

Eagle County commissioners seeking state affordable housing funding with a few conditions

The money will come from voter-approved Proposition 123

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Scott Miller [FOLLOW](#)
smiller@vaildaily.com



While Eagle County owns the property for the proposed West Eagle housing project, the property sits in the town of Eagle. Using a new state program, the town will receive credit for building its affordable housing stock.

Archive image

The Eagle County Board of Commissioners in 2022 supported Proposition 123, which creates a state fund for housing. The commissioners on Tuesday voted to join that program.

As with just about any program from the state or federal government, there are strings attached, but county officials are confident they can meet those requirements.

Perhaps the biggest requirement is that in return for state funds, a local government must increase its housing stock by 3% per year, or 9% over a three-year period.

County Resiliency Director Tori Franks told the commissioners that the county housing staff believes that benchmark is a “reasonable goal.” That’s true despite another important string attached to funding.

In Eagle County’s case, if it participates in projects within towns — such as the West Eagle project in the town of Eagle — the town gets credit for adding to its housing stock. No double counting is allowed.

The state count of Eagle County’s stock of affordable rental and for-sale housing adds up to 611 units. That means the county would have to add 55 units over the next three years.

“I think we can easily surpass that,” Franks said.

The county is the latest local government to opt into the state program. Franks said the towns of Vail and Eagle have opted in, and Avon is expected to soon join the program. The town of Gypsum intends to join, Franks said, and Minturn is considering its participation.

Eagle County Finance Director Jill Klosterman said partnerships will be crucial to landing a share of finite state funding, adding that she expects a lot of competition for that funding.

Another string attached to state funding is who's eligible to buy or rent new units. The current program allows people earning only up to 100% of the area median income for the Front Range. That doesn't work well in resort areas.

4 facts

- State voters in November of 2022 passed Proposition 123
- The measure dedicates .1% of state income tax revenue to housing
- The current estimate is the measure will free up as much as \$325 million per year for housing initiatives
- The state's goal is to create 10,000 new homes per year

"I don't think the state understands" the different economic realities in resort areas, said Kim Bell Williams, the county's housing director.

Commissioner Matt Scherr said the area median income limits were a "deficiency" of the ballot issue, adding that he and other resort-area officials continue to lobby for an increase to 140% of area median income in those regions.

Another potential complication is competition for limited funds.

"We're going to do our best to bring as much as we can into Eagle County," Klosterman said.

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Although the measure was approved last year, officials said a lot of adjustments still need to be made.

"It's like building the plane while you're flying it," Franks said.

While Eagle County and its towns are lining up for state funds, that isn't the case with other counties.

Commissioner Jeanne McQueeney said leaders in other counties are concerned about meeting their mandated goals, "But we got in early."

Commissioner Kathy Chandler-Henry noted that work done over the previous several years has paved the way for the county's early participation in the program.