The Colorado Health Foundation™

Dear Community Partners,

In 2018, The Colorado Health Foundation commissioned a study from Burlington Associates to examine the potential for the wider distribution and development of community land trusts (CLTs) in Colorado. Our intent with this report was to both inform ourselves and inform the field about opportunities to support access to affordable, safe, high-quality housing in order to reduce the number of low-income Coloradans who spend more than 30 percent of their income on housing.

The main deliverable of the study is a written report evaluating the suitability and feasibility of establishing CLT programs in a diverse set of "representative" regions that were selected by the Foundation. The regions included in the study were:

- Mountain Region – Eagle County, Pitkin County and Garfield County (Roaring Fork Valley)
- Central Region – Chaffee County
- Southern Region – El Paso County (Colorado Springs)
- Northwest Region – Routt County (Steamboat Springs)
- Western Region – Montrose County
- Eastern Region – Logan County (Sterling)

The study unfolded in two phases. Burlington Associates first assessed which of the eight counties might have the highest potential for CLT development. This assessment winnowed the field of possibilities to four counties that warranted a closer look. For each of them, Burlington Associates conducted a financial analysis that calculated the costs entailed and the subsidies required to create a sizable and sustainable portfolio of permanently affordable CLT housing over the next five years. The report concludes with recommendations for state-level support of CLT expansion in Colorado from private charities, state government, and the newly established Elevation Community Land Trust.

Attached you will find a copy of the study titled *Evaluating the Potential for Establishing or Expanding Community Land Trust Programs in Eight Colorado Counties*. We hope you find it useful and informative.

Our deepest appreciation goes to the eight counties featured in the report and the numerous individuals who participated in key informant interviews and provided data and resources that made this report possible (see Appendix C).

For further questions about the report or further information about The Colorado Health Foundation's affordable housing priorities and goals, please contact me at mcifuentes@coloradohealth.org.

Best regards,

Maribel Cifuentes
Portfolio Director
mcifuentes@coloradohealth.org
(o) 303.953.3642

Evaluating the Potential for Establishing or Expanding Community Land Trust Programs in Eight Colorado Counties

Prepared by:

Michael Brown
John Emmeus Davis
Devika Goetschius
Burlington Associates in Community Development LLC

Commissioned and funded by:

The Colorado Health Foundation

February 4, 2019

Evaluating the Potential for Establishing or Expanding Community Land Trust Programs in Eight Colorado Counties

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Overview

Burlington Associates in Community Development, LLC was hired by the Colorado Health Foundation to examine the potential for the wider distribution and development of community land trusts (CLTs) in Colorado, beyond the six that are presently operating in Denver and Boulder. The main deliverable was to be a written report evaluating the suitability and feasibility of establishing CLT programs in a diverse set of "representative" regions that were selected by the Foundation's staff. The six regions initially proposed for the study were:

1. Mountain region – Eagle County
2. Southern Colorado – El Paso County (Colorado Springs)
3. Northwest Colorado – Routt County (Steamboat Springs)
4. Western Colorado – Montrose County
5. Eastern Colorado – Logan County (Sterling)
6. Southeast Colorado – Prowers County (Lamar)

Two regions were later ***added*** after Burlington Associates had started work: Chaffee County and the Roaring Fork Valley (Pitkin County and Garfield County). Conversely, one county was later ***subtracted*** from the places being evaluated. After an initial round of interviews with individuals in Lamar, accompanied by a review of available data pertaining to the region's demographics and housing conditions, Burlington Associates recommended that Prowers County be removed as a study site. The Foundation agreed. The net result was a scope of work that encompassed eight counties.

Organization of the Report

The evaluation unfolded in two phases. Burlington Associates first assessed which of the eight counties might have the highest potential for CLT development. This assessment winnowed the field of possibilities to four counties that warranted a closer look. For each of them, Burlington Associates conducted a financial analysis that calculated the costs entailed and the subsidies required to create a sizable and sustainable portfolio of permanently affordable CLT housing over the next five years. The report concludes with recommendations for state-level support of CLT expansion in Colorado from private charities, state government, and the newly established Elevation Community Land Trust.

I. Assessment. Phase one combined long-distance phone interviews, on-site face-to-face interviews, a review of previously published housing needs assessments, and the compilation of county-level data readily available on websites maintained by the U.S Census Bureau, Data USA, the Colorado Department of Local Affairs, and HUD's Office of Policy Development and Research.[1] Much of the statistical data for the counties under review was current only to 2016,

[1] A list of everyone interviewed by phone or in person by Burlington Associates can be found in Appendix C. The published reports and primary sources of data consulted in preparing this report can be found in Appendix D.

but that sufficed for conducting a general assessment that was aimed at winnowing the original list of eight counties down to those with the greatest potential for CLT development.

The information gleaned from these interviews and online sources of data was used to prepare a profile of housing conditions in each county and to evaluate the pros and cons of ***establishing*** a CLT there – or, in the case of Chaffee and El Paso, two counties where a CLT already exists, to evaluate the pros and cons of ***expanding*** that program. Burlington Associates then used a set of criteria drawn from other cities and states where CLTs have been successful to assess whether current conditions seem suitable – or unsuitable – for establishing or expanding a CLT program in the eight counties in Colorado.

II. Feasibility. Through our assessment of eight Colorado counties, we identified four counties that currently have the greatest potential for additional CLT development: Chaffee County, Eagle County, El Paso County (Colorado Springs), and Routt County (Steamboat Springs). For each one, a financial model was prepared to evaluate the feasibility of establishing a new CLT program or expanding an existing CLT in that county. Land costs, construction and ownership costs, and household incomes from 2018 were provided by the organization in each county that would likely play the lead role in developing and stewarding these additional units of resale-restricted, owner-occupied housing over the next five years. The local informants also established the parameters for who these units should serve and how fast the portfolio should grow.

The model that was constructed on the basis of these county-specific inputs and targets was used to calculate:

a) the resources that would be needed to develop the growing portfolio of resale-restricted, owner-occupied housing;

b) the subsidies that would be needed to close the affordability gap between the cost of developing these homes and the incomes of the people hoping to purchase them; and

c) the internal revenues and outside subsidies that would be needed by a CLT to oversee the development and stewardship of this portfolio.

III. State-level support. Outside support for the projects and operations of a new CLT or an existing CLT that is expanding its portfolio will come, first of all, from local government, local donors, local housing authorities, and other nonprofit organizations in these counties. State-level support is also needed, however. The future viability and productivity of local CLT initiatives will depend, in large measure, on the availability of financial resources from entities with a programmatic focus that is broader than that of a single county. These include private charities like the Colorado Health Foundation, various agencies and enterprises of state government, and the newly established Elevation Community Land Trust. The report includes a set of observations and recommendations from Burlington Associates identifying the kinds of actions that state-level actors should consider taking in the years ahead, if CLTs are to multiply and to thrive in Colorado.

Summary of Findings from the Financial Analysis

A copy of the four financial models that were constructed for Chaffee County, Eagle County, El Paso County (Colorado Springs), and Routt County (Steamboat Springs) has been delivered to the Colorado Health Foundation. (A snapshot of selected worksheets for each county can be found in Appendix F.) To assist in establishing or expanding CLT programs in these counties, a copy of the portfolio analysis for their particular county will be delivered to the Chaffee Housing Trust, the Eagle County Housing Authority, the Rocky Mountain Community Land Trust, and the Yampa Valley Housing Authority.

A summary of findings from the four counties appears below. It is important to note that the design of these CLT programs varied from one county to another, based on recommendations by the local organization expected to manage the program and on our own conclusions as to what an impactful, manageable, and sustainable portfolio would be in each county.

Subsidy Requirements to Establish/Expand CLT Programs

	Chaffee	Eagle	El Paso	Routt	TOTAL
Number of additional units to be brought into the CLT's portfolio over **five** years	**71**	**176**	**62**	**250**	**559**
Targeted **pricing** of additional CLT homes	60% AMI	120% AMI	70% AMI	100% AMI	
Targeted **eligibility** of CLT homebuyers	60% - 80% AMI	110% - 140% AMI	60% - 80% AMI	100% - 120% AMI	
PROJECT subsidies needed to produce additional units	$8,148,602	$24,332,314	$7,693,769	$13,074,800	$53,249,485
PROJECT subsidies available from local sources to produce additional units	$2,130,000	$3,794,580	$936,926	$4,250,000	$11,111,506
PROJECT subsidies needed from sources outside the county for additional units	$6,018,602	$20,537,734	$6,756,843	$8,824,800	$42,137,979
OPERATING subsidies needed to provide stewardship for additional units	$0	$0	$50,000	$250,000	$300,000
TOTAL SUBSIDIES needed for five-year expansion of CLT program(s)	**$6,018,602**	**$20,537,734**	**$6,806,843**	**$9,074,800**	**$42,437,979**
PER-UNIT COST of subsidizing expansion of CLT program(s)	$84,769	$116,692	$109,788	$36,299	$75,918

PART ONE
Assessment of Potential for CLT Development in Eight Counties

Eight counties were selected by the Colorado Health Foundation for consideration as possible sites for establishing or expanding a community land trust:

1. Chaffee County
2. Eagle County
3. El Paso County (Colorado Springs)
4. Routt County (Steamboat Springs)
5. Montrose County
6. Logan County
7. Pitkin County (Roaring Fork Valley)
8. Garfield County (Roaring Fork Valley)

Interviews were conducted with key informants in each county, most of whom were referred to Burlington Associates by the Colorado Health Foundation.[1] On a parallel track, county-level statistics were collected from published reports and from websites maintained by the U.S Census Bureau, Data USA, HUD's Office of Policy Development and Research, and the Colorado Department of Local Affairs.[2] Information and insights gleaned from these sources were combined to prepare a profile of demographic changes and housing conditions within each county. On the basis of this profile, an assessment was made of the county's suitability (pros) or unsuitability (cons) for establishing a new CLT or for expanding one that already exists.

Assessment Criteria

The assessment was guided by seven criteria, identifying conditions that have favored (or hindered) CLT development in other cities and counties, in Colorado and in other states. Whether in establishing a new CLT program or expanding an existing CLT program, the following factors have proven to be the most important:

1. MARKET IMBALANCE. CLTs are more likely to find a foothold in localities where there is a persistent mismatch between housing needs and housing supply. The ***production*** of housing in

[1] A list of everyone interviewed by phone or in person can be found in Appendix C.

[2] Published reports and primary sources of online data consulted in preparing this report can be found in Appendix D. Note that the most up-to-date statistics for all eight counties came from 2016. Although some data were also available and included from 2017 and 2018, the county profiles were constructed (and compared) mostly on the basis of data from 2016.

these places has not kept pace with population growth, especially among households earning less than median income. The ***composition*** of the housing stock does not offer the types or tenures of dwellings that are needed (or preferred) by a majority of the population. A bad situation has usually been made considerably worse, moreover, by too little attention to the ***preservation*** of low-cost housing that already exists, including: market pressures that are pushing up prices of naturally occurring affordable housing; year-round housing that is being converted to seasonal use; older housing that is being allowed to deteriorate by landlords or homeowners too strapped for cash to make necessary repairs; and affordability controls that are being allowed to expire on rent-restricted or resale-restricted nonmarket housing produced through inclusionary zoning or subsidized housing produced through the investment of public subsidies.

2. ELUSIVE AFFORDABILITY. Flaws in the production, composition, and preservation of a locality's supply of housing accelerate the loss of affordability. In localities where ***access*** to affordably priced housing has become elusive for households earning less than median income and where the ***burden*** of paying for whatever housing they can find is excessive, CLTs have stepped forward to play a pivotal role in closing the "affordability gap." More importantly, they play a unique role in preserving affordability over time.

3. PLENTIFUL HOMEBUYERS. Many CLTs have programs that go beyond the development and stewardship of owner-occupied housing. They own and manage multi-family rental housing, for example, or they pursue non-residential projects like neighborhood retail, urban agriculture, or office space for other nonprofit organizations. Nevertheless, homeownership is rarely missing from their programs and remains the principal focus of most CLTs. The most conducive environment for CLT development, therefore, tends to exist in localities where homeownership is financially out-of-reach for a large portion of the population. The highest priority for most CLT homeowner programs are households in the "Goldilocks zone" earning between 80% and 100% of Area Median Income. This pool of potential homebuyers must be plentiful enough to allow a CLT to sell its resale-restricted homes, although CLTs may deepen the pool of potential homebuyers by reaching as low as 60% of AMI or as high as 140% of AMI.

4. SUFFICIENT EQUITY. It is certainly easier for a CLT to develop housing in localities where land is inexpensive and construction costs are low, but CLTs have also thrived in cities and counties where land is expensive and where the per-unit subsidy required to bridge the "affordability gap" in newly constructed housing is huge. What a CLT needs in these latter localities, if it is to create a sizable and sustainable portfolio of permanently affordable housing are enough resources to acquire land, to develop housing, and to support the CLT's own operations, especially in the organization's early years. The most pressing need will be for equity, since the only way to provide housing with prices or rents that households of modest means can afford is to limit the amount of debt that encumbers these homes.

5. MUNICIPAL SUPPORT. Some CLTs have been established and supported through private donations from charitable foundations and sympathetic individuals, but the principal source of equity for CLT development has usually come from a city or county government. Without munici-

pal support – including donations of land, grants for projects and operations, inclusionary concessions from private developers, and fees paid to a CLT for its stewardship of resale-restricted homes subsidized or mandated by the municipality – few CLTs have been able to offer low-priced housing to low-income people or to build their own organizational capacity.

6. COMMUNITY ACCEPTANCE. CLTs have been successfully started and established only in localities where there is receptivity to the CLT's unique approach to permanently affordable, owner-occupied housing within the place-based community a CLT would serve. Especially important is the active support (or passive acceptance) of the proposed CLT by other nonprofit organizations (and quasi-public entities like a local housing authority) already working in the same place as the proposed CLT. Conversely, competition (or opposition) from existing organizations and entities can make it difficult (or impossible) to establish a new CLT.

7. LOCAL CHAMPION. In every locality where a CLT is proposed or planned, there must be a respected individual, a vocal committee, or an established organization to play the lead role in initiating consideration of a CLT and in advocating for its possible adoption. Outsiders can plant the seed, offer encouragement, and provide a modicum of technical and financial support, but the only way for a CLT to take root in a crowded nonprofit landscape is for a local champion to step forward and make it happen.

Preliminary Recommendations

On the basis of these seven criteria, four counties were deemed Burlington Associates to have a favorable economic, political, and organizational environment for CLT development: Chaffee, Eagle, El Paso (Colorado Springs), and Routt (Steamboat Springs). For each of these counties, we proceeded to conduct a closer examination of the financial feasibility of establishing or expanding a CLT there, guided by a set of preliminary recommendations regarding:

- The beneficiaries to be served by a new or expanded CLT; and
- The strategies likely to be the most effective in assembling a sizable and sustainable portfolio of permanently affordable housing.

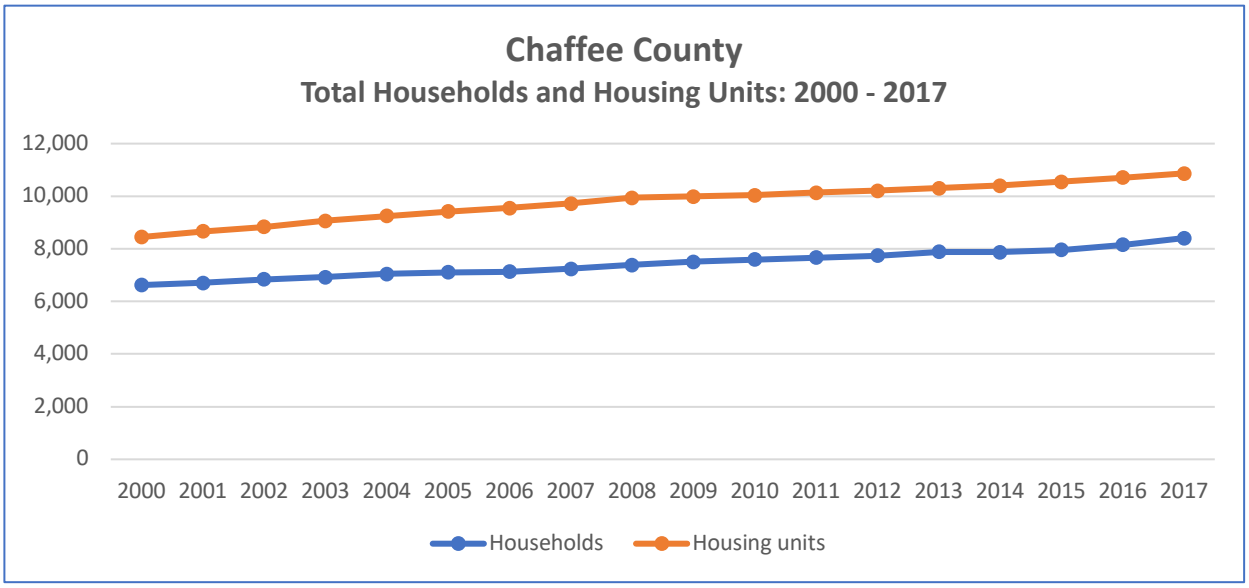
A feasibility analysis was not warranted for four other counties, which were found through our assessment to lack a number of conditions that have proven essential for a CLT to form and to thrive: Montrose County, Logan County, Pitkin County, and Garfield County. These conditions may change in the future, at least for two of the counties. In Montrose County, several community leaders have expressed an interest in exploring the possibility of a CLT, but not until the completion of a housing needs assessment that is currently underway. In Garfield County, by contrast, Burlington Associates found skepticism and opposition directed at the whole idea of creating a new CLT, except among leaders of the Roaring Fork School District. Here, there was not only interest in the model, but readiness to consider supporting the development of resale-restricted, owner-occupied housing by possibly donating surplus District lands to a CLT.

Chaffee County
Housing Conditions & CLT Assessment

DEMOGRAPHIC TRENDS:

- The county's population is quite small. There were only 19,623 people living in the county in 2017, according to the U.S. Census Bureau. This population has been increasing quite slowly. Since 2010, the county has been adding, on average, only 212-260 people/year; about 116 households/year.

- After 2015, however, the rate of growth leapt upward as a result of in-migration. (Since 2010, deaths outmatched births, meaning that the "natural increase" was negative. This was outweighed by the number of people moving into the county from elsewhere.)



Source: Colorado Department of Local Affairs

- Chaffee County's population is the oldest of the eight counties in our study. A quarter of the population is over 65 years of age, with a median age of 49 years. This pattern has been unfolding for a while, a result of younger people leaving the county in search of work. As noted by the *Chaffee County Housing Needs Assessment and Strategy* (Economic & Planning Systems, Inc., 2016; 15):

  > "This decline in the mid-career population, combined with a significant increase in the older population, has important implications for the County. In 2000, 28 percent of the county's population was aged 55 and older. By 2014, the population 55 and older comprised 40 percent of the county population, while the population aged 25 to 54 decreased from 44 percent to 39 percent of the total population. As

the younger working population leaves and the early retiree (aged 55 to 59) and retiree (aged 60 and over) population grows, the economy and housing needs of the county will change."

- One indication of the decline in the number of younger families is the small percentage of the population that is under 18 years of age. At 15% of its population, Chaffee County has the lowest percentage of children of any of the eight counties in our study.

HOUSING SUPPLY:

- Year-round homeownership is the dominate form of tenure, composing 58.5% of the county's housing stock (owner-occupied units + vacant units for sale = 6059/total housing supply).

- There are 2272 seasonal units in Chaffee County, representing 21.9% of the county's total number of housing units. (The category labeled "other vacant" in the charts prepared by PD&R, *Market at a Glance*, is equivalent to what the U.S. Census classifies as housing "for seasonal or recreational use."

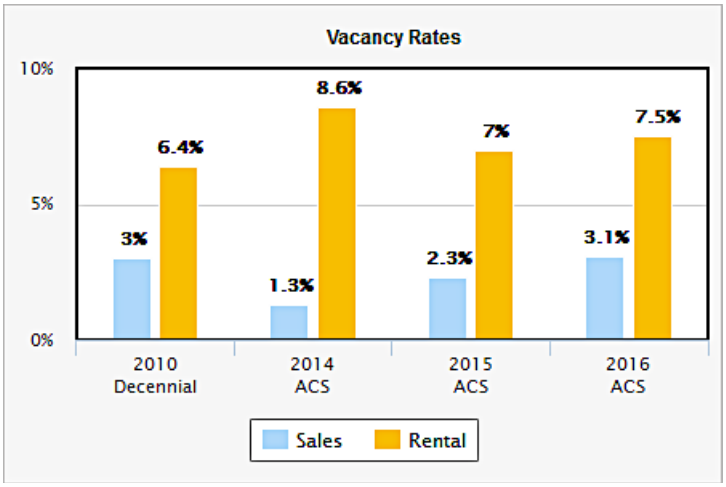
Composition by Tenure, Chaffee County's Housing Supply (2016)

[Source: 2016 American Community Survey/PD&R, *Market at a Glance*]

Composition of housing supply:	# of units	% of total
Owner-occupied units	5,868	56.7%
Renter-occupied units	1,868	18.1%
Vacant units	2,612	25.2%
Total housing supply	10,348	100.0%
Composition of ***vacant*** housing:	# of units	% of total
Available for sale	189	7.2%
Available for rent	151	5.8%
Other vacant	2,272	87.0%
Total vacant housing	2,612	100.0%

- There is relatively little rental housing. Indeed, there were only 2,019 year-round rental units in the entire county in 2016 (including both occupied + vacant rentals), representing less than 20% of the total housing stock.

- The overall vacancy rate is high: 25% according to PD&R and 23.8% according to DOLA. But that is inflated by the inclusion of "other vacant." When these seasonal units are subtracted, the vacancy rate for year-round rental housing drops to 7.5%; the vacancy rate for year-round sales housing drops to 3.1%.



[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]

Housing construction:

- Construction activity has been modest, generally matching the pace of growth in the number of households.

- Most of that construction activity has been in single-family homes. Very little rental housing is being built – on average, only 15 units per year.

- The Chaffee Housing Trust has two affordable residential projects underway:
    - Old Stage Road Rowhouses in Salida – Eight (8) energy-efficient, solar-assisted, two-bedroom homes have been completed on land donated by a local developer. Six of the homes will be owner-occupied; one home is to be occupied by a tenant household that will purchase the home in 2019; and one home is to be rented with a one-year lease.
    - The Farm in Buena Vista – CHT plans to utilize factory-built homes to be delivered in 2019 on parcels scattered throughout a 90-unit community being developed. These homes will be made affordable for purchase to households with incomes below 80 percent of local median income.

Annual Building Permits for Housing Construction, Chaffee County

[Source: Program Development & Planning, HUD; Department of Local Affairs, State of Colorado]

Year	Single-family homes (PD&R)	Multi-family homes (PD&R)	All building permits for housing (PD&R)	All building permits for housing (DOLA)
2014	92	10	102	111
2015	102	16	118	147
2016	110	11	121	140
2017	130	22	152	126

HOUSING AFFORDABILITY:

Affordability: Owner-Occupied Housing

A rule of thumb that has long been used by real estate agents to make a quick judgment about the affordability of a house or condominium is that a potential homebuyer can afford to purchase a property if its price is equivalent to roughly **2.6 times** the homebuyer's annual income. That affordability ratio is based on historical, nationwide averages.

In Chaffee County, the median value of an owner-occupied home was $289,900 in 2016; median household income was $50,993. The average homebuyer would need **5.7 times** his/her annual income to purchase an average-priced house or condominium.

To put it another way, the maximum price that a household earning the median income could afford to pay in 2016, using the realtors' rule of thumb, was $132,582. The average-priced house or condominium in Chaffee County was more than ***twice*** as expensive as any home that an average household could afford to buy. A household earning the county's median income would have required an upfront subsidy of $157,318 to make the leap into homeownership, if trying to purchase a median-priced home.

Subsidy required to close the affordability gap between the median value (<u>$289,900</u>) of an owner-occupied home in Chaffee County and the maximum price that a household could afford to pay in 2016 if earning 120%, 100%, 80%, or 50% of the county's median income

This already substantial affordability gap is larger still for households who are perched lower on the income ladder. Among all of the county's renters, 76% earn ***less*** than median income.

Homeownership is completely out of their reach. Even households earning 120% of the Area Median Income would require a $130,802 subsidy to make the leap into homeownership.

The information presented above speaks to the difficulty of gaining ***access*** to homeownership, but affordability is not necessarily assured ***after*** a home is purchased. Renters are not the only ones who are cost-burdened. Many homeowners are too.

According to *Market at a Glance*, published by HUD's Office of Policy Development and Research (PD&R), Chaffee County had 5,868 owner-occupied units in 2016. Approximately 42% of this housing (2481 units) is occupied by households earning less than the median income for Chaffee County. Among these moderate-income, lower-income, very low-income, and extremely low income homeowner households:

- 40% of them are paying more than 30% of their income for housing, a total of 997 households.
- 24% of them are paying more than half their income for housing, a total of 608 households.

Looking at this picture from another angle, there are **997** owner-occupied units in Chaffee County that are "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who live there – representing **17%** of all the owner-occupied housing in Chaffee County.

Housing Cost Burden for Homeowner Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	**PERCENTAGE** of all 5,868 units of owner-occupied housing in Chaffee County (2016)
Extremely low income	235	19	165	419	7.1%
Very low income	210	40	345	595	10.1%
Low income	109	170	635	914	15.8%
Moderate income	54	160	339	553	9.4%
TOTAL households earning less than median	608	389	1484	2481	42.3%
PERCENTAGE of owner households earning below median	24%	16%	60%	100%	

It is also noteworthy that **elderly homeowners** (over 62 years of age) make up a significant portion of these cost-burdened households. Among cost-burdened homeowners earning less than the county's median income, 37% of them are elderly, occupying a total of 369 homes. Significantly, 244 of these elderly homeowners are severely cost-burdened, leaving them with little extra money every month for living expenses or home repairs.

Affordability: Renter-Occupied Housing

A rule of thumb that has long been used by HUD and by state housing officials is that tenants should not spend more than 30% of their monthly household income for gross rent. A household that is forced to pay more than that is considered "cost burdened" and their unit is deemed "unaffordable."

In Chaffee County, the median household income in 2017 was $50,993. An "affordable" rental unit for that median-income household would have a gross monthly rent of $1,275 – which is 50% higher than the median gross rent that was reported for the county in 2017 ($847/month). A median income household could easily afford a median-priced rental unit.

This is a poor measure of the affordability of rental housing in Chaffee County, however, since three-quarters of the county's 1,868 rental units are occupied by households earning less than median income. Over half of those units are "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who live there. These renters are paying more than 30% of their household income for housing. They are "cost-burdened."

Housing Cost Burden for Renter Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**PERCENTAGE** of all 1,868 units of renter-occupied housing in Chaffee County (2016)
Extremely low income	230	39	39	308	16.5%
Very low income	49	230	84	363	19.4%
Low income	4	215	335	554	29.7%
Moderate income	0	40	155	195	10.4%
TOTAL households earning less than median	283	524	613	1420	76.0%
PERCENTAGE of renter households earning below median	20%	37%	43%	100%	

Potential homebuyers targeted by most homeownership assistance programs: 80% - 100% of AMI

Describing this picture in another way, in 2016 there were **807** rental units in Chaffee County that were "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. These "unaffordable" rentals represented 57% of all the renter-occupied housing in Chaffee County.

ASSESSMENT OF FUTURE PROSPECTS FOR CLT DEVELOPMENT:

*[**PRO** = Conditions (negative or positive) that favor CLT development. **CON** = Conditions that pose difficulties or impediments for establishing a new CLT.]*

1. Market imbalance

- **PRO:** Population growth and household growth were minimal prior to 2016, but both have recently spiked upwards because of in-migration to the county. Newcomers are putting pressure on land and housing prices, pushing homes out of the reach of local residents. House builders are drawn to serving this affluent demographic, instead of building housing for locals, because of better profit margins.

- **PRO:** The population of Chaffee County is the oldest of the eight counties in our study – with the fewest percentage of children. The county needs more affordably priced housing in order to attract young families – and more homeownership opportunities to get them to stay.

- **PRO:** The county's robust market demand for high-cost, custom-built homes has resulted in fewer affordably priced homes being built, with a significant impact on the workforce. Local businesses are suffering because they are unable to attract and to retain employees.

- **CON:** A new CLT operating only in Chaffee County may not be able to develop and to sell a large number of new units every year, given the small size of the county's population. It could take a long time for a CHT to accumulate a substantial and sustainable portfolio.

2. Elusive affordability

- **PRO:** Using a realtor's rule of thumb (not actual development costs) the median value of a house or condominium was $157,318 ***more*** expensive in 2016 than a median income household could afford to buy. Since 76% of the county's renters earn ***less*** than median income, homeownership is clearly beyond the reach of most renters.

- **PRO:** Between 2015 and 2016, the median value of owner-occupied property went up in the county, even as the median income was going down.

- **PRO:** A majority of the county's renters (57%) are living in housing they cannot afford. They are either cost-burdened or severely cost burdened.

3. Plentiful homebuyers

- **PRO:** The most likely buyers for the resale-restricted, owner-occupied homes that the Chaffee Housing Trust is bringing to market are renter-occupied households earning between 80% and 100% of AMI. In 2016, there were 195 renter households within this "Goldilocks zone," 40 of whom were "cost-burdened" renters presently paying too much for their housing and 155 of whom were living in "affordable" rentals but might prefer becoming homeowners if given an opportunity to do so.

- **CON:** This is a rather shallow pool of potential homebuyers for CHT's homes. (It could be considerably deepened, on the other hand, by lowering the targeted affordability to 60% of AMI and/or by increasing the targeted affordability to 120% of AMI.)

4. Sufficient equity

- **PRO:** In November 2018, the Colorado Health Foundation approved a $1 million investment in the Chaffee Housing Trust for three uses:
  - A program-related investment (PRI) to provide the $38,000 deposit payment for factory-built homes to be built by Champion Homes for "The Farm."
  - A 10-year, low-interest $500,000 PRI to guarantee home purchase mortgage financing for qualified CHT homebuyers. With these guarantees, High Country Bank will originate loans with an interest rate of 4.75%. These guarantees may be adjusted or released and recycled once the mortgage principal balance is below 80% of the CHT's homes appraisal value.
  - A $300,000 two-year grant to support CHT's operations, including the hiring of a part-time staffer to fulfill the organization's ongoing stewardship responsibilities.

- **CON:** In 2016 the "average" house or condominium in Chaffee County would have required an upfront subsidy of $157,318 to bring its price within the financial reach of the "average" homebuyer (i.e., a household earning the county's median income). In a small county with few public resources for affordable housing, there may not be sufficient subsidies to close this affordability gap for more than a small number of newly constructed homes.

5. Municipal support

- **PRO:** The City of Salida recently adopted an Inclusionary Housing ordinance. This may expand Chaffee Housing Trust's access to resources for the acquisition of land and the development of housing.

- **PRO:** Chaffee County recently hired a Director of Housing, an outcome that could foster the development of new affordable housing to be kept permanently affordable by CHT.

- **PRO:** The City of Leadville and Lake County – located to the north of Chaffee County – has invited CHT into their communities, offering possible land and funding for the expansion of

CHT's portfolio. In response, CHT has formally expanded its service area to include Lake County. Lake County is also considering the adoption of inclusionary zoning.

6. Community acceptance

- **PRO:** The absence of a public housing authority and the lack of other nonprofit community housing development organizations means there is no competition for the CLT that has already been established in Chaffee County.

7. Local champion

- **PRO:** There is a local and credible champion for CLT development in the newly reinvigorated Chaffee Housing Trust.

RECOMMENDATIONS FOR CLT DEVELOPMENT IN CHAFFEE COUNTY:

On balance, despite the difficulties foreseen by Burlington Associates in expanding and sustaining the Chaffee Housing Trust, our overall assessment is that the pros outweigh the cons. Critical conditions that have favored CLT development in other cities and counties are present to a sufficient degree in Chaffee County to warrant a closer look at the financial feasibility of expanding the CLT that is operating there. Our preliminary recommendations for ***who*** an expanded program should serve as its highest priority and ***how*** such a program might be implemented are as follows:

BENEFICIARIES

- The most likely buyers for the resale-restricted, owner-occupied homes that most CLTs bring to market are those in the "Goldilocks zone" between 80% and 100% of AMI. In 2016, there were only 195 renter households who were within this range. This small number of potential homebuyers should be expanded, therefore, by pricing (i.e., subsidizing) the Chaffee Housing Trust's homes to be affordable to the more sizeable pool of 554 renter households earning between 50% and 80% of median – of whom 219 were cost-burdened in 2016.

STRATEGIES

- As noted in the *Chaffee County Housing Needs Assessment and Strategy* (Economic & Planning Systems, Inc., 2016: 5), "For-sale housing can be delivered at 80 to 120 percent of AMI if land costs can be controlled." Removing the cost of land from the deal is, of course, precisely what a CLT is designed to do.

- Initial discussions are underway in Chaffee County to explore the possibility of establishing a multi-jurisdictional public housing authority (PHA). The present reality, however, is that there is no PHA in Chaffee County, nor likely to be one that is fully operational in the near

future. In light of this, it might be reasonable for a CLT to develop and to manage rental housing as well as homeownership.

- Given the high number of cost-burdened homeowners who are aged 62 years or older, it might make sense for the Chaffee Housing Trust to consider approaching some of these 369 homeowners to gauge their interest in possibly pre-selling their houses to CHT in exchange for a life estate.

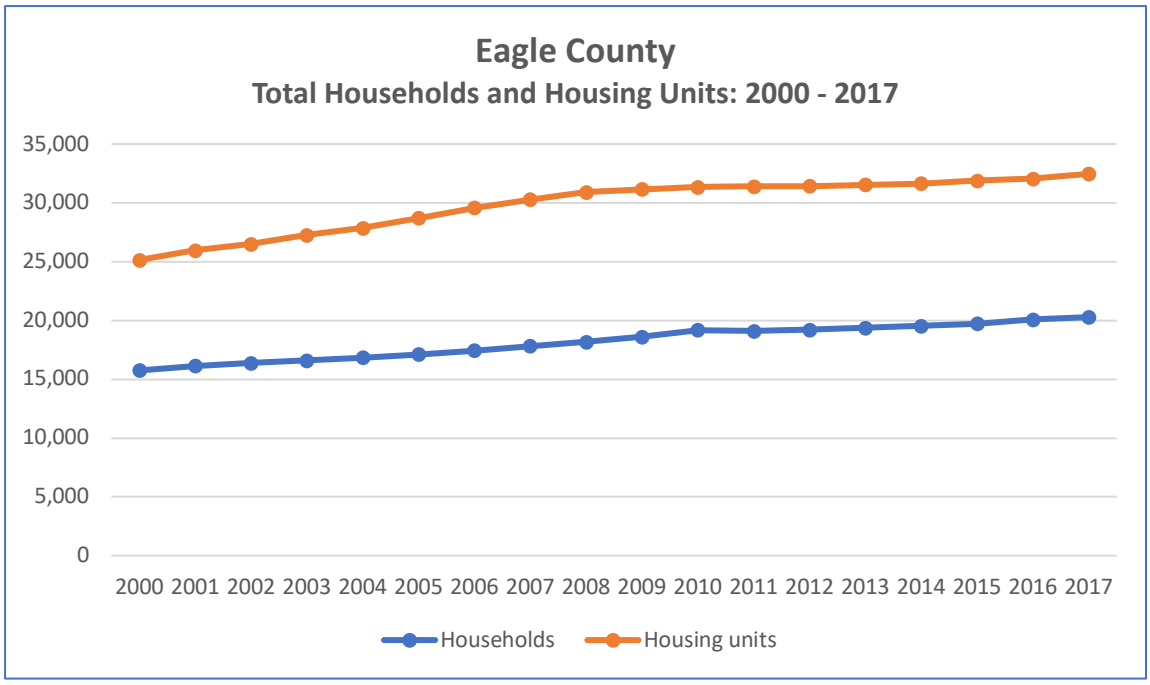
- Expanding CHT's activities and portfolio into Leadville and elsewhere in Lake County, where political and financial support is being offered, should help the organization to build a portfolio large enough to be able to sustain its ongoing stewardship obligations – while expanding the pool of potential buyers for its resale-restricted homes.

Eagle County
Housing Conditions & CLT Assessment

DEMOGRAPHIC TRENDS:

- In 2017, according to the U.S. Census Bureau, the county had a medium-sized population of 54,772.

- The growth in population has slowed, compared to earlier years. "Net in-migration averaged about 730 people a year from 2005 to 2009, but a decline in tourist spending caused by the recession led to net out-migration of nearly 550 people a year from 2009 to 2012. In the past 5 years, net migration turned slightly positive, averaging less than 10 people a year. The current number of households is estimated at 17,300 – down from 19,236 households in 2010. From 2000 to 2010, by comparison, households increased by an average of 410, or 2.4 percent, a year." (U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*)



HOUSING SUPPLY:

- The composition of the county's housing stock is skewed towards owner-occupied housing and seasonal housing. There is relatively little year-round rental housing.

- Year-round homeownership represents about 39% of the county's housing stock (owner-occupied units + vacant units for sale = 12,318/total housing supply).

Composition by Tenure, Eagle County's Housing Supply (2016)

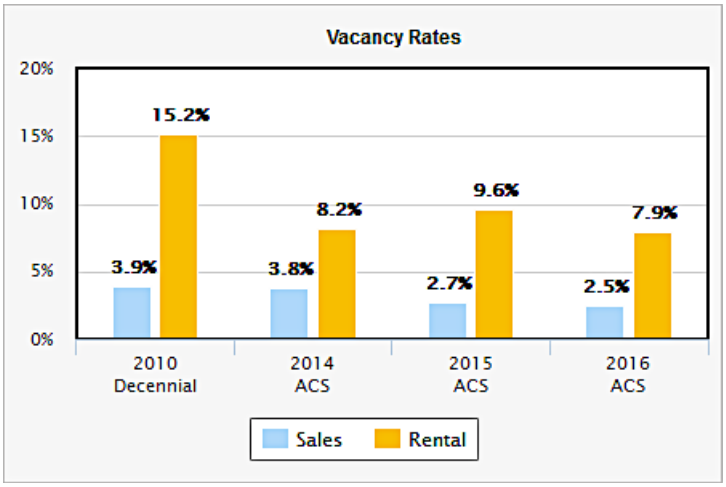
[Source: 2016 American Community Survey/PD&R, *Market at a Glance*]

Composition of housing supply:	# of units	% of total
Owner-occupied units	12,007	38.0%
Renter-occupied units	5,606	17.8%
Vacant units	13,942	44.2%
Total housing supply	31,555	100.0%
Composition of ***vacant*** housing:	# of units	% of total
Available for sale	311	2.2%
Available for rent	481	3.5%
Other vacant	13,150	94.3%
Total vacant housing	13,942	100.0%

- Units classified by the U.S. Census as housing "for seasonal or recreational use" (the category labeled "other vacant" in the charts prepared by PD&R, *Market at a Glance)* are the dominate form of housing in Eagle County. There are 13,150 of these seasonal units, representing 41.7% of the county's total supply of housing.

- Throughout the county, the overall vacancy rate is very high (44.2% according to PD&R and 37.4% according to DOLA), but that is due mostly to the category of "other vacant."

- When these seasonal units are subtracted, the vacancy rate for year-round rental housing drops to 7.9%, which is still rather high, while the vacancy rate for year-round sales housing is quite low (2.5%).



- Steady job growth has caused the Eagle County rental market to tighten. The multi-family vacancy rate was 2.9 percent in the third quarter of 2017, up from 2.2 percent a year earlier, and well below the previous peak of 14.2 percent in the third quarter of 2012 (Colorado Division of Housing).

- Focusing only on the Eagle River Valley, that portion of the county along I-70 between Vail and Dotsero (excluding the areas around Burns, Bond, McCoy, Basalt, and El Jebel), vacancy rates are lower still. As noted in a 2018 assessment of the Valley's housing market: "Over the past five years, vacancy rates have been dropping, and rent levels rising. With vacancy levels now approaching zero, the rental market is no longer functioning effectively." (*Eagle River Valley Housing Needs and Solutions*, 2018: 21).

Housing construction:

- The level of housing construction in the county is far below what is needed, especially in the Eagle Valley. According to *Eagle Valley Housing Needs and Solutions* (2018: 26), there is a current short-fall of 2,780 units. By 2020, this shortfall will have grown to 4,030 units, if the county is "to keep up with future demand for housing based on projected employment and population growth and the requirement to replace retiring employees."

- The construction of new housing is complicated – and made more expensive – by the lack of infrastructure on available land. The cost of bringing in utilities, roads, etc. is extremely high. Tap fees are very expensive as well – the upfront cost of hooking into municipal water, sewer, and waste water systems.

Annual Building Permits for Housing Construction, Eagle County

[Source: Program Development & Planning, HUD; Department of Local Affairs, State of Colorado]

Year	Single-family homes (PD&R)	Multi-family homes (PD&R)	All building permits for housing (PD&R)	All building permits for housing (DOLA)
2014	101	150	251	105
2015	160	25	185	243
2016	195	155	350	183
2017	300	120	420	309

HOUSING AFFORDABILITY:

Affordability: Owner-Occupied Housing

A rule of thumb that has long been used by real estate agents to make a quick judgment about the affordability of a house or condominium is that a potential homebuyer can afford to

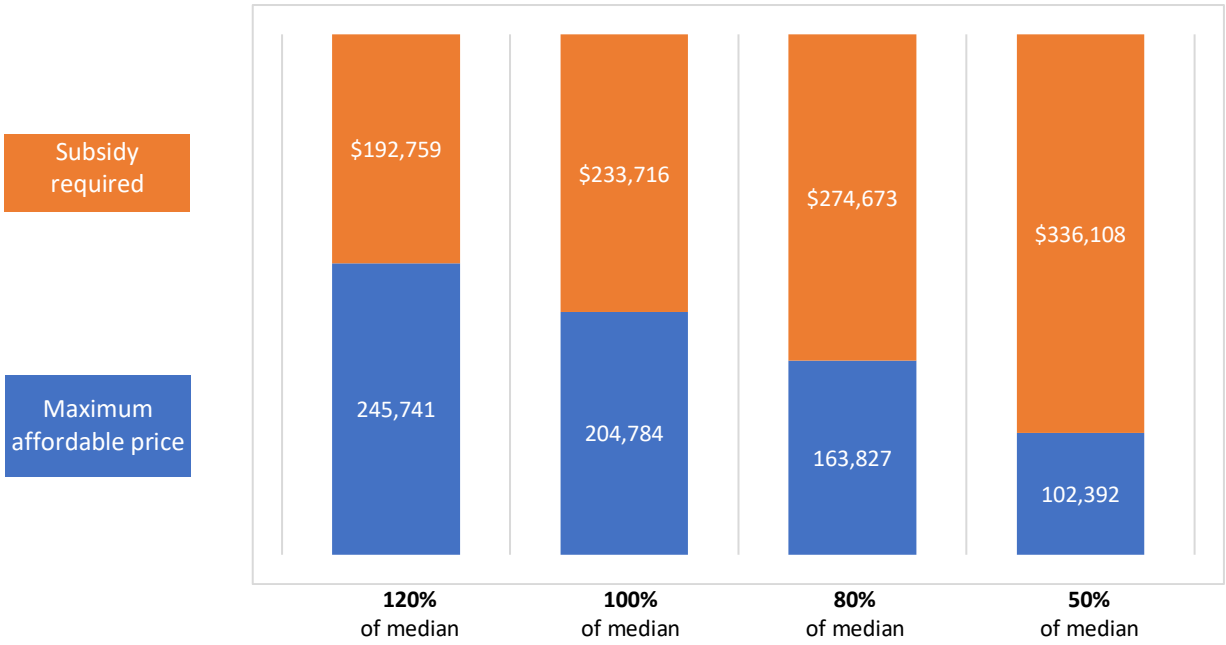
purchase a property if its price is equivalent to roughly **2.6 times** the homebuyer's annual income. That affordability ratio is based on historical, nationwide averages.

In Eagle County, the median value of an owner-occupied home was $438,500 in 2016; median household income was $78,763. The average homebuyer would need **5.7 times** his/her annual income to purchase an average-priced house or condominium.

To put it another way, the maximum price that a household earning the median income could afford to pay, using the realtors' rule of thumb, would have been $204,783. The average-priced house or condominium in Eagle County was more than ***twice*** as expensive in 2016 as any home that an average household can afford to buy.

This already substantial affordability gap is larger still for households who are perched lower on the income ladder. Among all of the county's renters, 70.8% earn ***less*** than median income. Homeownership is completely out of their reach. Even households earning 120% of the Area Median Income would require a $192,759 subsidy to make the leap into homeownership.

Subsidy required to close the affordability gap between the median value (<u>$438,500</u>) of an owner-occupied home in Eagle County and the maximum price that a household could afford to pay in 2016 if earning 120%, 100%, 80%, or 50% of the county's median income



The situation is likely to get worse for year-round residents who are hoping to buy a home, especially in the Eagle River Valley, that portion of the county along I-70 between Vail and Dotsero. Between 2007 and 2018, the median household income increased by 6%, while home prices increased 20%, according to the *Eagle River Valley Housing Needs and Solutions* (2018: 18). This report went on to note that: "Second homeowners and short-term rental investment buyers currently compete with year-round residents for homes at all price points affordable to

locals. With continued scarcity of housing throughout the valley, all three markets are likely to see continued price increases and decline in homes occupied year-round. It is very difficult to buy a home in Eagle County with an income derived in the Eagle River Valley."

The information presented above speaks to the difficulty of gaining ***access*** to homeownership, but affordability is not necessarily assured ***after*** a home is purchased. Renters are not the only ones who are cost-burdened. Many homeowners are too.

According to *Market at a Glance*, published by HUD's Office of Policy Development and Research (PD&R), Eagle County had **12,007** owner-occupied units in 2016. According to the Colorado Department of Local Affairs, approximately 37% of this housing (4477 units) were occupied by households earning less than the median income for Eagle County. Many of these moderate-income, lower-income, very low-income, and extremely low income homeowner households are cost-burdened:

- 54% of them are paying more than 30% of their income for housing, a total of 2,421 households.
- 33% of them are paying more than half their income for housing, a total of 1,475 households.

Housing Cost Burden for Homeowner Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	**PERCENTAGE** of all 12,007 units of owner-occupied housing in Eagle County (2016)
Extremely low income	335	44	157	536	44.6%
Very low income	340	239	304	883	7.4%
Low income	640	344	1015	1999	16.6%
Moderate income	160	319	580	1059	8.8%
TOTAL households earning less than median	1475	946	2056	4477	37.3%
PERCENTAGE of owner households earning below median	33%	21%	46%	100%	

Describing this picture in a different way, there were **2,421** owner-occupied units in Eagle County in 2016 that were "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. This represented **20.2%** of all the owner-occupied housing in Eagle County.

It is also noteworthy that **elderly homeowners** (over 62 years of age) make up a significant portion of these cost-burdened households. Among cost-burdened homeowners earning less than the median income, 23% of them are elderly, occupying a total of 547 homes.

Affordability: Renter-Occupied Housing

A rule of thumb that has long been used by HUD and by state housing officials is that tenants should not spend more than 30% of their monthly household income for gross rent. A household that is forced to pay more than that is considered "cost burdened" and their unit is deemed "unaffordable."

In Eagle County, the median household income in 2017 was $78,763. An "affordable" rental unit for that median-income household would have a gross rent of $1,969 – which is 65% higher than the median gross rent that was reported for the county in 2017 ($1284/ month). This means that a median income household could easily afford a median-priced rental unit.

This is a poor measure of the affordability of rental housing in Eagle County, however, since 71% of the county's 5,606 rental units are occupied by households earning less than median income. Nearly two-thirds of those units (2,513), are "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who live there. These are "cost-burdened" renters, paying more than 30% of their household income for housing.

Housing Cost Burden for Renter Households Earning Less Than Median Income

[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**PERCENTAGE** of all 5,606 units of renter-occupied housing in Eagle County (2016)
Extremely low income	508	90	125	723	12.9%
Very low income	225	385	135	745	13.3%
Low income	185	945	704	1834	32.7%
Moderate income	0	175	494	669	11.9%
TOTAL households earning less than median	918	1595	1458	3971	70.8%
PERCENTAGE of renter households earning below median	23%	40%	37%	100%	

Potential homebuyers targeted by most homeownership assistance programs: 80% - 100% of AMI

Focusing only on the **Eagle River Valley**, rents have risen rapidly during the last five years, as vacancy rates have been dropping. The cost burden for renters has been getting worse:

> "In 2007, average rent for all unit types was $1,150. Currently, average rent is $1,700, an increase of 48%. (Both figures exclude utilities, which also impact affordability.) Incomes have only increased 6% over that time period. This dynamic is driving up cost burden, especially among the lowest income renters . . . Approximately 3,800 households (22% of all households) in the Eagle Valley currently live under the duress of cost burden." (*Eagle Valley Housing Needs and Solutions*, 2018: 21.)

ASSESSMENT OF FUTURE PROSPECTS FOR CLT DEVELOPMENT:

*[**PRO** = Conditions (negative or positive) that favor CLT development. **CON** = Conditions that pose difficulties or impediments for establishing a new CLT.]*

1. Market imbalance

- **PRO:** Steady job growth has caused the Eagle County rental market to tighten, while an increasing proportion of the county's rental housing is being used for short-term occupancy. The multi-family vacancy rate was 2.9 percent in the third quarter of 2017, well below the peak of 14.2 percent in 2012 (Colorado Division of Housing).

- **PRO:** Interviews with local informants suggest an urgent need for housing serving people in the 100% to 140% AMI range in order to recruit and to retain a local workforce.

- **PRO:** "In 2017, unemployment in Eagle County was 2.2%, the lowest level since 2000. This situation leaves very few employees living in the valley to fill positions. High housing costs and a predominance of low wage, tourism industry jobs exacerbate the challenge because employers have difficulty attracting and retaining employees from beyond the Valley." (*Eagle Valley Housing Needs and Solutions*, 2018: 17.)

- **PRO:** Despite the recent fall-off in the number of people moving into the county, the market for second homes and seasonal rentals remains strong.

- **CON:** The developers of seasonal homes and affluent homebuyers are bidding up the price of land and housing, making it difficult (i.e., costly) for a CLT to acquire the land it would need to get established. Not only is the cost of land very high; so is the cost of adding infrastructure, tapping into water, and constructing homes.

- **CON:** Most of the residential construction occurring in Eagle County is aimed at building luxury homes and seasonal rentals. It might be difficult to find developers and builders to construct housing that is affordably priced.

2. Elusive affordability

- **PRO:** In Eagle County, the median value of an owner-occupied home was $438,500 in 2016; median household income was $78,763. The average homebuyer would have needed **5.7 times** his/her annual income to purchase an average-priced house or condominium.

- **PRO:** Nearly two-thirds (63%) of all the renter households in Eagle County earning less than median income were cost-burdened in 2016; that is, they are living in rental housing they cannot afford. (Notably, a little over half of all homeowners earning less than the median were also cost burdened.)

- **PRO:** In 2016 the "average" house or condominium in Eagle County would have required an upfront subsidy of $233,717 to bring its price within the financial reach of the "average" homebuyer (i.e., a household earning the county's median income).

- **PRO:** A majority of the county's renters (63%) earning less than median are living in housing they cannot afford. They are either cost-burdened or severely cost burdened.

3. Plentiful homebuyers

- **PRO:** The most likely buyers of the resale-restricted, owner-occupied homes that a CLT program would bring to market, however, would be renter-occupied households that are earning between 80% and 100% of AMI. In 2016, there were 669 renter households within this "Goldilocks zone." These households – 175 of whom were paying too much for their rental housing; and 494 who were living in "affordable" rentals, but who might prefer owning to renting, if given the chance – would provide a substantial pool of potential homebuyers for a start-up CLT.

4. Sufficient equity

- **PRO:** Two significant factors could enhance the likelihood for a successful CLT in Eagle County:

  1. Land – According to Kim Williams, Executive Director of the Eagle County Housing and Development Authority, Eagle County has land that could be acquired for a local community land trust's portfolio. As examples, she pointed to one parcel in Minturn (owned by the school district), a second in Eagle, and a third in Gypsum – if sufficient funds were available to acquire and to pay for infrastructure improvements.

  2. Local donors – Ms. Williams also explained that there are many generous individuals and households in Eagle County. She cited a recent affordable housing project undertaken by the Housing Authority that had a $4 million funding gap that was erased by local contributions in 13 months.

- **CON:** Using a realtor's rule of thumb (not actual development costs), the "average" house or condominium in Eagle County would have required an upfront subsidy of $233,717 in 2016 to bring its price within the financial reach of the "average" homebuyer (i.e., a household earning the county's median income). There may not be the financial resources among county officials and local employers to close this enormous affordability gap.

5. Municipal support

- **PRO:** The county has an inclusionary housing policy that calls for 25% of the units in a proposed residential project to be priced below market (or 15% of the project's square footage).

- **CON:** Eagle County does not have the same municipal tools that are available to other Western Slope communities with high housing costs. Eagle County does not have a dedicated mill levy for affordable housing, for example, like Steamboat Springs.

- **CON:** Local officials report that the county's inclusionary zoning program is not generating a sufficient number of units to meet the demand for affordable housing.

6. Community acceptance

- **PRO:** There is both a familiarity with resale controls and a willingness to accept them among Eagle Valley residents, according *Eagle Valley Housing Needs and Solutions* (2018: 17.) This is echoed by Kim Williams, Executive Director of the Eagle County Housing and Development Authority, who has stated that "our community is habituated to the long-term housing affordability approach." For example, there is the award-winning Miller Ranch in Eagle, comprised of 69 single-family homes, 64 duplexes, 49 row houses and 100 condominiums that are restricted to residents of Eagle County who earn at least 75% of their income from Eagle County businesses. All of these homes are deed-restricted to ensure they remain affordable over time. This is just one of several deed-restricted housing developments in the county, including Eagle Ranch, the Bluffs and Riverwalk.

- **PRO:** There may be support for a new CLT program among local employers who are finding it difficult to attract and to retain employees from beyond the Eagle Valley.

- **PRO:** Eagle Valley has a history of collaboration and cooperation among multiple organizations in developing innovative solutions for local housing problems. These partners include the Chamber of Commerce (Vail Valley Partnership), the county's Housing and Development Authority, nonprofit housing providers like Habitat for Humanity of Vail Valley, and local housing advocates.

7. Local champion

- **PRO:** There is a local and credible champion for CLT development in the Eagle County Housing and Development Authority.

- **PRO:** A countywide affordable housing task force convened by the Vail Valley Partnership has been meeting for over a year to discuss strategies to create and to preserve affordably priced housing in Eagle County. In a meeting with Burlington Associates on December 5, 2018, members of the task force expressed a keen interest in creating a community land trust to serve the county.

- **PRO:** The Eagle Valley Land Trust, a conservation organization dedicated to preserving open space, would be a willing partner in pursuing dual-use projects that create affordable housing *and* conserve open lands.

- **PRO:** The Valley Home Store would be a willing partner for a newly established CLT program. The Store was created by Eagle County, towns throughout the valley, and major businesses to provide transaction and stewardship services for over 1,500 units of deed-restricted, owner-occupied housing.

RECOMMENDATIONS FOR CLT DEVELOPMENT IN EAGLE COUNTY:

On balance, despite the difficulties foreseen by Burlington Associates in starting and sustaining a new community land trust, our overall assessment is that the pros outweigh the cons. Critical conditions that have favored CLT development in other cities and counties are present to a sufficient degree in Eagle County to warrant a closer look at the financial feasibility of establishing a CLT there. Our preliminary recommendations for ***who*** such a program should serve as its highest priority and ***how*** such a program might be implemented are as follows:

BENEFICIARIES

- A new CLT in Eagle County should be designed as a solution to the existing shortage of workforce housing. The beneficiaries should range from households earning as low as 60% of AMI to those earning as high as 140% of AMI.

- Provide a preference in purchasing CLT homes to the workforce; that is, qualified applicants who live or work in Eagle County and who own no other residential property.

STRATEGIES

- The CLT's projects can be either rental or homeownership, depending on the opportunities presented, but all of it should be safeguarded by a stewardship regime designed to keep the housing affordable in perpetuity.

- A new CLT can fill the role of facilitating partnerships among government, developers and employers by direct marketing to local employers for employee housing opportunities, relieving a developer of responsibility for finding and qualifying income-eligible buyers.

- A new CLT can support current municipal housing efforts, helping to meet housing goals and implement policy – lessening the burden of government and supplementing the in-house capacity of municipal staff. The CLT could negotiate deals so the set-aside is targeted to the local workforce, taking on the marketing, community education, employer education and joint marketing to employees, and qualifying buyers on behalf of the city. The CLT would ensure success through stewardship to first time homebuyers and would maintain relationships with developers as partners and employers.

- Instead of establishing the CLT as an independent, nonprofit corporation, consideration should be given to establishing the CLT as a corporate subsidiary or internal program of an existing organization. The Eagle County Housing and Development Authority, Habitat for Humanity Vail Valley, or the Vail Valley Partnership would be possible candidates.

El Paso County (Colorado Springs)
Housing Conditions & CLT Assessment

DEMOGRAPHIC TRENDS:

- El Paso County has the largest population of the eight counties in our study: 699,232 in 2017, according to U.S. Census. It is also the youngest, with a median age of 33.9 years.

- The county has been gaining population at a rapid pace. According to PD&R, *Market at a Glance* (November 2018), a publication of the U.S. Department of Housing and Urban Development**: "**As of September 1, 2018, the El Paso County population is estimated at 715,500, an increase of about 10,900, or 1.6 percent, a year since 2010. Colorado Springs is a popular destination for retirees, especially former military personnel. Since 2010, however, an increasing number of people in their 20s have been moving into the area, making millennials the leading age group for population growth. The current number of households is estimated at 270,900, an increase of about 3,875 households, or 1.5 percent, a year since 2010."

- El Paso County is home to four major military installations, including the U.S. Air Force Academy and the Fort Carson Army Base. The military's direct economic impact amounted to approximately $10 billion in 2016. The economy is becoming more diversified, however. As noted by PD&R, *Market at a Glance* (November 2018), "Recent growth has been strongest in private industries. . . . Growth was led by the education and health services and the construction sectors, which increased by 1,050 and 880 jobs, respectively, or 3.1 and 5.8 percent."

- Despite such diversification, the local economy continues to be heavily impacted by the expansion and contraction of military spending and troop levels at the region's military bases. The loss of well-paying, high-tech jobs at Apple and Intel undermined the local economy and worsened the local impact of the Great Recession.

- El Paso's housing market is a "tale of two counties." The north has a very strong housing market with rising prices. The south has a weak housing market that was hard hit by the Great Recession and has been slow to recover.

HOUSING SUPPLY:

- Year-round homeownership is the dominate form of tenure, composing 60.2% of the county's housing stock (owner-occupied units + vacant units for sale = 163,756/total housing supply).

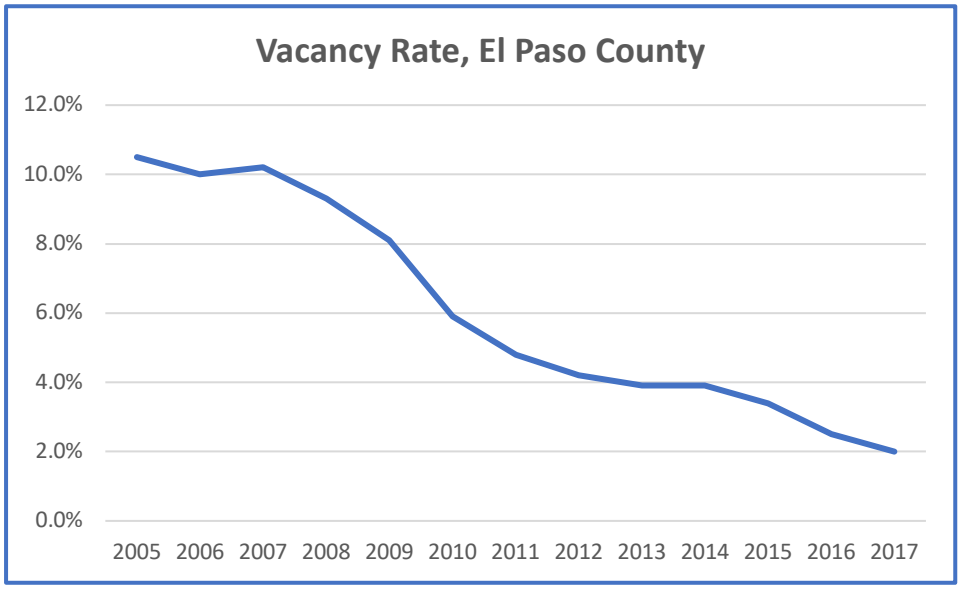
- There are 10,487 seasonal units in El Paso County, but they represent only 3.9% of the county's total number of housing units. (The category labeled "other vacant" in the charts prepared by PD&R, *Market at a Glance*, is equivalent to what the U.S. Census classifies as housing that is "for seasonal or recreational use.")

Composition by Tenure, El Paso County's Housing Supply (2016)

[Source: 2016 American Community Survey/PD&R, *Market at a Glance*]

Composition of housing supply:	# of units	% of total
Owner-occupied units	162,673	59.8%
Renter-occupied units	95,485	35.2%
Vacant units	13,659	5.0%
Total housing supply	271,817	100.0%
Composition of ***vacant*** housing:	# of units	% of total
Available for sale	1,083	8.0%
Available for rent	2,089	15.3%
Other vacant	10,487	76.7%
Total vacant housing	13,659	100.0%

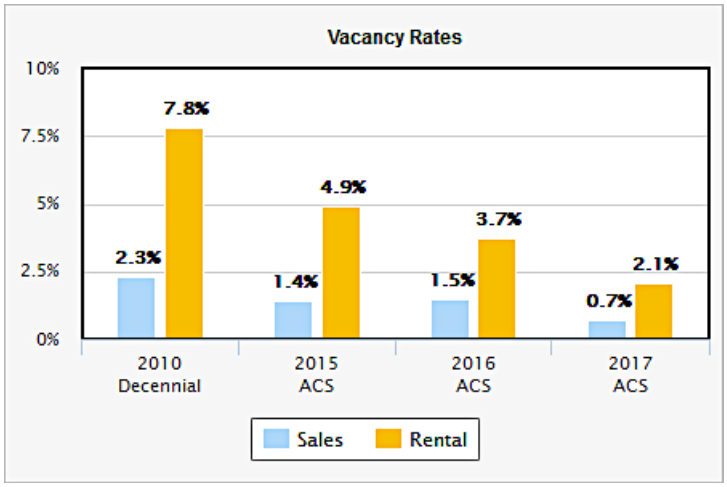
- Throughout the county, the overall vacancy rate is extremely low. It has dropped from a high of 10.5% in 2005 to 2.0% today, according to data available from the Colorado Department of Local Affairs.



Source: Department of Local Affairs, State of Colorado

- Vacancy rates for ***both*** rental housing and for-sale housing were the lowest among the eight counties in our study. By 2017, according to PD&R, *Market at a Glance*, vacancies in

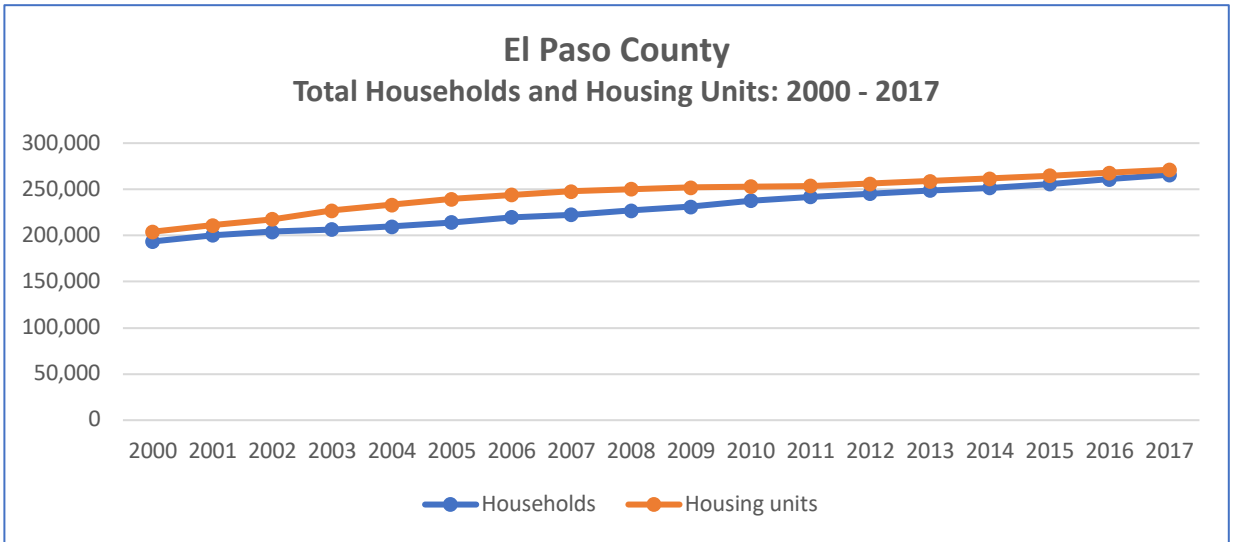
rental housing had fallen to 2.1%; vacancies in for-sale housing had fallen to 0.7%, as shown in the chart below:



Housing construction:

- There is a lot of housing being built in El Paso County. Indeed, the rate at which housing is being constructed ***exceeds*** the rate at which the local population is growing.

- Between 2014 and 2017, the county issued building permits for the construction of 16,838 new units of housing, as the total number of households in the county was increasing by 14,354.



Source: Department of Local Affairs, State of Colorado

- According to the Housing Market Conditions Summary," reported in *Market at a Glance* (PD&R, Accessed November 10, 2018): "Homebuilding has increased, based on homes permitted, but remains below its previous peak. Approximately 4,150 single-family homes were permitted in the 12 months ending July 2018, up 19 percent from a year earlier (preliminary data). By comparison, from 2001 through 2005 single-family permitting averaged nearly 5,550 homes a year."

- Three-quarters of the permits issued between 2014 and 2017 were for the construction of single-family housing. There is very little multi-unit housing being built, except for the projects developed by the El Paso County Housing Authority or by Greccio Housing, a nonprofit developer. (A notable exception is the newly built Elevation Apartments, 272 "luxury" rentals that began leasing in summer 2017.)

- According to interviews with local informants, there is resistance from government and from neighboring NIMBYs to any proposed multi-unit development. As a result, the density of new projects is low and the per-unit cost is high.

Annual Building Permits for Housing Construction, El Paso County

[Source: Program Development & Planning, HUD; Department of Local Affairs, State of Colorado]

Year	Single-family homes (PD&R)	Multi-family homes (PD&R)	All building permits for housing (PD&R)	All building permits for housing (DOLA)
2014	2,500	950	3,450	5,174
2015	2,950	550	3,500	3,106
2016	3,400	1,500	4,900	3,524
2017	3,600	1,100	4,700	5,034

HOUSING AFFORDABILITY:

- A 2014 housing needs assessment found there was a shortfall of 24,000 units of affordably priced housing in El Paso County.

Affordability: Owner-Occupied Housing

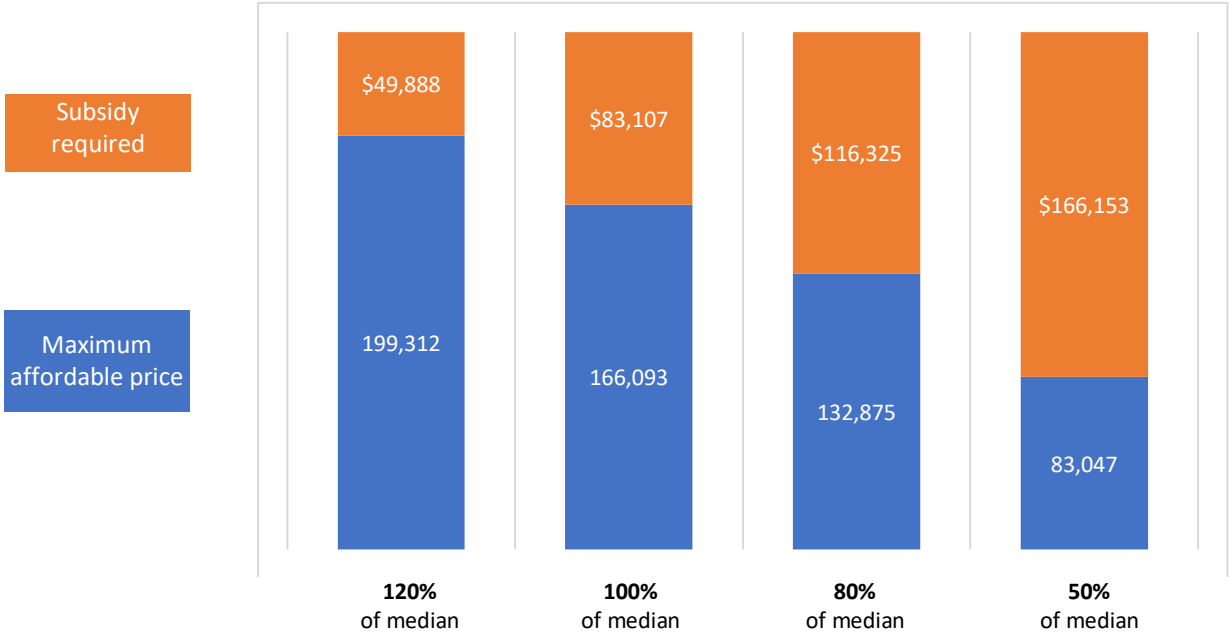
A rule of thumb that has long been used by real estate agents to make a quick judgment about the affordability of a house or condominium is that a potential homebuyer can afford to purchase a property if its price is equivalent to roughly **2.6 times** the homebuyer's annual income. That affordability ratio is based on historical, nationwide averages.

In El Paso County, the median value of an owner-occupied home was $249,200 in 2016; median household income was $63,882. The average homebuyer would need **3.9 times** his/her annual income to purchase an average-priced house or condominium.

To put it another way, the maximum price that a household earning the median income could afford to pay, using the realtors' rule of thumb, would be $166,093. The average-priced house or condominium in El Paso County was $83,107 more expensive in 2016 than any home that an average household could afford to buy. That gap is widening. As reported in *Market at a Glance* (PD&R, Accessed November 10, 2018), "Home prices averaged about $316,600 during the 12 months ending June 2018, up 10 percent from a year earlier."

This already substantial affordability gap is larger still for households who are perched lower on the income ladder. Among all of the county's renters, 72.2% earn ***less*** than median income. Homeownership is completely out of their reach. Even households earning 120% of the Area Median Income would require a $49,888 subsidy to make the leap into homeownership.

Subsidy required to close the affordability gap between the median value (<u>$249,200</u>) of an owner-occupied home in El Paso County and the maximum price that a household could afford to pay in 2016 if earning 120%, 100%, 80%, or 50% of the county's median income



The information presented above speaks to the difficulty of gaining ***access*** to homeownership, but affordability is not necessarily assured ***after*** a home is purchased. Renters are not the only ones who are cost-burdened. Many homeowners are too.

El Paso County had 161,230 owner-occupied units in 2016, according to HUD's Office of Policy Development and Research, Approximately 38% of this housing (61,925 units) was occupied by households earning less than the median income for El Paso County. Among these moderate-income, lower-income, very low-income, and extremely low income homeowner households:

- 49% of them are paying more than 30% of their income for housing, a total of 30,385 households.
- 21% of them are paying more than half their income for housing, a total of 13,165 households.

Describing this picture in a different way, in 2016 there were **30,385** homeownership units in El Paso County that were "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. These "unaffordable" units represented **18.8%** of all the owner-occupied housing in El Paso County at the time.

Housing Cost Burden for Homeowner Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	**PERCENTAGE** of all 161,230 units of owner-occupied housing in El Paso County (2016)
Extremely low income	5675	1535	2600	9810	6.1%
Very low income	4395	2875	5070	12,340	7.7%
Low income	2330	8595	11,680	22,605	14.0%
Moderate income	765	4215	12,190	17,170	10.6%
TOTAL households earning less than median	13,165	17,220	31,540	61,925	38.4%
PERCENTAGE of owner households earning below median	21%	28%	51%	100%	

It is also noteworthy that **elderly homeowners** (over 62 years of age) make up a significant portion of these cost-burdened households. Among cost-burdened homeowners earning less than the median income, 30% of them are elderly, occupying a total of 9250 homes.

Affordability: Renter-Occupied housing

A rule of thumb that has long been used by HUD and by state housing officials is that tenants should not spend more than 30% of their household income for rent. This is not a problem for affluent households. But when moderate-income and low-income households spend too much for their housing, little money is left each month for food, health care, transportation, and other essentials. A household that pays more than 30% for housing is considered "moderately cost burdened"; one that pays more than 50% is considered "severely cost burdened."

According to tabulations of HUD 2011-15 CHAS data prepared by Colorado's Department of Local Affairs (DOLA), El Paso County has **41,379** cost-burdened renter households who earn less than the county's median income. In "Market at a Glance," published by HUD's Office of Policy Development and Research (PD&R), El Paso County was reported to have had **95,485** renter-occupied units in 2016. The data sets (and the years) used by DOLA and PD&R may not be an exact match, but they are close enough to be able to make reasonable estimates of the percentage of the county's moderate-income, lower-income, very low-income, and extremely low income renters who are living in housing that is "unaffordable," as follows:

- Approximately 72% of the county's renter-occupied housing (68,977 units) is occupied by households earning less than the median income for El Paso County.
- Among renter households earning less than median, 60% of them are paying more than 30% of their income for housing, a total of 41,379 households.
- Among renter households earning less than median, 28% of them are paying more than half their income for housing, a total of 19,324 households.

Describing this picture in a different way, in 2016 there were 41,379 rental units in El Paso County that were "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. These "unaffordable" rentals represented 43.3% of all the renter-occupied housing in El Paso County at the time.

Housing Cost Burden for Renter Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**PERCENTAGE** of all 95,485 units of renter-occupied housing in El Paso County (2016)
Extremely low income	13,105	2000	3148	18,253	19.1%
Very low income	4925	9570	3575	18,070	18.9%
Low income	1045	9095	12,070	22,210	23.2%
Moderate income	249	1390	8805	10,444	10.9%
TOTAL households earning less than median	19,324	22,055	27,598	68,977	72.2%
PERCENTAGE of renter households earning below median	28.0%	32.0%	40.0%	100%	

Potential homebuyers targeted by most homeownership assistance programs: 80% - 100% of AMI

ASSESSMENT OF FUTURE PROSPECTS FOR CLT DEVELOPMENT:

*[**PRO** = Conditions (negative or positive) that favor CLT development. **CON** = Conditions that pose difficulties or impediments for establishing a new CLT.]*

1. Market imbalance

- **PRO**: The county has been gaining population at a rapid pace, growing at an average rate of 1.6% a year since 2010. Population growth and household growth are putting pressure on land and housing prices, pushing homes out of the reach of local residents.

- **PRO:** Colorado Springs is a popular destination for retirees, especially former military personnel. Since 2010, an increasing number of people in their 20s have been moving into the area as well, making millennials the leading age group for population growth. El Paso County has the youngest median age (33.9 years) among the eight counties in our study.

- **PRO:** There are 10,487 seasonal units in El Paso County. They represent only 3.9% of the county's total number of housing units, but housing that is snapped up for seasonal or recreational use is not available for households in need of year-round occupancy.

- **PRO:** A 2014 housing needs assessment found there was a shortfall of 24,000 units of affordably priced housing in El Paso County. A majority of the housing being built is single-family. Very little multi-unit housing is being built, except for projects developed by the El Paso County Housing Authority or by Greccio Housing. According to interviews with local informants, there is resistance from government and from NIMBYs to any proposed multi-unit development. As a result, the density of new projects is low and the per-unit cost is high.

2. Elusive affordability

- **PRO:** There is clearly a shortage of affordably priced housing. Sixty percent of all the renter households in El Paso County earning less than median income were cost-burdened in 2016. In effect, there were 41,379 renter households who were living in housing they could not afford.

- **PRO:** In 2016, the median value of an owner-occupied home was $249,200; the median household income was $63,882. The average homebuyer would need **3.9 times** his/her annual income to purchase an average-priced house or condominium. With 72% of the county's renters earning ***less*** than median income, homeownership is clearly beyond the reach of most renters.

- **PRO:** Between 2015 and 2016, the median value of owner-occupied property increased by 7%. During the 12 months ending June 2018, sales prices averaged about $316,600, up 10% from a year earlier.

- **PRO:** Among homeowners earning less than median income in 2016, there were 30,385 who were cost-burdened, occupying homes they could not comfortably afford. Nearly half of them were *severely* cost burdened, paying over half their income for housing.

3. Plentiful homebuyers

- **PRO:** The pool of potential buyers for the kinds of resale-restricted, owner-occupied homes made available by the Rocky Mountain is quite deep. In 2016, there were 10,444 households in El Paso County within the "Goldilocks zone" of renter households earning between 80% and 100% of AMI. Among these households, there were 1,639 households who were paying "too much" for their housing and another 8,805 who were living in "affordable" rentals, but who might prefer owning to renting if given the chance.

4. Sufficient equity

- **PRO:** El Paso County had a ***lowest*** affordability gap in 2016 between what a median-value home would cost and what a median-income household could afford, when compared to all the other counties in our study except for one (Logan County).

- **CON:** This affordability gap was large, nonetheless. In 2016 the "average" house or condominium in El Paso County would have required an upfront subsidy of $83,107 to bring its price within the financial reach of the "average" homebuyer (i.e., a household earning the county's median income). The Rocky Mountain CLT would require a large pool of debt-free capital, therefore, to close this affordability gap for a large number of households.

5. Municipal support

- **PRO:** Prior to 2015, the City of Colorado Springs provided project funding for RMCLT's homeownership program. Such support has been renewed for the coming year.

- **CON:** During the three-year period of 2015 – 2018, the City of Colorado Springs did not provide funding for RMCLT in order to focus municipal resources on addressing the problem of homelessness within the city. RMCLT was forced to reduce staffing because of budget constraints, although the organization still managed to acquire three new properties and to manage a dozen resales per year for the period when city funding was absent.

- **CON:** The greatest barrier to the development of affordable housing in El Paso County is a lack of equity. There is plenty of debt that can be brought to these deals, but very little equity that is being provided from state or local sources. The primary involvement of the City of Colorado Springs and the County of El Paso in supporting the production of affordable housing is to pass through federal funds, according to local informants. Neither the city or

county is especially active in helping to solve local housing problems. There is no inclusionary zoning, no housing trust fund, and minimal waiving of fees for affordable housing.

6. Community acceptance

- **PRO:** The Rocky Mountain Community Land Trust has built a base of support for the CLT model and, in successfully selling over 200 resale-restricted homes on leased-land, RMCLT has provided a "proof of concept" that the model is both marketable and acceptable.

- **PRO:** Despite the presence of a high-performing public housing authority and of several effective nonprofit housing providers, there has been little competition with the CLT. Indeed, the Rocky Mountain CLT has worked in partnership with Greccio Housing, a local developer and manager of affordable rental housing, and Partners in Housing, another nonprofit that provides transitional housing and support services for homeless households.

- **PRO:** A group of stakeholders that met with Burlington Associates in December 2018 expressed their support for larger, scalable solutions to address El Paso's housing problem, including support for the community land trust as a vehicle for catalyzing and sustaining these community-based initiatives, going forward.

- **CON:** An expanded CLT program in El Paso County would necessarily ride on the coattails of the Rocky Mountain Community Land Trust. To the extent that public officials, private funders, and/or potential homebuyers have skepticism about the ability of RMCLT's staff or the quality of RMCLT's homes – and there ***are*** some, according to key informants – there might be resistance to increasing the level of CLT development.

- **CON:** The most skepticism about the Rocky Mountain Community Land Trust has come from some segments of the local real estate community. Because the amount of equity available to RMCLT has historically been limited, many of the properties brought into its portfolio have been older, lower-priced homes that have not been substantially remodeled before being to low-income or moderate-income households. This has fueled the impression among some of RMCLT's skeptics and critics that CLT homes are "substandard," despite the fact that the quality of all of RMCLT's homes meets and exceeds HUD's housing quality standards.

7. Local champion

- **PRO:** There is an existing CLT, the Rocky Mountain Community Land Trust, which currently has 205 permanently affordable, scattered site homes in Colorado Springs. RMCLT offers a foundation on which to expand.

RECOMMENDATIONS FOR CLT DEVELOPMENT IN EL PASO COUNTY:

On balance, despite the difficulties foreseen by Burlington Associates in expanding the Rocky Mountain Community Land Trust, our overall assessment is that the pros outweigh the cons. Critical conditions that have favored CLT development in other cities and counties are present to a sufficient degree in El Paso County to warrant a closer look at the financial feasibility of expanding the CLT that is operating there. Our preliminary recommendations for ***who*** an expanded program should serve as its highest priority and ***how*** such a program might be implemented are as follows:

BENEFICIARIES

- The Rocky Mountain CLT should continue to target its homeownership program primarily to the 10,444 renter households in El Paso County who were earning between 80% and 100% of AMI in 2016.

- Given the high number of cost-burdened homeowners who are aged 62 years or older, it might make sense for the Rocky Mountain CLT to consider establishing a home improvement program to help these homeowners in making repairs they are probably deferring due to lack of funds. That may be especially true for the 4550 *severely* cost-burdened homeowners who are elderly, since most are probably living on fixed incomes from retirement and Social Security.

STRATEGIES

- Rocky Mountain CLT is committed to expanding its portfolio in the next five years by acquiring, rehabbing, subsidizing and reselling existing single-family homes.

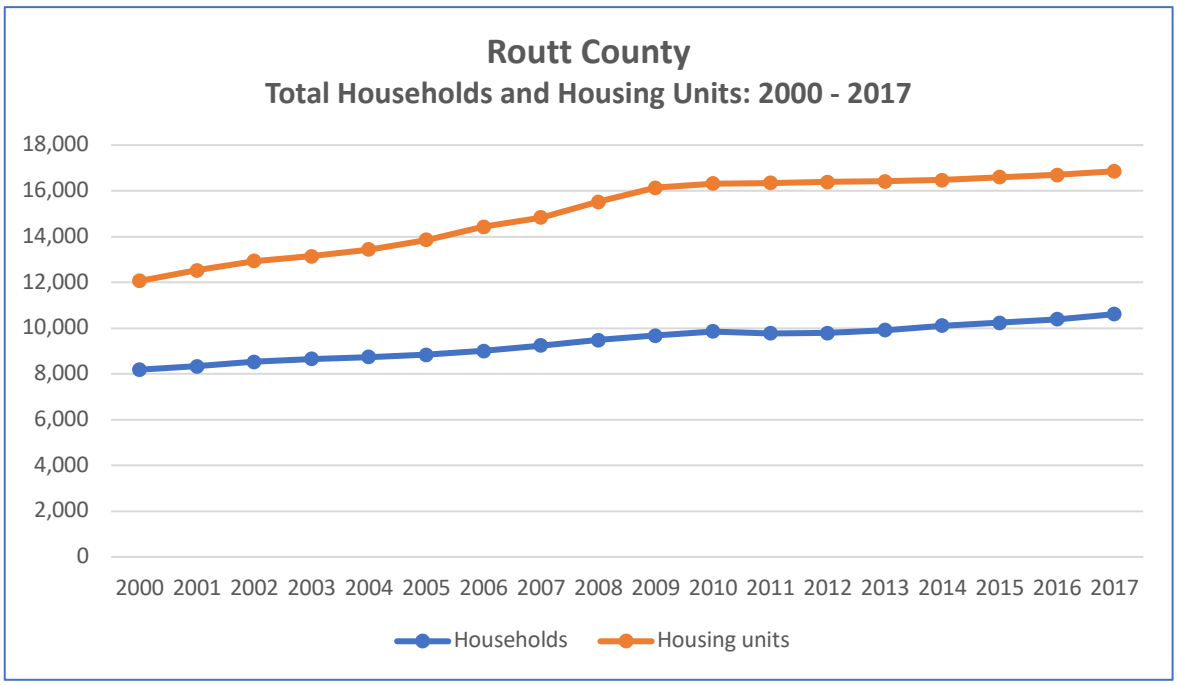
- In 2016, nearly half of the cost-burdened homeowners in El Paso County were paying more than 50% of their household income to meet the monthly cost of their housing. These homeowners occupy a total of 13,165 single-family homes. RMCLT should consider focusing its planned expansion of an acquisition-resale program on this particular housing stock. RMCLT must anticipate the likelihood, however, that a lot of this housing may be in poor repair and would require costly rehabilitation.

- Additional organizational capacity will be needed by Rocky Mountain CLT for it to be able to expand its portfolio of permanently affordable owner-occupied homes, especially in light of the reduction in staffing that was caused by a three-year hiatus in funding from the City of Colorado Springs.

Routt County (Steamboat Springs)
Housing Conditions & CLT Assessment

DEMOGRAPHIC TRENDS:

- The county has a small population, only 25,220 people, which has grown little in recent years. Between 2014 and 2017, the county added only 1,162 people – and only 508 households – according to the Colorado Department of Local Affairs.



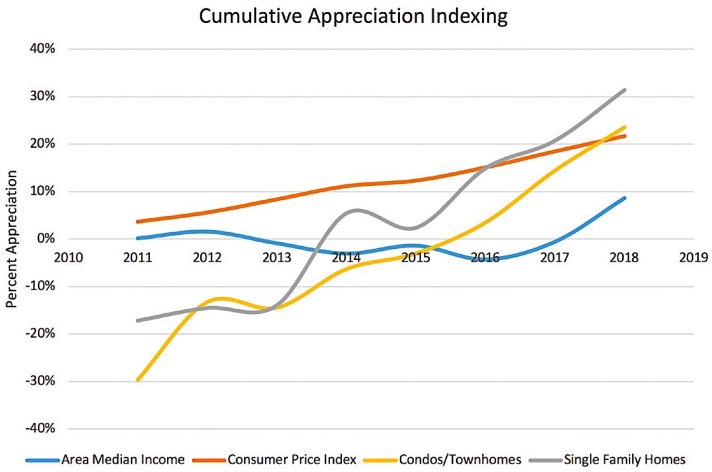
Source: Department of Local Affairs, State of Colorado

HOUSING SUPPLY:

An excellent summary of housing conditions in Routt County is found in the 2018 "Report to the Community," prepared by the Yampa Valley Housing Authority:

> "The State of Housing in Routt County continues to be an environment where there is not enough housing supply to meet the demands of locals, second homeowners and the destination tourism industry. This market imbalance is resulting in high rates of price appreciation, limited unit turnover and long wait lists at YVHA affordable housing properties. Since 2010, price appreciation has significantly outpaced wage growth leading to a decline in middle income households and a corresponding increase in high

end households. At the same time the overall vacancy rates have increased leading to less available housing units for locals."



Source: Steamboat Springs Board of Realtors, Bureau of Labor Statistics, Colorado Housing and Finance Authority

- Year-round homeownership is the dominate form of tenure, composing 40.4% of the county's housing stock (owner-occupied units + vacant units for sale = 6635/total housing supply).

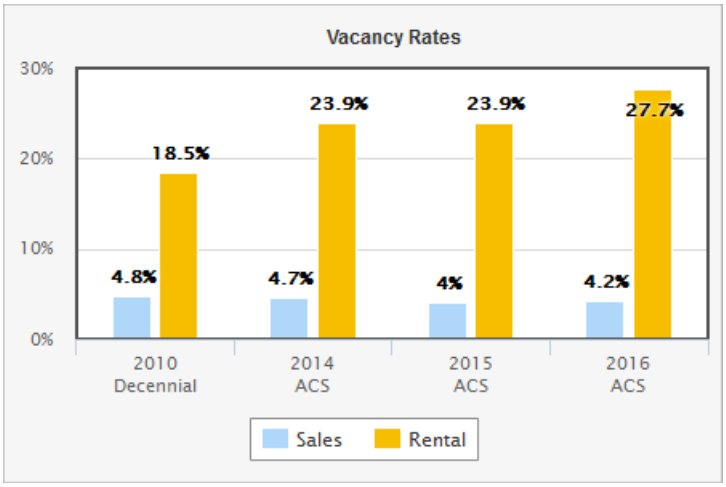
- There are 5,511 seasonal units in Routt County, representing 33.6% of the county's total number of housing units. (The category labeled "other vacant" in the charts prepared by PD&R, *Market at a Glance*, is equivalent to what the U.S. Census classifies as housing that is "for seasonal or recreational use.")

Composition by Tenure, Routt County's Housing Supply (2016)

[Source: 2016 American Community Survey/PD&R, *Market at a Glance*]

Composition of housing supply:	# of units	% of total
Owner-occupied units	6,358	38.7%
Renter-occupied units	3,079	18.8%
Vacant units	6,968	42.5%
Total housing supply	16,405	100%
Composition of ***vacant*** housing:	# of units	% of total
Available for sale	277	4%
Available for rent	1,180	17%
Other vacant	5,511	79%
Total vacant housing	6,968	100%

- The overall vacancy rate has stayed steady at around 38% for four years (2014-2017), according to the Colorado Department of Local Affairs, but this percentage includes seasonal rentals and second homes ("other vacant"). When these are subtracted, the vacancy rate falls to 27.7% for rental housing and 4.2% for sales housing, as reported in *Market at a Glance*, a publication of HUD's Office of Policy Development and Research (PD&R).



[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]

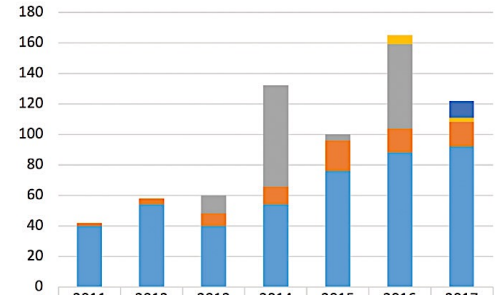
Housing construction:

Estimates by the Colorado Department of Local Affairs reported that building permits were issued for the construction of 451 residential units during the four-year period 2014-2017. This is slightly below the estimate of 480 units reported by the "Housing Market Conditions Summary" reported in *Market at a Glance* (PD&R, Accessed November 10, 2018). Either way, this is a rather modest rate of construction, closely matching the growth in the number of households during the same period.

Annual Building Permits for Housing Construction, Routt County

[Source: Program Development & Planning, HUD; Department of Local Affairs, State of Colorado]

Year	Single-family homes (PD&R)	Multi-family homes (PD&R)	All building permits for housing (PD&R)	All building permits for housing (DOLA)
2014	75	45	120	59
2015	100	0	100	130
2016	115	30	145	99
2017	115	0	115	163



	2011	2012	2013	2014	2015	2016	2017
Manufactured Homes	0	0	0	0	0	0	11
Mixed Use	0	0	0	0	0	6	3
Multi-Family	0	0	12	66	4	55	0
Duplex	2	4	8	12	20	16	16
Single Family	40	54	40	54	76	88	92

Source: Routt County Regional Building Department; Yampa Valley 2018 *Report to the Community*

HOUSING AFFORDABILITY

Affordability: Owner-Occupied Housing

A rule of thumb that has long been used by real estate agents to make a quick judgment about the affordability of a house or condominium is that a potential homebuyer can afford to purchase a property if its price is equivalent to roughly **2.6 times** the homebuyer's annual income. That affordability ratio is based on historical, nationwide averages.

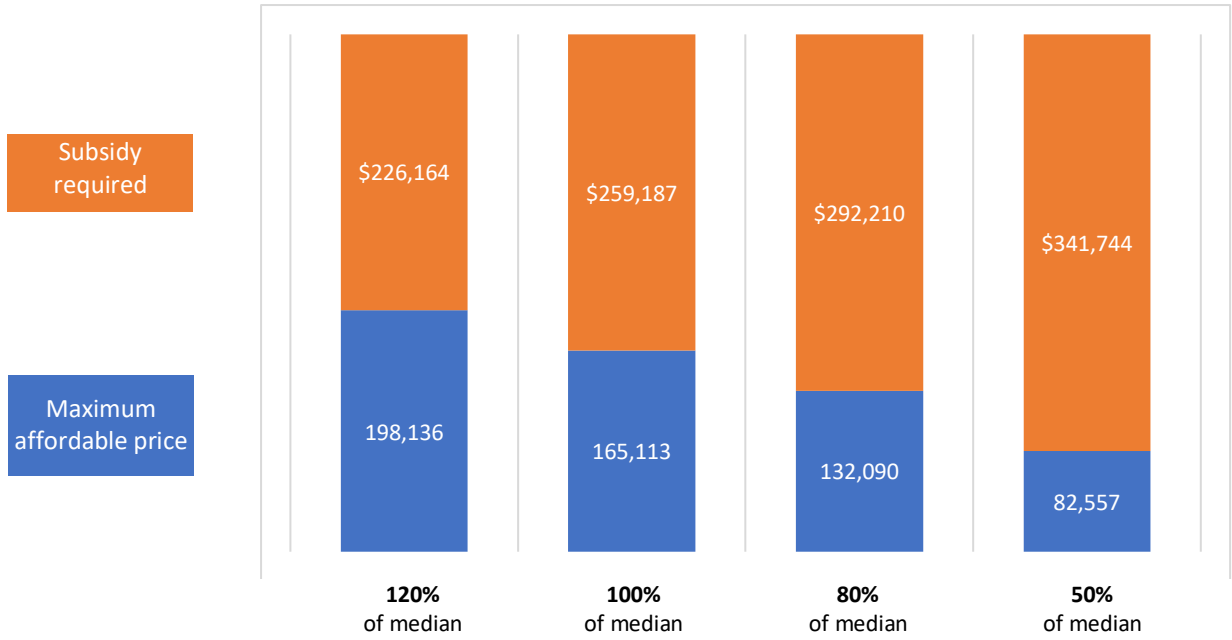
In Routt County, the median value of an owner-occupied home was $424,300 in 2016; median household income was **$63,505**. The average homebuyer would need **6.7 times** his/her annual income to purchase an average-priced house or condominium.

To put it another way, the maximum price that a household earning the median income could afford to pay, using the realtors' rule of thumb, would be $165,113. That means the average-priced house or condominium in Routt County (i.e., the median value of a home) was $259,187 more expensive in 2016 than any home an average household could afford to buy.

That very large affordability gap is widening. Median property values ***increased*** by 7.5% in Routt County from 2015 to 2016. Median household income ***declined*** by 2.2%. If the trend exhibited in the previous year has continued into 2017 and 2018, property values are rising at a much faster rate than household income.

This already substantial affordability gap is larger still for households who are perched lower on the income ladder. Among all of the county's renters, 66.2% earn ***less*** than median income. Homeownership is completely out of their reach. Even households earning 120% of the Area Median Income would require a $226,164 subsidy to make the leap into homeownership.

Subsidy required to close the affordability gap between the median value (<u>$424,300</u>) of an owner-occupied home in Routt County and the maximum price that a household could afford to pay in 2016 if earning 120%, 100%, 80%, or 50% of the county's median income



The information presented above speaks to the difficulty of gaining ***access*** to homeownership, but affordability is not necessarily assured ***after*** a home is purchased. Renters are not the only ones who are cost-burdened. Many homeowners are too.

According to *Market at a Glance*, published by HUD's Office of Policy Development and Research (PD&R), Routt County had 6,358 owner-occupied units in 2016. Approximately 43% of this housing (2,745 units) is occupied by households earning less than the median income for Routt County. Among these moderate-income, lower-income, very low-income, and extremely low income homeowner households:

- 54% of them are paying more than 30% of their income for housing, a total of 1,476 households.
- 31% of them are paying more than half their income for housing, a total of 13,165 households.

Looking at this picture from another angle, there are 1,467 owner-occupied units in Routt County that are "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who live there – representing **23%** of all the owner-occupied housing in Routt County.

Housing Cost Burden for Homeowner Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	**PERCENTAGE** of all 6,358 units of owner-occupied housing in Routt County (2016)
Extremely low income	375	69	118	562	8.8%
Very low income	275	89	215	579	9.1%
Low income	178	230	630	1038	16.3%
Moderate income	18	233	315	566	8.9%
TOTAL households earning less than median	846	621	1278	2745	43.2%
PERCENTAGE owner households earning below median who are cost burdened	31%	23%	46%	100%	

It is also noteworthy that **elderly homeowners** (over 62 years of age) make up an unusually small portion of these cost-burdened households, as compared to other counties. Among cost-burdened homeowners earning less than the median income, only 6% of them are elderly, occupying a total of 94 homes.

Affordability: Renter-Occupied Housing

A rule of thumb that has long been used by HUD and by state housing officials is that tenants should not spend more than 30% of their household income for rent. This is not a problem for affluent households. But when moderate-income and low-income households spend too much for their housing, too little money is left each month for food, health care, transportation, and other essentials. A household that pays more than 30% for housing is considered "moderately cost burdened." A household that pays more than 50% for housing is "severely cost burdened."

According to tabulations of HUD 2011-15 CHAS data prepared by Colorado's Department of Local Affairs (DOLA), Routt County has **1,313** cost-burdened renter households who earn less than the county's median income. In "Market at a Glance," published by HUD's Office of Policy Development and Research (PD&R), Routt County was reported to have had 3,079 renter-occupied units in 2016. An additional 1,180 year-round rental units were vacant. The data sets (and the years) used by DOLA and PD&R may not be an exact match, but they are close enough to be able to make reasonable estimates of the percentage of the county's moderate-income, lower-income, very low-income, and extremely low income renters who are living in housing that is "unaffordable," as follows:

- Two-thirds of the county's renter-occupied housing (2,039 units) is occupied by households earning less than the median income for Routt County.
- Among renter households earning less than median, 64% of them are paying more than 30% of their income for housing, a total of 1,313 households.
- Among renter households earning less than median, 35% of them are paying more than half their income for housing, a total of 725 households.
- Looking at this picture from another angle, there are 1,313 renter-occupied units in Routt County that are "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who live there – 42.6% of all the renter-occupied housing in Routt County.

Housing Cost Burden for Renter Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**PERCENTAGE** of all 3,079 units of renter-occupied housing in Routt County (2016)
Extremely low income	380	69	142	591	19.2%
Very low income	225	220	60	505	16.4%
Low income	100	254	339	693	22.5%
Moderate income	20	45	185	250	8.1%
TOTAL households earning less than median	725	588	726	2039	66.2%
PERCENTAGE of renter households earning below median who are cost burdened	35%	29%	36%	100%	

Potential homebuyers targeted by most homeownership assistance programs: 80% - 100% of AMI

ASSESSMENT OF FUTURE PROSPECTS FOR CLT DEVELOPMENT:

*[**PRO** = Conditions (negative or positive) that favor CLT development. **CON** = Conditions that pose difficulties or impediments for establishing a new CLT.]*

1. Market imbalance

- **PRO:** The "Report to the Community," prepared by the Yampa Valley Housing Authority in 2018, provides a succinct description of the mismatch between the current housing supply

and housing needs of Routt County's residents: "This market imbalance is resulting in high rates of price appreciation, limited unit turnover, and long wait lists at YVHA affordable housing properties. Since 2010, price appreciation has significantly outpaced wage growth leading to a decline in middle income households and a corresponding increase in high end households. At the same time the overall vacancy rates have increased, leading to less available housing units for locals."

- **PRO:** One of the most telling indications of this imbalance is a documented ***shortage*** of housing for people of modest means alongside the highest housing ***vacancy*** rate among the eight counties in our study. The 2016 final report of the Community Housing Steering Committee found there was a combined "supply gap" of 972 units of housing for low-income renters and "entry level households" – i.e., permanent residents earning under $75,000 looking to buy a condominium or single-family house priced in the bottom third of the market). Meanwhile, the vacancy rate in Routt County stood at 38% -- and has remained so since 2014, according to the Colorado Department of Local Affairs.

- **CON:** The developers of seasonal homes and affluent homebuyers are bidding up the price of land and housing, which would make it difficult (i.e., costly) for a CLT to acquire the land it would need to get established. Not only is the cost of land very high; so is the cost of adding infrastructure, tapping into water, and constructing homes.

- **CON:** Most of the residential construction occurring in Routt County, except for the housing being produced by the Yampa Valley Housing Authority, is focused on building high-end houses, second homes, and seasonal condominiums and rentals. In a market environment focused on the development of luxury housing, it may be difficult to find builders who are interested constructing modest housing that is affordably priced.

2. Elusive affordability

- **PRO:** In Routt County, the median value of an owner-occupied home was $424,300 in 2016; the median household income was $63,505. The average homebuyer would have needed 6.7 times his/her annual income to purchase an average-priced house or condominium, the largest "affordability gap" among the eight counties in our study. Two-thirds of the county's renters (66.2%) earn ***less*** than the median, putting homeownership far beyond their reach. This affordability gap has been widening, moreover, as housing prices continue to rise at a much faster rate than household income.

- **PRO:** Two-thirds of the county's renters (64%) who earned less than the median in 2016 were living in housing they could not afford. They were either cost-burdened or severely cost burdened. (A little over half of all *homeowners* who earned less than median income were cost burdened as well.)

3. Plentiful homebuyers

- **PRO:** The most likely buyers of the resale-restricted, owner-occupied homes that a CLT program would provide would be renter-occupied households earning between 80% and 100% of AMI. In 2016, there were 250 households within this "Goldilocks zone:" 65 cost-burdened households who were paying "too much" for their rental housing; and 185 who were living in "affordable" rentals, but might prefer owning to renting, if given the chance.

- **CON:** The pool of potential homebuyers is rather shallow, if a CLT hopes to assemble a large portfolio of permanently affordable, resale-restricted housing. (It could be deepened, on the other hand, by increasing the targeted affordability to 120% of AMI.)

4. Sufficient equity

- **PRO:** In October 2017, a one-mill property tax levy, known as 5A, was passed in Steamboat Springs to create a dedicated source of funding for the development of low-income, seasonal, and permanently affordable housing in the city. According to YVHA's Executive Director, 5A generates $850,000 per year for YVHA's use in creating affordable housing. YVHA's goal is to create 600 affordable homes (ownership and rental) within the next ten years, using the 5A funds to leverage the additional resources.

- **CON:** Using a realtor's rule of thumb (not actual development costs), the "average" house or condominium in Routt County would have required an upfront subsidy of $259,187 in 2016 to bring its price within the financial reach of the "average" homebuyer (i.e., a household earning the county's median income). Renters earning less than median – which is the case for two-thirds of the county's renter households – would need an even deeper subsidy.

- **CON:** Regardless of whether YVHA enhances its existing deed restriction program or grafts elements of the community land trust model into its operations, funding for additional organizational capacity will be needed to provide adequate stewardship for a growing stock of permanently affordable homes. YVHA currently allocates only 10% of an FTE to manage its 100+ deed-restricted units.

5. Municipal support

- **PRO:** Steamboat Springs and all of Routt County are well served by the Yampa Valley Housing Authority, a highly productive "local government organization whose mission is to support the local economy, community and businesses of the Yampa Valley by implementing appropriate housing solutions for local workers, other qualified residents, and their families" (as described in YVHA's 2018 annual report).

- **PRO:** Steamboat Springs has a dedicated levy for the production of affordable housing that raises approximately $850,000 per year.

- **PRO:** Consideration is being given to expanding Steamboat Springs through annexation of adjoining areas. This would make less costly land available for housing development.

- **CON:** Consideration of annexation has lagged, not progressing from discussion to action.

- **CON:** Steamboat Springs enacted an inclusionary zoning ordinance in 2006, requiring private developers in most areas of the city to make 15% of residential units affordable for families earning between 60% and 120% of AMI. This inclusionary mandate was suspended in 2010. It is unlikely to be revived.

- **CON:** The per-unit subsidy required to close the affordability gap in Routt County for "entry level households" earning below 120% of AMI is enormous.

6. Community acceptance

- **PRO:** There is both a familiarity with resale controls and a willingness to accept them among Routt County residents. The Yampa Valley Housing Authority currently administers a portfolio of 100+ deed-restricted units in five separate developments. Some (not all) of these affordable homes are resale-restricted with long-lasting affordability controls.

- **PRO:** There may be support for a new CLT program among local employers who are finding it difficult to attract and to retain employees from beyond Routt County.

- **PRO:** Routt County has a history of collaboration and cooperation among multiple organizations in developing innovative solutions for local housing problems.

- **CON:** There is evidence of some ambivalence toward the notion of maintaining the permanent affordability of publicly subsidized, owner-occupied housing. The Down Payment Assistance Loan Program administered by the Housing Authority, for example, has no requirement for the ongoing affordability of these assisted homes. Nor does YVHA impose lasting affordability controls on *all* of the deed-restricted homes in its portfolio.

7. Local champion

- **PRO:** A group of local stakeholders, including the Executive Director of YVHA and several members of the YVHA board, and the Executive Director of the Routt County United Way, have expressed an interest in exploring the community land trust strategy.

- **CON**: There may not be a ***need*** for a CLT program in Routt County, given that YVHA has already developed five multi-unit residential projects containing deed-restricted, owner-occupied housing. The affordability of these homes is maintained by restricting eligibility and (for some of them) by indexing future prices to the growth in local wages.

RECOMMENDATIONS FOR CLT DEVELOPMENT IN ROUTT COUNTY:

On balance, despite the difficulties foreseen by Burlington Associates in starting and sustaining a new community land trust, our overall assessment is that the pros outweigh the cons. Critical conditions that have favored CLT development in other cities and counties are present to a sufficient degree in Routt County to warrant a closer look at the financial feasibility of establishing a CLT there. Our preliminary recommendations for ***who*** such a program should serve as its highest priority and ***how*** such a program might be implemented are as follows:

BENEFICIARIES

- A new CLT program in Routt County should address the existing shortage of workforce housing, serving qualified applicants who live or work in Routt County. Beneficiaries should range from households earning as low as 60% AMI to those earning as high as 120% AMI.

- Such a preference would correspond to what the 2016 report of the Community Housing Steering Committee called "entry level households" – i.e., permanent residents earning less than $75,000, looking to buy a condominium or single-family house priced in the bottom third of the for-sale market, either in Steamboat Springs or in an outlying community.

STRATEGIES

- The CLT's projects should prioritize homeownership, safeguarded by a stewardship regime that is designed to keep the housing affordable in perpetuity.

- The most urgent priority would be to acquire and to bank land for future development within the urban growth boundary of Steamboat Springs (and within annexed areas, should the City's boundaries eventually be extended). YVHA and other community stakeholders are keenly aware that time is of the essence. If they are unable to act quickly and deliberately to acquire land for affordably priced workforce housing, land will become too pricey for YVHA to buy or will be developed for upscale housing.

- Local employers – the hospital and school district in particular – should be involved in any conversation about creating a CLT. They might be willing to donate funds and lands to a CLT if their employees were to be given priority in purchasing a CLT's homes.

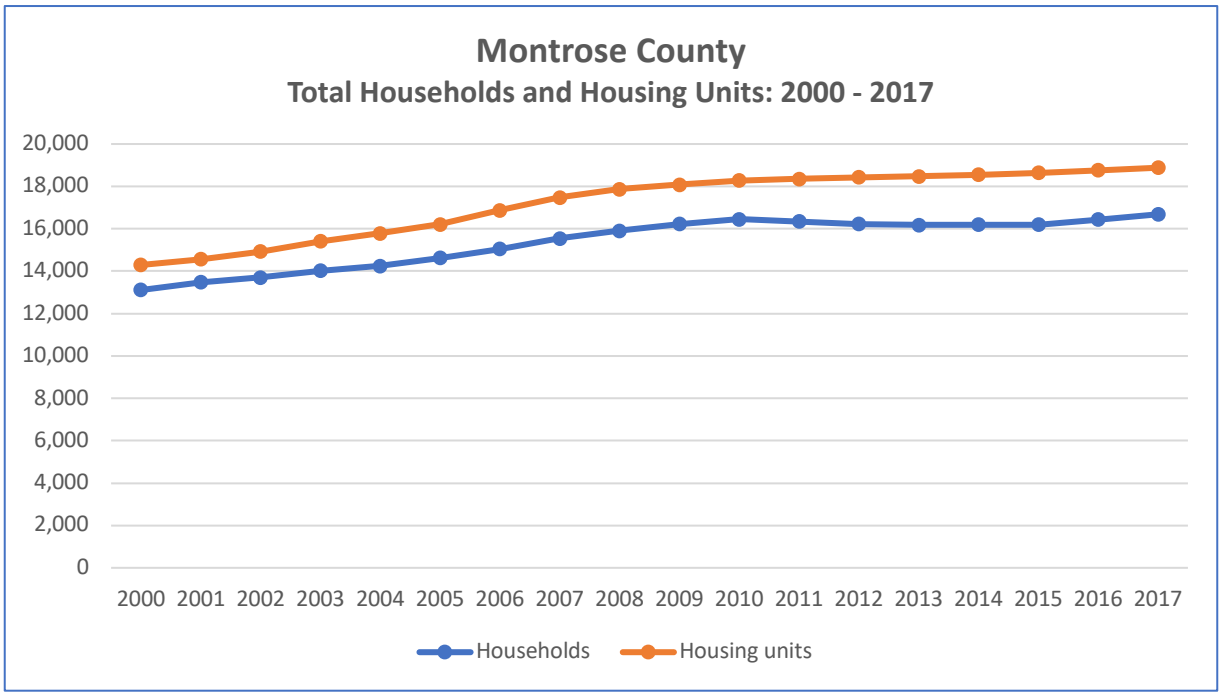
- Consideration should be given to establishing a CLT as a corporate subsidiary of the Yampa Valley Housing Authority instead of starting a CLT as a new nonprofit corporation. It might be simpler still for YVHA to revamp its existing deed-restricted program, drawing on best practices developed by the nation's CLTs and augmenting its own stewardship capacity.

Montrose County
Housing Conditions & CLT Assessment

DEMOGRAPHIC TRENDS:

- The county's population is small: 41,784 in 2017, according to U.S. Census.

- Since 2010, the population has grown by only 575 people, adding 234 households. During this same period, the county added 601 housing units (DOLA). The only explanation is that second homes and seasonal rentals have accounted for most of the growth in the housing stock.



Source: Department of Local Affairs, State of Colorado

HOUSING SUPPLY:

- Year-round homeownership is the dominate form of tenure, composing 65.1% of the county's housing stock (owner-occupied units + vacant units for sale = 11,950/total housing supply). This is the highest percentage of owner-occupied housing among the counties included in our study.

- There are 1,048 seasonal units in Montrose County, representing only 5.7% of the county's total number of housing units. (The category labeled "other vacant" in the charts prepared

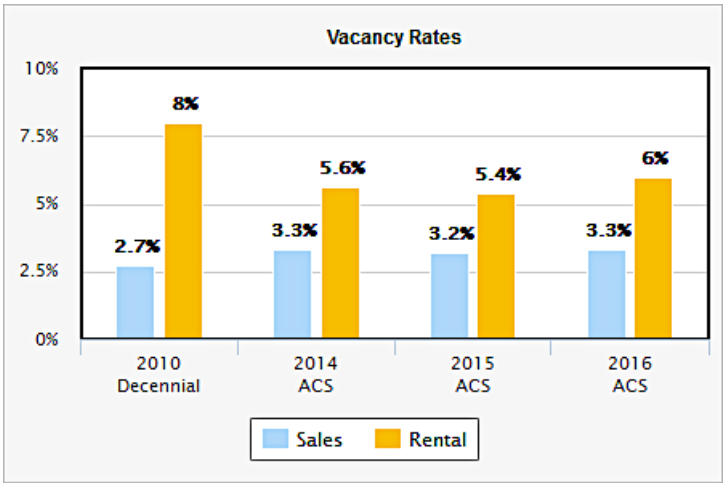
by PD&R, *Market at a Glance*, is equivalent to what the U.S. Census classifies as housing that is "for seasonal or recreational use.")

- Throughout the county, the overall vacancy rate was 12.4%, according to DOLA. According to Market at a Glance, the vacancy rate for rental housing was 6.0% as of 2016; the vacancy rate for sales housing was 3.3%

Composition by Tenure, Montrose County's Housing Supply (2016)

[Source: 2016 American Community Survey/PD&R, *Market at a Glance*]

Composition of housing supply:	# of units	% of total
Owner-occupied units	11,546	62.9%
Renter-occupied units	5,041	27.5%
Vacant units	1,764	9.6 %
Total housing supply	18,351	100%
Composition of ***vacant*** housing:	# of units	% of total
Available for sale	394	22.3%
Available for rent	322	18.3 %
Other vacant	1,048	59.4%
Total vacant housing	1,764	100%



[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]

Housing construction:

- Since 2010, the population of Montrose County has grown by only 575 people, adding 234 households. During that same period, the county added three times the number of housing units, 601, according to the Colorado Department of Local Affairs. The only reasonable explanation is that second homes and seasonal rentals have accounted for most of the growth in the county's housing stock.

- Almost no new housing of any kind is being constructed, except for some modular homes that are priced over $100,000, which are out of reach for most residents of Montrose.

- The Montrose Housing Authority and Habitat for Humanity of the San Juans are both active providers of affordable housing.

Annual Building Permits for Housing Construction, Montrose County
[Source: Program Development & Planning, HUD; Department of Local Affairs, State of Colorado]

Year	Single-family homes (PD&R)	Multi-family homes (PD&R)	All building permits for housing (PD&R)	All building permits for housing (DOLA)
2014	90	0	90	72
2015	120	0	120	89
2016	110	0	110	124
2017	195	10	205	114

HOUSING AFFORDABILITY:

Affordability: Owner-Occupied Housing

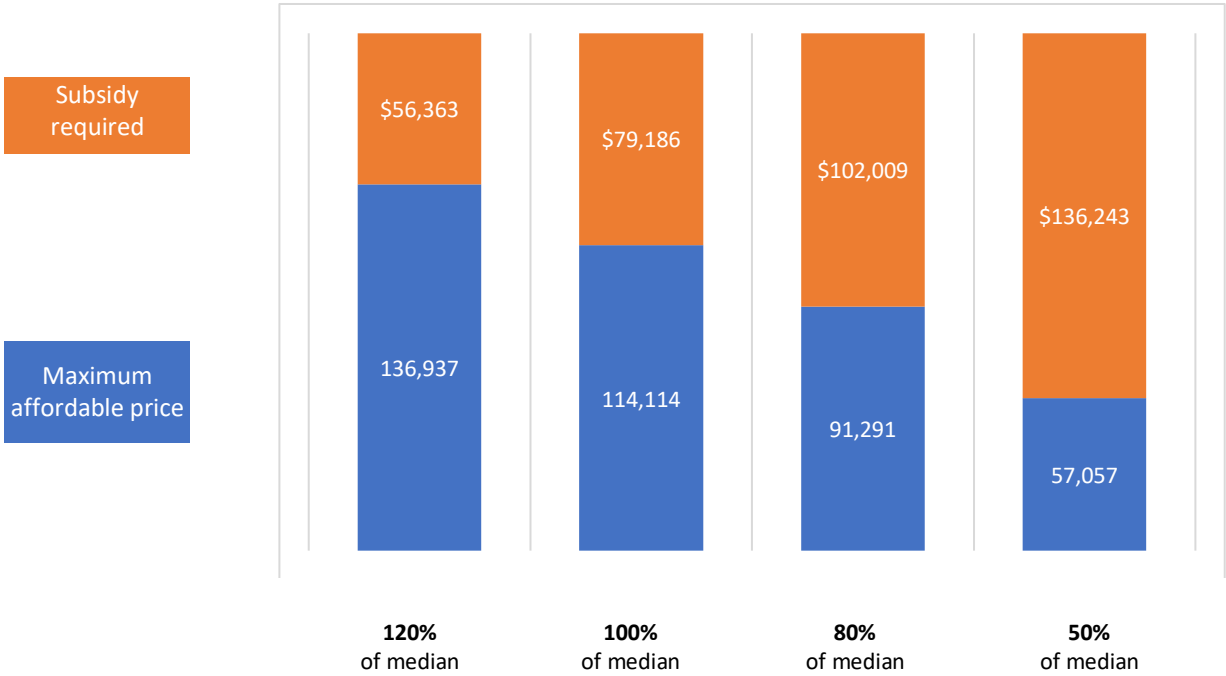
A rule of thumb that has long been used by real estate agents to make a quick judgment about the affordability of a house or condominium is that a potential homebuyer can afford to purchase a property if its price is equivalent to roughly **2.6 times** the homebuyer's annual income. That affordability ratio is based on historical, nationwide averages.

In Montrose County, the median value of an owner-occupied home was $193,300 in 2016; median household income was $43,890. The average homebuyer would need **4.4 times** his/her annual income to purchase an average-priced house or condominium.

To put it another way, the maximum price that a household earning the median income could afford to pay, using the realtors' rule of thumb, would be $114,114. The average-priced house or condominium in Montrose County was $79,186 more expensive in 2016 than any home that an average household could afford to buy.

This already substantial affordability gap is larger still for households who are perched lower on the income ladder. Among all of the county's renters, 79% earn ***less*** than median income. Homeownership is completely out of their reach. Even households earning 120% of the Area Median Income would require a $56,363 subsidy to make the leap into homeownership.

Subsidy required to close the affordability gap between the median value (<u>$193,300</u>) of an owner-occupied home in Montrose County and the maximum price that a household could afford to pay in 2016 if earning 120%, 100%, 80%, or 50% of the county's median income



The information presented above speaks to the difficulty of gaining ***access*** to homeownership, but affordability is not necessarily assured ***after*** a home is purchased. Renters are not the only ones who are cost-burdened. Many homeowners are too.

According to *Market at a Glance*, published by HUD's Office of Policy Development and Research (PD&R), Montrose County had 11,546 owner-occupied units in 2016. Approximately 51% of this housing (5884 units) is occupied by households earning less than the median income for Montrose County. Among these moderate-income, lower-income, very low-income, and extremely low income homeowner households:

- 46% of them are paying more than 30% of their income for housing, a total of 2,709 households.
- 24% of them are paying more than half their income for housing, a total of 1,415 households.

Describing this picture in a different way, in 2016 there were 2,709 homeownership units in Montrose County that were "***unaffordable***" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. These "unaffordable" units represented **23.5%** of all the owner-occupied housing in Montrose County at the time.

It is also noteworthy that **elderly homeowners** (over 62 years of age) make up a significant portion of these cost-burdened households. Among cost-burdened homeowners earning less than the median income, 42% of them are elderly, occupying a total of 1134 homes.

Housing Cost Burden for Homeowner Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	**PERCENTAGE** of all 11,546 units of owner-occupied housing in Montrose County (2016)
Extremely low income	590	175	290	1055	9.1%
Very low income	380	500	705	1585	13.7%
Low income	320	390	1380	2090	18.1%
Moderate income	125	229	800	1154	9.9%
TOTAL households earning less than median	1415	1294	3175	5884	51.0%
PERCENTAGE of owner households earning below median	24%	22%	54%	100%	

Affordability: Renter-Occupied Housing

A rule of thumb that has long been used by HUD and by state housing officials is that tenants should not spend more than 30% of their household income for rent. This is not a problem for affluent households. But when moderate-income and low-income households spend too much for their housing, too little money is left each month for food, health care, transportation, and other essentials. A household that pays more than 30% for housing is considered “moderately cost burdened.” A household that pays more than 50% for housing is considered “severely cost burdened.”

According to tabulations of HUD 2011-15 CHAS data prepared by Colorado’s Department of Local Affairs (DOLA), Montrose County has 2,244 cost-burdened renter households who earn less than the county’s median income. In “Market at a Glance,” published by HUD’s Office of Policy Development and Research (PD&R), Montrose County was reported to have had 5,041 renter-occupied units in 2016. The data sets (and the years) used by DOLA and PD&R may not be an exact match, but they are close enough to be able to make reasonable estimates of the percentage of the county’s moderate-income, lower-income, very low-income, and extremely low income renters who are living in housing that is “unaffordable,” as follows:

- Approximately 79% of the county's renter-occupied housing (4004 units) is occupied by households earning less than the median income for Montrose County.
- Among renter households earning less than median, 56% of them are paying more than 30% of their income for housing, a total of 2,244 households.
- Among renter households earning less than median, 30% of them are paying more than half their income for housing, a total of 1,215 households.

Looking at this picture from another angle, in 2016 there were 2,244 rental units in Montrose County that were "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. These "unaffordable" rentals represented nearly 44.5% of all the renter-occupied housing in Montrose County.

Housing Cost Burden for Renter Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**PERCENTAGE** of all 5,041 units of renter-occupied housing in Montrose County (2016)
Extremely low income	675	70	380	1125	22%
Very low income	460	580	230	1270	25%
Low income	80	360	710	1150	23%
Moderate income	0	19	440	459	9%
TOTAL households earning less than median	1215	1029	1760	4004	79%
PERCENTAGE of renter households earning below median	30%	26%	44%	100%	

Potential homebuyers targeted by most homeownership assistance programs: 80% - 100% of AMI

ASSESSMENT OF FUTURE PROSPECTS FOR CLT DEVELOPMENT:

*[**PRO** = Conditions (negative or positive) that favor CLT development. **CON** = Conditions that pose difficulties or impediments for establishing a new CLT.]*

1. Market imbalance

- **PRO:** Since 2010, the population of Montrose County has grown by only 575 people, adding only 234 households. During that same period, the county added nearly three times the

number of housing units, according to the Colorado Department of Local Affairs, a mismatch between supply and demand.

- **PRO:** Most of the housing being built is for seasonal use and second homes. There are also a number of retirees moving into Montrose County, which has helped to raise the average age of the population. Among the counties in our study, Montrose is second only to Chaffee County in having the highest percentage of persons over 65 years of age (22.6%) and the highest average age (44.6 years).

- **CON:** A low vacancy rate for both year-round rentals (6%) and year-round sales housing (3.3%) is evidence of a housing market that ***is*** in balance.

- **CON:** There is little pressure on land and housing prices from population growth, since there has been very little since 2010 – and almost none since 2015. Between 2015 and 2016, the median value of residential real estate rose by only 1.3%. This data is now somewhat dated, but it does indicate a lack of upward pressure on housing prices.

- **CON:** At 65.1%, Montrose County has the highest homeownership rate among the eight counties in our study.

- **CON:** The annual absorption rate for new, year-round housing is quite low. A new CLT operating only in Montrose County could probably sell only a few units per year. It would take many years before the CLT could accumulate a substantial and sustainable portfolio of resale-restricted housing.

2. Elusive affordability

- **PRO:** There is an insufficient supply of affordably priced housing, evidenced by long waiting lists at the Montrose County Housing Authority and at the local Habitat for Humanity affiliate and by the high number of cost-burdened renters and homeowners. Some of the county's most affordable housing is to be found in deteriorating mobile home parks.

- **PRO:** Although housing prices in Montrose County are relatively low, so are household incomes. In 2016, the median value of a house or condominium was $79,186 more expensive than a median income household could afford to buy. Since 79% of the county's renters earn ***less*** than median income, homeownership was far beyond the reach of most renter households.

- **PRO:** Between 2015 and 2016, the median value of owner-occupied property went ***up*** by 1.3%, while median income went ***down*** by 0.3%. The "affordability gap" in Montrose County is lower than in any of the other counties in our study except for Logan, but that gap is becoming slightly wider.

- **PRO:** Many renter households and homeowner households who earn less than median income are cost-burdened. Indeed, Montrose County has the highest rate of cost-burdened renters and homeowners among the eight counties in our study: 45.5% of renter households and 65.1% of homeowner households.

- **CON:** Montrose County is a relatively affordable place to live. Both the median price for an owner-occupied home and the median gross rent in Montrose County were the lowest among the eight counties in our study, except for Logan County.

3. Plentiful homebuyers

- **PRO:** The most likely buyers for the resale-restricted, owner-occupied homes that a new CLT would provide would be those renter-occupied households earning between 80% and 100% of AMI. In 2016, there were 459 renter households within this "Goldilocks zone," a substantial pool of potential homebuyers for a CLT's homes.

- **CON:** Only 19 of the renter-occupied households earning between 80% and 100% of median were "cost-burdened" in 2016. The rest of the renters in this income group – 440 of them – were living in "affordable" rentals for which they were paying less than 30% of their income. They might prefer becoming homeowners, if given an opportunity to do so, but a CLT would have to offer a very good deal to coax them out of affordable housing that is already theirs. This "good deal" would mean offering a resale-restricted home that is priced significantly below the modestly priced, market-rate housing that is already available in the county.

4. Sufficient equity

- **PRO:** Land outside of the City of Montrose is relatively inexpensive. This would allow whatever equity a CLT might be able to raise to go a long way toward removing land from the price of new housing and closing the "affordability gap."

- **CON:** In 2016 the "average" house or condominium in Montrose County would have required an upfront subsidy of $79,186 to bring its price within the financial reach of the "average" homebuyer (i.e., a household earning the county's median income). In a medium-sized county with limited public resources for affordable housing, there may be insufficient public subsidies to close this affordability gap for more than a few newly constructed homes.

5. Municipal support

- **PRO:** The City of Montrose has actively supported the expansion of affordable housing in the past, including: a 50-unit senior project for which the housing authority recently broke ground; an application for a 100-unit 9% LIHTC development, for which there may be a year-and-a-half wait; and 192 Section 8 certificates, 180 of which the housing authority disbursed

before running out of money. The City also recently agreed to provide $250,000 for asbestos removal in a downtown historic property containing five affordably priced rental units.

- **CON:** At least one of the key informants who were interviewed noted the reluctance of the City of Montrose to provide regulatory relief for housing projects, such as allowing higher density and waiving some fees.

- **CON:** In the City's recent investment in a downtown property, the City required assisted units to remain affordable for only five years. This would seem to indicate a certain ambivalence toward long-lasting affordability controls.

6. Community acceptance

- **PRO:** Several community leaders have expressed an interest in possibly forming a CLT as a long-term strategy for the development and stewardship of workforce housing, serving households 80% and 120% of AMI. The director of the Montrose County Housing Authority, an organization that serves people much poorer than 80% of AMI, offered this opinion about community acceptance of a CLT, "I think it would go over well."

- **CON:** Outside of the City of Montrose, however, there may be less support for a new CLT. County officials who were interviewed said, in effect, "we do not need another affordable housing initiative in this community."

- **CON:** The Montrose County Housing Authority and Habitat for Humanity of the San Juans are active, well-regarded providers of affordable housing. There may not be "room" for another nonprofit housing development organization in a county of this size.

7. Local champion

- **CON:** While there is some local interest in exploring the possibility of creating the capacity to protect and preserve the affordability of housing in the city (and, perhaps, across a wider geography), there is not yet a local individual or organization that is ready to take the lead in championing a CLT.

- **CON:** According to the Director of Innovation and Citizen Engagement for the City of Montrose: "We are in the midst of conducting a study of the housing needs in our community. This step is critical as we continue our work to develop strategies to address the critical needs of our community, with regards to housing. We hope to have the study completed by February 2019. While we are not ready to commit to a decision on the matter, at this time, we will continue to consider this as an option in the future."

RECOMMENDATION FOR CLT DEVELOPMENT IN MONTROSE COUNTY:

Despite the existence of a number of "pros" and despite the cautious interest expressed by several local representatives, the recommendation from Burlington Associates would be not to attempt to develop a CLT in Montrose County at the present time. Critical conditions that have favored CLT development in other cities and counties are not present to a sufficient degree to warrant a closer look at the financial feasibility of starting and operating a CLT there.

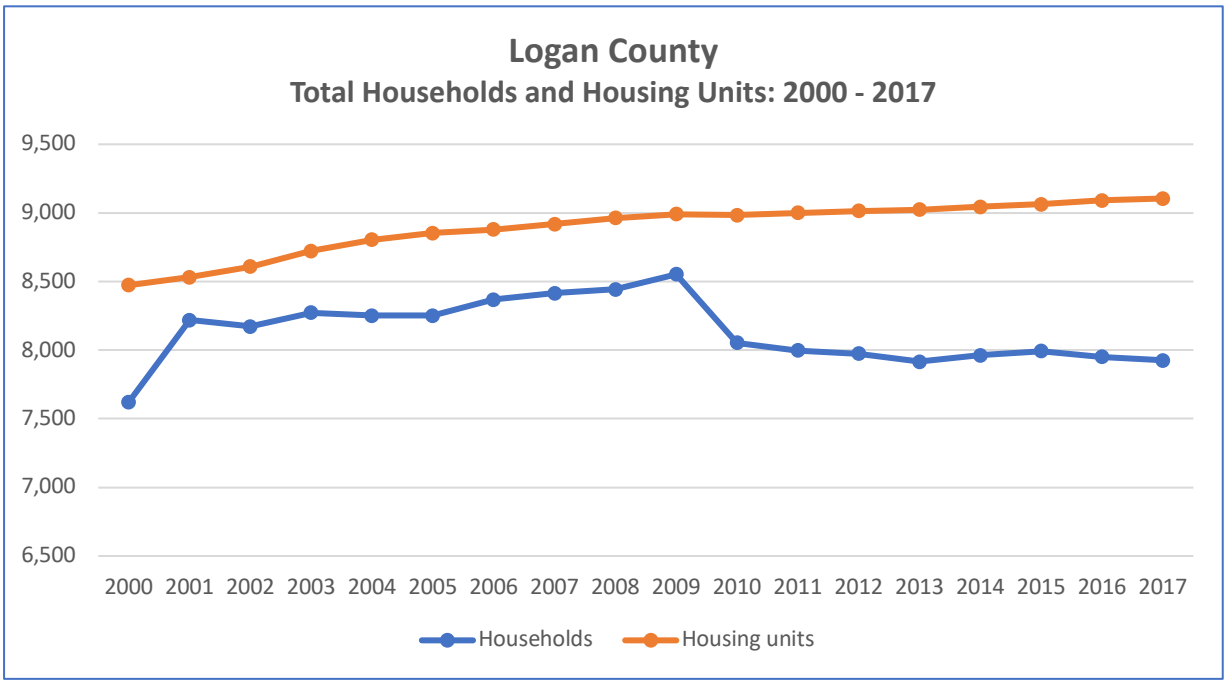
There may be the potential for developing a CLT in the future, however, possibly as a subsidiary or affiliate of either the Montrose Housing Authority or Habitat for Humanity of the San Juans. Exploring this option is inadvisable, however, until the results of the City of Montrose's housing needs assessment become available.

Logan County
Housing Conditions & CLT Assessment

DEMOGRAPHIC TRENDS:

- The county has a very small population, only 21,876 people, which has grown smaller still in recent years. Between 2014 and 2017, the county had a net ***loss*** of 38 households, according the Colorado Department of Local Affairs. During the same period, the county added 61 housing units. This mismatch has contributed to a relatively high vacancy rate.

- Vacancies are cyclical, however, since the region is highly dependent on the oil and gas industry. As noted in the *Northeast Housing Needs Assessment,* completed in 2014: "Extraction and service industries place heavy burdens on the housing supply and government services needed to support the houses. The boom and bust nature of the resource economy creates high housing prices, followed by a surplus of housing when the particular boom subsides (p. 38)."



- Despite the upward pressure placed on the housing market during the "boom" periods, when higher-salaried employees from the oil and gas industry snatch up available rentals and for-sale homes and bid up prices for both, Logan County is a relatively affordable place to live. Although the poorest households, those earning less than 50% of the Area Median Income, face difficulties finding adequate housing, most wage earners have access to

housing they can afford. The median gross rent and the median value of owner-occupied housing are the lowest among the eight counties in our report.

HOUSING SUPPLY:

- Year-round homeownership is the dominate form of tenure, composing 57.8% of the county's housing stock (owner-occupied units + vacant units for sale = 5180/total housing supply).

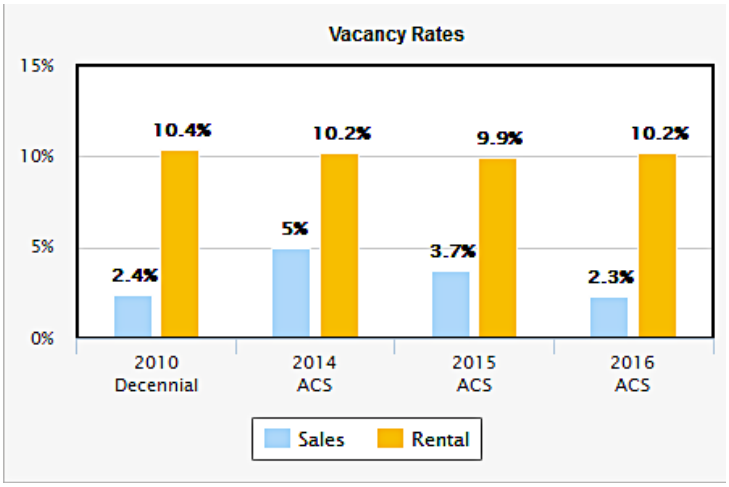
- There are only 480 seasonal units in Logan County, representing 5.4% of the county's total number of housing units.

Composition by Tenure, Logan County's Housing Supply (2016)

[Source: 2016 American Community Survey/PD&R, *Market at a Glance*]

Composition of housing supply:	# of units	% of total
Owner-occupied units	5062	56.5%
Renter-occupied units	2967	33.1%
Vacant units	936	10.4%
Total housing supply	8965	100%
Composition of ***vacant*** housing:	# of units	% of total
Available for sale	118	12.6 %
Available for rent	338	36.1%
Other vacant	480	51.3%
Total vacant housing	936	100%

- The overall vacancy rate has been growing since 2009, as the county's population declined. It reached 13% in 2017, according to the Colorado Department of Local Affairs, but this includes seasonal rentals and second homes ("other vacant"). When these are subtracted, the vacancy rate falls to 10.2% for rental housing and 2.3% for sales housing.



Housing construction:

Estimates by the Colorado Department of Local Affairs reports that only 82 building permits were issued for the construction of residential units during the four-year period 2014-2017. This is slightly above the estimate of 71 units reported by the "Housing Market Conditions Summary," *Market at a Glance* (PD&R, Accessed November 10, 2018). Either way, this is a very low rate of construction.

Annual Building Permits for Housing Construction, Logan County

[Source: Program Development & Planning, HUD; Department of Local Affairs, State of Colorado]

Year	Single-family homes (PD&R)	Multi-family homes (PD&R)	All building permits for housing (PD&R)	All building permits for housing (DOLA)
2014	18	0	18	21
2015	27	0	27	20
2016	14	0	14	27
2017	12	0	12	14

HOUSING AFFORDABILITY:

Affordability: Owner-Occupied Housing

A rule of thumb that has long been used by real estate agents to make a quick judgment about the affordability of a house or condominium is that a potential homebuyer can afford to purchase a property if its price is equivalent to roughly **2.6 times** the homebuyer's annual income. That affordability ratio is based on historical, nationwide averages.

In Logan County, the median value of an owner-occupied home was **$137,300** in 2016; median household income was **$43,340**. The average homebuyer would need **3.2 times** his/her annual income to purchase an average-priced house or condominium.

To put it another way, the maximum price that a household earning the median income could afford to pay, using the realtors' rule of thumb, would be $112,684. That means the average-priced house or condominium in Logan County (i.e., the median value of a home) was $24,616. more expensive in 2016 than any home an average household could afford to buy.

That affordability gap is quite small, compared to the other counties in our study, although it has been widening. Median property values increased by 10.1% in Logan County from 2015 to 2016. Median household income increased by 2.4%. This trend of property values rising at a faster rate than household income continued into following year. Between 2016 and 2017, the median value of owner-occupied housing increased by 8.3%, while median household income

increased by only 3.5%. Even so, the affordability gap remained small. By the 2017, the average homebuyer would need **3.3 times** his/her annual income to purchase an average-priced house or condominium – a gap of $32,022.

This small affordability gap is larger for households who are perched lower on the income ladder, but not by an excessive amount. A per-unit subsidy of $47,153 would be sufficient to boost a renter earning 80% of the county's median income into homeownership.

Subsidy required to close the affordability gap between the median value (<u>$137,300</u>) of an owner-occupied home in Logan County and the maximum price that a household could afford to pay in 2016 if earning 120%, 100%, 80%, or 50% of the county's median income

The information presented above speaks to the issue of gaining ***access*** to homeownership, but affordability is not necessarily assured ***after*** a home is purchased. Renters are not the only ones who are cost-burdened. Many homeowners are too.

According to *Market at a Glance*, published by HUD's Office of Policy Development and Research (PD&R), Logan County had 5062 owner-occupied units in 2016. Approximately 52% of this housing (2610 units) is occupied by households earning less than the median income for Logan County. Among these moderate-income, lower-income, very low-income, and extremely low income homeowner households:

- 33% of them are paying more than 30% of their income for housing, a total of 848 households.

- 13% of them are paying more than half their income for housing, a total of 332 households.

Describing this picture in another way, in 2016 there were 848 homeownership units in Logan County that were "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. These units represented nearly 16.8% of all the owner-occupied housing in Logan County.

Housing Cost Burden for Homeowner Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	**PERCENTAGE** of all 5062 units of owner-occupied housing in Logan County (2016)
Extremely low income	150	99	137	386	7.6%
Very low income	134	83	440	657	13.0%
Low income	34	225	670	929	18.4%
Moderate income	14	109	515	638	12.6%
TOTAL households earning less than median	332	516	1762	2610	51.6%
PERCENTAGE owner households earning below median who are cost burdened	13%	20%	67%	100%	

It is also noteworthy that **elderly homeowners** (over 62 years of age) make up a large portion of these cost-burdened households. Among cost-burdened homeowners earning less than the median income, 35.7% of them are elderly, occupying a total of 303 homes.

Affordability: Renter-Occupied Housing

A rule of thumb that has long been used by HUD and by state housing officials is that tenants should not spend more than 30% of their household income for rent. This is not a problem for affluent households. But when moderate-income and low-income households too much for their housing, too little money is left each month for food, health care, transportation, and other essentials. A household that pays more than 30% for housing is considered "moderately cost burdened." A household that pays more than 50% for housing is considered "severely cost burdened."

According to tabulations of HUD 2011-15 CHAS data prepared by Colorado's Department of Local Affairs (DOLA), Logan County has 1046 cost-burdened renter households who earn less than the county's median income. In *Market at a Glance*, published by HUD's Office of Policy Development and Research (PD&R), Logan County was reported to have had 2967 renter-occupied units in 2016, excluding the 338 rentals that were vacant at the time. The data sets (and the years) used by DOLA and PD&R may not be an exact match, but they are close enough to be able to make reasonable estimates of the percentage of the county's moderate-income, lower-income, very low-income, and extremely low income renters who are living in housing that is "unaffordable," as follows:

- 72.9% of the county's renter-occupied housing (2,164 units) is occupied by households earning less than the median income for Logan County.
- Among renter households earning less than median, 48% of them are paying more than 30% of their income for housing, a total of 1,046 households.
- Among renter households earning less than median, 27% of them are paying more than half their income for housing, a total of 589 households.

Describing this picture in another way, in 2016 there were 1046 rental units in Logan County that were "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. These "unaffordable" units represented 35% of all the renter-occupied housing in Logan County at the time.

Housing Cost Burden for Renter Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**PERCENTAGE** of all 2967 units of renter-occupied housing in Logan County (2016)
Extremely low income	554	128	143	825	27.8%
Very low income	20	225	230	475	16.0%
Low income	15	79	440	534	18.0%
Moderate income	0	25	305	330	11.1%
TOTAL households earning less than median	589	457	1118	2164	72.9%
PERCENTAGE of renter households earning below median who are cost burdened	27%	21%	52%	100%	

Potential homebuyers targeted by most homeownership assistance programs: 80% - 100% of AMI

ASSESSMENT OF FUTURE PROSPECTS FOR CLT DEVELOPMENT:

*[**PRO** = Conditions (negative or positive) that favor CLT development. **CON** = Conditions that pose difficulties or impediments for establishing a new CLT.]*

1. Market imbalance

- **CON:** Since 2009, Logan County has been losing population. During the same period that the number of households were declining, the number of housing units were increasing, which has contributed to the high vacancy rate (10.2%) in county's year-round stock of rental housing.

- **CON**: Logan County has all the signs of a weak real estate market. Supply exceeds demand. Vacancies are high, at least in the rental housing stock. Despite the fact that property values took a 10% leap between 2015 and 2016, the county's values were low to begin with. So were gross rents. There is a 3-month – 6-month wait list at the Housing Authority of the City of Sterling. This is much shorter than most of the PHA's in Colorado, many of which have closed their wait lists.

- **CON:** Only 12-20 new units are being built in Logan County each year, the maximum that can be absorbed. Such a low absorption rate would mean that a new CLT world probably be able to sell only a few units per year. It would be nearly impossible, therefore, for the CLT to accumulate a substantial and sustainable portfolio.

2. Elusive affordability

- **PRO:** Although housing prices in Logan County are relatively low, so are household incomes. In 2016, the median value of a house or condominium was $24,616 more expensive than a median income household could afford. Most of the county's renters (72%) earn ***less*** than median income, so homeownership was beyond their reach.

- **PRO:** There is clearly *some* upward pressure on land and housing prices, according to the limited information available from 2015 and 2016. During that period, the median value of residential real estate rose by 10.1%, one of the highest jumps among the eight counties in our study. At the same time, median income went up by only 2.4%. The "affordability gap" in Logan County is comparatively small, but it is becoming wider.

- **CON:** Logan County is a relatively affordable place to live. The county's median price for an owner-occupied home ($137,300) and the county's median gross rent ($712/month) were the *lowest* among the eight counties in our study, by a wide margin. As a Northeast housing assessment discovered in Logan County back in 2014: "Most households can afford rental property; [the] county's households can afford the median priced home. Low-income households can afford rental property, but are unable to afford to purchase the median priced home." That remains true today.

- **CON:** Once households do find a place to rent or buy in Logan County, they are also less likely to be excessively burdened by paying too much for their housing. Logan County had the *lowest* incidence of cost-burdened homeowners (16.8%) among the eight counties in our study and the next-to-lowest incidence of cost-burdened renters (35.3%).

3. Plentiful homebuyers

- **CON:** The most likely buyers for the resale-restricted, owner-occupied homes that a new CLT would provide are renter-occupied households earning between 80% and 100% of AMI. In 2016, there were there were only 330 renter households within this "Goldilocks zone" – and only 25 of them were paying "too much" for their housing. This a shallow pool of potential homebuyers for a CLT's homes.

- **CON:** There were an additional 305 renter-occupied households within this "Goldilocks zone" in 2016 that were living in "affordable" rentals. They might prefer becoming homeowners, if given an opportunity to do so, but a CLT would have to compete with unrestricted, market-rate housing available for sale in Logan County, much of which is rather inexpensive. Even if a CLT were able to close the *entire* "affordability gap," that modest subsidy may be unlikely to persuade a prospective buyer to accept resale controls.

4. Sufficient equity

- **PRO:** Land in Logan County is relatively inexpensive. This would allow whatever equity a CLT might be able to raise to go a long way toward removing land from the price of new housing.

- **PRO:** In 2016 the "average" house or condominium in Logan County would have required an upfront subsidy of $24,616 to bring its price within the financial reach of the average homebuyer (i.e., a household earning the county's median income). Compared to the other counties in our study, this is a rather small "affordability gap" to bridge.

- **CON:** Although the per-unit equity required to make resale-restricted homes affordable and marketable for lower-income homebuyers is not substantial, the public resources and private donations that can be raised in a small, sparsely populated county like Logan are unlikely to be sufficient.

5. Municipal support

- **PRO:** The Housing Authority of the City of Sterling has received political and financial support from the municipal government. HACS has 165 units in its portfolio for families and senior/disabled individuals. It does not participate in the Section 8 Housing Choice Voucher program, so voucher holders cannot transfer their vouchers to this housing authority.

- **CON:** Whatever municipal resources may be available for affordable housing in Logan County are probably going to the Housing Authority. There is unlikely to be a "surplus" for establishing a new CLT.

6. Community acceptance

- **PRO:** Interviews suggested that a CLT might be welcomed if it were to provide housing opportunities for professionals coming from outside of Sterling to work at the local medical center. Doctors and administrators would not need such housing, but lower-paid technicians, nurses, etc. might.

- **CON:** The lack of affordable housing is *not* a hot topic in Logan County because plenty exists, although there is some concern about the lack of repairs to an aging housing stock.

7. Local champion

- **CON:** There is not a local individual or organization that is ready to take the lead in championing a CLT.

RECOMMENDATION FOR CLT DEVELOPMENT IN LOGAN COUNTY:

The recommendation from Burlington Associates would be ***not*** to attempt to develop a CLT in Logan County. Critical conditions that have favored CLT development in other cities and counties are not present to a sufficient degree to warrant a closer look at the financial feasibility of starting and operating a CLT there.

Pitkin County

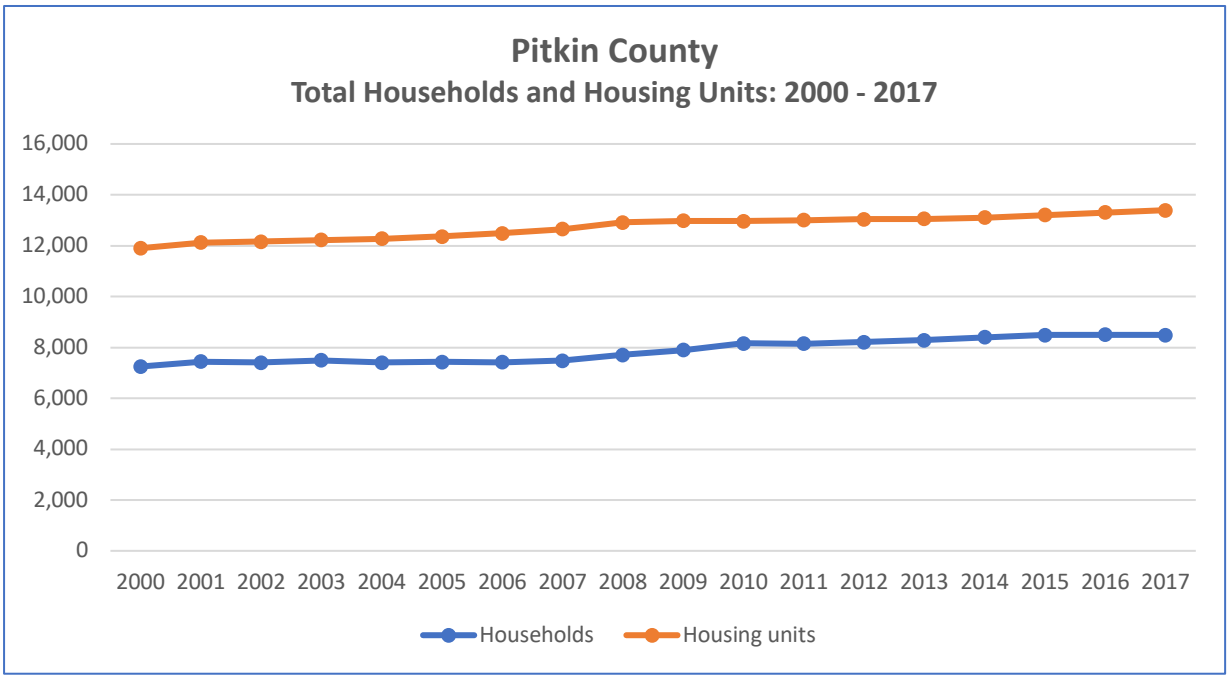
(Roaring Fork Valley)

Housing Conditions & CLT Assessment

DEMOGRAPHIC TRENDS:

- The county has the smallest population of the eight counties in our study, only 17,890 people in 2017. *[See Appendix A for comparative statistics.]*

- The population has grown little over long period of time. Between 2010 and 2017, Pitkin County added only 719 people – a total of 335 households – according the Colorado Department of Local Affairs. The total number of housing units roughly followed the same flat trajectory, growing by only 437 over the same period.



[Source: Colorado Department of Local Affairs]

HOUSING SUPPLY:

- Year-round homeownership is the dominate form of tenure, composing 37.7% of the housing stock (owner-occupied units + vacant units for sale = 4,933/total housing supply).

- Seasonal units are a close second. There are 4,558 seasonal units in Pitkin County, representing 34.9% of the county's total number of housing units. (The category labeled

"other vacant" in the charts prepared by PD&R, *Market at a Glance*, is equivalent to what the U.S. Census classifies as housing that is "for seasonal or recreational use.")

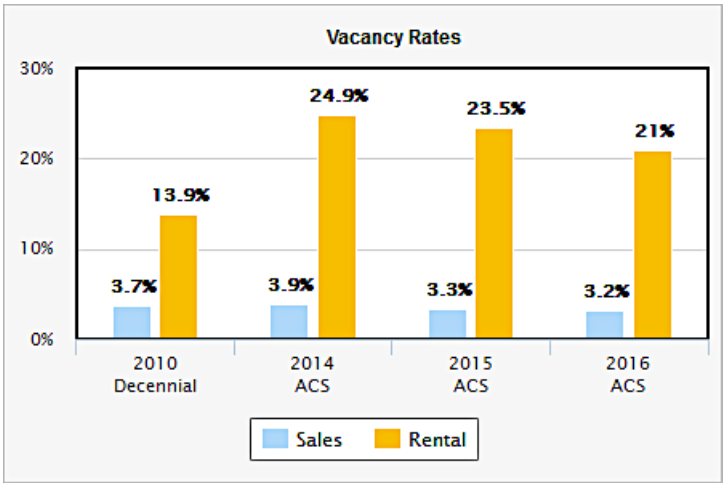
Composition by Tenure, Pitkin County's Housing Supply (2016)

[Source: 2016 American Community Survey/PD&R, *Market at a Glance*]

Composition of housing supply:	# of units	% of total
Owner-occupied units	4,774	36.5%
Renter-occupied units	2,827	21.6%
Vacant units	5,468	41.8%
Total housing supply	13,069	100%
Composition of ***vacant*** housing:	# of units	% of total
Available for sale	159	2.9%
Available for rent	751	13.7%
Other vacant	4,558	83.4%
Total vacant housing	5,468	100%

- The overall vacancy rate has hovered between 35.9% and 36.6% for four years (2014-2017), according to the Colorado Department of Local Affairs. This percentage includes seasonal rentals and second homes ("other vacant").

- When seasonal units are subtracted, *Market at a Glance* (PD&R, Accessed November 10, 2018) reported a vacancy rate of 21% for rental housing and 3.2% for sales housing, both for the year 2016.



[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]

Housing construction:

- Estimates by the Colorado Department of Local Affairs reports that only 342 building permits were issued for the construction of residential units during the four-year period of 2014-2017. This is somewhat higher than the estimate of 296 units that were reported in the "Housing Market Conditions Summary," *Market at a Glance* (PD&R, Accessed November 10, 2018). Either way, this is a rather modest rate of construction – only about 75-85 units per year.

Annual Building Permits for Housing Construction, Pitkin County

[Source: Program Development & Planning, HUD; Department of Local Affairs, State of Colorado]

Year	Single-family homes (PD&R)	Multi-family homes (PD&R)	All building permits for housing (PD&R)	All building permits for housing (DOLA)
2014	60	34	94	45
2015	70	30	100	98
2016	48	6	54	108
2017	40	8	48	91

- Most of the construction activity by private developers has been focused on single-family homes and seasonal housing. Nevertheless, two nonprofit developers/stewards of affordably priced housing are active in the county: Aspen Pitkin County Housing Authority (APCHA) and Habitat for Humanity of the Roaring Fork Valley.

- As of December 2017, APCHA had a total inventory of 1325 rental units and 1646 ownership units. Most of these units are located within the city limits of Aspen; some are scattered throughout the county. Units are deed restricted to protect their affordability.

- Habitat for Humanity of the Roaring Fork Valley has built 31 houses over past 18 years, but is now poised to build 27 during the next three years at Basalt Vista. As described in the affiliate's 2017-18 *Community Impact Report*: "While our local Habitat has been building homes with lower income families for almost 20 years, we have become increasingly aware of the acute need for housing for middle income workers who provide vital services to our community. This need is what brought about an extraordinary collaboration with the Roaring Fork School District, Pitkin County, and the Town of Basalt to build the Basalt Vista Housing Partnership—located behind Basalt High School—which will provide 27 affordable homes for teachers and others in our local workforce. Through this effort, we hope to create a model that can be adopted in communities throughout Colorado and across the country."

HOUSING AFFORDABILITY:

Affordability: Owner-Occupied Housing

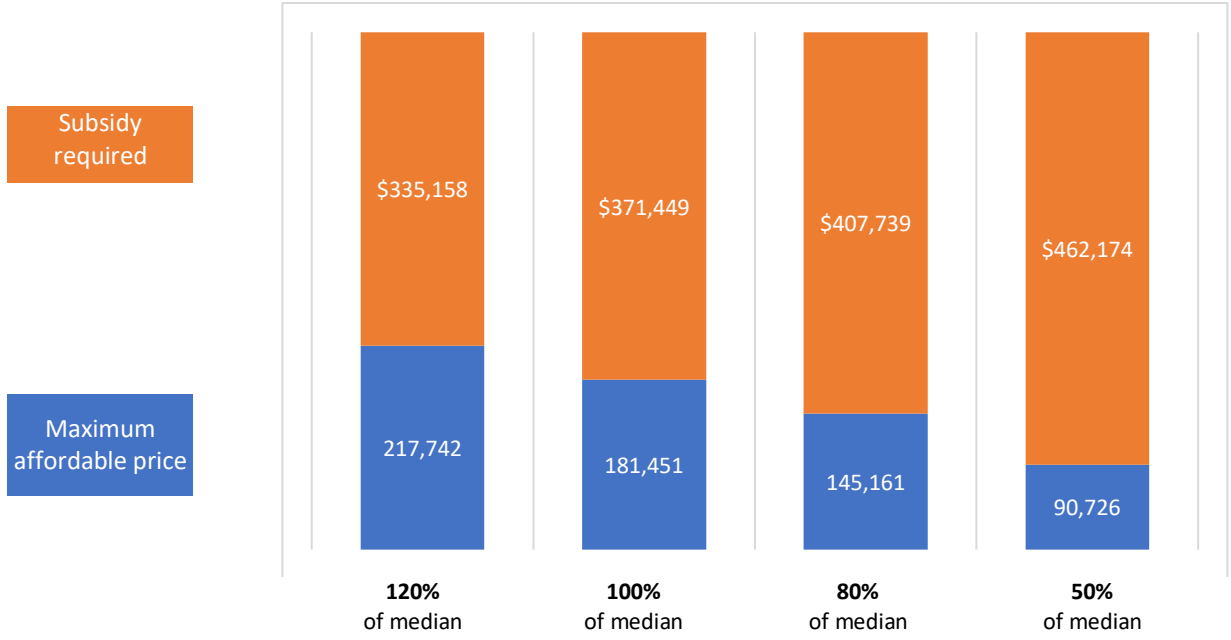
There is rule of thumb that has long been used by real estate agents to make a quick judgment about the affordability of a house or condominium; that is, a potential homebuyer can afford to purchase a property if its price is equivalent to roughly **2.6 times** the homebuyer's annual income. That affordability ratio is based on historical, nationwide averages.

There have been wide fluctuations in the median value of owner-occupied homes in Pitkin County in recent years. In 2015, the median value was $620,700, but went down to $552,900 in 2016, a decline of 10.9%. The next year, the median value had climbed to $593,600, an increase of 7.4% by the end of 2017.

We will use 2016 as our point of reference, for the sake of consistency and comparison with the other eight counties in our study. That year, the median value of an owner-occupied home in Pitkin County was $552,900; the median household income was $69,789. The average homebuyer would have needed **7.9 times** his/her annual income, therefore, to purchase an average-priced house or condominium.

To put it another way, the maximum price that a household earning the median income could have afforded to pay, using the realtors' rule of thumb, would have been $181,451. That means

Subsidy required to close the affordability gap between the median value (<u>$552,900</u>) of an owner-occupied home in Pitkin County and the maximum price that a household could afford to pay in 2016 if earning 120%, 100%, 80%, or 50% of the county's median income



the average-priced house or condominium in Pitkin County (i.e., the median value of a home) was $371,449 more expensive than any home that an average household could afford to buy.

This already substantial affordability gap is larger still for households who are perched lower on the income ladder. Among all of the county's renters, 58.7% earn ***less*** than median income. Homeownership is completely out of their reach. Even households earning 120% of the Area Median Income would require an enormous subsidy to make the leap into homeownership.

The information presented above speaks to the difficulty of gaining ***access*** to homeownership, but affordability is not necessarily assured ***after*** a home is purchased. Renters are not the only ones who are cost-burdened. Many homeowners are too.

According to *Market at a Glance*, published by HUD's Office of Policy Development and Research (PD&R), Pitkin County had 4,774 owner-occupied units in 2016. Almost half of this housing (45%) was occupied by households earning less than the median income for Pitkin County. Among these moderate-income, lower-income, very low-income, and extremely low income homeowner households:

- 58.7% of them are paying more than 30% of their income for housing, a total of 1,269 households.
- 36.8% of them are paying more than half their income for housing, a total of 795 households.

Housing Cost Burden for Homeowner Households Earning Less Than Median Income
[Sources: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	**PERCENTAGE** of all 4,774 units of owner-occupied housing in Pitkin County (2016)
Extremely low income	420	115	78	613	12.8%
Very low income	240	15	215	470	9.9%
Low income	60	289	335	684	14.3%
Moderate income	75	55	265	395	8.3%
TOTAL households earning less than median	795	474	893	2162	45.3%
PERCENTAGE owner households earning below median who are cost burdened	36.8%	21.9%	41.3%	100%	

Describing this picture in a different way, in 2016 there were **1,269** homeownership units in Pitkin County that were "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. This represented **26.6%** of all the owner-occupied housing in Pitkin County at the time.

It is noteworthy that **elderly homeowners** (over 62 years of age) make up a large portion of these cost-burdened households. Among homeowners earning less than the median income who are paying more than 30% of their income for housing, 53.6% of them are elderly, occupying a total of 680 homes.

Affordability: Renter-Occupied Housing

A rule of thumb that has long been used by HUD and by state housing officials is that tenants should not spend more than 30% of their household income for rent. This is not a problem for affluent households. But when moderate-income and low-income households spend too much for their housing, little money is left each month for food, health care, transportation, and other essentials. A household that pays more than 30% for housing is considered "moderately cost burdened." A household that pays more than 50% for housing is considered "severely cost burdened."

According to tabulations of HUD 2011-15 CHAS data prepared by Colorado's Department of Local Affairs (DOLA), Pitkin County has 910 cost-burdened renter households who earn less than the county's median income. In "Market at a Glance," published by HUD's Office of Policy Development and Research (PD&R), Pitkin County was reported to have had 2,827 renter-occupied units in 2016. The data sets (and the years) used by DOLA and PD&R may not be an exact match, but they are close enough to be able to make reasonable estimates of the percentage of the county's moderate-income, lower-income, very low-income, and extremely low income renters who are living in housing that is "unaffordable," as follows:

- 58.7% of the county's renter-occupied housing (1,660 units) is occupied by households earning less than the median income for Pitkin County.
- Among renter households earning less than median, 54.8% of them are paying more than 30% of their income for housing. A total of 910 households are cost-burdened.
- Among renter households earning less than median, 20.8% of them are paying more than half their income for housing. A total of 345 households are *severely* cost-burdened.

Describing this picture in a different way, in 2016 there were 910 rental units in Pitkin County that were "unaffordable" for the moderate-income, lower-income, very low-income, and extremely low income households who occupied them. This "unaffordable" rental housing represented 32.2% of all the renter-occupied housing in Pitkin County at the time.

Housing Cost Burden for Renter Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**PERCENTAGE** of all 2,827 units of renter-occupied housing in Pitkin County (2016)
Extremely low income	155	30	60	245	8.7%
Very low income	130	135	205	470	16.6%
Low income	50	240	415	705	24.9%
Moderate income	10	160	70	240	8.5%
TOTAL households earning less than median	345	565	750	1660	58.7%
PERCENTAGE of renter households earning below median who are cost burdened	20.8%	34.0%	45.2%	100%	

Potential homebuyers targeted by most homeownership assistance programs: 80% - 100% of AMI

ASSESSMENT OF FUTURE PROSPECTS FOR CLT DEVELOPMENT:

*[**PRO** = Conditions (negative or positive) that favor CLT development. **CON** = Conditions that pose difficulties or impediments for establishing a new CLT.]*

1. Market imbalance

- **PRO**: Pitkin County's real estate market is heavily skewed toward seasonal, recreational, and second homes, centered in Aspen. Except at the height of ski season, as much as a third (36%) of all the housing units in the county are vacant.

- **PRO:** In 2011, Aspen was named "the most expensive town in America." The same report went on to point out several reasons for the costliness of Aspen's housing: its popularity among celebrities and other wealthy buyers of second homes; "a small real estate market where only 13 percent of land is able to be developed because of zoning laws and the mountainous landscape"; and Aspen's distance from a major city and spotty air service, which "helps to keep away day tourists." (*Fox News*, March 4, 2011)

- **CON:** Only 75-85 new units are being built in Pitkin County each year, the maximum that can be developed in the face of strict zoning and mountainous land. It would difficult for a new CLT to accumulate a substantial and sustainable portfolio.

2. Elusive affordability

- **PRO:** Housing values in Pitkin County were the ***highest*** of the eight counties in our study. In 2016, the median value of a house or condominium in Pitkin County was $552,900. That was 30% higher than the median value of owner-occupied housing in Routt County and 26% higher than the median value of owner-occupied housing in Eagle County, two comparable ski areas with high-priced housing.

- **PRO:** Houses and condominiums in Pitkin County were $371,449 more expensive than a median income household could afford to buy in 2016. The cost of buying a median-valued property in Pitkin County was equal to 7.9 times the annual income of a household earning the median – the highest ratio among the eight counties in our study. Most of the county's year-round renters (58.7%) earned ***less*** than median income, so homeownership was even more out of reach for them.

- **PRO:** Gross rents in Pitkin County were nearly the highest among the eight counties in our study. Only Eagle County had rents that were higher in 2016. That year, the median gross rent in Pitkin County was $1,241/month.

- **PRO:** Once households do find a place to rent or to buy in Pitkin County, they are likely to pay too much for their housing. In 2016, 54.8% of Pitkin County's renters earning less than median income were cost-burdened; 58.7% of the county's homeowners earning less than median income were cost-burdened.

3. Plentiful homebuyers

- **CON:** The most likely buyers for the resale-restricted, owner-occupied homes that a new CLT would provide are renter-occupied households earning between 80% and 100% of AMI. In 2016, there were there were only 240 renter households within this "Goldilocks zone." This a shallow pool of potential homebuyers for a CLT's homes.

4. Sufficient equity

- **CON:** In 2016 the "average" house or condominium in Pitkin County would have required an upfront subsidy of $371,449 to bring its price within the financial reach of the average homebuyer (i.e., a household earning the county's median income).

5. Municipal support

- **PRO:** The city and county provided about 28% of APCHA's operating revenue in 2018, splitting equally this $640,700 subsidy.

- **PRO:** Pitkin County requires developers to provide public roads, but does not require the production of affordable housing. Neither does the City of Aspen. Instead, it collects an in-lieu-of-production fee for each new full-time employee that a development creates, ranging from $111,438 to $381,383. These fees go into the city's housing fund.

- **CON:** Whatever municipal resources are available for affordable housing in Pitkin County are already going to the Housing Authority or, in the county's support for Basalt Vista, to Habitat for Humanity. There is unlikely to be a municipal "surplus" for establishing a new CLT.

6. Community acceptance

- **PRO**: There is a history of deed-restricted housing in Pitkin County, similar to the sort of resale-restricted, owner-occupied housing that a CLT would be called upon to develop and steward. Familiarity and acceptance of resale-restricted housing extends to the local banking community. As noted in a *Policy Study,* commissioned by the Housing Authority in 2016: "There are over 20 local lenders familiar with deed-restricted properties in Pitkin County, and they offer a variety of mortgage products to APCHA purchasers, including but not limited to conventional, FHA, VA, CHFA, fixed rate, and adjustable-rate mortgages (ARMs)."

- **CON:** There would be competition for funds, sites, and beneficiaries with APCHA, a high-performing organization that has been developing and stewarding deed-restricted workforce housing since the mid-1970s. An additional consideration is the presence of a second well-respected developer of affordable housing, Habitat for Humanity of the Roaring Fork Valley. There is a question, therefore, as to whether a third nonprofit housing developer/steward is actually ***needed*** in a small county with a population of less than 18,000 people.

7. Local champion

- **CON:** There is not a local individual or organization in Pitkin County that is ready to take the lead in championing a CLT.

RECOMMENDATION FOR CLT DEVELOPMENT IN PITKIN COUNTY:

The recommendation from Burlington Associates would be ***not*** to pursue the creation of a CLT in Pitkin County, despite the presence of many conditions that have favored CLT development in other cities and counties. Pitkin County resembles Eagle and Routt, two counties where the potential for CLT development was deemed to be high. Pitkin County has a similar set of housing problems: its housing market is out of balance and affordability is wildly out of reach for year-round residents of modest means. But Pitkin County lacks municipal support, community acceptance, and a local champion for developing a new CLT. It also lacks a deep pool of potential buyers for CLT homes. Without these key ingredients, there is no reason to take a closer look at the financial feasibility of starting a CLT there.

Garfield County

(Roaring Fork Valley)

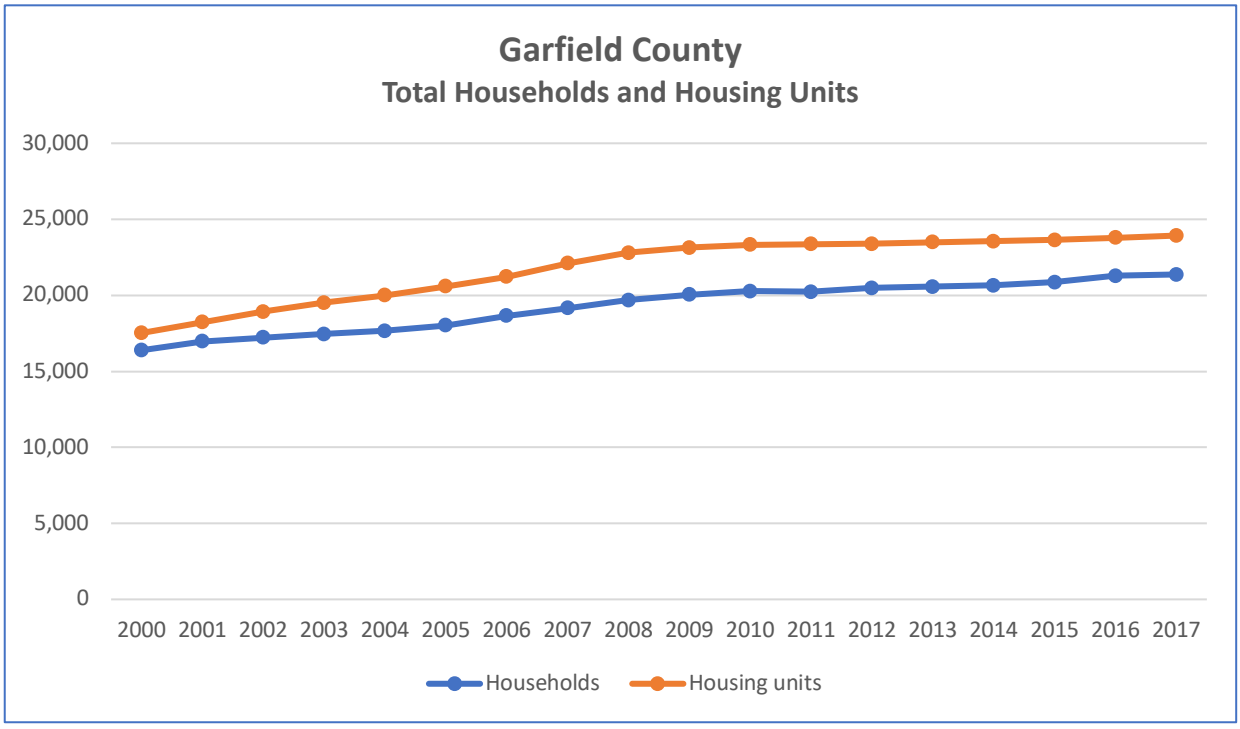
Housing Conditions & CLT Assessment

DEMOGRAPHIC TRENDS:

- The county has a population of medium size, 59,118 people, which has grown modestly in recent years. Between 2014 and 2017, the county added 1,989 people, according the Colorado Department of Local Affairs.

- The county gained a higher number of households (+ 719) between 2014 and 2017 than it gained in the number of housing units (+ 368), contributing to a steady decline in the vacancy rate for both rental and homeownership housing.

- Among the eight counties in our study, Garfield County has the highest percentage of persons under 18 years of age (25.4%), a very large school-age population. *[Comparative statistics for the eight counties can be found in Appendix A.]*



[Source: Colorado Department of Local Affairs]

HOUSING SUPPLY:

- Year-round homeownership is the dominate form of tenure, composing 59.4% of the housing stock (owner-occupied units + vacant units for sale/total housing supply).

- There are 1,956 units of housing in Garfield County for seasonal and recreational use. This represents a much smaller percentage of the total housing stock (8.4%) than is found in neighboring counties where the ski industry is far more developed: Eagle County to the east (41.7%); Pitkin County to the south (34.9%); and Routt County to the north (33.6%).

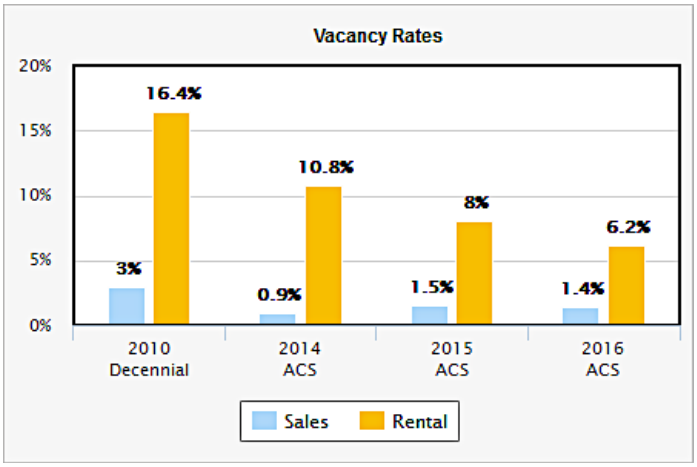
Composition by Tenure, Garfield County's Housing Supply (2016)

[Source: 2016 American Community Survey/PD&R, *Market at a Glance*]

Composition of housing supply:	# of units	% of total
Owner-occupied units	13,695	58.6%
Renter-occupied units	7,076	30.2%
Vacant units	2,615	11.2%
Total housing supply	23,386	100%
Composition of ***vacant*** housing:	# of units	% of total
Available for sale	193	7.4%
Available for rent	466	17.8%
Other vacant	1,956	74.8%
Total vacant housing	2,615	100%

- The overall vacancy rate has declined from 12.4% in 2012-2014 to 10.7% in 2017, according to the Colorado Department of Local Affairs. This percentage includes 1,956 seasonal rentals and second homes ("other vacant") in Garfield County.

- *Market at a Glance*, a publication of HUD's Office of Policy Development and Research (PD&R), reported a vacancy rate of 6.2% for rental housing and 1.4% for sales housing, both for the year 2016.



[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]

Housing construction:

- The Colorado Department of Local Affairs estimates that building permits were issued for the construction of 459 residential units during the four-year period, 2014-2017. This is somewhat below the estimate of 507 units reported by the "Housing Market Conditions Summary," *Market at a Glance* (PD&R, Accessed November 10, 2018). Either way, this is a low rate of construction, given that the county added 719 households during the during the same period.

Annual Building Permits for Housing Construction, Garfield County

[Source: Program Development & Planning, HUD; Department of Local Affairs, State of Colorado]

Year	Single-family homes (PD&R)	Multi-family homes (PD&R)	All building permits for housing (PD&R)	All building permits for housing (DOLA)
2014	75	2	77	76
2015	110	15	125	83
2016	115	20	135	144
2017	110	60	170	156

- The Garfield County Housing Authority administers community housing programs for Garfield County, the Town of Carbondale, the City of Glenwood Springs, and the City of Rifle. A second nonprofit provider of affordable housing also serves Garfield County: Habitat for Humanity of the Roaring Fork Valley.

- The Roaring Fork School District (RFSD) serves the communities of Glenwood Springs and Carbondale (in Garfield County) and Basalt (in Eagle County). RFSD passed a $120 million bond in November 2015, which included $15 million for the development of affordable rental housing serving the District's teachers and staff. Sixty-six affordable rental units were built in three different communities.

HOUSING AFFORDABILITY:

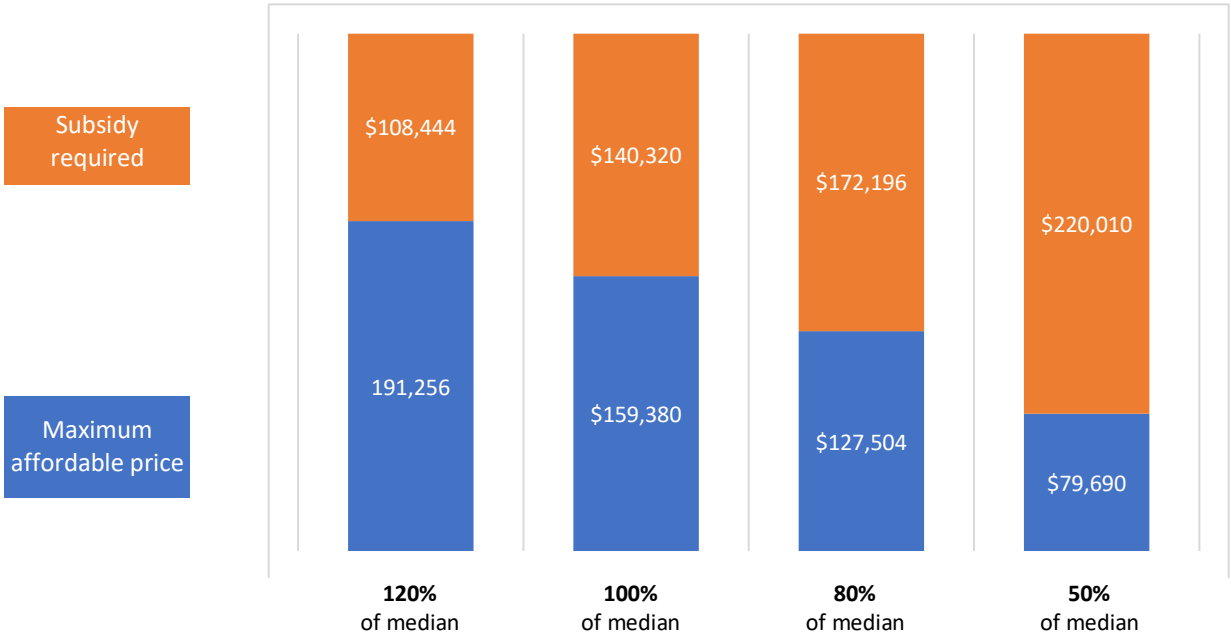
Affordability: Owner-Occupied Housing

A rule of thumb that has long been used by real estate agents to make a quick judgment about the affordability of a house or condominium is a potential homebuyer can afford to purchase a property if its price is equivalent to roughly **2.6 times** the homebuyer's annual income. That affordability ratio is based on historical, nationwide averages.

In Garfield County, the median value of an owner-occupied home was **$299,700** in 2016; the median household income was $61,300. The average homebuyer would have needed **4.9 times** his/her annual income to purchase an average-priced house or condominium.

To put it another way, the maximum price that a household earning the median income could afford to pay, using the realtors' rule of thumb, was $159,380. The average-priced house or condominium in Garfield County, therefore, was $140,320 ***more*** expensive than any home that an average household could afford to buy.

Subsidy required to close the affordability gap between the median value (<u>$299,700</u>) of an owner-occupied home in Garfield County and the maximum price that a household could afford to pay in 2016 if earning 120%, 100%, 80%, or 50% of the county's median income



This already substantial affordability gap is larger still for households who are perched lower on the income ladder. Among Garfield County's renters, 72.8% earn ***less*** than median income. Homeownership is completely out of reach for them. Even a household earning 120% of median would require a$108,444 subsidy to make the leap into homeownership.

The information presented above speaks to the difficulty of gaining ***access*** to homeownership, but affordability is not necessarily assured ***after*** a home is purchased. Renters are not the only ones who are cost-burdened. Many homeowners are too.

According to *Market at a Glance*, published by HUD's Office of Policy Development and Research (PD&R), Garfield County had 13,695 owner-occupied units in 2016. Approximately 38.8% of this housing (5,316 units) is occupied by households earning less than the median income for Garfield County. Among these moderate-income, lower-income, very low-income, and extremely low income homeowner households:

- Over 64% are cost burdened, a total of 3,429 households who are paying more than 30% of their annual income for the housing they occupy;

- Over 39% are ***severely*** cost burdened, a total of 2084 households who are paying more than half their annual income for the housing they occupy.

Describing this picture in a different way, in 2016 there were 3,429 owner-occupied units in Garfield County that were ***unaffordable*** for the moderate-income, lower-income, very low-income, and extremely low income households who lived there. These "unaffordable" units represented a quarter of all the owner-occupied housing in Garfield County at the time.

It is also noteworthy that **elderly homeowners** (over 62 years of age) make up a significant portion of these cost-burdened households. Among cost-burdened homeowners earning less than median income, 26.2% of them are elderly, occupying a total of 899 homes.

Housing Cost Burden for Homeowner Households Earning Less Than Median Income
[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	**PERCENTAGE** of all 13,695 units of owner-occupied housing in Garfield County (2016)
Extremely low income	365	165	93	623	4.5%
Very low income	820	195	419	1434	10.5%
Low income	565	455	745	1765	12.9%
Moderate income	334	530	630	1494	10.9%
TOTAL households earning less than median	2084	1345	1887	5316	38.8%
PERCENTAGE owner households earning below median who are cost burdened	39.2%	25.3%	35.5%	100%	

Affordability: Renter-Occupied Housing

A rule of thumb that has long been used by HUD and by state housing officials is that tenants should not spend more than 30% of their household income for rent. This is not a problem for affluent households. But when moderate-income and low-income households spend too much for their housing, little is left each month for food, health care, transportation, and other essentials. A household that pays more than 30% for housing is considered "moderately cost burdened." A household that pays more than 50% for housing is "severely cost burdened."

According to tabulations of HUD 2011-15 CHAS data prepared by Colorado's Department of Local Affairs (DOLA), Garfield County has 3,364 cost-burdened renter households who earn less

than the county's median income. In "Market at a Glance," published by HUD's Office of Policy Development and Research (PD&R), Garfield County was reported to have had 7,076 renter-occupied units in 2016. The data sets (and the years) used by DOLA and PD&R may not be an exact match, but they are close enough to be able to make reasonable estimates of the percentage of the county's moderate-income, lower-income, very low-income, and extremely low income renters who are living in housing that is "unaffordable," as follows:

- 72.8% of the county's renter-occupied housing (5,154 units) is occupied by households earning less than the median income for Garfield County.
- Among renter households earning less than median, 65.3% of them are paying more than 30% of their income for housing, a total of 3,364 households.
- Among renter households earning less than median, 28.1% of them are paying more than half their income for housing, a total of 1,449 households.

Describing this picture in another way, in 2016 there were 3,364 renter-occupied units in Garfield County that were ***unaffordable*** for the moderate-income, lower-income, very low-income, and extremely low income households who lived there. These "unaffordable" rentals represented 47.5% of all the renter-occupied housing in Garfield County at the time.

Housing Cost Burden for Renter Households Earning Less Than Median Income

[Source: *Colorado Housing Affordability Data Explorer*, DOLA; *Market at a Glance,* HUD-PD&R]

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**PERCENTAGE** of all 7076 renter-occupied units in Garfield County (2016)
Extremely low income	865	215	235	1315	18.5%
Very low income	344	505	345	1194	16.9%
Low income	190	920	660	1770	25%
Moderate income	50	275	550	875	12.4%
TOTAL households earning less than median	1449	1915	1790	5154	72.8%
PERCENTAGE of renter households earning below median who are cost burdened	28.1%	37.2%	34.7%	100%	

Potential homebuyers targeted by most homeownership assistance programs: 80% - 100% of AMI

ASSESSMENT OF FUTURE PROSPECTS FOR CLT DEVELOPMENT:

*[**PRO** = Conditions (negative or positive) that favor CLT development. **CON** = Conditions that pose difficulties or impediments for establishing a new CLT.]*

1. Market imbalance

- **PRO:** The number of households has been growing faster than the supply of housing. The vacancy rate for both year-round rental housing and year-round sales housing is low. Property values and household incomes have both been rising.

- **PRO:** For the supply of housing to meet the rising demand for housing represented by the increase in the county's households, new construction would need to double from an average rate of 92 units per year from 2014 – 2017 to a rate of 180/year.

2. Elusive affordability

- **PRO:** Houses and condominiums in Garfield County were $140,320 more expensive than a median income household could afford to buy in 2016. Most of the county's renters (72.8%) earned ***less*** than median income, so homeownership was even further out of reach for them.

- **PRO:** Gross rents in Garfield County were close to being the highest among the eight counties in our study. Only Eagle County at $1,284/month and Pitkin County at $1,241/month had rents that were higher in 2016.

- **PRO:** Once households do find a place to rent or to buy in Garfield County, they are likely to pay too much for their housing. In 2016, 45.3% of the county's renters earning less than median income were cost-burdened; 64.5% of the county's homeowners earning less than median income were cost-burdened.

3. Plentiful homebuyers

- **PRO:** The most likely buyers of the resale-restricted, owner-occupied homes that a CLT would bring to market would be renter-occupied households earning between 80% and 100% of AMI. In 2016, there were **875** renter households within this "Goldilocks zone." These households – 325 of whom were paying too much for their rental housing; and 550 who were living in "affordable" rentals, but who might prefer owning to renting, if given the chance – would provide an adequate pool of potential homebuyers for a start-up CLT.

4. Sufficient equity

- **PRO:** The Roaring Fork School District owns land that is not suitable or needed for school facilities. The District might be willing to donate some of this surplus land to support the

development of affordably priced, resale-restricted housing, with a priority for teachers and other District employees in purchasing these homes.

- **CON:** The affordability gap is quite substantial. Using a realtor's rule of thumb, the "average" house or condominium in Garfield County would have required an upfront subsidy of **$140,320** in 2016 to bring its price within the financial reach of the "average" homebuyer (i.e., a household earning the county's median income).

5. Municipal support

- **PRO:** The Garfield County Housing Authority has received financial support from both the county and the towns and cities it serves.

- **PRO:** Garfield County has inclusionary zoning, with a requirement that varies from 10% to 20% depending on the property's initial zoning and requested zoning change. Glenwood Springs and Carbondale have inclusionary housing programs of their own, each imposing a 15% inclusionary mandate on developers.

- **CON:** Whatever municipal resources are available for affordable housing in Garfield County are already going to the Garfield County Housing Authority. There is unlikely to be an available municipal "surplus" for establishing a new CLT.

6. Community acceptance

- **PRO**: There is a history of deed-restricted housing in Garfield County, similar to the sort of resale-restricted, owner-occupied housing that a CLT would be called upon to develop and steward.

- **PRO:** Some interest has been expressed by leaders of the Roaring Fork School District in possibly developing a CLT to provide homeownership opportunities for District employees.

- **CON:** There would be competition for funding, buildable sites, and beneficiaries with the Garfield County Housing Authority, which provides both rental housing and deed-restricted ownership housing. There is another active developer of affordable housing in the county, Habitat for Humanity of the Roaring Fork Valley. There is a question, therefore, as to whether another nonprofit housing developer/steward is ***needed***.

- **CON:** There is also a question as to whether a community land trust, in particular, would be ***welcomed***. During an on-site meeting convened by an associate of the Colorado Health Foundation, where a representative of Burlington Associates discussed the CLT model with stakeholders from Garfield County, the local reception to the idea of possibly creating a CLT in the county ranged from polite skepticism to vocal opposition.

7. Local champion

- **CON:** There is not an individual or organization in Garfield County that is ready to take the lead in championing a CLT. Although there is clearly an interest at the Roaring Fork School District in supporting a CLT and in making use of one, if a CLT program were up and running, the District would look to someone else to plan and to operate one.

RECOMMENDATION FOR CLT DEVELOPMENT IN GARFIELD COUNTY:

The recommendation from Burlington Associates would be ***not*** to pursue the creation of a CLT in Garfield County at this time, despite the presence of many critical conditions that have favored CLT development in other cities and counties. What Garfield County mainly lacks is municipal support, community acceptance, and a local champion for developing a new CLT. Without these key ingredients, Burlington Associates concluded there is not currently a reason to take a closer look at the financial feasibility of starting a CLT there.

The county bears watching, however. The keen interest in the CLT model expressed by leaders of the Roaring Fork School District in interviews with Burlington Associates – along with their willingness to consider donations of land for the development of resale-restricted, owner-occupied housing for District employees (similar to what the District did in supporting Habitat for Humanity's Basalt Vista project) – suggests there may be a potential for CLT development in the future. The Roaring Fork School District serves the communities of Glenwood Springs and Carbondale (in Garfield County) and Basalt (in Eagle County). Assuming that a CLT does ***not*** get started in Garfield County, the District's presence in Eagle County, where a CLT ***is*** likely to form, could still provide an opportunity for the District to support and to partner in the creation of a sizable and sustainable CLT program.

PART TWO
Analysis of Financial Feasibility

The preliminary assessment identified four counties that, by the conditions evaluated and the criteria proposed by Burlington Associates, are currently well-suited to establishing or expanding a community land trust: Chaffee County, Eagle County, El Paso County (Colorado Springs), and Routt County (Steamboat Springs). Burlington Associates then proceeded to construct a set of interactive spreadsheets and to conduct a financial analysis for each county, aimed at developing a better understanding of:

(1) the costs, revenues, and subsidies associated with ***developing*** a sizable portfolio of permanently affordable housing in that county; and

(2) the costs, revenues, and subsidies associated with ***operating*** a productive and effective CLT program.

General Assumptions Underlying the Analysis

Before looking at the results of this analysis, it is useful to review the general assumptions underlying the financial modeling that was done for each county.

A portfolio analysis, not a project pro forma. While resembling the kind of costs and projections that any housing developer would compile when weighing whether or not to construct a particular project on a particular parcel of land, the focus of our analysis is somewhat different. Under consideration here is what the pace of growth should be in order to assemble a portfolio of permanently affordable housing that might someday become large enough to cover most (or all) of a CLT program's cost of stewarding that portfolio. The programmed growth of that portfolio, which is different for each county, covers a span of five years. This period is assumed to begin on July 1, 2019 and to end on June 30, 2024.

Operations linked to the scale and pace of development. The analysis was conducted on the assumption that operating costs for a CLT, whether established as a new organization or as a program of an existing organization, will be driven by the rate of growth in the CLT's portfolio. The development budgets and operating budgets are linked together. This allows for simultaneous calculation of the subsidies needed to assemble a growing portfolio of permanently affordable housing and the subsidies needed to care for this portfolio over time.

Actual costs from 2018. The eight-county assessment was conducted on the basis of summary statistics drawn from a variety of sources, mostly from 2016. The four-county feasibility analysis is based on the actual costs for developing housing in each county, current as of 2018. This information was drawn from development *pro formas* for projects that were recently constructed in that county and from conversations with local housing developers.

A single tenure. The analysis was conducted on the assumption that the units added to a CLT's portfolio will all be ***owner-occupied***. That is not to suggest that a CLT program in a particular county will never do rental housing or will never develop non-residential projects. It is to say that the financial analysis that is conducted here assumes homeownership alone.

A targeted level of income. The analysis was conducted on the assumption that a CLT program would serve households at a targeted level of income, set by the organization that is expected to take the lead in each county in expanding or establishing a program there. In some cases, this means serving households in the "Goldilocks zone" between 80% and 100% of Area Median Income, specified in the preliminary assessment. The financial model that was created for each county provides a means of calculating the impact on affordability under a variety of scenarios, however, allowing the targeted household income to be set at a percentage as low as 60% of AMI (Chaffee County) or as high as 140% of AMI (Eagle County).

A trio of strategies. The analysis allowed our key informants in each county to say which of three different development strategies would be most useful in assembling a portfolio of re-sale-restricted, owner-occupied housing: (1) the construction of new housing on vacant land; (2) the acquisition, rehabilitation, and resale of existing houses, townhomes, or condominiums; and/or (3) the stewardship of affordably priced housing "donated" by a for-profit developer under a municipality's inclusionary mandate.

An active role in development. The analysis was conducted on the assumption that any organization that is chosen to oversee the *stewardship* of permanently affordable housing will also play a major role in the *development* of such housing. The spreadsheets also allow, however, for a ***reduction*** in a CLT's operating costs if another nonprofit entity is doing development on the CLT's behalf – or if a for-profit developer is conveying inclusionary units into a CLT's care.

Operations shaped by essential functions. The analysis was conducted on the assumption that some organization would remain in the picture long after a CLT's homes are developed, providing on-going stewardship for that growing portfolio of permanently affordable housing. The CLT must bear the costs of maintaining the affordability, quality, and security of that housing for many years. (A summary of these stewardship duties can found in Appendix F.)

Operations funded through a mix of revenues. The analysis assumes that a CLT will derive a growing percentage of the revenue needed for its operations from five internal sources:

- development fees
- marketing fees
- lease initiation fees
- monthly ground rent
- home resale fees

These revenues are unlikely to be sufficient to cover all of a CLT's costs of stewardship, especially in the case of a new program with a small portfolio. The analysis is designed, therefore, not only to calculate the ***project*** subsidies that a CLT program will need to raise year by year from external sources, but the amount of ***operating*** subsidies that will be needed as well.

Feasibility evaluated in three dimensions. The analysis was conducted on the assumption that a CLT program is worth pursuing only if the proposed build-up in the program's portfolio of resale-restricted housing over a period of five years will be *large enough* to address some of a county's unmet housing needs, *small enough* to allow the organization assigned responsibility for administering the program to market and to manage those homes with available (or augmented) staff, and *solvent enough* to enable the organization to cover a majority of its costs of providing stewardship services out of internal revenues generated by the portfolio's development and management. No CLT program can create a sizable portfolio of resale-restricted housing, however, without a significant investment of equity from outside sources. Our analysis of the feasibility of establishing or expanding a CLT program assumes, therefore, that project subsidies – and, in two cases, operating subsidies too – will be necessary. We then endeavor to say, for each county, how large those subsidies must be in order to produce a portfolio that is impactful, manageable, and sustainable.

Analyzing CLT Feasibility in Chaffee County: Inputs & Findings

The financial model for evaluating the feasibility of expanding the existing community land trust program in Chaffee County was constructed using land costs, construction costs, and projections of the number of units to be built each year that were provided by Read McCulloch, Executive Director of the Chaffee Housing Trust (CHT). The analysis was conducted on the assumption that CHT would oversee the development and stewardship of an additional **seventy-one (71)** owner-occupied townhomes over the next five years, all of them newly constructed.

The pool of potential buyers for CHT's homes would be deepened by setting very low targets for pricing and eligibility and by expanding CHT's service area to include both Lake County and Chaffee County. The ***pricing*** of these homes would be pegged to 60% of AMI for Chaffee County, serving a pool of ***eligible*** households earning between 60% and 80% of AMI.

Our analysis found that such a program, aimed at expanding CHT's existing portfolio of resale-restricted, owner-occupied housing would be feasible, but it would require an investment of the following subsidies:

> **Project subsidies**. To bring an additional 71 townhomes into its portfolio, CHT would need to raise **$8,148,602** in equity from external sources over the next five years – of which CHT anticipates being able to secure $30,000/unit from local sources ($2,130,000). This would leave a subsidy shortfall of **$6,018,603** to make CHT's expansion feasible, an average of $84,769 per home.
>
> **Operating subsidies**. If CHT could secure the equity needed to expand its portfolio of resale-restricted housing, CHT would not need to raise additional operating subsidies to pro-

vide stewardship services for these new townhomes. The organization's staffing and administrative costs would be covered by development fees and by other internally generated revenues from a portfolio increasing in size over a period of five years, supplemented by CHDO grants and matching funds pledged by city and county governments.

Subsidy Requirements to Expand a CLT Program in Chaffee County

	2019	2020	2021	2022	2023	TOTAL
Number of additional units to be brought into the CLT's portfolio	11	8	12	20	20	71
PROJECT subsidies needed for additional units	$355,811	$733,650	$1,327,211	$2,627,282	$3,104,648	$8,148,602
PROJECT subsidies available from local sources for additional units	$330,000	$240,000	$360,000	$600,000	$600,000	$2,130,000
PROJECT subsidies needed from external sources for additional units	$25,811	$493,650	$967,211	$2,027,282	$2,504,648	$6,018,602
OPERATING subsidies needed to provide stewardship services for additional units	$0	$0	$0	$0	$0	$0
TOTAL subsidies needed for five-year expansion of the CLT	$25,811	$493,650	$967,211	$2,027,282	$2,504,648	$6,018,602

Analyzing CLT Feasibility in Eagle County: Inputs & Findings

The financial model for evaluating the feasibility of establishing a CLT program in Eagle County to expand the existing portfolio of income-capped, resale restricted housing was constructed using land costs, construction costs, and annual projections of the number of units to be built that were provided by Kim Williams, Executive Director of the Eagle County Housing and Development Authority. The analysis was conducted on the assumption that a new CLT would be created in Eagle County as a cooperative undertaking of the Housing Authority, the Vail Valley Partnership, Vail Valley Habitat for Humanity, the Valley Home Store, the Town of Vail, and other community partners.

This new CLT would oversee the development and stewardship of **one hundred seventy-six (176)** newly constructed, owner-occupied homes over the next five years, a sizable portfolio of resale-restricted housing composed as follows:

- 36 townhomes constructed in 2019
- 35 townhomes constructed in 2020
- 36 duplex units constructed in 2021
- 45 condominiums constructed in 2022
- 24 single-family houses constructed in 2023

The ***pricing*** of these homes would be pegged to 120% of AMI for Eagle County, serving a pool of ***eligible*** households earning between 110% and 140% of AMI. This program would produce workforce housing for moderate-income households who are currently priced out of Eagle County's very expensive housing market.

Our analysis found that such a program, aimed at establishing a new CLT in Eagle County and increasing number of resale-restricted, owner-occupied housing would be feasible, but it would require an investment of the following subsidies:

Subsidy Requirements to Establish a CLT Program in Eagle County

	2019	2020	2021	2022	2023	TOTAL
Number of additional units to be brought into the CLT's portfolio	36	35	36	45	24	176
PROJECT subsidies <u>needed</u> for additional units	$4,053,408	$5,454,239	$5,040,000	$3,997,603	$5,787,064	$24,332,314
PROJECT subsidies <u>available</u> from local sources for additional units	$700,000	$763,469	$776,600	$852,088	$702,423	$3,794,580
PROJECT subsidies <u>needed</u> from external sources for additional units	$3,353,408	$4,690,770	$4,263,400	$3,145,515	$5,084,641	$20,537,734
OPERATING subsidies needed to provide stewardship services for additional units	$0	$0	$0	$0	$0	$0
TOTAL subsidies needed for five-year expansion of the CLT	$3,353,408	$4,690,770	$4,263,400	$3,145,515	$5,084,641	$20,537,734

Project subsidies. To assemble a portfolio of 176 resale-restricted townhomes, duplex units, condominiums, and single-family houses over the next five years, a new CLT would need to raise **$24,332,214** in equity. The Eagle County Housing and Development Authority anticipates contributing a minimum of $2,420,279 towards this subsidy requirement. Additional subsidies may come in the form of donations of municipally-owned land, water rights, and open space funding. It is estimated these matching funds from the county and municipalities could make an additional $1,000,000 contribution. This would leave a subsidy shortfall of **$20,537,035** to make the CLT program's 176-unit portfolio financially feasible, an average of $116,688 per home.

Operating subsidies. Stewardship services for a new CLT's homes and homeowners would be provided at no cost by The Valley Home Store. Other administrative costs are expected to be covered by developer fees, other internally generated revenues, and in-kind services and donations from public sector and private sector funding. As a result, the CLT would need no additional, external subsidies to support either its start-up or ongoing operations.

Analyzing CLT Feasibility in El Paso County: Inputs & Findings

The financial model for evaluating the feasibility of expanding the portfolio of resale-restricted CLT homes in Colorado Springs was constructed using acquisition costs, rehabilitation costs, and projections of the number of units to be added each year provided by Nathan Clyncke, Executive Director of the Rocky Mountain Community Land Trust. The analysis was conducted on the assumption that RMCLT would oversee the development and stewardship of an additional **sixty-two (62)** owner-occupied homes during the next five years, including: 29 single-family houses, 14 townhomes, and 19 condominiums – all of which would be existing units that are acquired, rehabilitated and resold to income-eligible buyers.

The ***pricing*** of these homes would be pegged to 70% of AMI for El Paso County, serving a pool of ***eligible*** households earning between 60% and 80% of AMI.

Our analysis found that such a program, aimed at expanding RMCLT's existing portfolio of resale-restricted, owner-occupied housing would be feasible, but it would require an investment of the following subsidies:

Project subsidies. To bring an additional 62 houses, townhomes, and condominiums into its existing portfolio of resale-restricted, owner-occupied housing, RMCLT would need to raise **$7,693,769** in equity from external sources over the next five years – toward which RMCLT would anticipate contributing one-half of its earned developer fees ($936,926). This would leave a subsidy shortfall of **$6,756,843** that RMCLT would need to raise from external sources to make this expansion feasible, an average of $108,981 per home.

Operating subsidies. RMCLT has concluded that it would need to raise an additional $50,000 in capacity funding from external sources to cover the responsibilities of developing, marketing, and stewarding an additional 62 units of resale-restricted, owner-occupied housing.

Subsidy Requirements to Expand a CLT Program in El Paso County

	2019	2020	2021	2022	2023	TOTAL
Number of additional units to be brought into the CLT's portfolio	10	13	13	13	13	62
PROJECT subsidies needed for additional units	$968,783	$1,382,680	$1,598,808	$1,755,951	$1,987,547	$7,693,769
PROJECT subsidies available from local sources for additional units	$136,400	$187,587	$197,499	$207,720	$207,720	$936,926
PROJECT subsidies needed from external sources for additional units	$832,383	$1,195,093	$1,401,309	$1,548,231	$1,779,827	$6,756,843
OPERATING subsidies needed to provide stewardship services for additional units	$50,000	$0	$0	$0	$0	$50,000
TOTAL subsidies needed for five-year expansion of the CLT	$882,383	$1,195,093	$1,401,309	$1,548,231	$1,779,827	$6,806,843

Analyzing CLT Feasibility in Routt County: Inputs & Findings

The financial model for evaluating the feasibility of expanding the number of resale-restricted, owner-occupied homes in Steamboat Springs was constructed using land costs, construction costs, and annual projections of the units to be added that were provided by Jason Peasley, Executive Director of the Yampa Valley Housing Authority. The analysis assumed that a new CLT would be operated as an internal program of the Housing Authority. (Alternatively, the Housing Authority might continue using deed covenants to preserve affordability, but enhance its stewardship regime by incorporating the "best practices" of CLTs.)

The Yampa Valley Housing Authority would oversee the development and stewardship of **two hundred fifty (250)** newly constructed, owner-occupied townhomes over the next five years.

The ***pricing*** of these homes would be pegged to 100% of AMI for Routt County, serving a pool of ***eligible*** households earning between 100% and 120% of AMI.

Our analysis found that such an initiative, aimed at establishing a CLT program and increasing the number of resale-restricted, owner-occupied homes, would be feasible, but it would require an investment of the following subsidies:

Project subsidies. To add 250 townhomes to its existing portfolio of deed-restricted housing, the Yampa Valley Housing Authority would need **$13,074,800** in equity from external sources over the next five years. Funds from a local mill levy that are already targeted to YVHA could contribute $4,250,000. This would leave a subsidy shortfall of **$8,824,800** that would still need to be raised in order to make this expansion feasible, an average of $35,299 per home. These funds would be used primarily to acquire and to bank land for the CLT program.

Operating subsidies. To upgrade its stewardship capacity and to meet its stewardship responsibilities for an additional 250 units of resale-restricted, owner-occupied housing, YVHA would need $250,000 in operating subsidies: $100K in 2019; $100K in 2020; and $50K in 2021.

Subsidy Requirements to Establish a CLT Program in Routt County

	2019	2020	2021	2022	2023	TOTAL
Number of additional units to be brought into the CLT's portfolio	50	50	50	50	50	250
PROJECT subsidies needed for additional units	$2,118,140	$1,246,061	$3,705,832	$3,239,972	$2,764,795	$13,074,800
PROJECT subsidies available from local sources for additional units	$850,000	$850,000	$850,000	$850,000	$850,000	$4,250,000
PROJECT subsidies needed from external sources for additional units	$1,268,140	$396,061	$2,855,832	$2,389,972	$1,914,795	$8,824,800
OPERATING subsidies needed to provide stewardship services for additional units	$100,000	$100,000	$50,000	$0	$0	$250,000
TOTAL subsidies needed for five-year expansion of the CLT	$1,368,140	$496,061	$2,905,832	$2,389,972	$1,914,795	$9,074,800

PART THREE
Recommendations for State-wide Support of Community Land Trust Development in Colorado

Our report has pin-pointed two counties (Eagle and Routt) with the greatest potential for starting a new CLT program and two counties (Chaffee and El Paso) with the greatest potential for expanding a CLT program that already exists. Beyond these four, there are other cities and counties where local citizens have expressed an interest in someday creating a CLT of their own. Ft. Collins would seem to have the greatest potential in this regard.

Should all of these initiatives come to pass, there could be as many as ten (10) community land trusts in operation throughout the state by 2020: four in the Denver metropolitan area (Urban Land Conservancy, Elevation CLT, Colorado CLT, and the Globeville-Elyria-Swansea CLT); two in Boulder County (Thistle Housing and the Goose Creek CLT); one in Colorado Springs (Rocky Mountain CLT); one serving both Chaffee County and Lake County (Chaffee Housing Trust); and two fledgling CLTs in Eagle County and Steamboat Springs. An eleventh could materialize, if a CLT program gets underway in Ft. Collins with the sponsorship and support of the Elevation CLT. No other state would have as many CLTs in operation, except for California.

Financial and political support from local government, local donors, local employers, local housing authorities, and other nonprofit organizations in these cities and counties will be essential to the survival and success of these CLT initiatives. Indeed, the presence – or absence – of indigenous support is one of the key factors that was used in the present report in weighing whether or not a CLT might thrive in a given locale.

State-level support is also needed, however. The viability and productivity of these local CLT initiatives will depend, in part, on financial resources and favorable policies that originate from entities having a programmatic focus much broader than a single county. These include private charities like the Colorado Health Foundation, various agencies and enterprises of state government, and the newly established Elevation Community Land Trust.

Private Charities

Charitable foundations have already played a major role in seeding and supporting CLTs in Colorado. Three types of support that foundations have provided to CLTs in the past would help CLT's to thrive in the future:

- ***Planning grants*** to conduct feasibility assessments like the one represented by the present report and to complete multi-year business plans for new CLTs.

- ***Capacity grants*** to subsidize a new CLT's operations during the initial period when the organization is recruiting a staff, creating administrative systems, and completing its first projects.
- ***Program related investments*** to support the development of permanently affordable housing on lands held by a CLT.

Beyond these traditional investments, there are five additional measures that private charities should consider, if they desire to have a major impact on expanding and sustaining CLT development throughout the state.

EQUITY FOR LAND ACQUISITION. In high-cost areas like Eagle, Steamboat Springs, and for that matter, much of the Front Range, the greatest barrier to the development of affordable housing is the lack of buildable, reasonably priced land. The community land trust model works best when parcels of land can be brought into a CLT's portfolio that are unencumbered by debt. Program-related investments from private foundations and favorable financing from public and private lenders have been invaluable in helping CLTs to develop and to finance modestly priced housing, but low-income and moderate-income people can afford to buy those homes only if the ***cost of land is removed from the deal***. Over a five-year period, a total equity investment of $42,137,979 would produce 559 homes, enabling each county to build an impactful, manageable, sustainable portfolio of permanently affordable housing. Most of these funds are needed for the acquisition of land.

EDUCATION FOR LEGISLATIVE SUPPORT. The foundations cannot do it alone. The equity required to create a sizable portfolio of permanently affordable CLT homes in the four communities is too large an investment for any one foundation or for any consortium of foundations. A sizable public investment from state government, supplementing whatever grants are contributed by municipal governments, will be necessary. Foundations cannot lobby directly for state legislation, of course, but foundations can use their "bully pulpit" to influence and to educate lawmakers and the general public about the need for more affordable housing and the need for more public resources to make it happen.[1]

LEGITIMATION OF STEWARDSHIP. Part of the education that foundations can provide, which might prove especially supportive for the development of CLTs in Colorado, would be to document the advantages of vigilant, post-purchase stewardship in preserving the affordability, condition, and security of owner-occupied housing originally produced with public dollars or mandated by public powers. The recent mess in Denver, where city officials failed to monitor or to enforce affordability restrictions on hundreds of affordably priced homes, has demonstrated

[1] An excellent example of "education for legislative support" is the survey conducted by the Kaiser Family Foundation and the Colorado Health Foundation, *Coloradans' Perspectives on Health, Quality of Life, and Midterm Elections*, September 2018.

that there is no such thing as a "self-enforcing" covenant.[2] Nevertheless, city governments, state agencies, and nonprofit developers throughout the state continue to assume that either no stewardship entity is needed to watch over such units or city officials can perform this function more effectively than a CLT. Both assumptions are wrong.

SUPPORT FOR A STATE-WIDE CLT ASSOCIATION. Several ***states*** with multiple CLTs (e.g., California, Minnesota, and Pennsylvania) and several ***regions*** with multiple CLTs (e.g., the Pacific Northwest) have incorporated a nonprofit association to support the growth and development of CLTs throughout their state or region. These CLT networks sponsor peer-to-peer trainings, develop standardized educational and legal materials, develop public policies, and do advocacy on behalf of CLTs. They are low-overhead operations, but they require a modicum of staffing. Foundation support would help to make a Colorado CLT Association a reality.

PILOT FOR PRESERVATION OF ELDERLY-OWNED HOUSING. A surprising finding of our report is the financial precariousness of so many homeowners who are aged 62 years or older. In the eight counties included in our report, there were **7,109** elderly households earning less than median income who were spending more than half their income for homes they owned and occupied in 2016, according to the Colorado Division of Housing. Another **6,509** elderly homeowners were spending between 31% and 50% of their income for housing. (State-wide, the numbers were far greater: **41,967** elderly homeowners whose housing absorbed more than half their income and **43,096** whose housing absorbed between 31% and 50% of their income.) When so much of their money is spent on shelter, not enough is left for food, health care, and other essentials. Nor is there extra money for necessary repairs to the homes they own.

The foundation community should explore what might be done to address this problem, perhaps by developing a CLT pilot program that is designed to help elderly homeowners to remain in their homes, repair their homes, and eventually convey their homes at an affordable price to lower-income households (via a CLT) when the housing is vacated by the current owners.

Why concentrate a pilot program on cost-burdened homeowners who are ***elderly***, when there are so many ***non-***elderly homeowners earning less than median who are also cost-burdened – 29,907 of them in 2016? There are three reasons:

- ***Financial and physical immobility***. Elderly homeowners of modest means are more likely to be "stuck" in their situation. Living on fixed incomes, they are less likely than a

[2] A recent audit of Denver's Office of Economic Development, released on December 20, 2018, found "multiple, significant problems with the city's affordable housing program, ranging from improper determinations of income eligibility to incorrect pricing of homes. Our audit also found errors in the way affordable housing memoranda of acceptance were recorded, which can potentially lead to income restricted homes being improperly sold at full-market prices . . . in violation of affordable housing covenants. The end result is that the Office of Economic Development might not be fulfilling its mission of providing affordable housing through the program it administers." See also an earlier article by Andrew Kenney, "As affordable housing screw-ups go, Denver's is big." *Denverite* (May 1, 2018). Available at: https://denverite.com/2018/05/01/denver-affordable-housing-mess/

younger family to lessen their cost burden by getting a better-paying job. They are also less likely to have the wherewithal or the inclination to relocate to another community in search of a less expensive home.

- ***Personal health and safety***. Skimping on food and other essentials are more likely to impact the health of the elderly; furthermore, they are less likely to have the physical ability to do house repairs themselves.
- ***Neighborhood impact.*** In many communities, including those in our report, elderly owned homes make up a large percentage of the area's naturally occurring affordable housing. The loss of these homes accelerates gentrification and pushes the price of housing further beyond the reach of subsequent homebuyers of modest means.

State Government

DEDICATED HOUSING FUND. The need for equity to support CLT development was highlighted in the previous section. Foundations could provide some of it, but most must come from public sources. Colorado is one of the few states that lacks a dedicated housing fund; i.e., a dedicated pool of funding for the development of affordable housing. Among these state-sponsored housing trust funds, it should be noted, 20 of them impose affordability restrictions on the owner-occupied housing they assist, lasting for a period as short as five years in some states and for as long as 25 years in others. One state, Vermont, requires permanent affordability for any owner-occupied housing and renter-occupied housing that is assisted by its housing trust fund.[3]

PRIORITY FOR LASTING AFFORDABILITY & WATCHFUL STEWARDSHIP. There is simply no way to make much progress in meeting Colorado's needs for affordable housing if publicly subsidized housing is allowed to leak away (along with the subsidies) as fast as new units are being created. It is time to plug the hole in the leaky bucket. Every city and state program that is providing grants or low-interest loans for the development of affordable housing should insist that recipients maintain the affordability of these publicly assisted, privately owned homes long after they are built. Within such a favorable policy environment, CLTs tend to thrive.

MORTGAGE POOL & DOWNPAYMENT ASSISTANCE FOR CLT HOMEBUYERS. CHFA should consider developing a special mortgage product for CLT homebuyers. Mortgages would be made available to first-time homebuyers at favorable rates, along with a 10% downpayment grant. The latter would neither be pocketed by the homeowner at resale nor repaid to CHFA, as long as a home remained under the control of a local CLT and continued to be offered for sale to income-qualified homebuyers for a formula-determined "affordable" price.

[3] This fund is administered by the Vermont Housing and Conservation Board, a quasi-public entity established by statute in 1987 (10 VSA 301-325a). In Colorado, it would not be necessary to create a new entity to administer such a fund, since CHFA already has the staff capacity to do so. Equally important, placing such a fund within CHFA would protect it from being "raided" whenever departments of state government are faced with a budgetary crisis.

Elevation Community Land Trust

The larger vision for the Elevation Community Land Trust is for its service area eventually to extend far beyond Denver Metro, ultimately state-wide. For the immediate future, however, Elevation must concentrate on growing its own capacity and building (and stewarding) its own portfolio of permanently affordable, owner-occupied housing within a smaller geography. Furthermore, the experience of other regions that possess multiple CLTs suggests that local communities are reluctant to relinquish control over programs they have worked so hard to establish and that the stewardship of CLT homes works best when there is a personal connection with a steward that is nearby. Nevertheless, there ***are*** services that Elevation could provide to other Colorado CLTs in the near term that would help the state-wide CLT movement to grow.

TECHNICAL ASSISTANCE FOR NEW CLT PROGRAMS. The senior staff of the Elevation CLT have extensive experience in developing, marketing, and managing resale-restricted, owner-occupied homes on land leased from a CLT. New community land trusts – as well as existing community development corporations, local housing authorities, and Habitat for Humanity affiliates wishing to establish a CLT program under their corporate umbrella – could draw upon Elevation's advice and expertise in designing such a program.

STAFF SUPPORT FOR STATE-WIDE CLT ASSOCIATION. Having with the largest service area of all the CLTs in the state – and with an aspiration to someday operate state-wide – the Elevation CLT might be the logical place to locate a part-time staff person whose job it would be to initiate and coordinate activities for a Colorado CLT Association, should one arise in the next year.

STANDARDIZATION OF DOCUMENTS & DATA. Every CLT will tailor its ground lease to fit conditions and priorities in its local community, including the terms of its resale formula. But a certain degree of standardization in the ground lease and the basic CLT "deal" that public agencies and private lenders are being asked to underwrite will go a long way toward promoting CLT development state-wide. The same is true for the kinds of data collected by local CLTs regarding the homes produced, the people served, and the overall performance of the CLT in preserving affordability, building wealth, and preventing foreclosures within its portfolio. Elevation could help to set a state-wide standard for both.

BACK-UP PURCHASE OPTION FOR RESALE-RESTRICTED HOMES. There may come a time when a local CLT wants to divest itself of its on-going responsibility for re-purchasing homes within its portfolio when they come up for resale. This can happen because a CLT is temporarily unable to exercise its purchase option(s) or because the organization has decided to end its CLT program. Similarly, there may be community development corporations or public housing authorities that possess scattered-site rentals that have become difficult to manage, so are being considered for sale. Elevation could provide a back-up, secondary market for these homes, acting to preserve their affordability and the subsidies invested in them.

APPENDIX A

Comparative Statistics for Eight Colorado Counties

	Chaffee	Eagle	El Paso	Routt	Montrose	Logan	Pitkin	Garfield
Persons	19,639	54,772	699,232	25,220	41,784	21,896	17,890	59,118
Households	8,410	20,283	265,854	10,611	16,683	7,925	8,491	21,372
Persons under 18 years	15.0%	22.2%	24.3%	18.2%	22.0%	18.5%	15.2%	25.4%
Persons over 65 years	24.6%	10.8%	12.4%	14.5%	22.6%	17.2%	18.5%	12.4%
Median age	49.1 yrs.	35.9 yrs.	33.9 yrs.	40 yrs.	44.6 yrs.	37.1 yrs.	43.2 yrs.	36.1 yrs.
Median value of owner-occupied housing (2016)	$289,900	$438,500	$249,200	$424,300	$193,300	$137,300	$552,900	$299,700
Median household income (2016)	$50,993	$78,763	$63,882	$63,505	$43,890	$43,340	$69,789	$61,300
Median property value relative to median income	5.7 x	5.7 x	3.9 x	6.7 x	4.4 x	3.2 x	7.9 x	4.9 x
Subsidy needed to close afford-ability gap for median income buyer of a median-value home	$157,318	$233,716	$83,107	$259,187	$79, 186	$24,616	$371,449	$140,320
Median gross rent	$847/mo.	$1284/mo.	$1012/mo.	$1150/mo.	$787/mo.	$712/mo.	$1241/mo.	$1169/mo.
Poverty rate (% of households)	9.6%	8.0%	11.4%	10.2%	18%	16.3%	8.6%	11.1%
COST-BURDENED renter households earning below median as % of all renters	43.2%	44.8%	43.3%	42.6%	44.5%	35.3%	32.2%	47.5%
COST-BURDENED owner households earning below median income as % of all owners	17.0%	20.2%	18.8%	23.1%	23.5%	16.8%	26.6%	25.0%
Homeownership (as % of all housing in the county)	58.5%	39.0%	60.2%	40.4%	65.1%	57.8%	37.7%	59.4%
Seasonal/second homes (as % of all housing in the county)	21.9%	41.7%	3.9%	33.6%	5.7%	5.4%	34.9%	8.4%
Vacancy rate: year-round RENTAL housing	7.5%	7.9%	2.1%	27.7%	6.0%	10.2%	21%	6.2%
Vacancy rate: year-round SALES housing	3.1%	2.5%	0.7%	4.2%	3.3%	2.3%	3.2%	1.4%
Vacancy rate: ALL housing	23.8%	37.4%	2.5%	37.8%	12.4%	12.5%	36.2%	10.5%

APPENDIX A

Cost-burdened Elderly Homeowners in Selected Colorado Counties (2016)

	Chaffee	Eagle	El Paso	Routt	Montrose	Logan	Pitkin	Garfield
Households	8410	20,283	265,854	10,611	16,683	7,925	8,491	21,372
Median value of owner-occupied property (2016)	$289,900	$438,500	$249,200	$424,300	$193,300	$137,300	$552,900	$299,700
Median household income (2016)	$50,993	$78,763	$63,882	$63,505	$43,890	$43,340	$69,789	$61,300
# of cost-burdened homeowners among households earning less than median income	997	2,421	30,385	1,467	2,709	848	1,269	3,429
# of ELDERLY homeowners (aged 62 years and over) earning less than median income who are cost-burdened	369	547	9250	436	1134	303	680	899
ELDERLY cost-burdened home-owners earning less than median income as a percentage of all cost-burdened homeowners earning less than the median	37%	23%	30%	30%	42%	36%	54%	26%
# of ELDERLY homeowners (aged 62 years and over) earning less than median income who are SEVERELY cost-burdened	244	355	4550	272	635	109	360	584
# of ELDERLY homeowners (aged 62 years and over) earning less than median income who are MODERATELY cost-burdened	125	192	4700	164	499	194	320	315

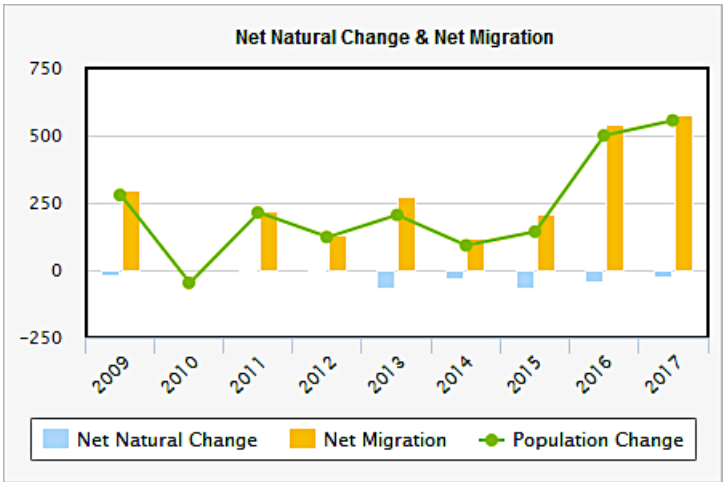
Appendix B

Supplementary Population & Housing Data Used in Chaffee County Profile and CLT Assessment

Profile of Chaffee County Population

[Sources: *QuickFacts*, U.S. Census Bureau; Data U.S.A*; Colorado Department of Local Affairs**]

POPULATION (2017):	
Individuals	19,638
Households	8,410**
AGE of population:	
Persons under 18 years	15.0%
Persons over 65 years	24.6%
Median age	49.1 years*
RACE of population:	
White alone, not Hispanic or Latino	85.2%
Hispanic or Latino	10.1%
Two or more races	1.7%
Black or African-American alone	1.6%
Native American or Alaska Native alone	1.6%
Asian alone	.9%
EDUCATION of population:	
High school or higher	91.7%
Bachelor's degree or higher	34.4%
POVERTY RATE	9.6%*



[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]

Chaffee County Population and Housing Data, 2000-2017

[Source: Colorado Department of Local Affairs]

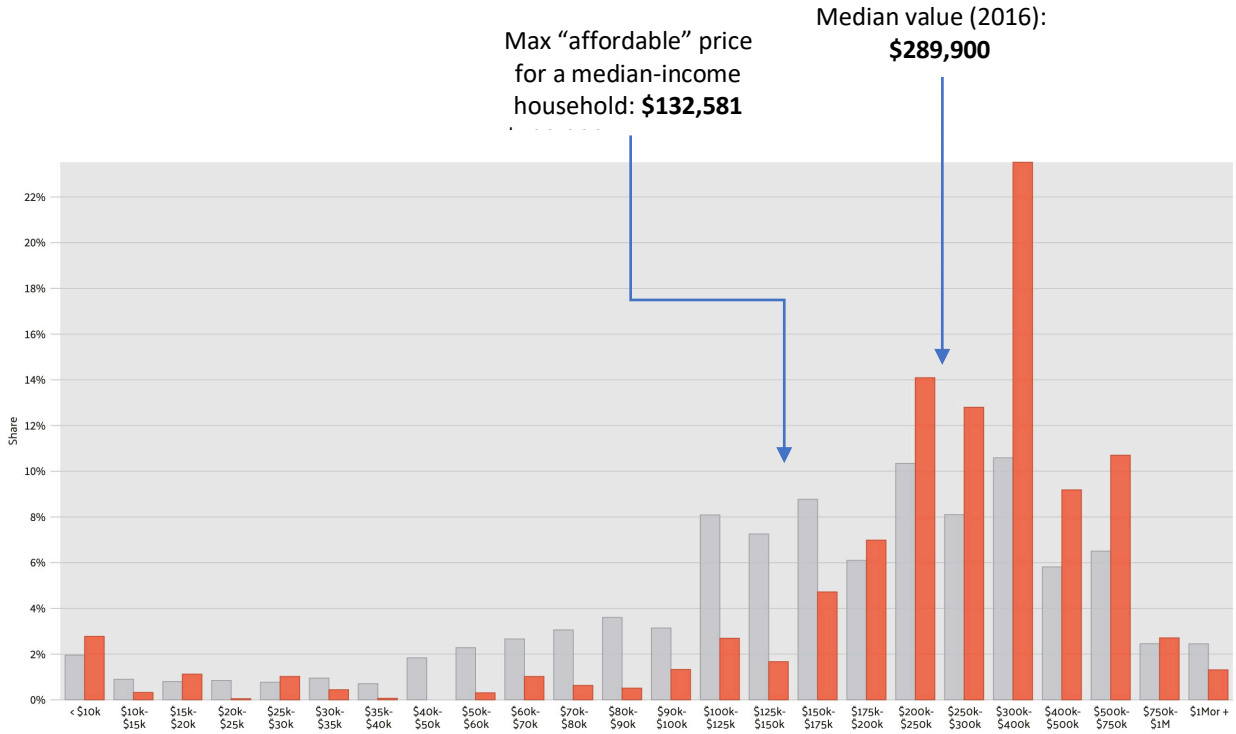
YEAR	Population	Households	Total Housing Units	Census Building Permits	Vacant Housing Units	Vacancy Rate (%)
2000	16,312	6,623	8,449	56	1,826	21.6
2001	16,410	6,707	8,660	224	1,953	22.6
2002	16,646	6,844	8,840	213	1,996	22.6
2003	16,794	6,928	9,060	241	2,132	23.5
2004	16,946	7,041	9,243	196	2,202	23.8
2005	17,022	7,109	9,419	164	2,310	24.5
2006	16,984	7,127	9,549	151	2,422	25.4
2007	17,238	7,247	9,725	154	2,478	25.5
2008	17,403	7,391	9,943	209	2,552	25.7
2009	17,604	7,507	9,988	130	2,481	24.8
2010	17,797	7,596	10,043	23	2,447	24.4
2011	18,021	7,673	10,142	101	2,469	24.3
2012	18,156	7,737	10,206	69	2,469	24.2
2013	18,322	7,881	10,303	102	2,422	23.5
2014	18,453	7,875	10,404	111	2,529	24.3
2015	18,578	7,957	10,544	147	2,587	24.5
2016	19,077	8,158	10,704	140	2,546	23.8
2017	19,623	8,410	10,869	126	2,459	22.6

Housing Costs & Household Incomes

[Sources: *QuickFacts*, U.S. Census Bureau; Data USA*]

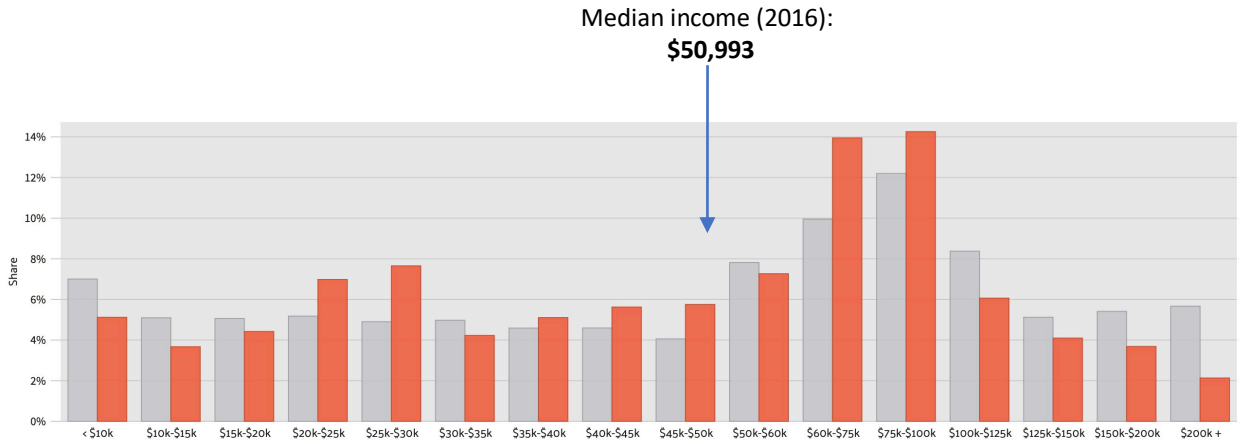
VALUES & COSTS of housing (2016):	
Median value of owner-occupied units	$289,900
One-year change in median value of owner-occupied property, 2015-2016	+ 5.73%*
Median selected monthly costs for owner-occupied units – *with* a mortgage	$1,453/month
Median selected monthly costs for owner-occupied units – *without* a mortgage	$350/month
Median gross rent	$847/month
INCOME of households:	
Median household income (in 2016)	$50,993
One-year change in median household income, 2015-2016	- 1.19%*

Property Values in Chaffee County (2016):



Orange = Chaffee County
Gray = USA
Sources: Data USA/ACS 5-year estimate

Household Incomes in Chaffee County (2016):



Orange = Chaffee County
Gray = USA
Sources: Data USA/ACS 5-year estimate

Chaffee County, Colorado

Housing Cost Burden for Households Below 100% of Area Median Income (2016)

[Source: *Colorado Housing Affordability Data Explorer*, Colorado Department of Local Affairs, DOLA tabulations of HUD 2011-15 CHAS data]

INCOME BRACKET	Renter-occupied housing				Owner-occupied housing				TOTAL renters and homeowners by bracket
	Severe cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	
Extremely low income	230	39	39	308	235	19	165	419	727
Very Low income	49	230	84	363	210	40	345	595	958
Low income	4	215	335	554	109	170	635	914	1468
Moderate income	0	40	155	195	54	160	339	553	748
TOTAL	283	524	613	1420	608	389	1484	2481	3901

Cost-Burdened Elderly Homeowners

(62 years or older)

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**TOTAL** households
Extremely low income	70	15	85
Very Low income	130	20	150
Low income	25	40	65
Moderate income	19	50	69
TOTAL	244	125	369

Appendix B

Supplementary Population & Housing Data Used in Eagle County Profile and CLT Assessment

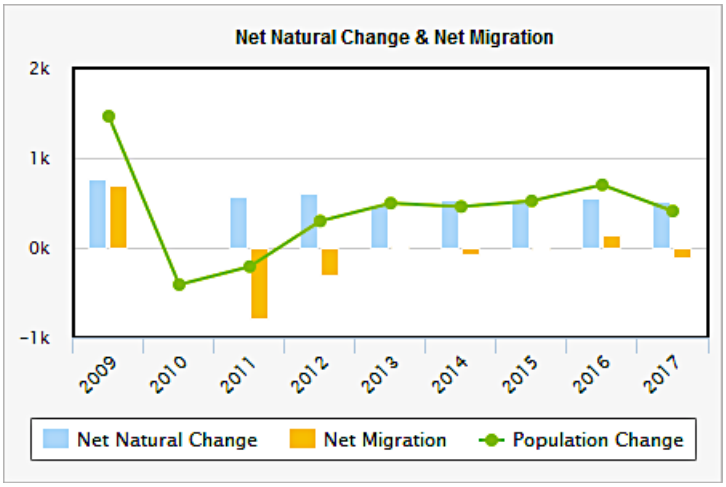
Population Profile

[Sources: *QuickFacts*, U.S. Census Bureau; Data U.S.A*; Colorado Department of Local Affairs**]

POPULATION (2017):	
Individuals	54,772
Households	20,283**
AGE of population:	
Persons under 18 years	22.2%
Persons over 65 years	10.8%
Median age	35.9 years*
RACE of population:	
White alone, not Hispanic or Latino	67.1%
Hispanic or Latino	29.7%
Two or more races	1.2%
Black or African-American alone	1.4%
Native American or Alaska Native alone	1.3%
Asian alone	1.3%
EDUCATION of population:	
High school or higher	88.8%
Bachelor's degree or higher	45.0%
POVERTY RATE:	8.0%*

Change in Population

[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]



Eagle County Population and Housing Data from the Colorado Department of Local Affairs, 2000-2017

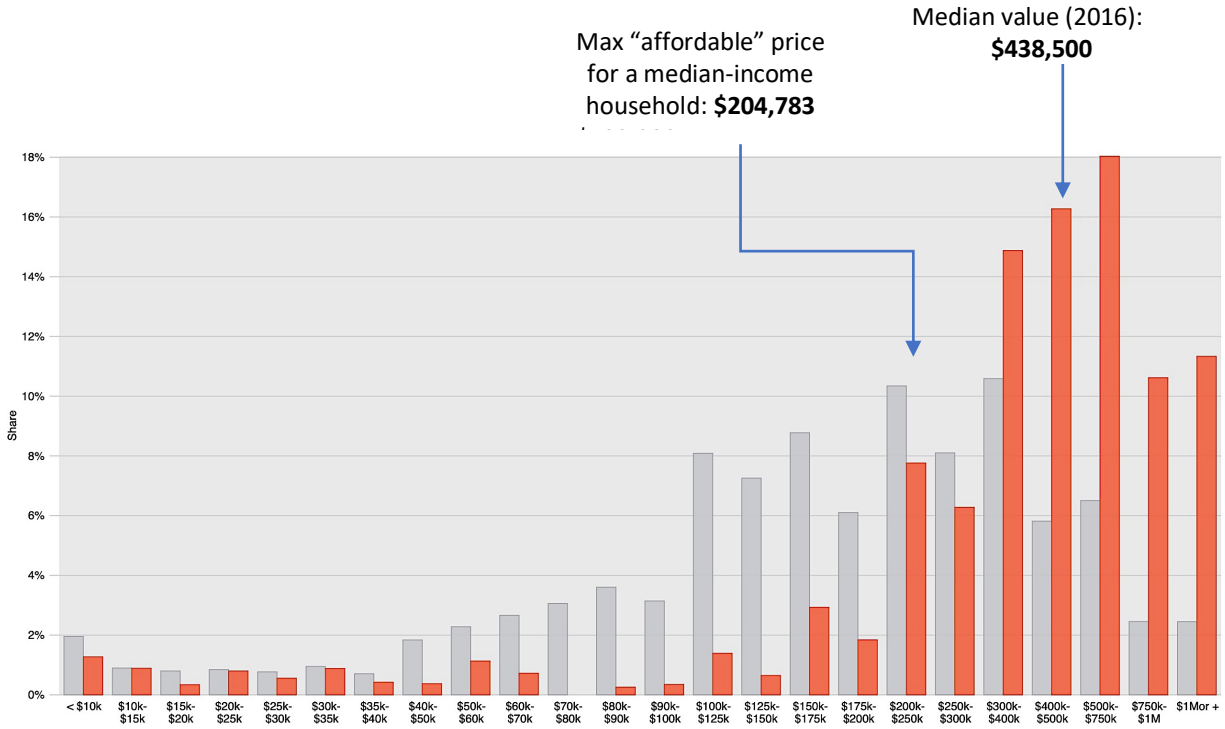
YEAR	Total Population	Households	Total Housing Units	Census Building Permits	Vacant Housing Units	Vacancy Rate (%)
2000	43,289	15,751	25,145	165	9,394	37.4
2001	44,440	16,146	25,966	661	9,820	37.8
2002	45,100	16,378	26,510	533	10,132	38.2
2003	45,758	16,600	27,274	659	10,674	39.1
2004	46,485	16,849	27,864	489	11,015	39.5
2005	47,278	17,124	28,711	727	11,587	40.4
2006	48,214	17,448	29,573	745	12,125	41.0
2007	49,284	17,818	30,271	578	12,453	41.1
2008	50,301	18,181	30,917	520	12,736	41.2
2009	51,520	18,612	31,165	164	12,553	40.3
2010	52,057	19,184	31,330	19	12,146	38.8
2011	51,840	19,096	31,384	56	12,288	39.2
2012	52,135	19,203	31,436	51	12,233	38.9
2013	52,629	19,380	31,523	90	12,143	38.5
2014	53,091	19,542	31,629	105	12,087	38.2
2015	53,610	19,740	31,876	243	12,136	38.1
2016	54,294	20,078	32,049	183	11,971	37.4
2017	54,662	20,283	32,465	309	12,182	37.5

Housing Costs & Household Incomes (2016)

[Sources: *QuickFacts*, U.S. Census Bureau; Data USA*]

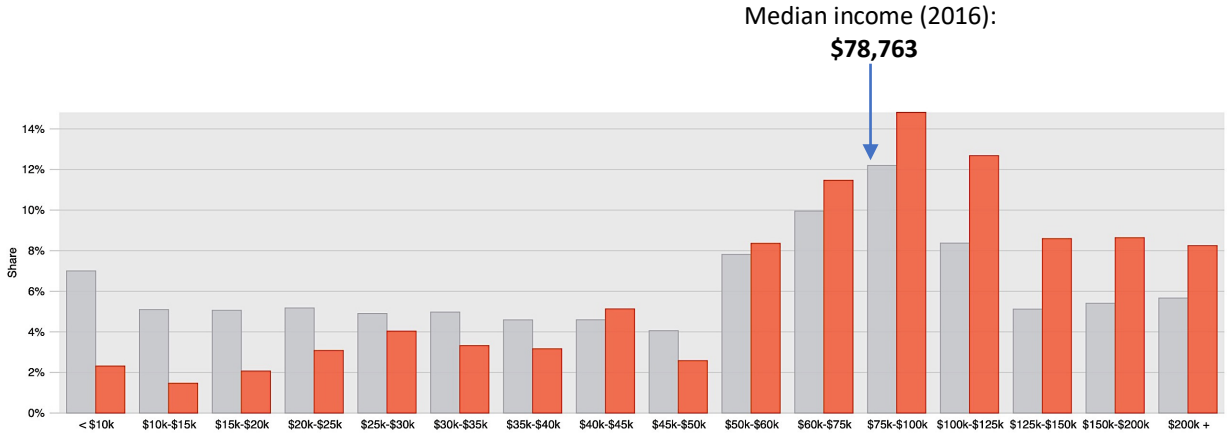
VALUES & COSTS of housing (2016):	
Median value of owner-occupied units	$438,500
One-year change in median value of owner-occupied property, 2015-2016	+ 4.55%
Median selected monthly costs for owner-occupied units – *with* a mortgage	$2,083/month
Median selected monthly costs for owner-occupied units – *without* a mortgage	$570/month
Median gross rent	$1284/month
INCOME of households:	
Median household income (in 2016)	$78,763
One-year change in median household income, 2015-2016	+ 9.1%*

Property Values in Eagle County (2016):



Orange = Eagle County
Gray = USA
Source: Data USA/ACS 5-year estimate

Household Income in Eagle County (2016):



Orange = Eagle County
Gray = USA
Source: Data USA/ACS 5-year estimate

Eagle County, Colorado

Housing Cost Burden for Households Below 100% of Area Median Income (2016)

[Source: *Colorado Housing Affordability Data Explorer*, Colorado Department of Local Affairs, DOLA tabulations of HUD 2011-15 CHAS data]

INCOME BRACKET	Renter-occupied housing				Owner-occupied housing				TOTAL renters and homeowners by bracket
	Severe cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	
Extremely low income	508	90	125	723	335	44	157	536	1259
Very Low income	225	385	135	745	340	239	304	883	1628
Low income	185	945	704	1834	640	344	1015	1999	3833
Moderate income	0	175	494	669	160	319	580	1059	1728
TOTAL	918	1595	1458	3971	1475	946	2056	4477	8448

Cost-Burdened Elderly Homeowners

(62 years or older)

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**TOTAL** households
Extremely low income	115	4	119
Very Low income	95	130	225
Low income	75	29	104
Moderate income	70	29	99
TOTAL	355	192	547

Appendix B

Supplementary Population & Housing Data Used in El Paso County Profile and CLT Assessment

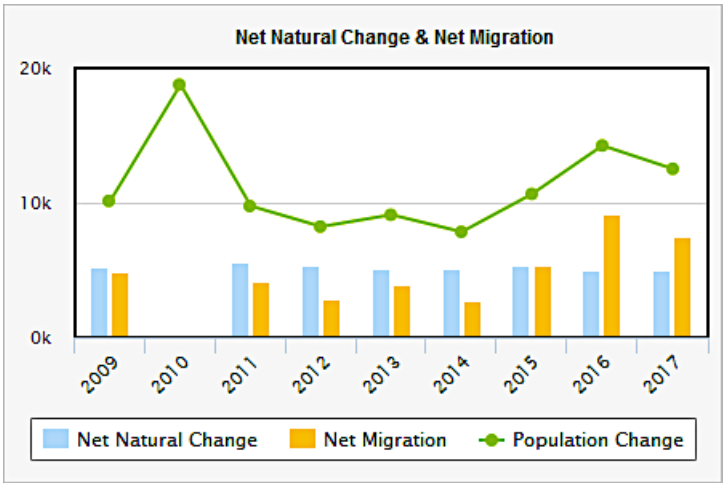
Population Profile

[Sources: QuickFacts, U.S. Census Bureau; Data U.S.A*; Colorado Department of Local Affairs**]

POPULATION (2017):	
Individuals	699,232
Households	265,864**
AGE of population:	
Persons under 18 years	24.3%
Persons over 65 years	12.4%
Median age	33.9 years*
RACE of population:	
White alone, not Hispanic or Latino	69.3%
Hispanic or Latino	17.1%
Two or more races	4.8%
Black or African-American alone	6.9%
Native American or Alaska Native alone	1.4%
Asian alone	3.0%
EDUCATION of population:	
High school or higher	93.9%
Bachelor's degree or higher	36.6%
POVERTY RATE:	11.4%*

Change in Population, 2009 – 2017

[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]



El Paso County Population and Housing Data from the Colorado Department of Local Affairs, 2000-2017

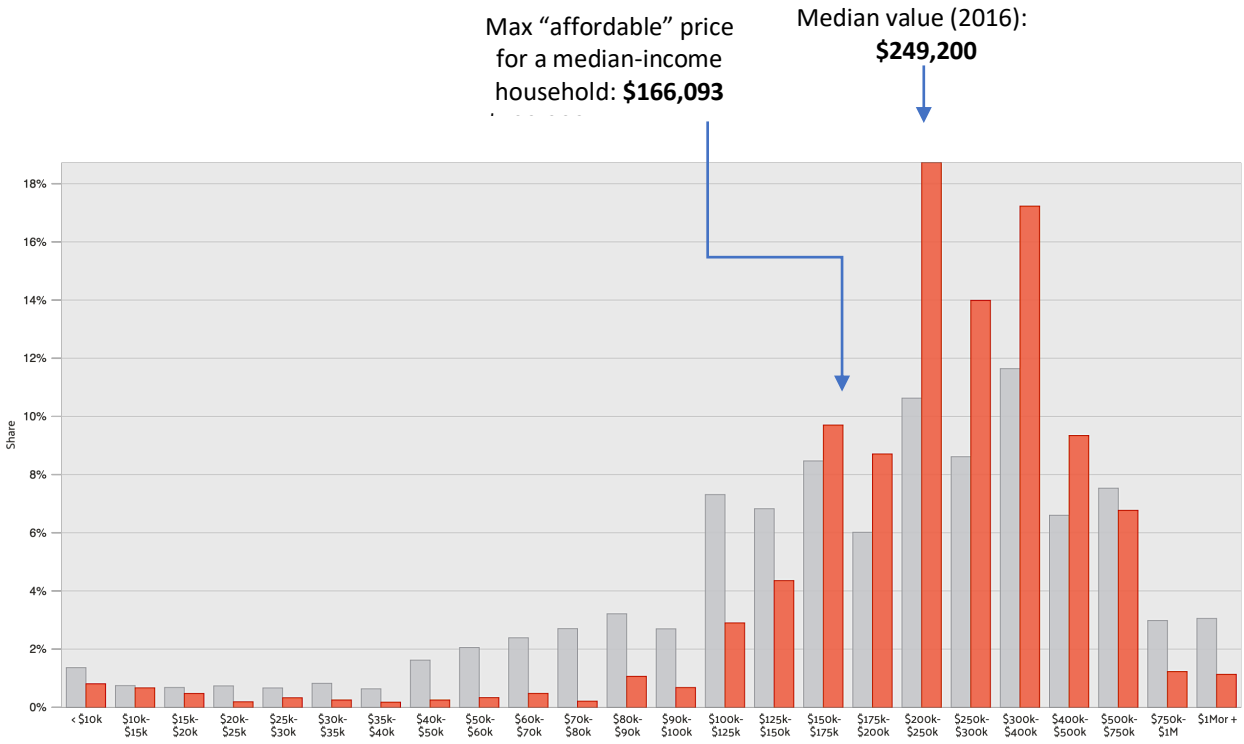
YEAR	Total Population	Households	Total Housing Units	Census Building Permits	Vacant Housing Units	Vacancy Rate (%)
2000	519,802	193,554	204,091	1,522	10,537	5.2
2001	536,336	200,185	211,168	6,087	10,983	5.2
2002	545,240	204,070	217,845	6,923	13,775	6.3
2003	551,668	206,723	226,996	6,627	20,273	8.9
2004	558,455	209,755	233,118	5,103	23,363	10.0
2005	569,322	214,275	239,367	6,318	25,092	10.5
2006	582,502	219,699	244,173	6,529	24,474	10.0
2007	588,772	222,624	247,960	4,197	25,336	10.2
2008	599,060	227,125	250,335	2,926	23,210	9.3
2009	608,518	231,329	251,891	1,905	20,562	8.2
2010	627,232	237,926	252,957	333.21	15,031	5.9
2011	638,272	241,785	253,873	2,321	12,088	4.8
2012	646,934	245,256	256,061	2,706	10,805	4.2
2013	656,285	248,703	258,772	4,901	10,069	3.9
2014	663,443	251,510	261,819	5,174	10,309	3.9
2015	674,993	255,851	264,853	3,106	9,002	3.4
2016	689,082	261,136	267,888	3,524	6,752	2.5
2017	701,283	265,864	271,183	5,034	5,319	2.0

Housing Costs & Household Incomes

[Sources: *QuickFacts*, U.S. Census Bureau; Data U.S.A*]

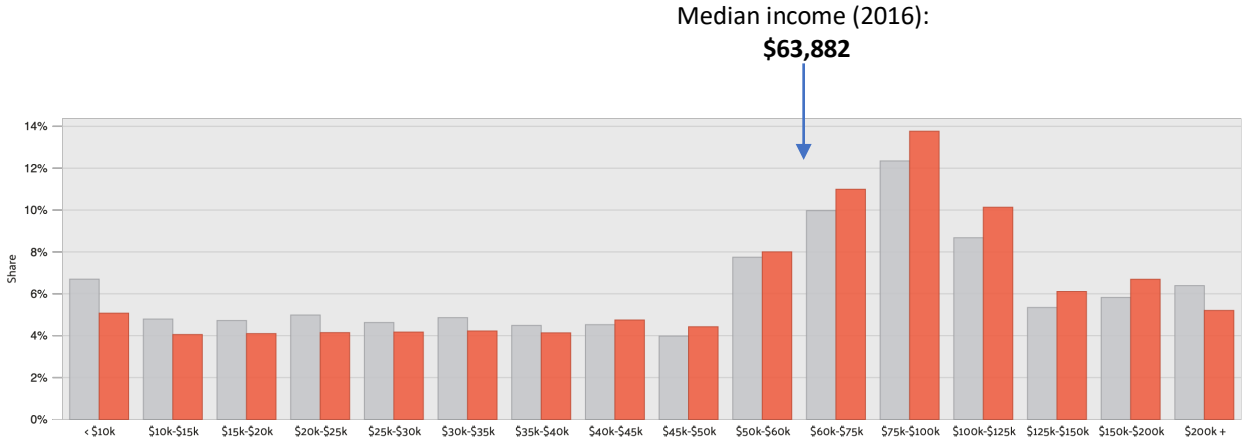
VALUES & COSTS of housing (2016):	
Median value of owner-occupied units (in 2016)	$249,200*
One-year change in median value of owner-occupied units, 2015-2016	+ 7.0%*
Median selected monthly costs for owner-occupied units – *with* a mortgage	$1488/month
Median selected monthly costs for owner-occupied units – *without* a mortgage	$406/month
Median gross rent	$1012/month
INCOME of households:	
Median household income (in 2016)	$63,882
One-year change in median household income, 2015-2016	+ 6.28%*

Property Values in El Paso County (2016):



Orange = El Paso County
Gray = USA
Source: Data USA (https://datausa.io/profile/geo/el-paso-county-co/#housing)

Household Income in El Paso County (2016):



Orange = El Paso County
Gray = USA
Source: Data USA (https://datausa.io/profile/geo/el-paso-county-co/#housing)

El Paso County, Colorado

Housing Cost Burden for Households Below 100% of Area Median Income (2016)

[Source: *Colorado Housing Affordability Data Explorer*, Colorado Department of Local Affairs, DOLA tabulations of HUD 2011-15 CHAS data]

INCOME BRACKET	Renter-occupied housing				Owner-occupied housing				TOTAL renters and homeowners by bracket
	Severe cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	
Extremely low income	13,105	2000	3148	18,253	5675	1535	2600	9810	28,063
Very Low income	4925	9570	3575	18,070	4395	2875	5070	12,340	30,410
Low income	1045	9095	12,070	22,210	2330	8595	11,680	22,605	44,815
Moderate income	249	1390	8805	10,444	765	4215	12,190	17,170	27,614
TOTAL	19,324	22,055	27,598	68,977	13,165	17,220	31,540	61,925	130,902

Cost-Burdened Elderly Homeowners

(62 years or older)

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**TOTAL** households
Extremely low income	2105	950	3055
Very Low income	1380	1165	2545
Low income	810	1700	2510
Moderate income	255	885	1140
TOTAL	4550	4700	9250

Appendix B

Supplementary Population & Housing Data Used in Routt County Profile and CLT Assessment

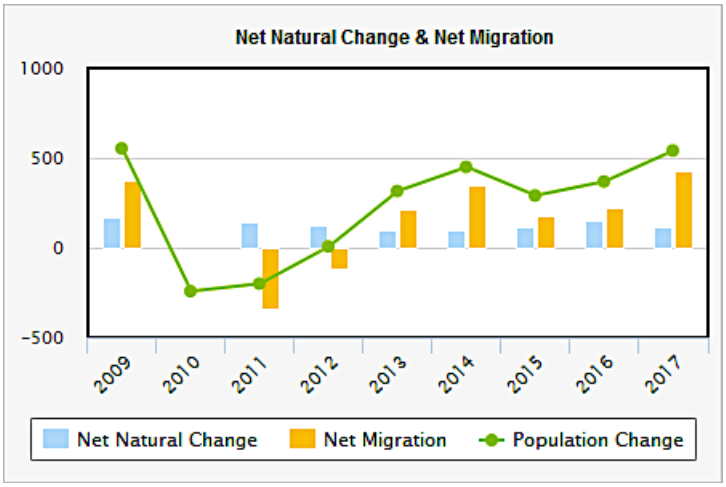
Population Profile

[Sources: *QuickFacts*, U.S. Census Bureau; Data U.S.A*; Colorado Department of Local Affairs**]

POPULATION (2017):	
Individuals	25,220
Households	10,611**
AGE of population:	
Persons under 18 years	18.2%
Persons over 65 years	14.5%
Median age	40 years*
RACE of population:	
White alone, not Hispanic or Latino	89.8%
Hispanic or Latino	7.0%
Two or more races	1.7 %
Black or African-American alone	0.8 %
Native American or Alaska Native alone	0.6 %
Asian alone	0.8 %
EDUCATION of population:	
High school or higher	96.5%
Bachelor's degree or higher	49.4%
POVERTY RATE	10.2%*

Change in Population, 2009 – 2017

[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]



Routt County Population and Housing Data, 2000-2017

[Source: Colorado Department of Local Affairs]

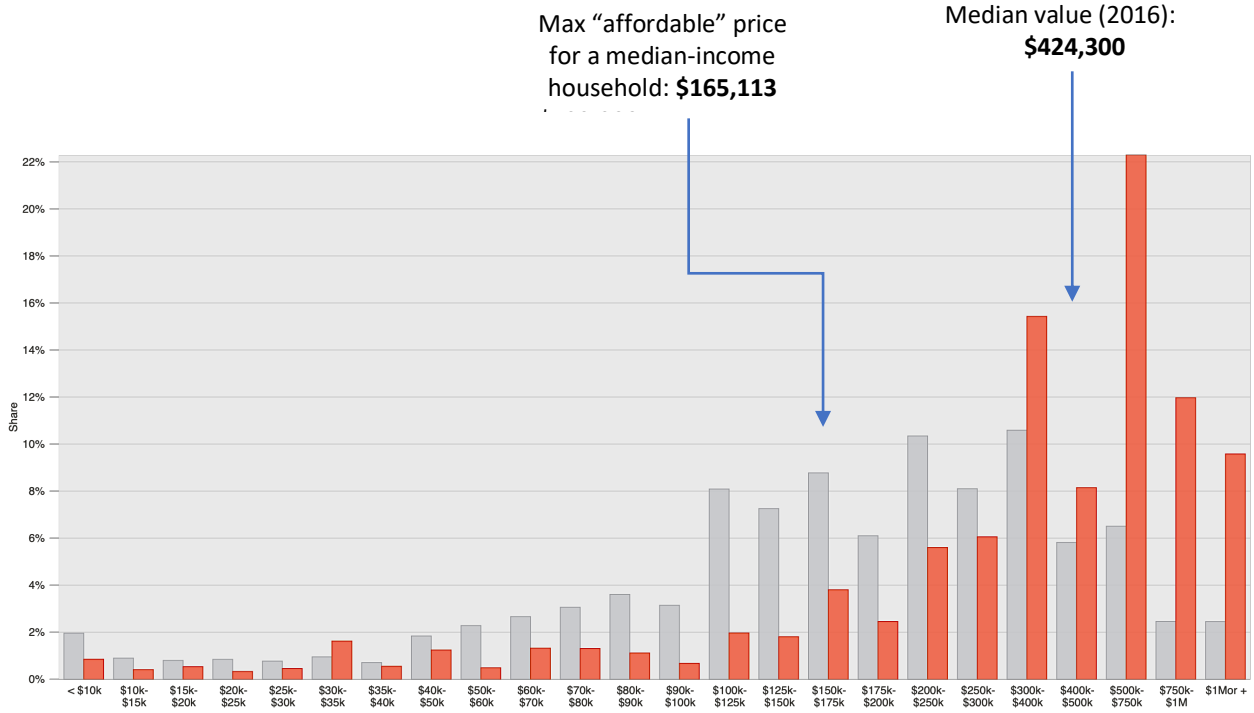
YEAR	Total Population	Households	Total Housing Units	Census Building Permits	Vacant Housing Units	Vacancy Rate (%)
2000	20,123	8,184	12,063	128	3,879	32.2
2001	20,436	8,327	12,534	512	4,207	33.6
2002	20,892	8,527	12,939	275	4,412	34.1
2003	21,128	8,647	13,137	221	4,489	34.2
2004	21,293	8,739	13,443	313	4,704	35.0
2005	21,453	8,831	13,856	347	5,025	36.3
2006	21,886	9,001	14,429	459	5,428	37.6
2007	22,415	9,240	14,838	405	5,598	37.7
2008	22,931	9,484	15,517	568	6,033	38.9
2009	23,325	9,673	16,143	376	6,470	40.1
2010	23,439	9,863	16,321	18	6,458	39.6
2011	23,240	9,777	16,347	27	6,570	40.2
2012	23,243	9,791	16,387	42	6,596	40.3
2013	23,563	9,914	16,420	36	6,506	39.6
2014	24,016	10,103	16,476	59	6,373	38.7
2015	24,307	10,232	16,603	130	6,371	38.4
2016	24,667	10,383	16,698	99	6,315	37.8
2017	25,178	10,611	16,857	163	6,246	37.1

Housing Costs & Household Incomes

[Sources: *QuickFacts*, U.S. Census Bureau; Data U.S.A*]

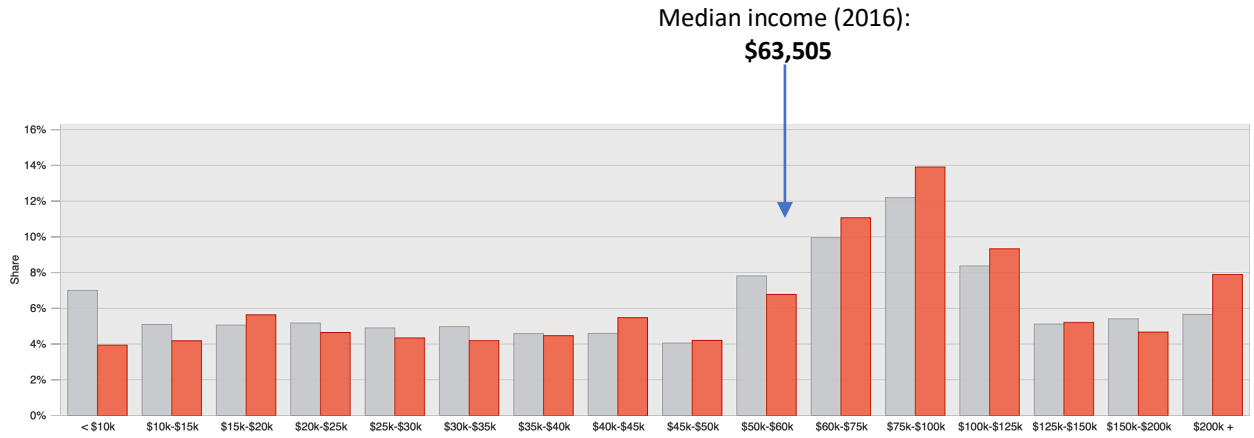
VALUE & COST of housing (2016):	
Median value of owner-occupied units	$424,300*
Change in the median value of owner-occupied units, 2015-2016	+ 7.5%*
Median selected monthly costs for owner-occupied units – *with* a mortgage	$1847/month
Median selected monthly costs for owner-occupied units – *without* a mortgage	$463/month
Median gross rent	$1150/month
INCOME of households:	
Median household income (in 2016)	$63,505
One-year change in median household income, 2015-2016	- 2.2%*

Property Values in Routt County (2016):



Orange = Routt County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/routt-county-co/#housing)

Household Income in Routt County (2016):



Orange = Routt County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/routt-county-co/#housing)

Routt County, Colorado

Housing Cost Burden for Households Below 100% of Area Median Income (2016)

[Source: *Colorado Housing Affordability Data Explorer*, Colorado Department of Local Affairs, DOLA tabulations of HUD 2011-15 CHAS data]

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INCOME BRACKET	Renter-occupied housing				Owner-occupied housing				TOTAL renters and homeowners by bracket
	Severe cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	
Extremely low income	380	69	142	591	375	69	118	562	1153
Very Low income	225	220	60	505	275	89	215	579	1084
Low income	100	254	339	693	178	230	630	1038	1731
Moderate income	20	45	185	250	18	233	315	566	816
TOTAL	725	588	726	2039	846	621	1278	2745	4784

Cost-Burdened Elderly Homeowners

(62 years or older)

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**TOTAL** households
Extremely low income	175	50	225
Very Low income	55	29	84
Low income	8	25	33
Moderate income	34	60	94
TOTAL	272	164	436

Appendix B

Supplementary Population & Housing Data Used in Montrose County Profile and CLT Assessment

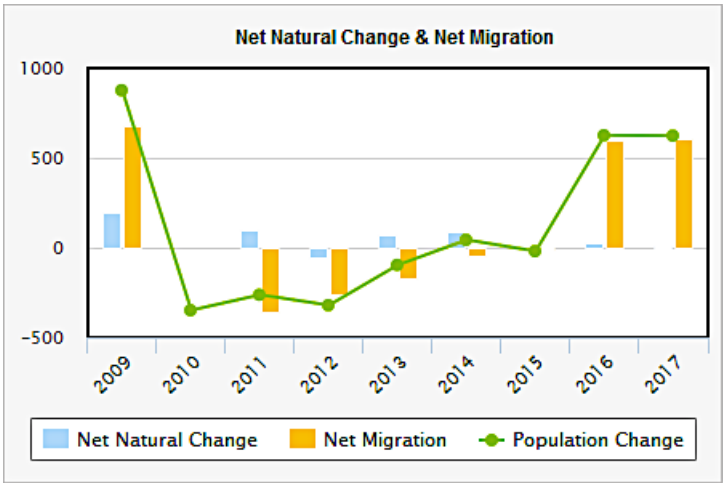
Population Profile

[Sources: *QuickFacts*, U.S. Census Bureau; Data U.S.A*; Colorado Department of Local Affairs**]

POPULATION (2017):	
Individuals	41,784
Households	16,683**
AGE of population:	
Persons under 18 years	22.0%
Persons over 65 years	22.6%
Median age	44.6 years*
RACE of population:	
White alone, not Hispanic or Latino	76.1%
Hispanic or Latino	20.6%
Two or more races	2.0%
Black or African-American alone	0.7%
Native American or Alaska Native alone	1.8%
Asian alone	0.8 %
EDUCATION of population:	
High school or higher	88.8%
Bachelor's degree or higher	23.8%
POVERTY RATE	18%*

Change in Population, 2009 – 2017

[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]



Montrose County Population and Housing Data, 2000-2017

[Source: Colorado Department of Local Affairs]

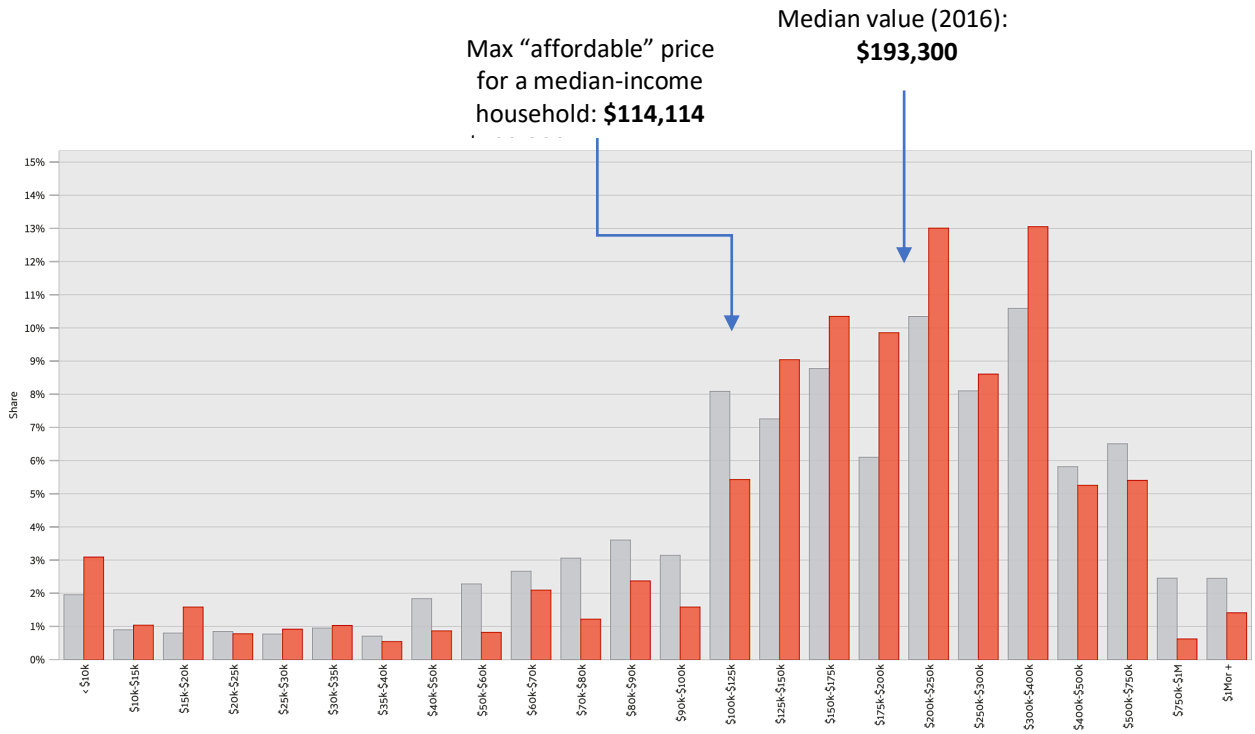
YEAR	Total Population	Households	Total Housing Units	Census Building Permits	Vacant Housing Units	Vacancy Rate (%)
2000	33,577	13,109	14,292	75	1,183	8.3
2001	34,442	13,474	14,563	300	1,089	7.5
2002	34,926	13,699	14,924	373	1,225	8.2
2003	35,640	14,020	15,407	295	1,387	9.0
2004	36,131	14,247	15,783	359	1,536	9.7
2005	36,997	14,622	16,217	486	1,595	9.8
2006	37,968	15,050	16,877	583	1,827	10.8
2007	39,131	15,550	17,478	536	1,928	11.0
2008	39,952	15,908	17,877	369	1,969	11.0
2009	40,680	16,222	18,083	189	1,861	10.3
2010	41,188	16,449	18,280	30	1,831	10.0
2011	40,921	16,342	18,354	62	2,012	11.0
2012	40,611	16,218	18,425	51	2,207	12.0
2013	40,516	16,179	18,479	51	2,300	12.4
2014	40,564	16,198	18,545	72	2,347	12.7
2015	40,552	16,193	18,635	89	2,442	13.1
2016	41,142	16,432	18,757	124	2,325	12.4
2017	41,763	16,683	18,881	114	2,198	11.6

Housing Costs & Household Incomes (2016)

VALUES & COSTS of housing (2016):	
Median value of owner-occupied units	$193,300*
One-year change in median value of owner-occupied units, 2015-2016	+ 1.26%*
Median selected monthly costs for owner-occupied units – *with* a mortgage	$1254/month
Median selected monthly costs for owner-occupied units – *without* a mortgage	$354/month
Median gross rent	$787/month
INCOME of households:	
Median household income (in 2016)	$43,890
One-year change in median household income, 2015-2016	- 2.25%*

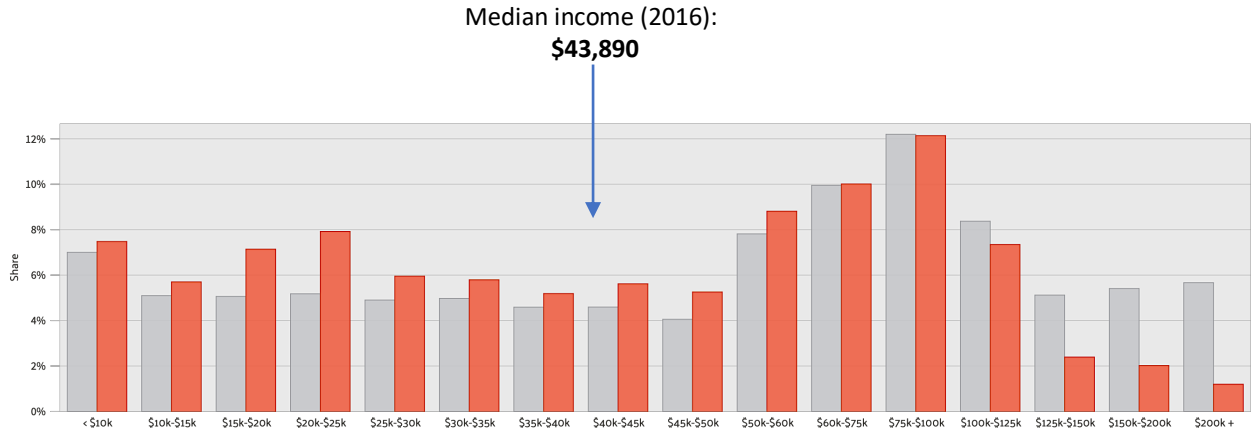
[Sources: *QuickFacts*, U.S. Census Bureau; Data USA*]

Property Values in Montrose County (2016):



Orange = Montrose County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/montrose-county-co/#housing)

Household Income in Montrose County (2016):



Orange = Montrose County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/montrose-county-co/#housing)

Montrose County, Colorado

Housing Cost Burden for Households Below 100% of Area Median Income (2016)

[Source: *Colorado Housing Affordability Data Explorer*, Colorado Department of Local Affairs, DOLA tabulations of HUD 2011-15 CHAS data]

INCOME BRACKET	Renter-occupied housing				Owner-occupied housing				TOTAL renters and homeowners by bracket
	Severe cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	
Extremely low income	675	70	380	1125	590	175	290	1055	2180
Very Low income	460	580	230	1270	380	500	705	1585	2855
Low income	80	360	710	1150	320	390	1380	2090	3240
Moderate income	0	19	440	459	125	229	800	1154	1613
TOTAL	1215	1029	1760	4004	1415	1294	3175	5884	9888

Cost-Burdened Elderly Homeowners

(62 years or older)

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**TOTAL** households
Extremely low income	240	95	335
Very Low income	225	190	415
Low income	150	155	305
Moderate income	20	59	79
TOTAL	635	499	1134

Appendix B

Supplementary Population & Housing Data Used in Logan County Profile and CLT Assessment

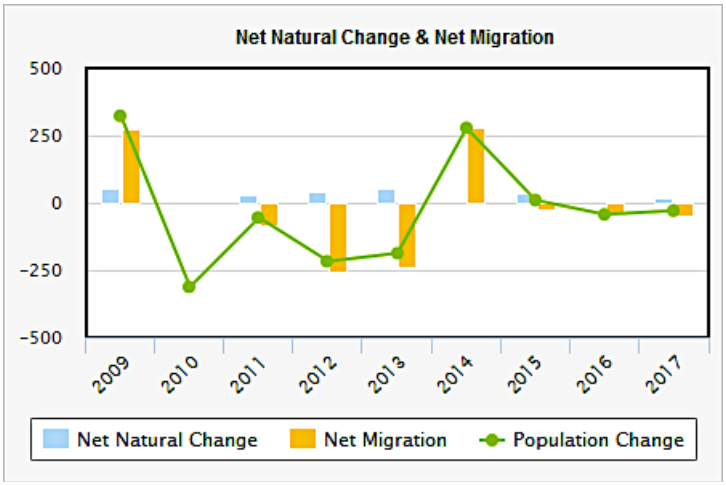
Population Profile

[Sources: QuickFacts, U.S. Census Bureau; Data U.S.A*; Colorado Department of Local Affairs**]

POPULATION (2017):	
Individuals	21,876
Households	7,925**
AGE of population:	
Persons under 18 years	18.5%
Persons over 65 years	17.2%
Median age	37.1 years*
RACE of population:	
White alone, not Hispanic or Latino	77.1%
Hispanic or Latino	16.1%
Two or more races	1.6%
Black or African-American alone	4.0%
Native American or Alaska Native alone	0.1%
Asian alone	1.2%
EDUCATION of population:	
High school or higher	88%
Bachelor's degree or higher	19%
POVERTY RATE:	16.3%*

Change in Population, 2009 – 2017

[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]



Logan County Population and Housing Data from the Colorado Department of Local Affairs, 2000-2017

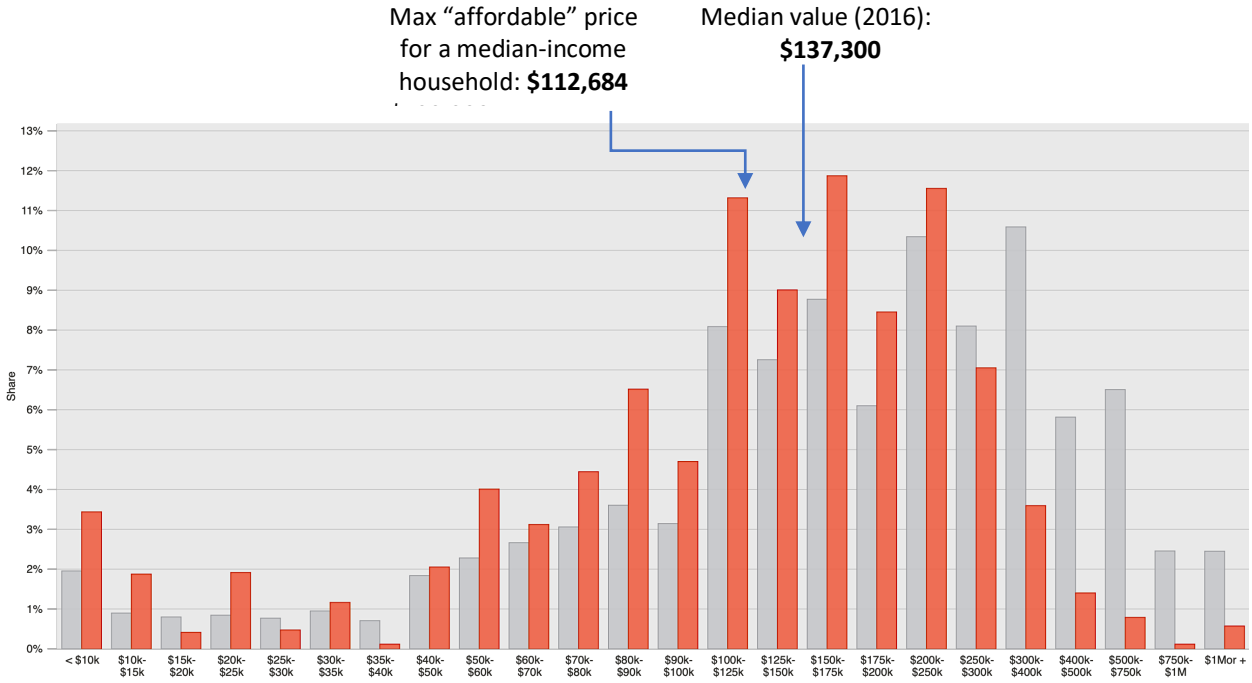
YEAR	Total Population	Households	Total Housing Units	Census Building Permits	Vacant Housing Units	Vacancy Rate (%)
2000	20,655	7,621	8,473	18	852	10.1
2001	22,354	8,218	8,531	71	313	3.7
2002	22,095	8,173	8,608	61	435	5.1
2003	22,371	8,273	8,723	37	450	5.2
2004	22,181	8,252	8,805	53	553	6.3
2005	22,088	8,251	8,854	45	603	6.8
2006	22,267	8,369	8,878	54	509	5.7
2007	22,403	8,416	8,919	40	503	5.6
2008	22,324	8,442	8,962	19	520	5.8
2009	22,517	8,552	8,990	11	438	4.9
2010	22,293	8,053	8,985	4	932	10.4
2011	22,228	7,998	9,000	15	1,002	11.1
2012	22,011	7,975	9,013	13	1,038	11.5
2013	21,824	7,917	9,023	10	1,106	12.3
2014	22,104	7,963	9,044	21	1,081	12.0
2015	22,122	7,993	9,064	20	1,071	11.8
2016	22,043	7,952	9,091	27	1,139	12.5
2017	21,893	7,925	9,105	14	1,180	13.0

Housing Costs & Household Incomes

[Sources: *QuickFacts*, U.S. Census Bureau; Data U.S.A*]

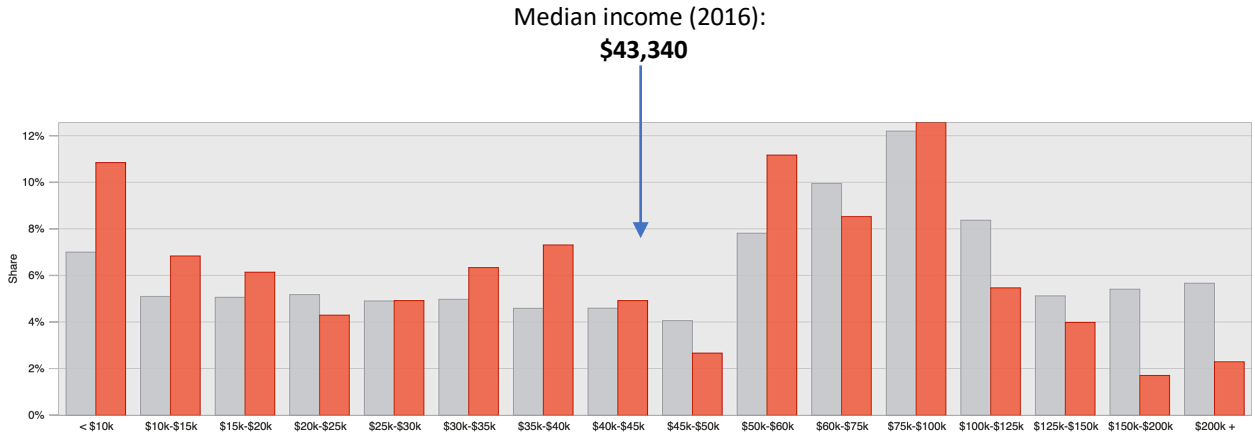
VALUES & COSTS of housing (2016):	
Median value of owner-occupied units	$137,300*
Change in the median value of owner-occupied units, 2015-2016	+ 10.1%*
Median selected monthly costs for owner-occupied units – *with* a mortgage	$1087/month
Median selected monthly costs for owner-occupied units – *without* a mortgage	$404/month
Median gross rent	$712/month
INCOME of households:	
Median household income (in 2016)	$43,340
One-year change in median household income, 2015-2016	+ 2.4%*

Property Values in Logan County (2016):



Orange = Logan County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/logan-county-co/#housing)

Household Income in Logan County (2016):



Orange = Logan County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/logan-county-co/#housing)

Logan County, Colorado

Housing Cost Burden for Households Below 100% of Area Median Income (2016)

[Source: *Colorado Housing Affordability Data Explorer*, Colorado Department of Local Affairs, DOLA tabulations of HUD 2011-15 CHAS data]

INCOME BRACKET	Renter-occupied housing				Owner-occupied housing				TOTAL renters and homeowners by bracket
	Severe cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	
Extremely low income	554	128	143	825	150	99	137	386	1211
Very Low income	20	225	230	475	134	83	440	657	1132
Low income	15	79	440	534	34	225	670	929	1463
Moderate income	0	25	305	330	14	109	515	638	968
TOTAL	589	457	1118	2164	332	516	1762	2610	4774

Cost-Burdened Elderly Homeowners

(62 years or older)

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**TOTAL** households
Extremely low income	40	65	105
Very Low income	45	65	110
Low income	14	35	49
Moderate income	10	29	39
TOTAL	109	194	303

Appendix B

Supplementary Population & Housing Data Used in Pitkin County Profile and CLT Assessment

(Roaring Fork Valley)

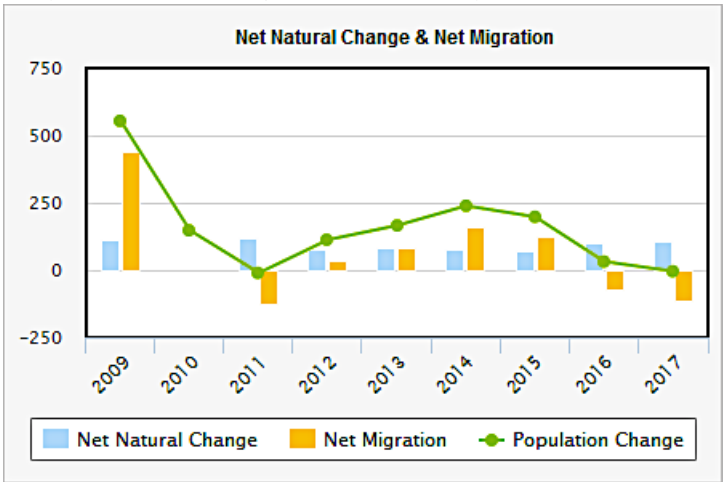
Population Profile

[Sources: *QuickFacts*, U.S. Census Bureau; Data USA*; Colorado Department of Local Affairs**]

POPULATION (2017):	
Individuals	17,890
Households	8,491 **
AGE of population:	
Persons under 18 years	15.2%
Persons over 65 years	18.5%
Median age	43.2 years*
RACE of population:	
White alone, not Hispanic or Latino	85.7%
Hispanic or Latino	10.1%
Two or more races	1.5%
Black or African-American alone	1.1%
Native American or Alaska Native alone	0.5%
Asian alone	1.9%
EDUCATION of population:	
High school or higher	95.3%
Bachelor's degree or higher	61.2%
POVERTY RATE:	8.64%*

Change in Population, 2009 – 2017

[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]



Pitkin County Population and Housing Data from the Colorado Department of Local Affairs, 2000-2017

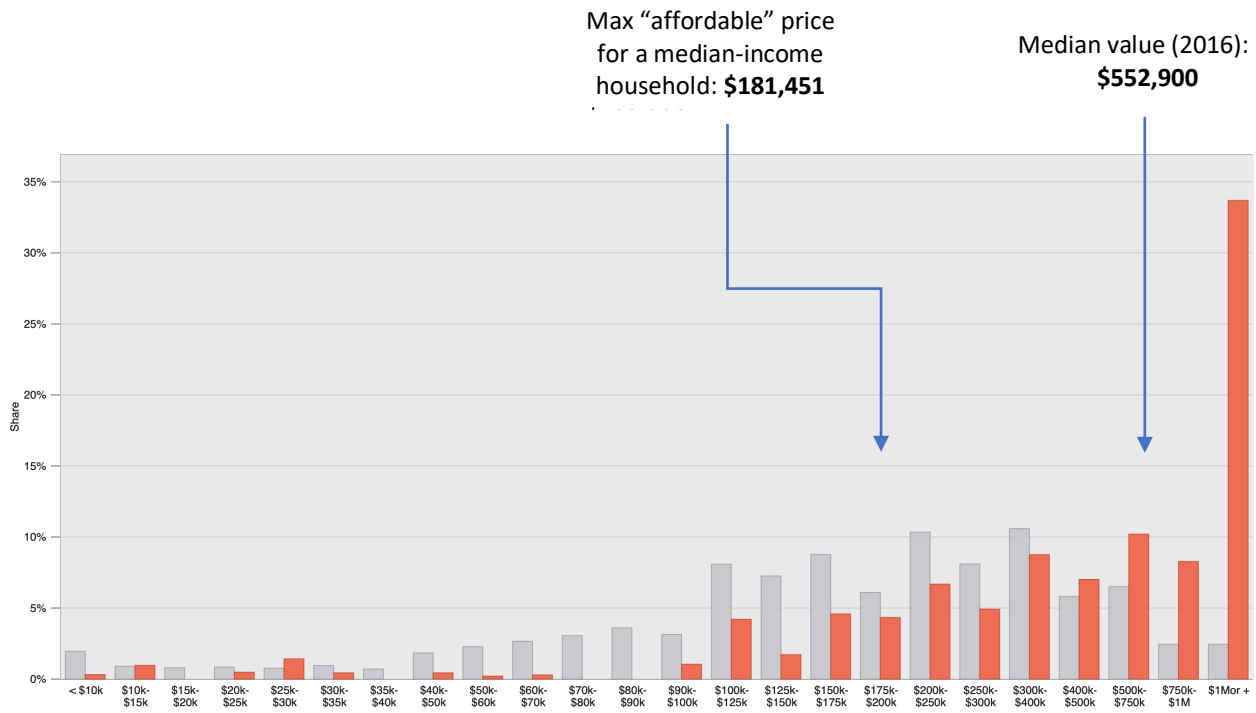
YEAR	Total Population	Households	Total Housing Units	Census Building Permits	Vacant Housing Units	Vacancy Rate (%)
2000	15,764	7,248	11,901	72	4,653	39.1
2001	16,184	7,446	12,117	287	4,671	38.5
2002	16,101	7,410	12,166	120	4,756	39.1
2003	16,275	7,492	12,229	134	4,737	38.7
2004	16,077	7,401	12,272	113	4,871	39.7
2005	16,136	7,432	12,356	118	4,924	39.9
2006	16,087	7,411	12,485	147	5,074	40.6
2007	16,236	7,485	12,653	211	5,168	40.8
2008	16,673	7,703	12,920	168	5,217	40.4
2009	17,053	7,889	12,979	115	5,090	39.2
2010	17,156	8,156	12,960	7	4,804	37.1
2011	17,151	8,151	13,003	44	4,852	37.3
2012	17,264	8,205	13,036	33	4,831	37.1
2013	17,429	8,284	13,059	23	4,775	36.6
2014	17,664	8,394	13,104	45	4,710	35.9
2015	17,864	8,490	13,201	98	4,711	35.7
2016	17,873	8,493	13,307	108	4,814	36.2
2017	17,875	8,491	13,397	91	4,906	36.6

Housing Costs & Household Incomes

[Sources: *QuickFacts*, U.S. Census Bureau; Data U.S.A*]

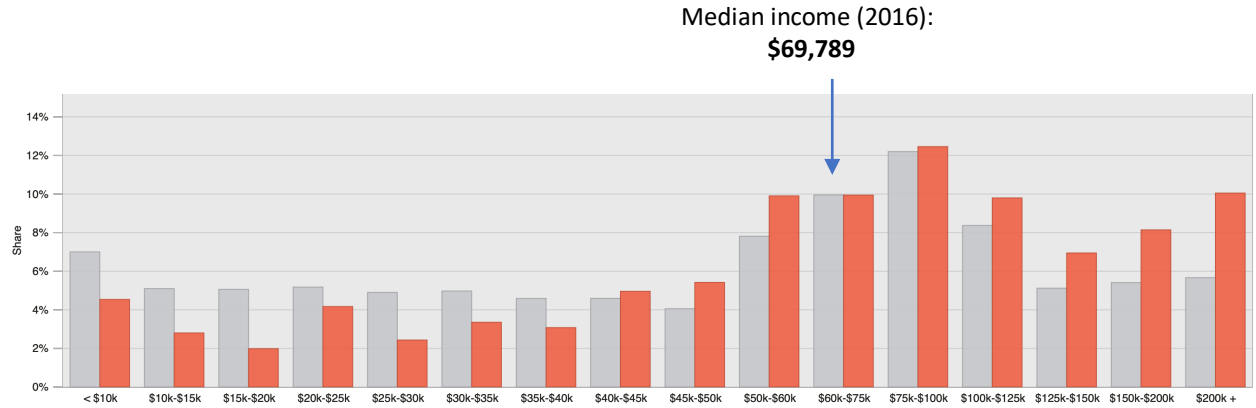
VALUES & COSTS of housing (2016):	
Median value of owner-occupied units	$552,900*
Change in the median value of owner-occupied units, 2015-2016	- 10.9 %*
Median selected monthly costs for owner-occupied units – *with* a mortgage	$1,947/month
Median selected monthly costs for owner-occupied units – *without* a mortgage	$690/month
Median gross rent	$1241/month
INCOME of households:	
Median household income (in 2016)	$69,789
One-year change in median household income, 2015-2016	- 1.98%*

Property Values in Pitkin County (2016):



Orange = Pitkin County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/pitkin-county-co/#housing)

Household Income in Pitkin County (2016):



Orange = Pitkin County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/pitkin-county-co/#housing)

Pitkin County, Colorado

Housing Cost Burden for Households Below 100% of Area Median Income (2016)

[Source: *Colorado Housing Affordability Data Explorer*, Colorado Department of Local Affairs, DOLA tabulations of HUD 2011-15 CHAS data]

INCOME BRACKET	Renter-occupied housing				Owner-occupied housing				TOTAL renters and homeowners by bracket
	Severe cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	
Extremely low income	155	30	60	245	420	115	78	613	858
Very Low income	130	135	205	470	240	15	215	470	940
Low income	50	240	415	705	60	289	335	684	1389
Moderate income	10	160	70	240	75	55	265	395	635
TOTAL	345	565	750	1660	795	474	893	2162	3822

Cost-Burdened Elderly Homeowners

(62 years or older)

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**TOTAL** households
Extremely low income	205	60	265
Very Low income	65	0	65
Low income	45	250	295
Moderate income	45	10	55
TOTAL	360	320	680

Appendix B

Supplementary Population & Housing Data Used in Garfield County Profile and CLT Assessment

(Roaring Fork Valley)

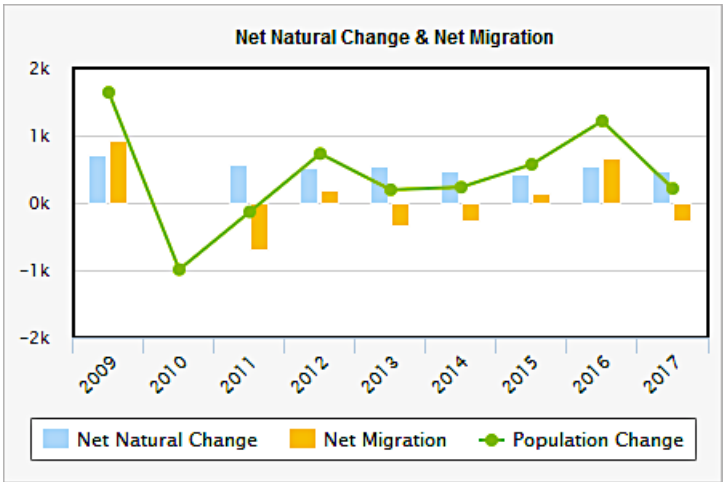
Population Profile

[Sources: QuickFacts, U.S. Census Bureau; Data U.S.A*; Colorado Department of Local Affairs**]

POPULATION (2017):	
Individuals	59,118
Households	21,372**
AGE of population:	
Persons under 18 years	25.4%
Persons over 65 years	12.4%
Median age	36.1 years*
RACE of population:	
White alone, not Hispanic or Latino	68.1%
Hispanic or Latino	28.6%
Two or more races	2.0%
Black or African-American alone	1.3%
Native American or Alaska Native alone	1.7%
Asian alone	0.9%
EDUCATION of population:	
High school or higher	87.5%
Bachelor's degree or higher	30.2%
POVERTY RATE:	11.1%*

Change in Population, 2009 – 2017

[Source: U.S. Department of Housing and Urban Development, PD&R, *Market at a Glance*]



Garfield County Population and Housing Data from the Colorado Department of Local Affairs, 2000-2017

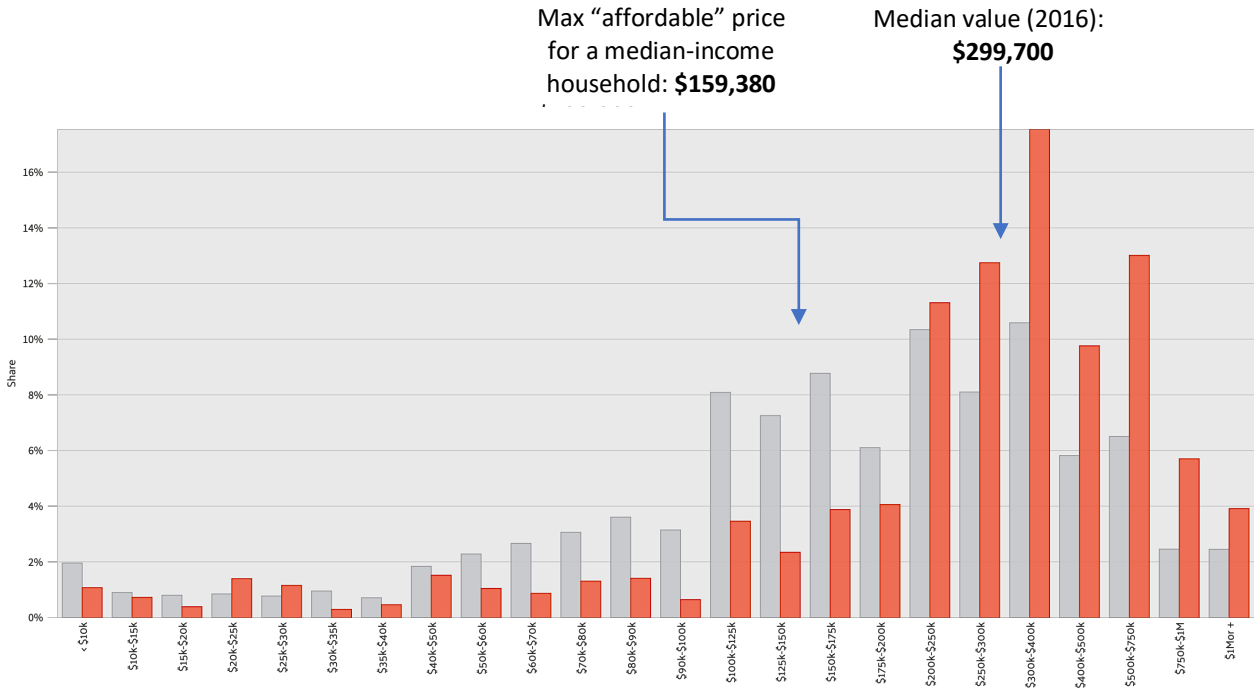
YEAR	Total Population	Households	Total Housing Units	Census Building Permits	Vacant Housing Units	Vacancy Rate (%)
2000	44,240	16,387	17,521	164	1,134	6.5
2001	45,907	16,962	18,229	655	1,267	7.0
2002	46,728	17,228	18,927	546	1,699	9.0
2003	47,484	17,459	19,525	508	2,066	10.6
2004	48,156	17,660	20,008	356	2,348	11.7
2005	49,256	18,011	20,598	485	2,587	12.6
2006	51,106	18,643	21,230	569	2,587	12.2
2007	52,676	19,162	22,106	718	2,944	13.3
2008	54,226	19,680	22,805	574	3,125	13.7
2009	55,400	20,048	23,145	385	3,097	13.4
2010	56,150	20,272	23,327	20	3,055	13.1
2011	56,003	20,223	23,363	37	3,140	13.4
2012	56,749	20,491	23,396	33	2,905	12.4
2013	56,940	20,578	23,489	96	2,911	12.4
2014	57,182	20,653	23,564	76	2,911	12.4
2015	57,755	20,862	23,642	83	2,780	11.8
2016	58,938	21,293	23,780	144	2,487	10.5
2017	59,167	21,372	23,930	156	2,558	10.7

Housing Costs & Household Incomes

[Sources: *QuickFacts*, U.S. Census Bureau; Data U.S.A*]

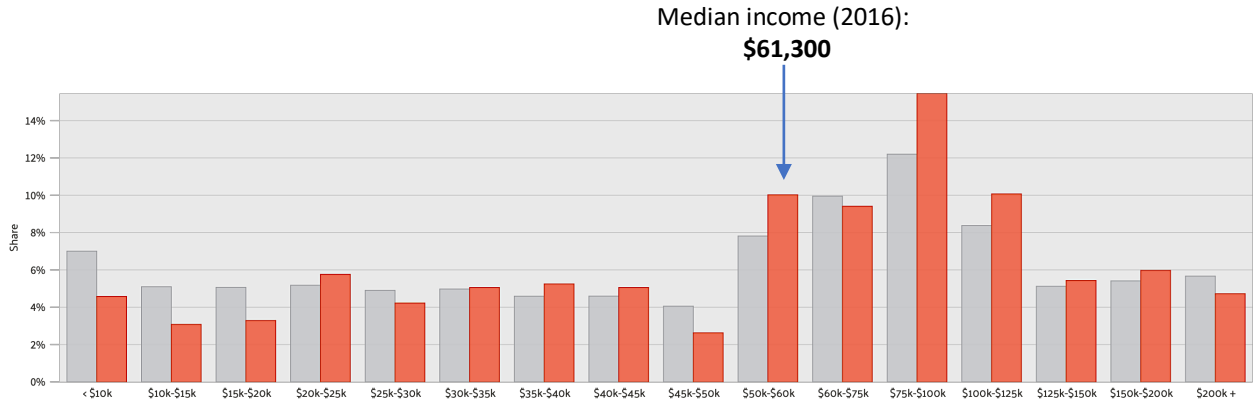
VALUES & COSTS of housing (2016):	
Median value of owner-occupied units	$299,700*
Change in the median value of owner-occupied units, 2015-2016	+ 4.24 %*
Median selected monthly costs for owner-occupied units – *with* a mortgage	$1733/month
Median selected monthly costs for owner-occupied units – *without* a mortgage	$418/month
Median gross rent	$1169/month
INCOME of households:	
Median household income (in 2016)	$61,300
One-year change in median household income, 2015-2016	+ 8.3%*

Property Values in Garfield County (2016):



Orange = Garfield County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/garfield-county-co/#housing)

Household Income in Garfield County (2016):



Orange = Garfield County
Gray = USA
Source: Data USA/ACS 5-year estimate (https://datausa.io/profile/geo/garfield-county-co/#housing)

Garfield County, Colorado

Housing Cost Burden for Households Below 100% of Area Median Income (2016)

[Source: *Colorado Housing Affordability Data Explorer*, Colorado Department of Local Affairs, DOLA tabulations of HUD 2011-15 CHAS data]

INCOME BRACKET	Renter-occupied housing				Owner-occupied housing				TOTAL renters and homeowners by bracket
	Severe cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** renter households	**Severe** cost burden	**Moderate** cost burden	**No** cost burden	**TOTAL** homeowner households	
Extremely low income	865	215	235	1315	365	165	93	623	1,938
Very Low income	344	505	345	1194	820	195	419	1434	2,628
Low income	190	920	660	1770	565	455	745	1765	3,535
Moderate income	50	275	550	875	334	530	630	1494	2,369
TOTAL	1449	1915	1790	5154	2084	1345	1887	5316	10,470

Cost-Burdened Elderly Homeowners

(62 years or older)

INCOME BRACKET	**Severe** cost burden	**Moderate** cost burden	**TOTAL** households
Extremely low income	100	90	190
Very Low income	315	65	380
Low income	115	105	220
Moderate income	54	55	109
TOTAL	584	315	899

APPENDIX C
Persons Interviewed by Burlington Associates

Long-distance interviews, conducted by phone:

- Susan Barrientos, Executive Director, Montrose Housing Authority
- Keith Caddy, Chairman of Montrose County Commissioners
- Steve Cordova, Executive Director, Tri-County Housing & Community Development Corporation, Fowler CO
- Aimee Cox, CEO, Community Health Partnership (and former housing director for City of Colorado Springs)
- Delaine Dunning, Prowers County Public Health Department
- Tori Frank, The Valley Home Store, Edwards CO
- Jeff Gatlin, Chief Operating Officer, Roaring Fork School District
- Ed Hagins, Chief Operating Officer, Center for Mental Health, Montrose
- Karen Harkin, Community Relationship Manager for Western Slope, Colorado Housing and Finance Authority
- Bill Herrboldt, Executive Director, Housing Authority of the City of Sterling
- Holly Kaster, Sustainability Director, Bright Future Foundation
- Nancy King, Development Director, Southeast Health Group, La Junta CO
- Jill Klosterman, Housing Director, Eagle County Housing
- Margaret Miller, Senior Statistician, Colorado Housing and Finance Authority
- Sherri Mintz, Executive Director; Bright Future Foundation
- Dan Mohr, Youth Services Program Manager, CASA of the 7 the Judicial District
- Bob Munroe, Low Income Housing Tax Credit consultant
- Claudio Hurtado Myers, Housing Manager, Bright Future Foundation
- Kate Nowak, Executive Director, Routt County United Way
- Jason Peasley, Executive Director, Yampa County Housing Authority
- Kirstin Schelling, Housing Program Manager & Community Resource Specialist, Centennial Mental Health Center, Sterling
- Denise Selders, Housing Development Manager, Colorado Division of Housing
- Rob Stein, Superintendent, Roaring Fork School District
- Beth Truby, Housing Preservation Director, Colorado Housing and Finance Authority
- Virgil Turner, Director of Innovation & Citizen Engagement for City of Montrose
- Jon Waschbusch, Director of Governmental Affairs, Montrose County
- Kim Bell Williams, Executive Director, Eagle County Housing and Development Authority
- Robin Wolff, Deputy Director, Community Resources and Housing Development, State of Colorado
- Chad Wright, Executive Director, Colorado Springs Housing Authority
- Larry Yonker, Executive Director, Colorado Springs Rescue Mission

On-site interviews, conducted in person:

Colorado Springs/El Paso County

- Nathan Clyncke, Executive Director, Rocky Mountain Community Land Trust, Colorado Springs
- Chad Wright, Executive Director, Colorado Springs Housing Authority
- Larry Yonker, Executive Director, Springs Rescue Mission
- Jackie Jamarillo, Development Director, Springs Rescue Mission
- Steve Posey, HUD Administrator, City of Colorado Springs
- Mary Stegner, Executive Director, Partners in Housing
- Gary Butterworth, Chief Executive Officer, Pikes Peak Community Foundation
- Aimee Cox, CEO, Community Health Partnership (and former Housing Director for City of Colorado Springs)
- Lee Patke, Greccio Housing, Colorado Springs
- DeAnne McCann, Economic Development Director, El Paso County

Eagle County

- Kim Bell Williams, Executive Director, Eagle County Housing and Development Authority
- Tori Franks, Real Estate Development Specialist, The Valley Home Store
- Chris Romer, President and CEO, Vail Valley Partnership
- Erik Williams, Director of Development, Vail Valley Partnership
- Holly Kaster, Sustainability Director, Bright Future Foundation
- Elyse Howard, Development Director, Habitat for Humanity Vail Valley
- Robert Lipnick, MD, Chair, Vail Valley Affordable Housing Task Force
- George Ruther, Housing Director, Town of Vail

Chaffee County

- Read McCulloch, Executive Director, Executive Director, Chaffee Housing Trust
- Don Stephens, President, Board of Directors of Chaffee Housing Trust
- Greg Follett, Treasurer, Board of Directors of Chaffee Housing Trust
- Board of Directors of Chaffee Housing Trust
- Wendell Pryor, Director, Chaffee County Economic Development Corporation
- Keith Baker, Commissioner, Chaffee County
- Becky Grey, Housing Director, Chaffee County

Routt County

- Kate Nowak, Executive Director of Routt County United Way
- Jason Peasley, Executive Director, Yampa Valley Housing Authority
- Roger Ashton, President of Board of Directors, Yampa Valley Housing Authority
- Sheila Henderson, Vice-President of Board of Directors, Yampa Valley Housing Authority
- Catherine Carson, Board of Directors, Yampa Valley Housing Authority
- Mike Beyer, Board of Directors, Yampa Valley Housing Authority

Montrose County

- Susan Barrientos, Executive Director, Montrose County Housing Authority
- Virgil Turner, Director of Innovation & Citizen Engagement for City of Montrose
- Sara Plumhoff, Executive Director, Montrose Community Foundation
- Colleen (Burke) Aller, Executive Director, Habitat for Humanity of the San Juans

Roaring Fork Valley

- Hannah Klausman, Senior Planner, Community Development, City of Glenwood Springs
- Kathryn Grosscup, Tax Credit Officer, Colorado Housing and Finance Authority
- Betsy Crum, Housing Director, Town of Snowmass Village
- Scott Gilbert, President, Habitat for Humanity Roaring Fork Valley
- Mike Scanlon, Chief Development and Acquisitions Officer, Habitat for Humanity of the Roaring Fork Valley
- Chuck Borgman, Attorney, Ireland Stapleton Pryor and Pascoe, PC

APPENDIX D
Data Sources and Reports Consulted

Primary data sources:

American Community Survey (ACS) three year estimates (Housing and socio-economic data)

Colorado Housing and Finance Authority (County income and rent data).

Department of Local Affairs, State of Colorado (Population and household levels, housing units and vacancy rates, and cost burden data). Especially the *Colorado Housing Affordability Data Explorer*, last saved September 2018.

Data USA, (County property values and household income summaries)

Market at a Glance, County-level data published by the Office of Policy Development and Research (PD&R), U.S. Department of Housing and Urban Development (Accessed November 4, 2018).

QuickFacts, U.S. Census Bureau (County population and housing cost data)

Housing needs assessments and reports:

Chaffee County Housing Needs Assessment and Strategy, Economic & Planning Systems, Inc., 2016.

Community Impact Report, Habitat for Humanity of the Roaring Fork Valley, 2018.

Eagle Valley Housing Needs and Solutions, 2018.

LIHTC Development Cost Study, BBC Research & Consulting, Prepared for Colorado Housing and Finance Authority, November 30, 2016.

Kenney, Andrew. "As affordable housing screw-ups go, Denver's is big." *Denverite* (May 1, 2018). Available at: https://denverite.com/2018/05/01/denver-affordable-housing-mess/

Kaiser Family Foundation & Colorado Health Foundation, *Coloradans' Perspectives on Health, Quality of Life, and Midterm Elections*, September 2018.

Northeast Colorado Housing Needs Assessment. University of Colorado Denver, Colorado Center for Community Development, 2014.

O'Brien, Timothy M., Denver Auditor, *"City's Affordable Housing Program Not Ensuring Affordability."* Press release and audit report. (December 20, 2018.) Available at: https://denverauditor.org/2018/12/citys-affordable-housing-program-not-ensuring-affordability-audit-finds/

Policy Study: Aspen/Pitkin County Housing Authority Affordable Housing Guidelines, February 8, 2016.

Routt County Community Housing Steering Committee Final Report, December 13, 2016.

Routt County Housing Needs Assessment, BBC Research & Consulting, Prepared for Yampa Valley Housing Authority, September 18, 2009.

Southeast Colorado Enterprise Development Regional Housing Needs Assessment, Community Strategies Institute, October 2017.

Yampa Valley Housing Authority, *2018 Report to the Community*.

Appendix E

Stewardship Responsibilities in the "Typical" CLT Program

(*Source*: Habitat for Humanity International, 2017 Shelter Report: *Affordable for Good*)

Goals of Stewardship	Duties of Stewardship During Different Phases of the Homeownership Cycle		
	Pre-purchase *Preparing Homes & Homeowners*	**Occupancy** *Supporting Homes & Homeowners*	**Resale** *Transferring Homes to New Owners*
 **Affordability**	• Maintain a waiting list of income-eligible buyers for the purchase of homes that are offered for sale • Inform prospective buyers of resale restrictions and other conditions encumbering the home they are about to buy	• Secure equitable taxation of resale-restricted homes • Regulate the renting/subletting of homes (if permitted at all). Set the maximum time a homeowner may be temporarily absent and the maximum rent a homeowner may charge	• Calculate the maximum resale price/transfer value of the ownership interest when homeowner wants to resell • Manage process of transferring ownership of the home, either re-purchasing it or overseeing its resale to an income-eligible buyer at the formula-determined price
 **Quality**	• Install durable materials and energy efficient systems as a home is being constructed or renovated • Prepare homebuyers for the maintenance responsibilities that will come with homeownership	• Review/approve post-purchase capital improvements proposed by homeowner • Inspect the condition and repair of homes • Sanction poor maintenance; reward good maintenance • Maintain a "stewardship fund" for helping homeowners with major repairs and system replacements	• Calculate the value of post-purchase capital improvements credited to seller's equity • Inspect home at time of resale, overseeing any necessary repairs or rehabilitation
 **Security**	• Review and approve all mortgages, preventing predatory lending • Match the cost of buying and operating a particular home to the prospective buyer's ability to carry this financial burden	• Verify occupancy as homeowner's primary residence, preventing absentee ownership • Approve refinancing • Ensure owners have adequate insurance coverage • Monitor the homeowner's payment of taxes, utilities, and insurance • Correct any violations in covenants, ground leases, etc. before they linger too long or loom too large • Intervene to cure mortgage defaults and to prevent foreclosures	• Assist in marketing homes that are offered for resale so that sellers can collect their equity and move on to their next home

CLT Production Goals & Subsidy Requirements: Chaffee County

SUBSIDY REQUIREMENTS	2019 Year 1	2020 Year 2	2021 Year 3	2022 Year 4	2023 Year 5	5-Year TOTALS
CLT New Homes: Chaffee County						
Affordable For-Sale Townhomes	11	8	12	20	20	**71**
Stewardship-Only Homes	0	0	0	0	0	**0**
Number of units brought into CLT portfolio	11	8	12	20	20	**71**
Total CLT affordability subsidies required	**$355,811**	**$733,650**	**$1,327,211**	**$2,627,282**	**$3,104,648**	**$8,148,603**
						$1,401,414

Total Number of Affordable Housing Units to be Brought into CLT's Portfolio:	**71**
July 1, 2019 through June 30, 2023	
Total Subsidy Requirements to Create this Portfolio:	$8,148,603
July 1, 2019 through June 30, 2023	
Local Subsidies to be Made Available	$2,130,000
Total External Subsidies Needed to Create this Portfolio:	$6,018,603
Total External Subsidies Needed - per Unit - to Create this Portfolio:	**$84,769**
July 1, 2019 through June 30, 2023	

Chaffee County Housing Trust 5-Year Operating Budget Projections

Operating Budget		2019	2020	2021	2022	2023
PORTFOLIO SIZE (Total Number of Homes)						
Homes Added to CLT's Portfolio Each Year		**11**	**8**	**12**	**20**	**20**
Stewardship-Only Homes		0	0	0	0	0
Total Additional Homes for Which CLT is Responsible Each Year		**11**	**19**	**31**	**51**	**71**
EXPENSES		**2019 Year 1**	**2020 Year 2**	**2021 Year 3**	**2022 Year 4**	**2023 Year 5**
Personnel	Base	COLA: 3%				
Executive Director	$55,000	$13,750	$14,163	$14,587	$15,025	$15,476
		25%	25%	25%	25%	25%
Project Manager	$45,000	$11,250	$23,175	$35,805	$49,173	$50,648
		25%	50%	75%	100%	100%
Homeownership Coordinator	$40,000	$10,000	$20,600	$21,218	$21,855	$22,510
		25%	50%	50%	50%	50%
Rental Housing Coordinator	$35,000	$0	$0	$18,566	$19,123	$19,696
		0%	0%	50%	50%	50%
Stewardship Associate	$30,000	$0	$0	$0	$0	$0
		0%	0%	0%	0%	0%
Office Manager	$25,000	$0	$0	$2,732	$2,814	$2,898
		0%	0%	10%	10%	10%
Subtotal Personnel		**$35,000**	**$57,938**	**$92,908**	**$107,989**	**$111,228**
Fringe Benefits	15%	$5,250	$8,691	$13,936	$16,198	$16,684
Total Personnel		**$40,250**	**$66,628**	**$106,844**	**$124,187**	**$127,913**
Office and Administration						
Start Up Expenses		$2,500	$0	$0	$0	$0
Rent, phones, copies, insurance, etc.		$12,300	$12,645	$13,000	$13,365	$13,740
Total Office and Administration Expenses		**$14,800**	**$12,645**	**$13,000**	**$13,365**	**$13,740**
Project-Related Expenses						
Office/Administrative Services Contract		$0	$0	$0	$0	$0
Project Development Consultants		$12,500	$12,500	$12,500	$12,500	$12,500
Program Development Consultants		$0	$0	$0	$0	$0
Other Project Expenses		$0	$0	$0	$0	$0
Total Project Expenses		**$12,500**	**$12,500**	**$12,500**	**$12,500**	**$12,500**
TOTAL EXPENSES		**$67,550**	**$91,773**	**$132,344**	**$150,052**	**$154,153**
REVENUE						
Development-Related Revenue						
CLT Project Development Fee		$47,229	$200,193	$323,379	$581,097	$626,443
Marketing Fees		$0	$0	$0	$0	$0
CLT Lease Initiation Fees		$0	$0	$0	$0	$0
Total Development-Related Revenue		**$47,229**	**$200,193**	**$323,379**	**$581,097**	**$626,443**
Post-Occupancy Revenue						
Monthly Land Lease Fees		$2,750	$4,575	$8,658	$14,202	$21,642
CLT Resale Transfer Fees		$0	$0	$0	$0	$414
Stewardship-Only Fees		$0	$0	$0	$0	$0
Total Post-Occupancy Fees		**$2,750**	**$4,575**	**$8,658**	**$14,202**	**$22,056**
Operating Grants						
Committed Grants (CHDO Operating & Match, etc.)		$26,000	$26,000	$26,000	$26,000	$26,000
External Funding		$0	$0	$0	$0	$0
Total Grants/Contracts		**$26,000**	**$26,000**	**$26,000**	**$26,000**	**$26,000**
TOTAL REVENUE		**$75,979**	**$230,768**	**$358,037**	**$621,299**	**$674,499**
Net Income (Shortfall)		**$8,429**	**$138,995**	**$225,693**	**$471,247**	**$520,346**
Opportunity Fund Balance		$8,429	$147,424	$373,117	$844,364	$1,364,710

CLT Production Goals & Subsidy Requirements: Eagle County

SUBSIDY REQUIREMENTS	2019 Year 1	2020 Year 2	2021 Year 3	2022 Year 4	2023 Year 5	5-Year TOTALS
CLT New Homes: Eagle County						
Affordable For-Sale Single-Family Houses	0	0	0	0	24	**24**
Affordable For-Sale Townhomes	36	35	0	0	0	**71**
Affordable For-Sale Duplexes	0	0	36	0	0	**36**
Affordable For-Sale Condominiums	0	0	0	45	0	**45**
Stewardship-Only Homes	0	0	0	0	0	**0**
Number of units brought into CLT portfolio	36	35	36	45	24	**176**
Total CLT affordability subsidies required	**$4,053,408**	**$5,454,239**	**$5,040,000**	**$3,997,603**	**$5,787,064**	**$24,332,314**

Total Number of Affordable Housing Units to be Brought into CLT's Portfolio:	**176**
July 1, 2019 through June 30, 2023	
Total Subsidy Requirements to Create this Portfolio:	$24,332,314
July 1, 2019 through June 30, 2023	
Local Subsidies to be Made Available	$3,795,279
Total External Subsidies Neede to Create this Portfolio:	**$20,537,035**
Total External Subsidies Needed - per Unit - to Create this Portfolio:	**$116,688**
July 1, 2019 through June 30, 2023	

Eagle County Community Land Trust 5-Year Operating Budget Projections

Operating Budget	2019	2020	2021	2022	2023
PORTFOLIO SIZE (Total Number of Homes)					
Affordable For-Sale Single-Family Houses	**0**	**0**	**0**	**0**	**24**
Affordable For-Sale Townhomes	**36**	**35**	**0**	**0**	**0**
Affordable For-Sale Duplexes	**0**	**0**	**36**	**0**	**0**
Affordable For-Sale Condominiums	**0**	**0**	**0**	**45**	**0**
Stewardship-Only Homes	0	0	0	0	0
Total Number of Homes for Which CLT is Responsible Each Year	**36**	**71**	**107**	**152**	**176**

EXPENSES		2019 Year 1	2020 Year 2	2021 Year 3	2022 Year 4	2023 Year 5
Personnel	Base	COLA: 3%				
Executive Director	$90,000	$67,500	$92,700	$95,481	$98,345	$101,296
		75%	100%	100%	100%	100%
Project Manager	$75,000	$37,500	$77,250	$79,568	$81,955	$84,413
		50%	100%	100%	100%	100%
Stewardship Coordinator	$65,000	$0	$0	$34,479	$71,027	$73,158
		0%	0%	50%	100%	100%
Rental Housing Coordinator	$60,000	$0	$0	$0	$0	$0
		0%	0%	0%	0%	0%
Stewardship Associate	$50,000	$0	$0	$0	$0	$0
		0%	0%	0%	0%	0%
Office Manager	$45,000	$0	$0	$24,586	$50,647	$52,166
		0%	0%	50%	100%	100%
Subtotal Personnel		**$105,000**	**$169,950**	**$234,114**	**$301,974**	**$311,033**
Fringe Benefits	15%	$15,750	$25,493	$35,117	$45,296	$46,655
Total Personnel		**$120,750**	**$195,443**	**$269,231**	**$347,270**	**$357,688**
Office and Administration						
Start Up Expenses		$2,500	$0	$0	$0	$0
Rent, phones, copies, insurance, etc.		$24,600	$25,290	$26,000	$26,730	$27,481
Total Office and Administration Expenses		**$27,100**	**$25,290**	**$26,000**	**$26,730**	**$27,481**
Project-Related Expenses						
Office/Administrative Services Contract		$0	$0	$0	$0	$0
Project Development Consultants		$12,500	$12,500	$12,500	$12,500	$12,500
Program Development Consultants		$0	$0	$0	$0	$0
Other Project Expenses		$0	$0	$0	$0	$0
Total Project Expenses		**$12,500**	**$12,500**	**$12,500**	**$12,500**	**$12,500**
TOTAL EXPENSES		**$160,350**	**$233,233**	**$307,730**	**$386,500**	**$397,669**

REVENUE					
Development-Related Revenue					
CLT Project Development Fee	$638,550	$1,465,406	$1,504,800	$1,731,263	$1,282,298
Marketing Fees	$0	$0	$0	$0	$0
CLT Lease Initiation Fees	$0	$0	$0	$0	$0
Total Development-Related Revenue	**$638,550**	**$1,465,406**	**$1,504,800**	**$1,731,263**	**$1,282,298**
Post-Occupancy Revenue					
Monthly Land Lease Fees	$10,800	$10,500	$10,800	$13,500	$7,200
CLT Resale Transfer Fees	$0	$0	$0	$0	$0
Stewardship-Only Fees	$0	$0	$0	$0	$0
Total Post-Occupancy Fees	**$10,800**	**$10,500**	**$10,800**	**$13,500**	**$7,200**
Operating Grants					
External Funding	$0	$0	$0	$0	$0
Total Grants/Contracts	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL REVENUE	**$649,350**	**$1,475,906**	**$1,515,600**	**$1,744,763**	**$1,289,498**
Net Income (Shortfall)	**$489,000**	**$1,242,674**	**$1,207,870**	**$1,358,262**	**$891,828**
Opportunity Fund Balance	$489,000	$1,731,674	$2,939,543	$4,297,806	$5,189,634

CLT Production Goals & Subsidy Requirements: El Paso County

SUBSIDY REQUIREMENTS	2019 Year 1	2020 Year 2	2021 Year 3	2022 Year 4	2023 Year 5	5-Year TOTALS
CLT New Homes: El Paso County						
Affordable For-Sale Houses	5	6	6	6	6	**29**
Affordable For-SaleTownhomes	2	3	3	3	3	**14**
Affordable For-Sale Condos	3	4	4	4	4	**19**
Stewardship-Only Homes	0	0	0	0	0	**0**
Number of units brought into CLT portfolio	5	6	6	6	6	**62**
Total CLT affordability subsidies required	**$968,783**	**$1,382,680**	**$1,598,808**	**$1,755,951**	**$1,987,547**	**$7,693,769**

Total Number of Affordable Housing Units to be Brought into CLT's Portfolio:	**62**
July 1, 2019 through June 30, 2023	
Total Subsidy Requirements to Create this Portfolio:	$7,693,769
July 1, 2019 through June 30, 2023	
Local Subsidies to be Made Available:	$936,926
Total External Subsidies Needed to Create this Portfolio:	**$6,756,843**
Total External Subsidies Needed - per Unit - to Create this Portfolio:	**$108,981**
July 1, 2019 through June 30, 2023	

Rocky Mountain Community Land Trust 5-Year Operating Budget Projections

Operating Budget		2019	2020	2021	2022	2023
PORTFOLIO SIZE (Total Number of Homes)						
Affordable For-Sale Houses		5	6	6	6	6
Affordable Townhomes		2	3	3	3	3
Affordable Condominiums		3	4	4	4	4
Stewardship-Only Homes		0	0	0	0	0
Total Number of Homes for Which CLT is Responsible Each Year		**10**	**23**	**36**	**49**	**62**
EXPENSES		**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Personnel	Salary	COLA: 3%				
Executive Director	$92,000	$18,400	$18,952	$19,521	$20,106	$20,709
		20%	20%	20%	20%	20%
Project Manager	$60,000	$60,000	$61,800	$63,654	$65,564	$67,531
		100%	100%	100%	100%	100%
Homeownership Coordinator	$49,000	$7,350	$7,571	$7,798	$8,032	$8,272
		15%	15%	15%	15%	15%
Homeownership Coordinator - new for CHF	$40,000	$40,000	$41,200	$42,436	$43,709	$45,020
		100%	100%	100%	100%	100%
Community Outreach/Education Coordinator	$51,000	$0	$0	$0	$0	$0
		0%	0%	0%	0%	0%
Office Manager	$35,000	$9,012	$9,283	$9,561	$9,848	$10,143
		25%	25%	25%	25%	25%
Subtotal Personnel		**$134,762**	**$138,805**	**$142,969**	**$147,258**	**$151,676**
Fringe Benefits	15%	$20,214	$20,821	$21,445	$22,089	$22,751
Total Personnel		**$154,977**	**$159,626**	**$164,415**	**$169,347**	**$174,428**
Office and Administration						
Start Up Expenses		$2,500	$0	$0	$0	$0
Rent, phones, copies, insurance, etc.		$15,450	$15,884	$16,329	$16,788	$17,260
Total Office and Administration Expenses		**$17,950**	**$15,884**	**$16,329**	**$16,788**	**$17,260**
Project-Related Expenses						
Project Development Consultants		$17,500	$12,500	$0	$0	$0
Office/Administrative Services Contract	ExhibE	$0	$0	$0	$0	$0
Program Development Consultants		$0	$0	$0	$0	$0
Other Project Expenses		$0	$0	$0	$0	$0
Total Project Expenses		**$17,500**	**$12,500**	**$0**	**$0**	**$0**
TOTAL EXPENSES		**$190,427**	**$188,009**	**$180,744**	**$186,135**	**$191,687**
REVENUE						
Development-Related Revenue						
CLT Project Development Fee		$136,400	$187,587	$197,499	$207,720	$207,720
Marketing Fees		$0	$0	$0	$0	$0
CLT Lease Initiation Fees		$0	$0	$0	$0	$0
Total Development-Related Revenue		**$136,400**	**$187,587**	**$197,499**	**$207,720**	**$207,720**
Post-Occupancy Revenue						
Monthly Land Lease Fees		$3,750	$11,955	$21,939	$31,458	$31,572
CLT Resale Transfer Fees		$0	$0	$0	$0	$0
Stewardship-Only Fees		$0	$0	$0	$0	$0
Total Post-Occupancy Fees		**$3,750**	**$11,955**	**$21,939**	**$31,458**	**$31,572**
Operating Grants						
External Funding		$0	$0	$0	$0	$0
Total Grants/Contracts		**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL REVENUE		**$140,150**	**$199,542**	**$219,438**	**$239,178**	**$239,292**
Net Income (Shortfall)		**($50,277)**	**$11,532**	**$38,694**	**$53,043**	**$47,605**
Opportunity Fund Balance		($50,277)	($38,744)	($50)	$52,993	$100,598

CLT Production Goals & Subsidy Requirements: Routt County

SUBSIDY REQUIREMENTS	2019 Year 1	2020 Year 2	2021 Year 3	2022 Year 4	2023 Year 5	5-Year TOTALS
CLT New Homes Eagle County						
Single-Family For-Sale Homes	50	50	50	50	50	**250**
Stewardship-Only Homes	0	0	0	0	0	**0**
Number of units brought into CLT portfolio	50	50	50	50	50	**250**
Total CLT affordability subsidies required	**$2,118,140**	**$1,246,061**	**$3,705,832**	**$3,239,972**	**$2,764,795**	**$13,074,800**

Total Number of Affordable Housing Units to be Brought into CLT's Portfolio: July 1, 2019 through June 30, 2023	**250**
Total Subsidy Requirements to Create this Portfolio: July 1, 2019 through June 30, 2023	$13,074,800
5-Year 5A Subsidies To Be Made Available	$4,250,000
Total External Subsidies Needed to Create this Portfolio:	**$8,824,800**
Total External Subsidies Needed - per Unit - to Create this Portfolio: July 1, 2019 through June 30, 2023	**$35,299**

Routt County Community Land Trust 5-Year Operating Budget Projections

Operating Budget		2019	2020	2021	2022	2023
PORTFOLIO SIZE (Total Number of Homes)						
Homes Added to CLT's Portfolio Each Year		**50**	**50**	**50**	**50**	**50**
Stewardship-Only Homes		0	0	0	0	0
Total Number of Homes for Which CLT is Responsible Each Year		**50**	**100**	**150**	**200**	**250**
EXPENSES		**2019 Year 1**	**2020 Year 2**	**2021 Year 3**	**2022 Year 4**	**2023 Year 5**
Personnel	Base	COLA: 3%				
Program Director	$90,000	$45,000	$69,525	$95,481	$98,345	$101,296
		50%	75%	100%	100%	100%
Project Development Director	$75,000	$0	$38,625	$39,784	$61,466	$63,310
		0%	50%	50%	75%	75%
Homeownership Coordinator	$60,000	$0	$0	$0	$0	$0
		0%	0%	0%	0%	0%
Rental Housing Coordinator	$60,000	$0	$0	$0	$0	$0
		0%	0%	0%	0%	0%
Stewardship Associate	$50,000	$0	$0	$0	$0	$0
		0%	0%	0%	0%	0%
Office Manager	$45,000	$0	$0	$12,293	$12,662	$13,042
		0%	0%	25%	25%	25%
Subtotal Personnel		**$45,000**	**$108,150**	**$147,558**	**$172,473**	**$177,647**
Fringe Benefits	15%	$6,750	$16,223	$22,134	$25,871	$26,647
Total Personnel		**$51,750**	**$124,373**	**$169,691**	**$198,344**	**$204,294**
Office and Administration						
Start Up Expenses		$6,000	$0	$0	$0	$0
Rent, phones, copies, insurance, etc.		$17,100	$17,568	$18,049	$18,544	$19,052
Total Office and Administration Expenses		**$23,100**	**$17,568**	**$18,049**	**$18,544**	**$19,052**
Project-Related Expenses						
Office/Administrative Services Contract		$0	$0	$0	$0	$0
Project Development Consultants		$12,500	$12,500	$0	$0	$0
Program Development Consultants		$0	$0	$0	$0	$0
Other Project Expenses		$0	$0	$0	$0	$0
Total Project Expenses		**$12,500**	**$12,500**	**$0**	**$0**	**$0**
TOTAL EXPENSES		**$87,350**	**$154,441**	**$187,740**	**$216,888**	**$223,347**
REVENUE						
Development-Related Revenue						
CLT Project Development Fee		$43,750	$21,094	$49,414	$49,414	$49,414
Marketing Fees		$0	$0	$0	$0	$0
CLT Lease Initiation Fees		$12,500	$13,750	$15,000	$16,250	$17,500
Total Development-Related Revenue		**$56,250**	**$34,844**	**$64,414**	**$65,664**	**$66,914**
Post-Occupancy Revenue						
Monthly Land Lease Fees		$15,000	$43,500	$72,000	$100,500	$129,000
CLT Resale Transfer Fees		$0	$0	$16,265	$25,032	$34,239
Stewardship-Only Fees		$0	$0	$0	$0	$0
Total Post-Occupancy Fees		**$15,000**	**$43,500**	**$88,265**	**$125,532**	**$163,239**
Operating Grants						
External Funding		$0	$0	$0	$0	$0
Total Grants/Contracts		**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL REVENUE		**$71,250**	**$78,344**	**$152,679**	**$191,196**	**$230,153**
Net Income (Shortfall)		**($16,100)**	**($76,097)**	**($35,062)**	**($25,692)**	**$6,806**
Opportunity Fund Balance		($16,100)	($92,197)	($127,258)	($152,950)	($146,144)