



MOUNTAIN VILLAGE HOUSING AUTHORITY

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TO: Mountain Village Town Council
FROM: Drew Nelson, AICP, Housing Director
DATE: January 9, 2025
RE: Work Session Regarding Expansion of the YES Program

Executive Summary: The Mountain Village Town Council has expressed interest in coordinating with the Telluride Foundation on expanding opportunities for down payment assistance and deed restricted properties within the R-1 School District. Staff is requesting to fine-tune the Council's direction before proposing formal action.

BACKGROUND:

At the December 12, 2024, Town Council meeting, the Council held a work session to discuss the possibility of expanding the YES (Your Equity Support) Program to include properties within the R-1 School District boundaries, including Rico. This would be done in conjunction with the Telluride Foundation's proposed down-payment assistance program for homebuyers in the region. The Town Council asked a number of questions during the last meeting that Town staff wants to ensure get answered through any proposed changes to the YES Program

The YES Program has been in place since 2021 and was impacted by the significant spike in real estate prices within Mountain Village, which reduced interest in participating in the program. Expanding the program to dwelling units outside of Mountain Village (but within the R-1 School District) may increase interest from properties that may have a lower initial valuation than those typically found in Mountain Village.

ANALYSIS:

During the Town Council discussion on this matter on December 12, the Council provided a variety of input on the YES Program and potential changes. Staff catalogued the comments following the meeting and wants to be sure the nuances of the Council's intentions are reflected in any proposed update to the YES Program. The following components are Town staff's understanding of the Council's direction:

- The core components of the program remain the same – the YES Program is intended to purchase deed restrictions to ensure that dwelling units are made available to qualified buyers who work at least 1560 hours within the R-1 School District or who meet retirement standards. The owner may either reside in the home or rent it to qualified renters. Price parameters remain the same – 15 to 18 percent of a home's value with a transaction cap of \$200,000.
- Proposed changes to the program that generated interest from the Council include:
 - Dwelling units located within the R-1 School District, including Rico, would become eligible to participate in the YES Program, so long as the buyers or renters are qualified to participate. Currently, only dwelling units in Mountain Village are eligible for the program.

- The deed restriction would be modified to include price caps that mimic those used with the Meadowlark deed restriction (4% annual appreciation). Currently, there are no price caps associated with the YES Program.
 - The Town Council would remain committed to the YES Program for the remainder of 2025 to observe how the Program interacts with the Telluride Foundation's proposed down payment assistance program. It was expressly noted that the Town's continued participation in the YES Program is geared toward supporting the Telluride Foundation's new program, and the two different modalities can augment each other for homebuyers.
- Other options that the Town Council discussed for consideration, but were ultimately not prioritized:
 - Tightening employment qualifications to drive employment closer to Mountain Village. This may be problematic as employment can be fluid within the region, and while someone may live and work in a community elsewhere in the R-1 District currently, they may be employed in the future in Mountain Village or may sell to an employee who works in Mountain Village, securing the much needed deed restricted property to assist the workforce. A deed restriction with a requirement to work in Mountain Village may be too much to ask for the amount of funding available through the program.
 - The Town Council may desire for the YES Program to be more of a regional collaborative program, with other communities and entities participating at a similar level to pool funds for greater impact.
 - Should there continue to be a lack of interested qualified participants, the Town Council may determine for 2026 and beyond to focus on projects currently in the Town's queue (i.e. Ilium).
 - Should there be an expansion of the program to locations where some of the Town's employees have located, such as within the SMART District? While an option, and the Town's down payment assistance program for employees allows for assistance on purchases from Olathe to Cortez, this may be problematic for long-term assistance for the Mountain Village workforce and for deed restriction compliance checks due to distance from Mountain Village.

FINANCIAL CONSIDERATION:

There is no impact to the budget through the implementation of the proposed changes to the YES Program. The Town has budgeted \$200,000 for the YES Program in 2025.

CONCLUSION:

As noted previously, Town staff wanted to confirm the Town Council's intentions for changes to the YES Program. Staff respectfully requests confirmation of these program components and will bring a revised Resolution to the February Town Council meeting for your consideration.