

# **Roaring Fork Valley Teacher Affordable Housing Interviews, Second Round**

By

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## Table of Contents

Overview.....	3
Quotes .....	4
Demographics.....	5
Trends .....	6
Teacher Life Goals and Perspective on Home Ownership.....	7
Analysis.....	9
Differences Between Round 1 and Round 2.....	12
Appendix A: Continuum of Teacher Housing.....	13
Appendix B: Key Take-Aways, Models.....	16
Appendix C: Basalt Vista Market Size Assumptions.....	18
Appendix D: Card Sort/Card Sort Results.....	20
Appendix E: Interview Questions.....	23
Appendix F: Model Comparison.....	25
Appendix G: Basalt Vista Prices.....	27
Appendix H: Teacher Suggestions and Solutions.....	29
Appendix I: Rental Complaints.....	31

**Overview**

The aim of this study was to better understand the importance of home ownership to teachers at RE-1 school district and to better understand their housing needs.

This is the second phase of interviews and was designed to target a younger group of teachers, ages 24-35.

We took a design-based research approach. For this second study, we conducted 13 in-depth interviews (12 individuals and one couple). We had two outliers (based on targeted age) whom we did not include in this data set, but will include in the final report. We also included information from an ongoing email exchange. The interviews were conversational, but all followed a similar flow, and were based on a list of pre-written questions found in Appendix E.

Interviewees were also asked to do a card sort to answer the question, “what is home ownership to you?” Participants were given a dozen cards and were asked to arrange them in such a way that would answer the question. They could rank the cards, group the cards, use some and discard others--whatever helped them tell their story about homeownership. The cards and pictures of how they were arranged can be found in Appendix D.

In addition, interviewees were given a sheet that compared different models of homeownership frequently found in the Valley. The interviewers explained the different models and then asked and answered questions around the comparison. The model comparison can be found in Appendix F.

Notes were typed and compiled in a spreadsheet Appendix J.

**Limitations**

There were several limitations of this study:

1. Participation in the interviews was not mandatory, and with such a small sample size, participation bias may exist.

# Quotes

The five year rental limit isn't stressful, but it puts an expiration date on my time in the valley.

I'm a teacher. I'm used to being in control of my classroom and my life; I like to know where things stand!

If you did your time, the deed restriction feels suffocating.

It's like trading one dorm for another. (In reference to living behind the high school).

You need to have a heavy info session to combat rumors.

Thanks for letting me pretend to be a homeowner (deed restriction).

What happens if something happens to me? My family will have to vacate (deed restriction).

What would happen if you can't sell to the small group of buyers who are available to buy it?

Basalt feels like a sleepy old town.

Green energy is awesome!

Basalt Vista is as high quality of a home as I would ever need.

We are familiar with the Habitat model and love the idea of sweat equity.

# Demographics

**29**

Median Age

Age range 24-38

**1**

Median Family Size

Most people in this age range  
are still single

**60%**

First Teaching Job

Many are just starting to  
develop career and life goals.

- 11 interviewees
- Didn't include outliers in data, but will include in the final report

- People who had a household size of more than 1 seemed to have homeownership as a more immediate goal

- Travel and Education were #1 financial priorities
- Concerned with having a place to live
- Most were still figuring out life goals

# Trends

**100%**

**Like working for RE1**

People really like their school and job.

- Several teachers brought up low pay as the root of the housing problem

**100%**

**Like living in the Valley**

Strong positive feelings toward community, outdoors, and culture.

- However, cost of living is a complaint. Housing, healthcare, entertainment, food, transport are all higher than in other places

**100%**

**Are appreciative of the district rental**

Several respondents would not be here if it weren't for the rentals.

- Rent to own came up
- We had 4 free market renters
- 5 year limit was not stressful- it was a jumping point to pursue other goals

**100%**

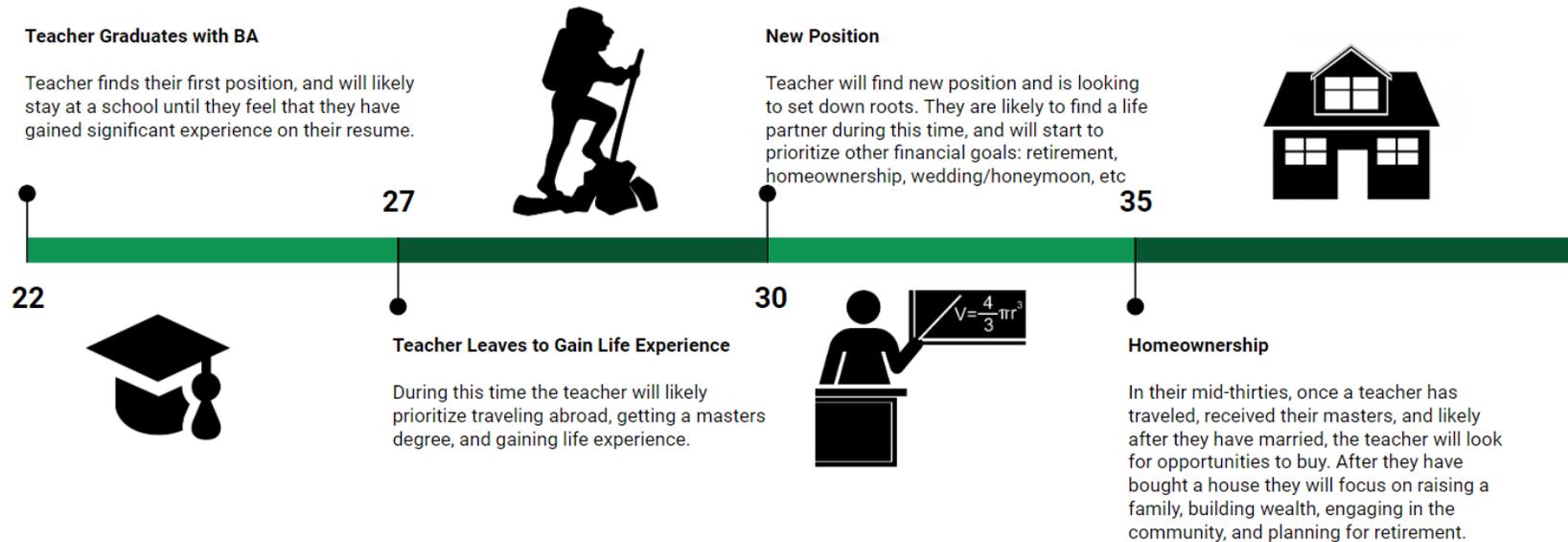
**Had homeownership as a goal--counters millennial stereotype**

However it was not their top priority.

- Travel, education, and life experience took precedence over homeownership

# Teacher Life Goals

Ideal timeline for most teachers 22-35



# Young Teachers Perspective on Home Ownership



## ANALYSIS

Theme	Findings	Ideas/Suggestions
Rentals	<ul style="list-style-type: none"> <li>● Rentals are an important factor in getting new teachers to come to the district</li> <li>● The five-year limit on rentals is factoring into the future plans of many of the teachers; seen as a jumping off point to pursue a masters degree or travel</li> <li>● Not enough time to save for a down payment, but down payment is not the top savings priority</li> <li>● Rent increases with salary, which makes some teachers feel that it is hard to get ahead</li> <li>● Most people were happy with their rentals, although a few had complaints (Appendix I)</li> </ul>	<ul style="list-style-type: none"> <li>A. Continue to incentivize people to come to the district by providing rentals</li> <li>B. It is unclear what effect extending rentals may have for this age range</li> <li>C. Rent with option to buy</li> <li>D. Financial coaching (ongoing)</li> <li>E. Combination of above</li> <li>F. Review Appendix I               <ul style="list-style-type: none"> <li>a. Investigate soundproofing in current and future buildings</li> <li>b. Review property management application process</li> <li>c. Be aware of inconsistencies in property management in buildings managed by multiple companies</li> </ul> </li> </ul>
Deed Restriction/Basalt VISTA/Land Trust	<ul style="list-style-type: none"> <li>● The top concern is that teachers would have to sell their house if they were no longer employed with the district               <ul style="list-style-type: none"> <li>○ Perception that this clause defeats the point of homeownership</li> <li>○ Timing of when you have to sell</li> </ul> </li> <li>● Worried about the limited pool of buyers (Appendix C)</li> <li>● People like and are attracted to net zero</li> <li>● People see Basalt Vista as high quality</li> <li>● HOA has negative connotations</li> <li>● Land Trust model was frequently compared to owning a trailer</li> </ul>	<ul style="list-style-type: none"> <li>A. Consider rewriting deed restriction               <ul style="list-style-type: none"> <li>a. Consider modifying or getting rid of the requirement to sell house if you no longer work for the district</li> <li>b. Consider adjusting the timing of listing/selling the home</li> <li>c. Make sure that the deed restriction is understandable and accessible</li> </ul> </li> <li>B. Consider options to broaden the pool of buyers</li> <li>C. Continue capitalizing on net zero</li> <li>D. Find a way to keep the HOA payment low in the future</li> </ul>

Theme	Findings	Ideas/Suggestions
Lack of Understanding	<ul style="list-style-type: none"> <li>● Teachers are spreading rumors based on incomplete knowledge <ul style="list-style-type: none"> <li>○ People have wildly different ideas about how long they have to get out after they stop working for the district</li> <li>○ Amount of appreciation (one person thought that there was no appreciation)</li> </ul> </li> <li>● Generally teachers seem to be more risk averse and are less likely to commit to something that they don't completely understand <ul style="list-style-type: none"> <li>○ Deed restriction seems complicated, land trust more so</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>A. Marketing to build understanding of deed restriction or other affordable housing models</li> <li>B. Education is very important <ul style="list-style-type: none"> <li>a. Ongoing financial coaching/housing counseling</li> </ul> </li> <li>C. Consider implementing an optional district savings program <ul style="list-style-type: none"> <li>a. Education</li> <li>b. Down payment</li> <li>c. Debt (student loan, medical, car)</li> </ul> </li> </ul>
Affordability	<ul style="list-style-type: none"> <li>● Everybody seems to be able to find something that works for them right now, even if it is not ideal</li> <li>● Everybody struggling with high cost of living (especially housing, and medical, but also food, entertainment, and transport)</li> <li>● Some people feel like housing is a “bandaid” on a bigger affordability issue and that wages are at the root of the issue</li> </ul>	<ul style="list-style-type: none"> <li>A. Teachers gave suggestions on how to address Valley affordability beyond physical housing units (Appendix H)</li> <li>B. Rentals with option to buy</li> </ul>

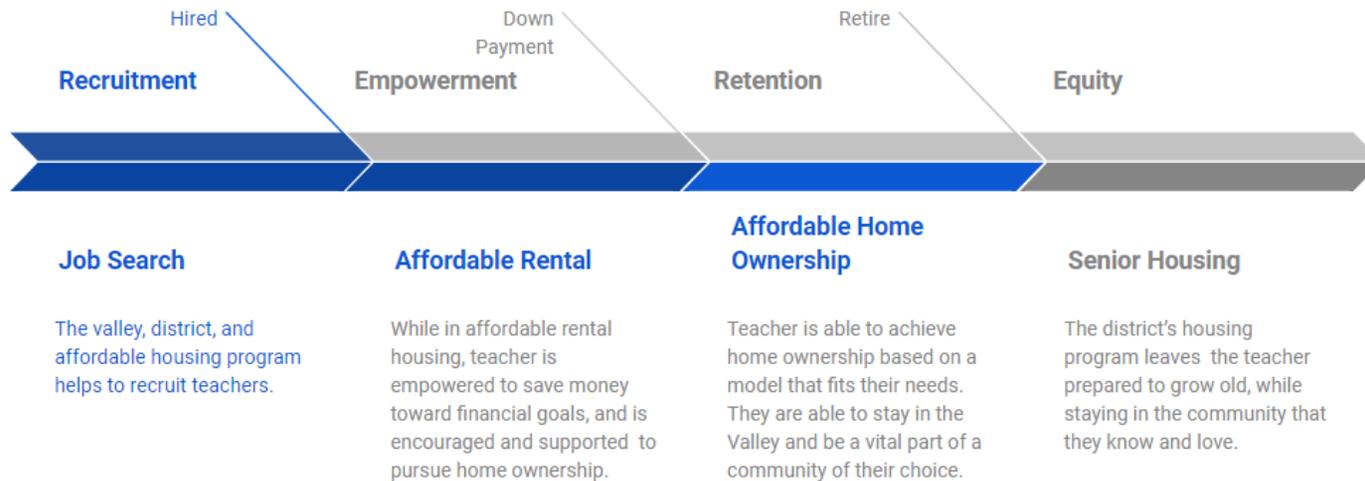
Theme	Findings	Ideas/Suggestions
Location	<ul style="list-style-type: none"> <li>● Teachers don't want to live more than one community away from where they work</li> <li>● People want to have a separation from work and life <ul style="list-style-type: none"> <li>○ Some teachers don't like that Basalt Vista is behind the high school</li> <li>○ People don't want to just mix with teachers all of the time</li> </ul> </li> <li>● Some young people prefer living in Carbondale no matter where they are teaching</li> </ul>	<ul style="list-style-type: none"> <li>A. Prioritize Carbondale as a place to build future housing</li> <li>B. Look at doing land swap for units in other developments. For example, if you can't sell all Basalt Vista homes, trade a few to another organization (Habitat or APCHA) in exchange for homes in future developments</li> </ul>
Timing	<ul style="list-style-type: none"> <li>● While housing was a goal for everyone, travel, life experience, and education took precedence</li> </ul>	<ul style="list-style-type: none"> <li>A. Is there a way to offer a gap/sabbatical/exchange that would provide young people the opportunity to gain life experience and then return to the district <ul style="list-style-type: none"> <li>a. Can this be incorporated into the housing program? For example, if you buy a house you can rent it for X amount of years while you are either teaching abroad, or getting an education</li> </ul> </li> </ul>

## Differences Between Round 1 and Round 2

		First Round Median Age 43	Second Round Median Age 29	Explanation
1	Rentals: Five-year limit on rental is causing severe anxiety	✓		<ul style="list-style-type: none"> <li>The 1st round generally were committed to staying and were worried about what was next</li> <li>The 2nd round saw the five-year limit as a time when they could pursue other goals</li> </ul>
2	Deed Restriction: Deters teachers from buying a district home	✓	✓	<ul style="list-style-type: none"> <li>Both groups disliked that you had to sell it when you were fired, quit, or retired</li> <li>1st round concerned with retirement/family stability</li> <li>2nd round concerned with the limited pool of buyers</li> </ul>
3	Lack of Understanding: Rumors		✓	<ul style="list-style-type: none"> <li>In the 2nd round rumors around Basalt Vista were prevalent</li> <li>In the 1st round lack of understanding of affordable models and options was more prevalent</li> </ul>
4	Affordability: Saving is a challenge, because of the high cost of living	✓	✓	<ul style="list-style-type: none"> <li>With a few exceptions, most people were not saving enough money for a down payment</li> <li>Cost of living and low salaries are challenges for both age groups</li> </ul>
5	Location: People are less willing move communities if they have set down roots	✓		<ul style="list-style-type: none"> <li>The older group of teachers generally were more tied to staying in their communities esp. if they had kids</li> <li>Younger teachers while less particular favored Carbondale as a place to live</li> </ul>
6	Timing: Home ownership and staying in the Valley are top priorities	✓		<ul style="list-style-type: none"> <li>The older group of teachers generally were more tied to staying in the Valley, esp. if they had kids</li> <li>Younger teachers prioritized education, and traveling abroad over homeownership</li> </ul>

## **Appendix A: Continuum of Teacher Housing**

# Continuum of Teacher Housing



## **Appendix B: Key Take-Aways, Models**

# Models: Approaches to Teacher Housing

01	<b>District Rental Housing</b>	<ul style="list-style-type: none"><li>• 5-year limit is creating a timeline for when they will act upon life goals</li><li>• Everybody appreciated having a place to live</li><li>• Had a few complaints (see Appendix J)</li></ul>
02	<b>Basalt Vista</b>	<ul style="list-style-type: none"><li>• People were more interested after dispelling rumors</li><li>• Having to sell when you leave district to a limited pool of people (Appendix C)</li><li>• Some teachers didn't want to live in Basalt or with teachers behind the school</li><li>• Concern of district overreach</li><li>• Sweat equity was a big selling point</li></ul>
03	<b>Shared Appreciation/SALT</b>	<ul style="list-style-type: none"><li>• Biggest positive was lower cost</li><li>• Perception of not having complete control over your domicile</li><li>• People were unsure of it</li><li>• People compared it to owning a trailer</li></ul>
04	<b>Miscellaneous</b>	<ul style="list-style-type: none"><li>• Young teachers have other priorities than buying a house: travel, education, life experience</li><li>• Low wages and cost of living were big concerns</li><li>• Teachers have ideas for addressing problem without building an asset (see Appendix I)</li></ul>

Three people who applied for Basalt Vista in round one, were not chosen and did not apply round two.



**Had there been two bedroom homes, two of three would have applied in round two.**

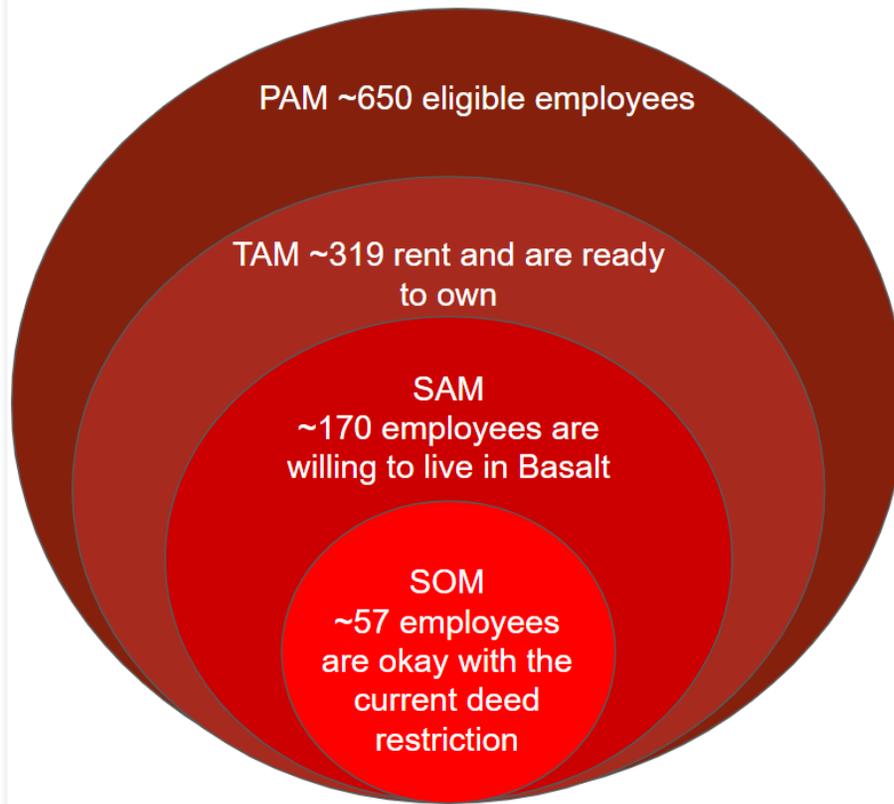
Price, size, and not wanting to take a home away from a family that needs it were cited as factors in decision not to apply for a three or four bedroom in round two.

**One decided not to apply regardless of the availability of two bedrooms.**

This person cited: bad return on investment, uncertainty around keeping job, and a high/unaffordable monthly payment. Another respondent was less sure about wanting a two bedroom after I explained the terms of the deed restriction.

## **Appendix C: Basalt Market Size Hypothesis**

# Basalt Vista Market Size Hypothesis



Potential Available Market (PAM)	<ul style="list-style-type: none"> <li>650 full time employees according to the RFSD public information officer</li> </ul>
Total Available Market (TAM) 49% of PAM	<ul style="list-style-type: none"> <li>Assumption: 70% of employees do not own homes</li> <li>Assumption: 70% of renters have homeownership as their top priority</li> </ul>
Serviceable Addressable Market (SAM) 53% of TAM	<ul style="list-style-type: none"> <li>Teachers will live maximum 1 community away 66.67%</li> <li>80% don't mind the location</li> </ul>
Serviceable and Obtainable Market (SOM) 33.33% of SAM	<ul style="list-style-type: none"> <li>Less than half of interviewees were okay with the deed restriction in its entirety</li> <li>Employment clause, ability to sell, appreciation rate were some of the biggest objections, with the employment clause mentioned the most</li> <li>Based on our interviews, we assume that about a third of employees are okay with the deed restriction in its current iteration</li> </ul>

\*We need to do a survey to solidify this hypothesis

## **Appendix D: Card Sort/Card Sort Results**





## **Appendix E: Interview Questions**

**1. Warm Up (5min)**

What compelled you to respond to Jeff's email to participate in this interview?

**2. Live/Work/Commute (10-15min)**

Which school do you work for? What do you teach?

How long have you lived in the Valley?

Where do you live?

Did you have to move when you started working? Why did you move here?

How is the Valley treating you? Good, Bad, Ugly?

How long is your commute?

What does your partners commute look like?

What is your current living situation? Rent, own, other?

Roommates?

Are you happy with your current housing arrangements?

**3. Home Ownership (10-15min)**

Is home ownership a goal?

What does home ownership mean to you? (card sort)

What would be the biggest factor that you would consider when buying a house?

Have you looked at buying a home in the Valley? How far did you get in that process?

How familiar are you with the housing market in the valley?

**4. Budgeting (10 Min)**

Do you have a savings account?

Are you actively saving for a down payment?

Are you saving for other things? What are they?

Are you acquainted with costs associated with owning a home? Maintenance, insurance, utilities, etc.?

**5. Models (10 Min)**

Are you familiar with the districts affordable rental units?

Are you familiar with Basalt Vista?

Are you familiar with other deed restricted units, or the concept of deed restricted?

Have you looked into living in non permanent structures such as tiny homes or RVs?

Show comparison explain models

Which model is most appealing from a monthly payment standpoint?

Which model is most appealing from a building wealth standpoint?

Which model would you most likely be willing to invest in?

Would you please rank the different options?

## **Appendix F: Model Comparison**

**3 Bedroom House in Carbondale**

	Shared Appreciation Land Trust	Market Rent	Deed Restriction	Market For Sale	Tiny House/Modular without a foundation, 1bdr	Affordable District Rentals 3bd
Over All Home Price	<b>\$300,000</b>	<b>NA</b>	<b>\$300,000</b>	<b>\$640,000</b>	<b>\$100,000</b>	<b>NA</b>
Percentage of Home Owned	66%	0%	100%	100%	100%	0%
Your Home Price	\$200,000	NA	\$300,000	\$640,000	\$108,400*	NA
Loan amount	\$160,000	NA	\$240,000	\$512,000	\$88,400*	NA
Down Payment (20%)	<b>\$40,000</b>	<b>NA</b>	<b>\$60,000</b>	<b>\$128,000</b>	<b>\$20,000</b>	<b>NA</b>
Salary Needed to Afford Mortgage/Rent**	\$48,384	\$86,400	\$52,452	\$100,332	\$44,388	\$31,650-\$73,850
Interest Rate	4.2	NA	4.2	4.2	7.5	NA
Sqft.	1500	1440	1500	1562	520	1200-1500
Price/Sqft.	\$200	Na	\$200	\$410	\$192	NA
Loan Term (Years)	30	NA	30	30	12	NA
Mortgage Payment	\$1,066	NA	\$1,457	\$2,787	\$933	NA
Lease	\$278	\$2,400	\$0	0	\$300	\$946-\$2,548***
<b>Monthly Payment</b>	<b>\$1,344</b>	<b>\$2,400</b>	<b>\$1,457</b>	<b>\$2,787</b>	<b>\$1,233</b>	<b>\$946-\$2,548***</b>

\*Includes sales tax

\*\*Based on a housing ratio of 30%

\*\*\*Dependent on income

**Asset Appreciation**

	Shared Appreciation Land Trust	Market Rent	Deed Restriction	Market For Sale	Tiny House/Modular without a foundation	Affordable District Rentals
Appreciation Rate	4.00%	N/A	3%	Market Rate*	-20%	N/A
Appreciation after 5 years	<b>\$40,000</b>	<b>-\$56,580</b>	<b>\$45,000</b>	<b>\$185,600</b>	<b>-\$80,000**</b>	<b>-\$29,580</b>
Appreciation after 10 years	<b>\$80,000</b>	<b>-\$113,160</b>	<b>\$90,000</b>	<b>\$192,000</b>	<b>-\$85,000**</b>	<b>-\$59,160</b>
Appreciation after 20 years	<b>\$160,000</b>	<b>-\$226,320</b>	<b>\$180,000</b>	<b>\$512,000</b>	<b>-\$90,000**</b>	<b>-\$118,320</b>
Appreciation after 30 years	<b>\$240,000</b>	<b>-\$339,480</b>	<b>\$270,000</b>	<b>\$768,000</b>	<b>-\$95,000**</b>	<b>-\$208,320</b>

\*Based off of the historic yearly market rate rise in home prices during last 5, 10, 20, and 30 year--5.8%, 3%,4%, and 4% respectively

\*\*Takes Salvage value into account

## **Appendix G: Basalt Vista Prices**

**Phase One RFSD- BVHP Available Units & Income Categories**

<b>Sales Price</b>							
RFSD- 5 Units	Category A up to 80% AMI	Amount to Finance after Sweat Equity	Category B up to 100% AMI	Amount to Finance after Sweat Equity	Category C income over 100% AMI	Amount to Finance after Sweat Equity	HOA Estimations
2- Bedroom	\$270,000	\$245,000	\$295,000	\$270,000	\$350,000	\$325,000	\$300
2- Bedroom	\$270,000	\$245,000	\$295,000	\$270,000	\$350,000	\$325,000	\$300
3- Bedroom	\$295,000	\$270,000	\$345,000	\$320,000	\$400,000	\$375,000	\$350
3- Bedroom	\$295,000	\$270,000	\$345,000	\$320,000	\$400,000	\$375,000	\$350
4- Bedroom	\$345,000	\$320,000	\$370,000	\$345,000	\$450,000	\$425,000	\$400
<b>Income Levels</b>							
Household Size	Category A up to 80% AMI		Category B up to 100% AMI		Category C income over 100% AMI		
1-person	\$60,450		\$75,550		over \$75,551		
2-person	\$69,100		\$86,350		over \$86,351		
3-person	\$77,700		\$97,150		over \$97,151		
4-person	\$86,350		\$107,900		over \$107,901		
5-person	\$93,250		\$116,550		over \$116,551		
6-person	\$100,150		\$125,200		over \$125,201		
Assets	No more than 150% of the purchase price, not including retirement accounts						

## **Appendix H: Teacher Suggested Housing Solutions**

# Teacher Suggested Housing/Affordability Solutions

Down payment matching	If you put money away in an account, and stay working for the district for a certain period of time, the district will match your down payment.
Tax incentives to sell to teacher	Roaring Fork residents can sell their house for under-appraised value to a school teacher. The amount under appraised value could be considered a donation and a tax write-off.
Local business discounts for teachers	District lobbies on behalf of employees to get discounts on non-housing living expenses (entertainment, food, transport, etc).
Rent to own/option to buy	District can finance rentals for homeownership, or after a certain period of renting, teacher can have the option to buy their rental.
Savings Club	Many teachers expressed interest in being part of a savings club to help them save for a down payment.
Homebuyer education/financial coaching	One teacher expressed interest in having access to someone to help him set financial goals. Another teacher wanted someone to explain different housing models.
Sabbatical/gap year	Young teachers will likely leave at some point to pursue life experience/education. If they could come back to their position/housing after a gap, then they would be more likely to stay with the district long term.
Teacher exchange	Many young teachers expressed interest in traveling/teaching abroad. and some suggested having an exchange program where they could exchange with a teacher from another country and their residence would be rented out to the other teacher for the duration of the exchange.

# **Appendix I: Rental Complaints**

## Rental Complaints

Noise	A number of teachers complained about noise, specifically from Cardiff Mesa. People said that they could hear people above and below them. One respondent said that he thought someone was in his apartment offering him coffee.
Sharing Willits with Other Entities	One interviewee detailed how she thought that the cops and other Basalt city employees in the Willits units were not held to the same standard as the teachers, and that it was hard to get anything accomplished. "Too many cooks in the kitchen," is how she described it. She also mentioned that living with cops made her feel like she was always being watched, and that she did not like the culture of the police people living as her neighbors.
Application process/property management company	One interviewee expressed that she was in contact with the property management company about getting a unit in Carbondale. When she expressed interest in having her boyfriend move in with her, the property management company stopped responding. Another interviewee did not accept a unit because she had signed a lease a week before. Another teacher expressed that she could not get housing when she came to the Valley; she contacted the property management company multiple times, and only after seeing that there were three empty units in the Carbondale apartments and calling did she get accepted. She had a short window to move in and lost her \$1500 rental deposit from her landlord.

## **Appendix J: Raw Data**