

Northwest Colorado Council of Governments INSIGHTS

Issue: 1



A Case for Public Entities Housing Their Own



The Manager Insights Series: As Executive Director, I interviewed each NWCCOG municipal and county manager during the first quarter of 2023 and asked each a series of questions on housing, sustainability, marketing, policing among other topics. The insights from their expanded thoughts across the exercise will be shared out in a variety of ways including this special series of From the Director's Desk which we will issue weekly for the next month or so. Some of the data collected will be shared in charts and tables. We are calling this series MANAGER INSIGHTS since the depth of knowledge among area managers is deep,

and I felt honored to be entrusted with their candid reflections. Raw data will be shared directly back to managers and packaged data and quotes will be published only after review and with permission from each manager. I take responsibility for any inaccuracies or cumulative insights not directly attributed to one of my fine colleagues.

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Asked by NWCCOG "in one word what is your top internal challenge?" The municipal and county managers interviewed across the NWCCOG region replied—

- 14 -- Staffing/ Recruitment/ Retention/ Turnover/Fit or
- 7 -- Capacity/ Bandwidth/ Demand, or
- 4 -- Housing/NIMBYs.

1 each -- Compensation, Changing Workplace, Cohesiveness, Disruption, Communication Not so long-ago local governments tended to be fully staffed. Above-average retirement and health benefits, combined with a stability that many private sector jobs couldn't provide meant that some Western Slope towns



went decades with minimal, incremental change to internal staffing or HR policy. Employees stayed years, and retired with the organization. Their focus: just keep the streets clear and safe, the buildings

serviceable and the water running. Listening to leaders across the region, nearly every aspect of that scenario has changed, often dramatically.

In talking with managers, I also asked if citizens were asking something more from public entities than in the past. Many replied that from the 50,000' level, little had changed. Closer to ground level, it seems it has. Interactions between staff and citizens often have a new edge to them—the edge of entitlement. Jackson County Manager, Matt Canterbury said, "We get a lot of requests on a personal level from people. Road & Bridge gets a lot of these. A large number of groups want the county to do something for them. I understand, but it's not feasible." Many of his peers across the region indicated that public sector work has a heightened intensity. Their staffers must adapt to an increasingly demanding public. Aspen City Manager, Sara Ott noted, "for Aspen, I think it is the same old things, but the pressure is higher. The rate of change is faster."

Public workers still prize working for local governments in a meaningful job, making a difference in their communities, but some of what separated public service work seems to have eroded since the pandemic. This spring, conversations with area managers circled back again-and-again to staffing or capacity issues across their organizations. Competition for filling positions has grown fierce. Common themes included anecdotes about losing employees to increased rents, neighboring jurisdictions "stealing" employees, and positions remaining unfilled for months leaving understaffed departments. Avon Manager Heil referred to the churn of certain staff from one place to another as "cannibalism." A common refrain was that even with multiple rounds of wage increases, that "we just can't pay enough" in the public sector to fill the housing affordability gap for incoming employees, or existing employees whose rents have risen. This column could have been titled "A Housing Theory of Everything" since conversations about all top internal challenges seemed to eventually lead to the cost of housing, and what impact that is having on their ability to staff the organization.

"We can't pay people enough to buy million-dollar houses."

Ryan Hyland, Town Manager of Silverthorne said, "it's a whole new challenge. One of my directors is leaving. He owned his house here for 20 years. We've always had these challenges but in the last couple of years the odds of someone who will come into town, buy a home and stay here just is not happening. We can't pay people enough to buy million-dollar houses. The number one thing for me is the complete shift in how we are going to cultivate the longevity we've enjoyed in the past. We can get rent covered, but who is going to stay for 15 years if they can't buy a house?"

Encouragingly, all but four Managers interviewed answered "YES" to the question of whether the jurisdiction was "gaining on the workforce housing issue" generally speaking. A sense of progress is finally palpable, which is quite a contrast from conversations just a couple years back. Many jurisdictions in the past year or two have adopted concrete goals for adding units, others have identified a target for housing a portion of their workforce. These goals may overlap the question of housing public employees while also skirting it.

- Breckenridge has a goal of housing 970 local workers in 5-years
- · Vail has a community goal of housing 30% of their workforce in town limit
- The Town of Snowmass Village has a lofty community goal of 60%. in town
- Basalt happens to own units for about 40% of their workers,
- Minturn owns 3 units, including a Managers Residence which is 30% of town employees.
- Winter Park owns & manages one property it limits to only 25% town employees.
- Steamboat Springs now has dormitory housing for seasonal bus drivers.
- Blue River owns a condo for a police officer from the front range to work 3 days each week
- Eagle County is aiming to provide 50 bedrooms, or 35 units for employees to rent
- Avon is negotiating 30 units for employees, Fraser 10, others have various plans

"We can get rent covered, but who is going to stay for 15 years if they can't buy a house?"



The list above is not inclusive; most municipalities have a plan to increase the availability of total local housing stock and protect it's affordability with various tools including master leased units, down payment assistance, loans, units for rent and other emerging tools such as shared equity.

Manager Ott in Aspen suggested the idea of setting numeric goals for housing may not be dynamic enough for the city's workers, "many of our employee households are dual working adults, and it is not a given that

employment center for both workers is Aspen. The city has purchased staff housing outside of city limits along public transit lines. Aspen owns 67 units for 368 FTE employees and would like to have enough to

house a third of those employees, yet Ott posits that "the traditional notion of 'housing them' is a bit dated. The city jobs that can be made fully remote for those who don't want to live here, should be. Free market buy-downs on shared equity is coming too;" she explains that meeting the needs of the organization and workers is more complex than just owning units.

Notably, not one manager interviewed answered "yes" when asked if the municipality or county had an **explicitly stated goal** to house a number or percentage of their own employees now or in the future. One said the question was "taboo." Only a couple jurisdictions have no thoughts or plans at all to address housing their employees in the future. This stigma for public agencies "using public dollars" to house their own employees needs reconsideration. It appears to be fading with recent rounds of staffing issues. Towns are having conversations about dealing with it more systematically. At some point, it will become an obstacle to service delivery, and a competitive disadvantage to not only the agency, but to the community to NOT have housing solutions for public workers.

Case in point, a headline Friday March 1th <u>Glenwood Post Independent</u>:

Superintendent says he will decline board's housing assistance offer. The article begins, "Given the ground swell of opposition to a proposal from the Roaring Fork District school board to approve up to a \$500,000 housing assistance loan for the district's top administrator, Superintendent Jesus Rodriguez said Wednesday that he will likely decline the offer." He said he will push for more housing for teachers and for the next superintendent. In other words, duck the tomatoes and kick the can. The school board president said that most of the other applicants cited a lack of housing assistance as the "deal breaker." This staffing-to-housing nexus is an issue at all levels of compensation within most organizations. By now, the private sector more than understands the challenge. Does the public and the business community support a high-functioning local government with top-tier employees? Judging from what managers have shared with NWCCOG, the citizens who expect it should also expect their community to see public housing as infrastructure.

To the Glenwood Springs Schools example, any elected board hiring should have this matter of whether housing the organization owns a home for the C-Level employee settled well ahead of hiring. There should be transitional housing, owned units available, and yes, it should be planned and equitable across the spectrum of employment within the organization. That kind of systematic thinking about housing employees is not yet happening. Judging from how many director level positions now search beyond the community, it seems silly to not have some housing be a part of the package. Those conversations should be established long before the public introduction of a candidate to lead the organization or a department. It should be a written objective for the organization to have housing solutions available for critical workers like snowplow drivers, wastewater operators, or emergency services so their quality of life and their response times snowstorms, water main breaks in the middle of the night or emergency situations are not impaired by distance. Those who want to live in the community they serve ought to be able to do so. It is time to be explicit about housing public workers as a strategic goal, and as a value to the community.

Next Board Meeting

Next Council Meeting - Thursday, May 25, 2023 Full Council Meeting, EDD Board Meeting Location: Zoom Call, Physical Location TBD <u>Time:</u> Council 10:00 AM - 12:00 PM - EDD 12:30 PM - 2:30 PM <u>Primary Agenda Items</u>: Review/acceptance of the 2022 audit, approve Q1 financials, Member Survey results.

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