

LOCAL

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“Categories 1 through 4 I think will sell out relatively quickly,” Reveal told the council. “Categories 5 through 7 — I think that’s where you are going to struggle.”

Doubling the supply at Burlingame at this time will “compound the issues we have here,” which is that homeowners are having difficulty selling their units in a soft market, Reveal said. He added that other than that issue, Burlingame is a solid housing project.

At the prices that category 5 and higher units are listed for, one could buy free-market residential property down-valley, and not be subject to APCHA rules that require full-time residency and cap a unit’s appreciation at about the rate of inflation.

Gyles Thornely, who also is on the HOA board, stressed that the Phase I homeowners are appreciative of the opportunity Burlingame has given them to own a home in Aspen, and “we absolutely want to extend” the opportunity to others.

“But our message is timing,” Thornely said. “Why is it important to push this thing through now?”

The city’s response is that it is planning for the future, and at the soonest, the new units would not be completed until 2014.

Assistant City Manager Barry Crook said Burlingame Phase II was designed to give the city flexibility with when and how it sells the units. For example, all the unit sizes are standardized, meaning that a category 7 will be no bigger than a category 2. So if council is willing

Burlingame Phase II Possible Range of Outcomes	Total Phase II Costs	Total Phase II Revenues	Subsidy per Unit For 161 subsidized Units
1. Meet the planned average category of 3.6 / Spend 100% of contingency funding	\$97,243,194	\$54,165,161	\$267,565
2. Meet the planned average category of 3.6 / Save 100% of contingency funding	\$89,682,908	\$54,165,161	\$220,607
3. Settle for the presales indicated avg category of 2.9 / Spend 100% of contingency funding	\$97,243,194	\$44,665,161	\$326,572
4. Settle for the presales indicated avg category of 2.9 / Save 100% of contingency funding	\$89,682,908	\$44,665,161	\$279,613

The city of Aspen has developed a matrix showing the changes in Burlingame Phase II costs and subsidy levels depending on the category mix, and how much of the project’s contingency fund — about 10 percent of total costs — is spent.

to increase the subsidy levels, it could bring down the categories without concern about units that were built to higher specifications than others.

Another strategy, according to Crook,

could be to build the first part of Phase II — Phase IIA — with a lower category mix and push more higher-category units into Phase IIB.

“I’m willing to bet that in 10 years,

the market will look more like 2005-2007,” Crook said, referencing the time when local demand for affordable housing was through the roof.

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