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October 8, 2014

Aspen council considers subsidized Burlingame Ranch housing

Two Aspen City Council members said Tuesday during a budget work session that they are prepared to grant subsidies for six single-family homes in the million-dollar price range at Burlingame Ranch Phase II.

The council began talks in December, when Councilman Adam Frisch said there's a pricing gap in Aspen where some dual-income families make too much money to qualify for upper-category units but can't afford million-dollar homes on the free market. Tuesday's discussion was one of many budget talks City Council members are scheduled to have this month.

Frisch expressed confidence that there's still demand for a product priced around \$850,000. He added that he's willing to discuss some form of subsidy for the six units, which would cost around \$1 million each for the city to develop.

Assistant City Manager Barry Crook explained that it has been the direction of previous councils to sell similar units as resident-occupied, which is Aspen's top housing category. He offered the council three options Tuesday, two of which involve a subsidy.

The first option is similar to previous council direction and wouldn't include subsidies: Six 1,800-square-foot units — all including two-car garages and four including unfinished basements — would be priced around \$1.1 million each.

The second option is to build 1,700-square-foot homes, with two-car garages, at a price of \$850,000. Each home would require a subsidy of \$170,000.

The third option is to build 1,600-square-foot homes, with one-car garages, at a price of \$750,000. Each home would require a subsidy of \$170,000.

While council members Ann Mullins and Art Daily were absent and Mayor Steve Skadron didn't offer an opinion, Councilman Dwayne Romero agreed with Frisch that some amount of subsidy is appropriate.

“I think there is going to be some level of demand that can soak up these residences,” Romero said, adding that the unfinished basement makes it a more appealing product. “I’m comfortable with some margin of subsidy. How much is up for discussion.”

Frisch said that upper-category homeowners deserve a subsidy as much as lower-category homeowners.

“On paper, it does sound like a lot of money for someone who is looking to buy a home of this size,” he said. “However, I’m not sure why the people who can afford this are any less or more valuable to the community than the people living in Category 2 housing, Category 4 housing, Category 6 housing.”

When the \$850,000 price point was originally discussed, there were two interested buyers, but Crook said Tuesday that those parties have since moved on, with one buying a unit at North Forty.

The Burlingame contract approved by the council in 2011 requires the creation of these single-family homes, and the topic is expected for further discussion in the near future.

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