



Northwest Colorado Council of Governments INSIGHTS Issue: 2



Is the Housing Issue Really Different Now?



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. This is Issue 2 of the series, you can read [Issue 1 here](#).

Jon Stavney
Executive Director - NWCCOG
JStavney@nwccog.org

Government housing? Don't blink, if that is the future, then many of our towns are already there, and if cannibalism of staff between entities is a sign, then "yes," the staffing crisis and housing gap is different now than in the minds of many of us who have been in NWCCOG region for 20 years or more. Some argue that housing has always been an impediment in resort areas. Pitkin County entities have been in the housing business for close to 50 years now, nearly as long as there has been a ski area, Vail and Summit County have been at it for over 20 years. It is telling that very few of the Managers across the region who were interviewed said that their community is NOT in the business of public housing. The story resonates slightly differently within each work-shed.

Town of Snowmass Village Manager, Clint Kinney says that finding housing is much harder and different in 2023 than just a couple years ago. "It is new in the last couple of years that NO employee could possibly buy free market housing in Snowmass Village based on their salary alone. Before COVID you could find a \$400,000-ish two-bedroom condo in town while today, there is no way that condo is less than \$900,000." Acknowledging that a condo for that price just a few years back was a stretch for most people and not every potential employee's idea of an ideal housing situation, Kinney felt that there was at least an opportunity to consider—something attainable in the past. That "opportunity" is now completely gone. The town highly prized employees who really wanted to live there, who made the commitment to the community by moving there. Making the commitment to purchase could be seen as it's own kind of de facto screening process for employees. He also noted that the long-time Chief of Police in Snowmass has preferred to hire and train an individual with connections to the Village such as restaurant and hospitality workers who were already there because they understood the community better (more on that later). Assuming those workers will already have housing is no longer reasonable.

In places less isolated than Snowmass that have other options for living and for working nearby, the drive-till-you-qualify option still provides a useful pressure-reducing valve to the employment issue, or it did until recently. Some employees prefer to "go home" away from their work. With ski areas usually at the top of the drainage, there is a somewhat common up-valley resort- "down valley" worker housing dynamic that existed for decades. Many rivers in our region have a "down valley" connotation where worker housing is less expensive than in the "up valley" resort areas. As reported in the [Mountain Migration](#) report, remote work and the COVID influx has disturbed that dynamic, and as a result, what was once affordable and attainable "down-valley" is often bought up by remote workers, short term rental

investors and the employee market, once “affordable” has merged with the resort market.

Today, it is common to see entire fleets from a resort town parked in driveways in a neighborhood that is two or three towns “down valley.” Many communities have adopted Sustainability goals that include housing a greater percentage of their workers, others have invested in state-of-the-art Regional Transportation Authority infrastructure. The proximity of other communities also means that workers can “shop” wages across jurisdictions. Avon Town Manager Heil said, “everyone is struggling with a zero-sum game as transit and law enforcement raise wages,” to the crux of it, “we are not getting more workers. We are just cannibalizing each other.” In the next installment I’ll cover why cannibalism is most rampant among law enforcement workers.

“We went from doing nothing in 2018 to full speed ahead.”

Heil also points to only 1 to 3 units listed for sale in the entire Town of Avon right now for under a million dollars,” he says, “the town cannot pay enough for most employees to afford those market-rate homes. He also notes that the Town of Avon is new to the housing business, “we went from doing nothing in 2018 to full speed ahead;” he reminisced about coming to Telluride after law school in 1992 when it was on the cusp of affordability, “Telluride in 1992, the intensity of the housing shortage was real, I don’t know how workers had a chance then. And now? Aspen has been there for years. Telluride now, if you are not coming in with some sort of wealth, you are in government housing. Avon is getting there.” What does Heil mean by that Orwellian term? That housing for nearly anyone who earns a living in the marketplace of a resort region cannot be afforded by that wage, and so will require housing solutions that are in one manner or another subsidized by an employer or the local government.

About those available units mentioned by managers in Snowmass and Avon; taking the \$900,000 condo or \$1 million home for reference, an incoming worker with a family, that brings \$250,000 of equity from somewhere else to put down on that home would have a monthly payment of approximately \$4,625. Assuming the nationally accepted standard for the cost of housing being no more than 30% of a family’s income, that individual or both breadwinners would need an income of \$185,000 for that 2-bedroom condo in Snowmass Village, slightly more for that million dollar home in Avon. There just are not that many jobs in the private or the public sector generated in the local marketplace that pay those wages. [Fortune magazine](#) suggests a family would need to earn between \$195,000 and \$210,000 annual salary to qualify.

Rachel Tuyn, NWCCOG’s Economic Development Director crunched numbers from the Quarterly Census of Employment & Wages from the third quarter of 2022 and in Eagle and Summit Counties the average wage in the top seven sectors don’t provide enough for a single income to afford those units mentioned. Even the average wage in the top 7-10 sectors if TWO income earners were represented with those average wages, for the most part wouldn’t qualify for those units either. There is an asymmetry of the housing market to the local wage scales that is simply insurmountable without subsidy.

Eagle County (Q3 2022)		
	Avg Annual Wage	# Jobs
Management of Companies and Enterprises	\$ 156,520	116
Finance and Insurance	\$ 98,696	455
Professional and Technical Services	\$ 97,500	1,439
Utilities	\$ 94,848	205
Information	\$ 89,232	269
Mining	\$ 88,400	27
Health Care and Social Assistance	\$ 86,840	3,283
Wholesale Trade	\$ 83,356	406
Public Administration	\$ 82,940	1,631
Construction	\$ 74,256	3,578
Manufacturing	\$ 70,512	411

Summit County (Q3 2022)	Avg Annual Wage	# Jobs
Wholesale Trade	\$ 167,596	157
Management of Companies and Enterprises	\$ 159,952	55
Utilities	\$ 113,152	88
Unclassified	\$ 103,220	2
Finance and Insurance	\$ 96,148	252
Professional and Technical Services	\$ 93,600	891
Information	\$ 84,396	134
Construction	\$ 83,096	1,399
Public Administration	\$ 68,692	1,710
Health Care and Social Assistance	\$ 67,496	1,211

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

It is no surprise then to read that the Town of Eagle, 20 miles down-valley from Avon is advertising in Mountain Careers for police positions ranging from \$33.46 to \$41.89 per hour. That translates to \$69,600 to \$87,000 per year. In other words, two police officers with a quarter million dollars of equity just might--be able to purchase a free market home. Starting wage for an educator at Eagle County School District is \$50,000 - \$65,000. It is hard to imagine any of the towns or the school district raising wages to where a single income family could ever buy-in to markets where homes values are north of \$650,000 without bringing significant equity, or without some kind of public housing assistance tool at their disposal.

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 house and stay here is just not realistic. We can’t pay people enough to buy million-dollar homes. 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?”

Just like their private sector counterparts, public entities simply cannot continue to chase wages fast enough to re-balance the housing market. The solution is going to have to be on the supply side of the equation. That means some kind of tool bridging the gap between the marketplace and the homebuyer. Manager Heil called that “government housing.” I don’t think that phrase will win the day, but it is honest.

Yes, the cost of housing is different. You don’t need to be a math teacher to figure that out.

Note about the Manager Insights series: The data collected for this series demonstrates the depth of knowledge among area managers 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.

Northwest Colorado Council of Governments | P.O. Box 2308, 249 Warren Ave., Silverthorne, CO 80498

[Unsubscribe office@nwccog.org](mailto:office@nwccog.org)

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by jlpoint@nwccog.org powered by



Try email marketing for free today!