative expense estimates, leading to a more pronounced negative impact. With the assumed expenses, Brown Ranch will cost the city a net \$4,538,000 at full buildout, or \$2,004 per Brown Ranch household – significantly more than the net negative cost generated by existing households.
- It is important to note that Scenario 1 offers a worst-case scenario for Brown Ranch's impact. Moreover, a net negative impact is a product of many factors, including a unique and atypical tax structure. Furthermore, fiscal impacts analysis are imperfect and often used to point out extraordinary outcomes and give cities general direction on costs – under typical circumstances, a net negative outcome does not imply an annexation will never be financially feasible, as there are capital expenditures/revenues, public financing, and other factors that should be taken into account.

Estimated Annual Revenues, and Expenses Induced by Brown Ranch;
City of Steamboat Springs; Scenario 1



Note: Dollar amounts are in 2023 dollars.

Source: RCLCO

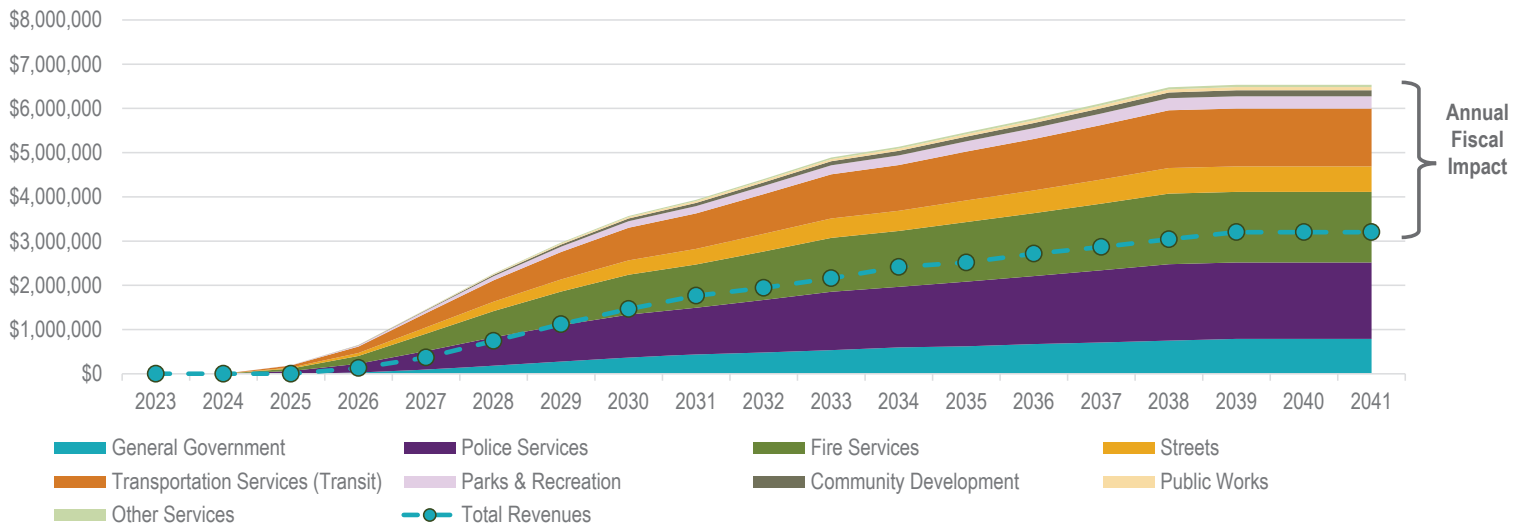
NET FISCAL IMPACT – SCENARIO 2



SCENARIO 2 OFFERS A MORE MODERATE OUTCOME, WITH AN ANNUAL NET NEGATIVE FISCAL IMPACT OF \$1,472 PER HOUSEHOLD OR \$3,332,000 OVERALL

- Scenario 2 utilizes middle-of-the-road expense estimates based on existing costs per household applied to growth at Brown Ranch, leading to a more moderate negative impact. With the assumed expenses, Brown Ranch will cost the city a net \$3,332,000 annually at full buildout, or \$1,472 per households. This outcome remains significantly more expensive than the existing cost per full-time household of \$541.
- It is important to note that fiscal impacts analysis are imperfect and often used to point out extra-ordinary outcomes and give cities general direction on costs – under typical circumstances, a net negative outcome does not imply an annexation will never be financially feasible.

Estimated Annual Revenues, and Expenses Induced by Brown Ranch;
City of Steamboat Springs; Scenario 2



Note: Dollar amounts are in 2023 dollars.

Source: RCLCO

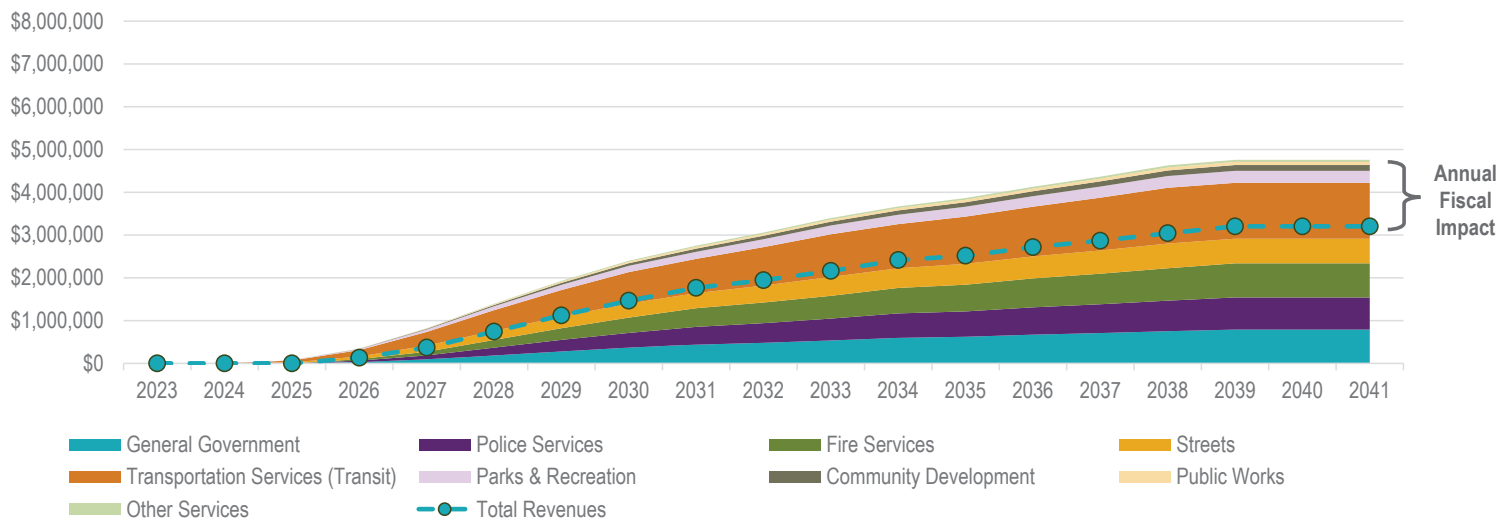
NET FISCAL IMPACT – SCENARIO 3



SCENARIO 3 OFFERS THE MOST OPTIMISTIC OUTCOME, WITH AN ANNUAL NET NEGATIVE FISCAL IMPACT OF \$688 PER HOUSEHOLD OR \$1,557,000 OVERALL

- Scenario 3 offers the most optimistic cost outcome by utilizing economies of scale and fixed overhead costs to generate fewer expenses overall in addition to the existing expenses per household applied to Brown Ranch households from Scenario 2. With the assumed expenses, Brown Ranch will cost the city a net \$1,557,000 annually at full buildout, or \$688 per households. **This outcome implies the net cost per household tracks somewhat closely with the existing cost per household (\$541 annually).**
- It is important to note that fiscal impacts analysis are imperfect and often used to point out extra-ordinary outcomes and give cities general direction on costs – under typical circumstances, a net negative outcome does not imply an annexation will never be financially feasible.

Estimated Annual Revenues, and Expenses Induced by Brown Ranch;
City of Steamboat Springs; Scenario 3



Note: Dollar amounts are in 2023 dollars.

Source: RCLCO

Steamboat Springs | Fiscal Impact Analysis | Brown Ranch Development & Annexation

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KEY QUESTIONS



ONGOING QUESTIONS AND CONSIDERATIONS REGARDING DEVELOPMENT AT BROWN RANCH:

- ▶ Given that the direct fiscal impact to the City General Fund is going to be negative, what do we do now?
- ▶ How much community-wide economic growth will be induced by the development of Brown Ranch and the availability of housing for the local workforce? This could mitigate the fiscal impact – how much growth do we expect?
- ▶ How can the current STR Tax be leveraged to mitigate costs associated with Brown Ranch?
- ▶ What are some additional revenue streams not outlined within this document? How can these be leveraged to help mitigate costs associated with Brown Ranch?
 - » \$32,000,000 in building use and excise tax
 - » Any additional revenue from up-to \$40,000,000 in tap fees
 - » Additional water & wastewater revenues
- ▶ What are some additional costs not outlined within this document?
 - » School analysis
 - » Enterprise, water & wastewater funds
- ▶ Is restructuring Steamboat Springs taxes a possibility, given the current structure will cause a net strain with each new household built inside or outside Brown Ranch?
- ▶ Are there any special taxes or metro districts that could be applied to Brown Ranch to mitigate costs to the City?
- ▶ What are non-financial benefits that can be generated from Brown Ranch?
 - » Broadening the households base
 - » Increased affordability
 - » Reaching previously stated city goals
 - » Limiting undersupply of housing
 - » Others

Source: RCLCO

DISCLAIMERS

CRITICAL ASSUMPTIONS



Our conclusions are based on our analysis of the information available from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

We assume that the economy and real estate markets will experience a period of slower growth in the next 12 to 24 months, and then return to a stable and moderate rate in 2024 and beyond. However, stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is very difficult to predict when inflection points in economic and real cycles will occur.

With the above in mind, we assume that the long-term average absorption rates and price changes will be as projected, realizing that most of the time performance will be either above or below said average rates.

Our analysis does not consider the potential impact of future economic shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology.

As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, the project and investment economics should be "stress tested" to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause failure.

In addition, we assume that the following will occur in accordance with current expectations:

- ▶ Economic, employment, and household growth
- ▶ Other forecasts of trends and demographic and economic patterns, including consumer confidence levels
- ▶ The cost of development and construction
- ▶ Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth)
- ▶ Availability and cost of capital and mortgage financing for real estate developers, owners and buyers
- ▶ Competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand
- ▶ Major public works projects occur and are completed as planned

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).

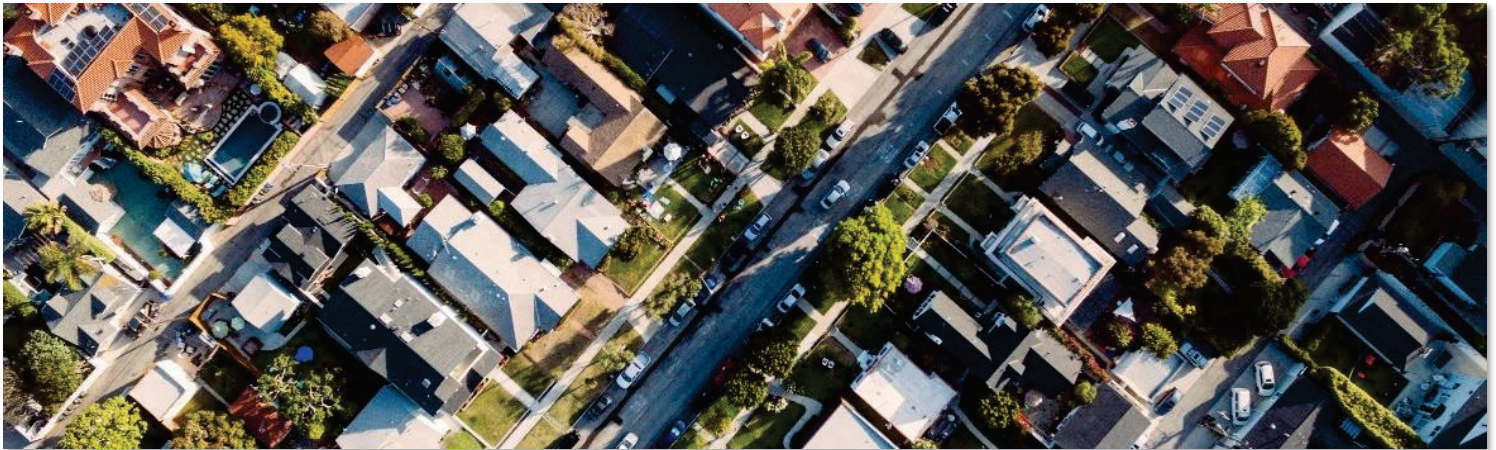
GENERAL LIMITING CONDITIONS



Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.





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