

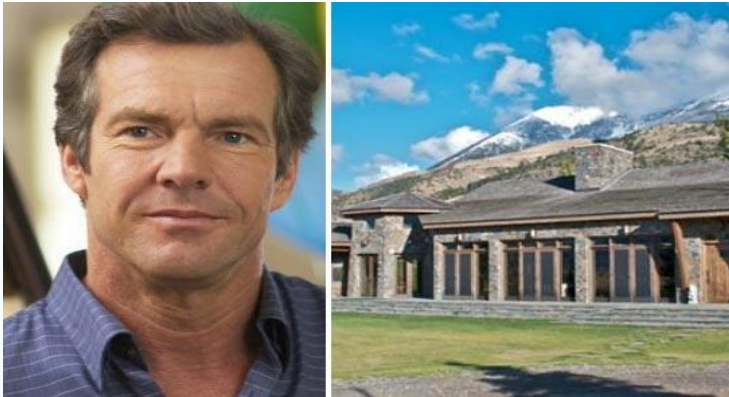
The Problem of Housing in Popular Tourist Destinations: Impacts of Amenity Migration on Land Use Planning

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I. Introduction

Class One Amenity Migrant



Transforms Local Economy



Class Two Amenity Migrant



Transforms Local Housing Patterns



A. Class One Amenity Migrant

- These are wealthy individuals who buy up huge parcels of land, and build enormous houses, in areas, like the Bitterroot Valley of Montana, that previously had their economies based on commodity extractive industries, primarily
 - Agriculture
 - Ranching
 - Logging
 - Mining



1. The Old Economy

- *Agriculture*
- *Ranching*
- *Logging*
- *Mining*



2. The New Economy

- 1. Land purchased by wealthy individuals – celebrities (like Ted Turner, Dennis Quaid, and Tom Brokaw)
- 2. Land is purchased to give these wealthy individuals isolation and quiet
- 3. Enormous trophy homes built on these lands for these wealthy amenity migrants



3. Consequences of the New Economy

- The previous, older, commodity-based economy is replaced by landed gentry, gentlemen-ranchers, who want ***no use of the land, other than occasional horse and cattle pasturing.***
- ***Land prices soar, so that those who relied on the old economy can no longer afford to stay in the area.***
- ***The earlier, older economy disappears, and those that relied on that economy must learn to do something else – serve the new masters of the land or leave.***



3. Consequences Continued...

- The land becomes a two-tiered society with lower income families struggling to survive at the bottom, and the wealthier newcomers at the top able to acquire enough property that they can isolate themselves.
- In effect, the land becomes zoned by money, not by land use.

B. Class Two Amenity Migrant

- The “Amenity Migrant”
 - Economically Affluent
 - Wishes to Purchase Homes in Pristine Locations
 - Such Locations are often Popular Tourist Destinations
 - Result: Amenity Migrants create a range of social, economic, and environmental impacts in the destinations they select



This presentation will consider the effect of the amenity migration phenomenon in the United States, Canada, and Europe.

II. Amenity Migration into Popular Tourist Destinations



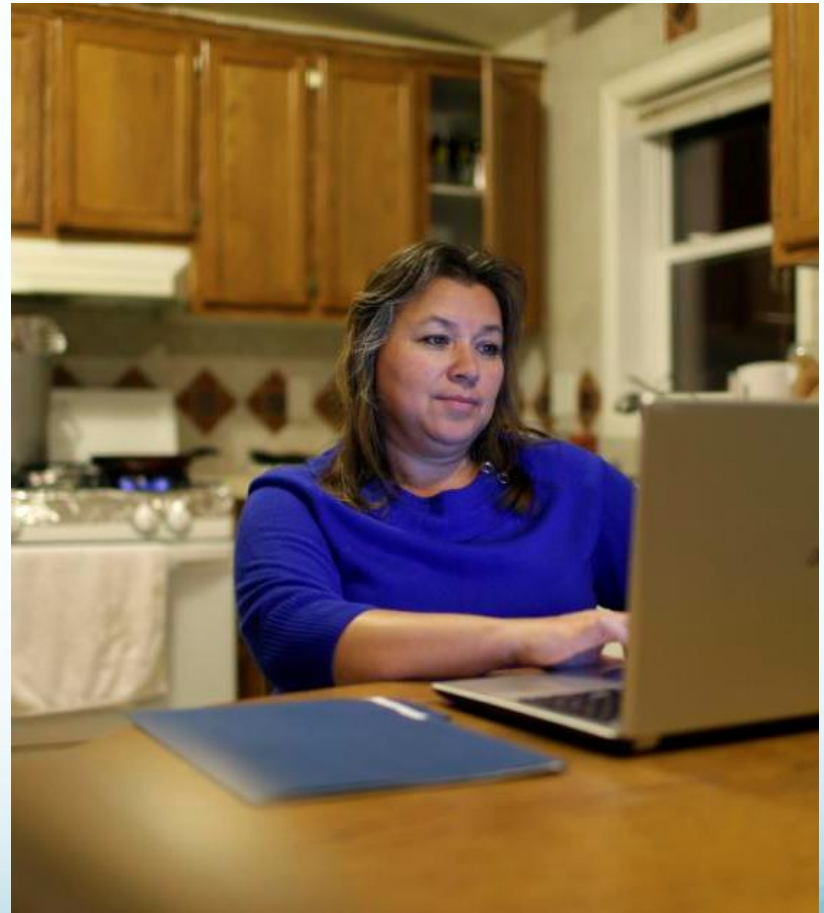
A. The United States: A Tale of Two Colorado Cities

- Aspen & Breckenridge
 - Late 1800s- First Residents were Gold and Silver Prospectors
 - 1930s- a second life – Ski Resort Industry
 - Strong Economy- Most Employees Work in the Outdoor Tourism
 - Lack of Affordable Housing In-Town
 - Housing within the municipality purchased by wealthy buyers



Case Study: Aspen

- "That commute — it becomes 10 hours a week. It's like working an extra day."
- "It's hard to live here."
- The divide between the haves and have-nots in Aspen reflects a division that cuts across the country: The richest are getting richer while the rest of the population is essentially treading water.

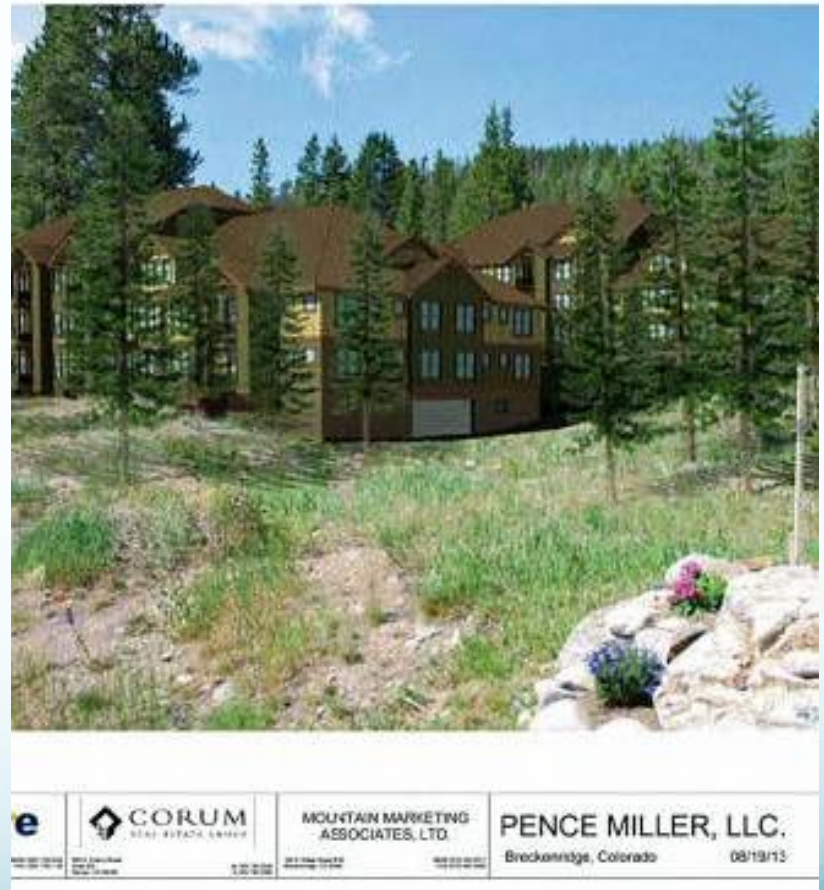


- In Aspen the gap is geographic as well as financial.
- A lucky few — about half of Aspen's year-round population of 6,700 — are able to score units in the town's unusual affordable housing program that, on the open market, would sell for millions each.



Case Study: Breckenridge

- “There’s a definite need for rental workforce housing, we’ve already identified that.”
- “In order to get the number of units on site, that required underground parking, which is very expensive, hence the larger subsidies.”
- The estimated subsidy — money from the town to keep the price of the rental affordable — was \$65,000 per unit, which would total more than \$5 million.



- “The need is great and we want to come up with a project the community embraces. We need to allow families who work here to also live here.”
- “This is coming in half of the density and half the allowed mass allocated to the site and it makes sense that this is combined between the two parcels. Employee housing is sorely needed in this community.”
- “It would be helpful if we scrutinized land use districts before applications were made,” Mayor John Warner said. “Pence Miller is an example of a land use district that was set up for failure.”



B. Canada: Whistler



C. Europe: Amenity Migration in Spain, Italy, and Sweden



Costa Blanca, Spain



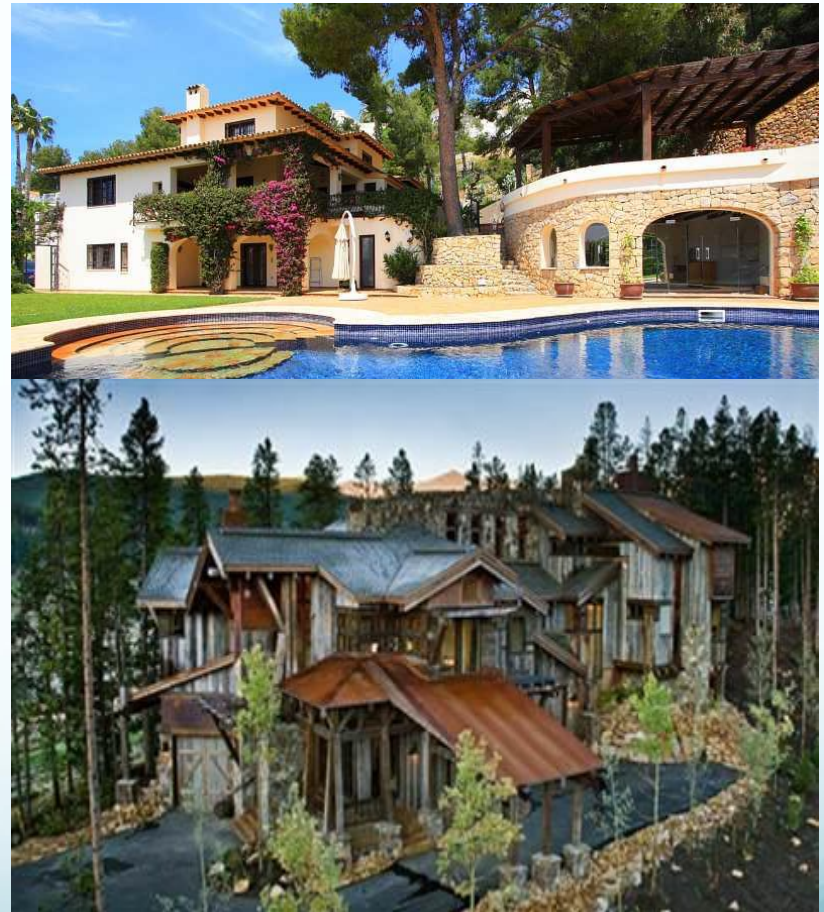
Friuli Alps, Italy



Tärna Mountains, Sweden

III. Social and Economic Impacts on Housing Markets

- Second Home Purchases
- Gentrification effects for existing residents
- The “Down-Valley” Effect
- Short-term Rental Market Boom



A. Housing Issues For Existing Residents



B. The “Down Valley” Effect: When there is No Affordable Housing for Employees



C. Explosion of Short-Term Rental Market



- **“A real crisis”**
- Longtime residential neighborhoods are seeing homes turned into mini-hotels, with parking, noise and trash problems that follow a steady stream of visitors. And locals are finding themselves shut out of the long-term rental housing market as owners pursue more lucrative short-term tenants.

High-country listings

- **Vail**

892 Current listings

144% Absolute growth 2009-14

- **Steamboat Springs**

1,865 Current listings

175% Absolute growth 2009-14

- **Breckenridge**

2,349 Current listings

114% Absolute growth 2009-14

- **Crested Butte**

303 Current listings

84% Absolute growth 2009-14

- **Salida**

109 Current listings

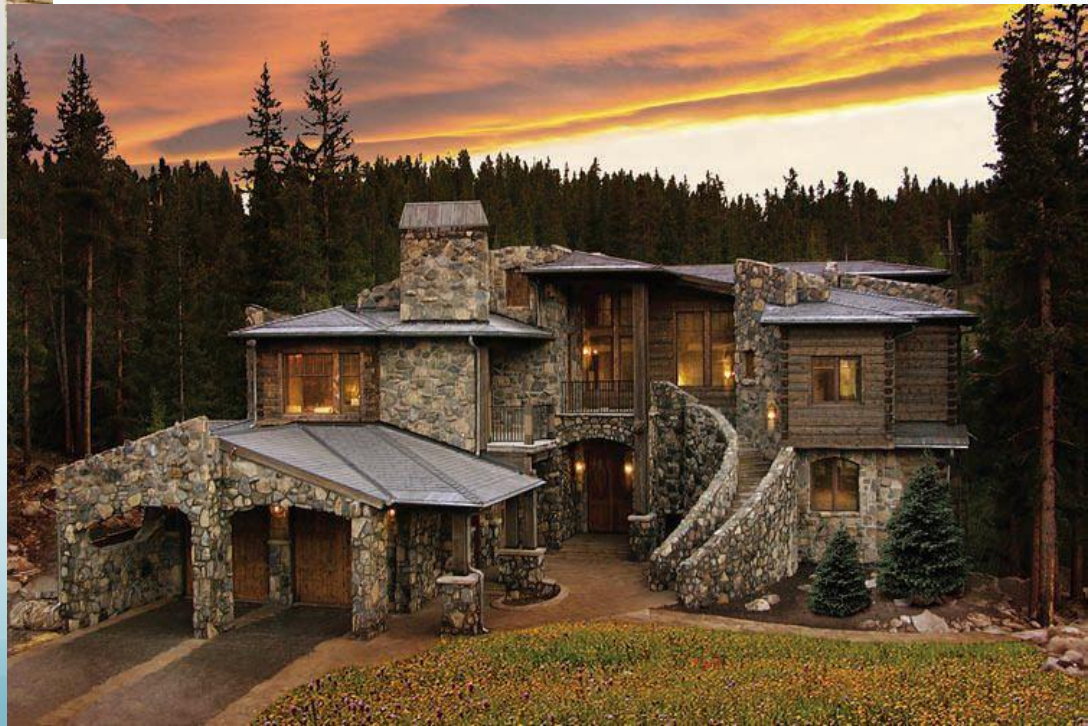
63% Absolute growth 2009-14:

- **Aspen**

418 Current Listings

53% Absolute growth 2009-14

IV. Land Use and Environmental Impacts



A. Depletion of Natural Resources

- Water

- Most Critical Natural Resource
- Overuse of the water resources for hotels, golf courses, etc.
- Obvious critical concern in arid areas but also an important consideration for winter tourism— snowmaking, accommodation of guests

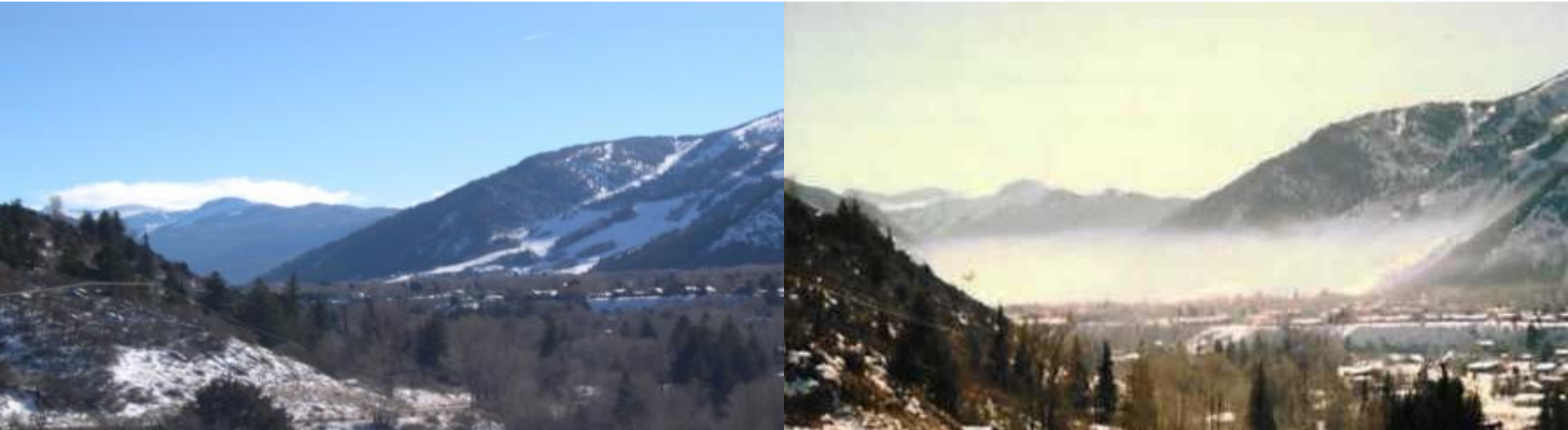


- Land

- Minerals, fossil fuels, fertile soil, forests, wetlands, wildlife, and scenic landscapes
- Affected by infrastructure development



B. Pollution



Clean Air

compared to

Dirty Air

In Aspen, Colorado

C. Physical Impacts



D. The Elusive Goal of Economically Sustainable Tourism

- Tourism has developed into the principal industry for many North American and European resort destinations
- Too often, the emphasis is on economy rather than social or environmental factors
- Wealthy new entrants to the housing market put
 - (1) upward pressure on residential housing pricing,
 - (2) “outward” relocation pressure on service-worker employees as well as local residents, and
 - (3) environmental pressure on the natural landscape



V. Strategies Used to Address Amenity Migration Housing Challenges in America



North American Strategies Continued....

Aspen

- Deed restricted housing
- Real estate transfer tax and sales tax
- Mitigation plans
- Gov construction of affordable housing

Whistler

- Deed restricted housing
- Public land bank
- Impact fees
- Price-resale caps
- Private-public partnership

Breckenridge

- Deed restricted housing
- City-wide sales tax for affordable housing
- Impact fees
- Minimal private sector initiative



VI. Future Strategies to Stabilize Housing Availability in Locations impacted by Amenity Migration



- Without sufficient affordable housing, resort destinations risk “enjoy[ing] a brief moment in the sun followed by tattered remains.”

A. Inclusionary Zoning

- Less expensive affordable housing units to be built amongst market rate housing
- Either *voluntary* or *mandatory*
- Set-aside requirements for mixed, economically-integrated communities
 - Reduces environmental impact
 - No “down-valley” effect
- Such zoning cannot be *ultra vires* or considered a tax



B. Community Land Trusts

- Create dynamic, livable, and healthy municipalities
- Affordable housing in perpetuity to the full range of residents
- Separation of ownership of land and buildings
- Land is managed by the CLT on behalf of present and future residents
- Consideration of the benefits of open space and wildlife habitat



C. Private Sector Incentives

- Employers and business owners should be invested stakeholders in the provision of affordable housing
- Local and Federal tax incentives
- Commercial “linkage” program
- Higher density within the municipality- reducing sprawl and environmental impact

