

Grand County Housing Needs Assessment

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INTRODUCTION

Purpose of the Study

This Housing Needs Assessment quantifies housing needs in Grand County and provides recommendations on how those needs could be addressed. It contains information intended to support development of specific goals and objectives for consideration of actionable options for addressing housing needs and opportunities. Addressing housing needs, concerns, issues and opportunities is complex and challenging, yet crucial for preservation of communities and sustainable economies.

This study assesses and quantifies a variety of housing problems including:

- Affordability, which considers housing costs relative to income;
- Overcrowding, or when homes are not of a sufficient size to meet the needs of the household;
- Condition of homes, which encompasses a variety of factors such as general physical condition, safety and surroundings;
- Public perceptions, which gauge the relative severity of housing needs in the county relative to other problems that residents face;
- Location of housing, or the ability of residents to live where they want to live and in proximity to employment;
- Employer problems, including insufficient labor force to fill available positions, high turnover, absenteeism/tardiness that are directly attributable to housing costs and availability.

Needs are measurements of the number of additional units required to address problems and are quantified based on unfilled jobs, commuting, overcrowding, job growth and retirement.

Organization of the Report

Findings are reported for Grand County overall and for three sub-areas: West Grand, Granby/Hot Sulphur Springs/Three Lakes and the Fraser Valley. The report is organized into nine sections, based on the template published by the Colorado Division of Housing:

- I. Economic and Demographic Framework, which provides population and household estimates, examines growth and describes the demographics of households in Grand County, and includes data on number of jobs, growth in jobs, seasonality in employment, wages paid and commuting.

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- II. Housing Inventory, which provides information on the number, type, occupancy/use and development of residential units in Grand County.
 - III. Housing Market Conditions
 - A. Homeownership Market, which considers historic and current home prices and the availability of homes by price and area.
 - B. Rental Market, which analyzes the inventory, rents and vacancy rates.
 - IV. Housing Problems, which examines perceptions, satisfaction, affordability, overcrowding, physical conditions, in county commuting, and problems employers are having related housing – unfilled jobs and employees leaving of not accepting positions.
 - V. Special Needs, which considers the housing needs of seniors, Spanish-speaking employees, homeless persons, victims of domestic abuse, and very low income households.
 - VI. Needs and Gap Analysis, which estimates the total number of housing units needed by employees in Grand County both to fill existing gaps in the market and to accommodate future needs based on five-year projections of growth.
 - VII. Conclusions
 - VIII. Community Resources and Financial Tools, which considers down payment assistance, mortgage availability, homebuyer education, housing rehabilitation, local sources of revenue and land availability.
 - IX. Recommendations for an Action Plan, which examines the acceptability of various techniques that could be used to produce/promote community housing, includes an assessment of preferences for use in the design and development of housing, and provides recommendations on next steps that could be pursued.

The appendices contain profiles by income, survey samples, a detailed explanation of methodologies uses, comments received during research, and definitions used. Throughout the report, the abbreviation AMI is used for Area Median Income.

Sources and Methodology

Sources of information referenced in this report are identified within the text and adjacent to tables and graphs. Survey research was conducted to generate information beyond that available from existing sources. This research included a paper version of the household survey distributed to Grand County Households, an online version of the household and employer surveys distributed through chambers of commerce and publicized through newspapers.

The Household Survey was mailed to 3,300 randomly-selected homes in Grand County and placed on the doors of 200 apartments. A total of 680 completed household surveys were returned, for an average response rate of about 19%. Responses from the household survey represent 1,512 total persons and 866 employed adults.

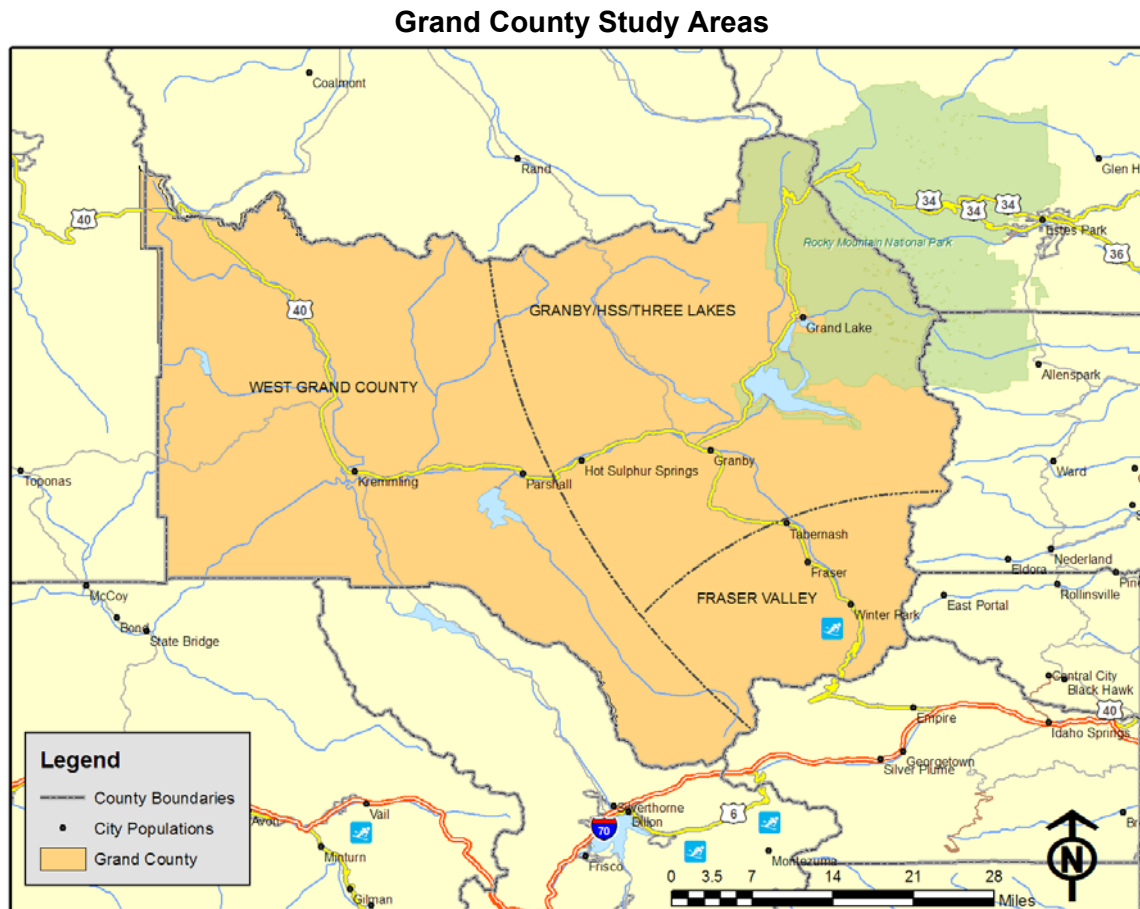
Employer surveys were distributed through local area Chambers of Commerce. In total, about 50 responses were received. Responding businesses together account for a total of 6,615 winter jobs and 4,340 summer jobs, which equates to about half of all employees in Grand County. More details on the distribution and weighting of the sample is provided in the appendix.

SECTION 1 - DEMOGRAPHIC AND ECONOMIC FRAMEWORK

This section provides an overview of current household demographics and characteristics. It presents current estimates and projections of the population and number of households in Grand County from the year 2000 through 2015. It also evaluates employment and commuting trends, including estimates of total jobs and projected growth in jobs, seasonality of employment, commuting, and selected workforce characteristics.

Geographical Description of Study Area

This study covers Grand County, CO. For analysis purposes, the County has been divided into three regions: West Grand, Granby/Hot Sulphur Springs/Three Lakes and the Fraser Valley. The map below identifies the regions.



Source: Grand County GIS, RRC Associates, Inc.

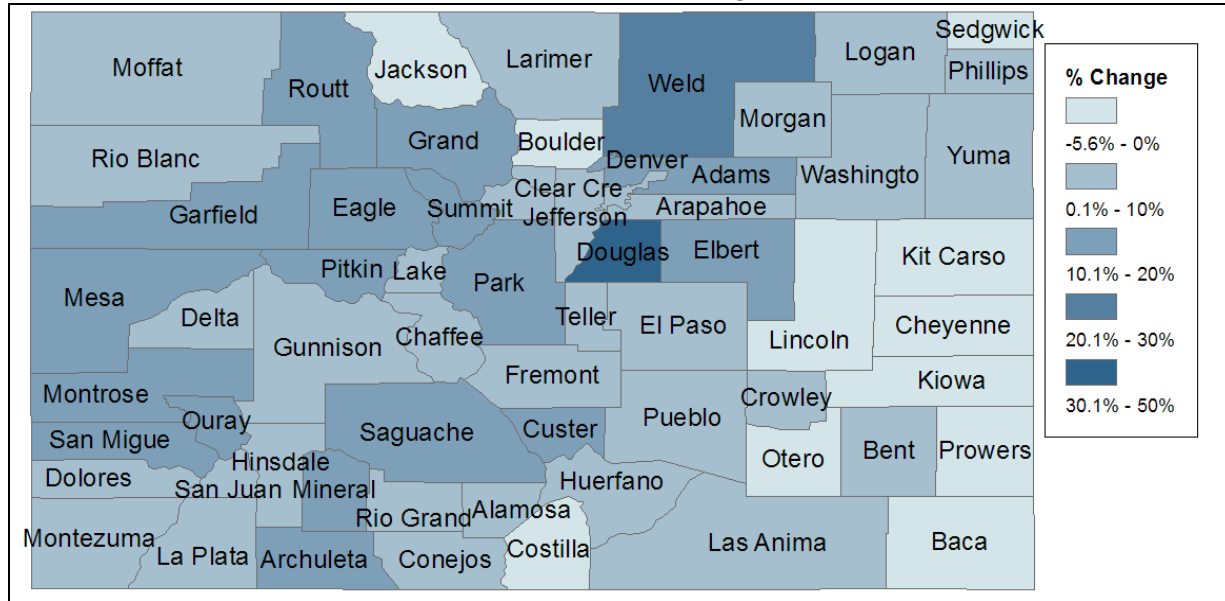
County Population and Households

According to the US Census, Grand County's population in 2000 was 12,442, with the largest percent of the population residing in either Kremmling (12.7 %) or Granby (12.2 %). The Department of Local Affairs estimates that Grand County's population increased by about

11.8% between 2000 and 2005, adding a total of 1,465 residents to the county.

Compared to the rest of the state, Grand County ranks 15th out of 64 counties for population growth during this time period.

Colorado %Population Change, 2000 to 2005



Source: Colorado Department of Local Affairs; RRC Associates, Inc.

Grand County ranks 15th out of 64 counties in Colorado for population growth between 2000 and 2005.

The Department of Local Affairs projects that Grand County’s population will increase by about 17% between 2007 and 2012, or about 3.5% per year on average. Based on the increase in building permits in the Granby area between 2005 and 2006, it is

estimated that the Granby/Hot Sulphur Springs/Three Lakes region will house a larger proportion of new growth over the next five years than it has historically.

Population and Households, 2007 to 2012

	2007 Population	2007 Households	2012 Population	2012 Households	% Change Population
GRAND COUNTY	14,968	6,171	17,586	7,267	17.50%
West Grand	2,436	958	2,522	992	3.50%
Granby/HSS/3 Lakes	7,839	3,220	8,745	3,593	11.60%
Fraser Valley	4,693	1,993	6,318	2,683	34.60%

Source: Department of Local Affairs (DOLA), 2000 US Census; Grand County Assessor; RRC Associates, Inc.
*APPENDIX A describes methods for projections

It is important to note that the percentage of units occupied by Grand County residents has been decreasing according to Department of Local Affairs’ estimates, from about 47% in 2000 to 40% in 2005. The percentage of out-of-area owners increased between 2000 and 2005.

The percentage of units occupied by Grand County residents has been decreasing.

Taking the DOLA estimate for change in owner renter mix for Region 12 and applying it forward to Grand County only, about 73% of occupied units in 2007 are owner-occupied (4,517 total) and 27% are renter-occupied (1,654 total).

- Households: 6,171
- Average Household Size: 2.3
- Tenure
 - Owner 73.2%
 - Renter 26.8%
- Area Median Income \$65,900
- Household growth 2000 - 2007: 21.6%

Household Composition and Length of Residence by Tenure

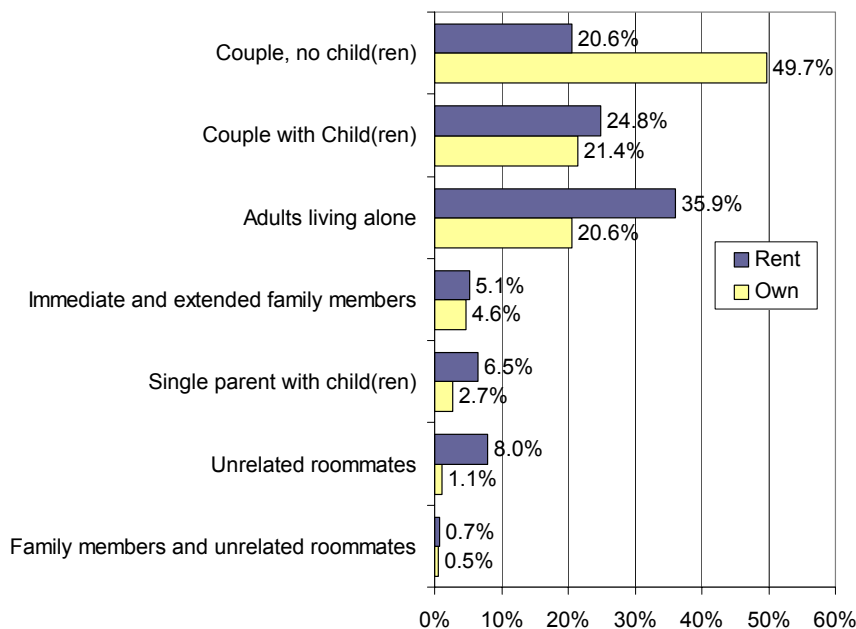
The majority households in Grand County are composed of families. Couples with or without children in the home comprise 64% of the households. Household composition varies by tenure where the majority of owner households in Grand County are couples without children, while the largest percentage of renter households are adults living alone.

Accordingly, the average household size for an owner household is slightly larger, (2.3 persons per household) than for renter households (2.2 persons per household).

Household composition varies slightly by area, with the largest percentage of couples without children living in the Grandby/Hot Sulphur Springs/Three Lakes region. Correspondingly, this area is also estimated to have the largest percentage of senior households, many of whom are most likely empty nesters. Of all households in the County, about 17.5% have at least one child under the age of 18. Interestingly, renters are more likely than owners to have at least one child under the age of 18 (24% renters and 16% of owners).

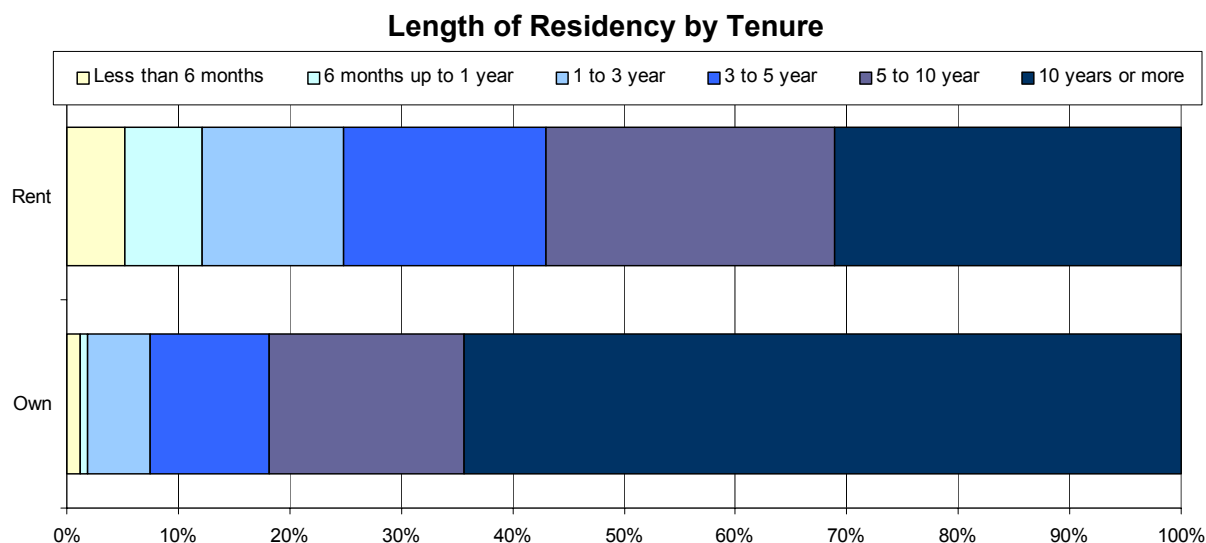
Renters are more likely than owners to have children living at home.

Household Composition, 2007



Source: 2007 Household Survey

Grand County's population is quite stable, with 75% of its' residents having lived in the County for at least five years. Owners tend to have lived in the county for the longest amount of time, with the majority of them having lived in the region for ten years or more. Length of residency varies somewhat by area. The Fraser Valley is most likely to be home to newcomers while West Grand and Granby/Hot Sulphur Springs/Three Lakes residents are more likely to have lived in the County for ten years or more.



Source: 2007 Household Survey

Household Income

The following table shows 2007 income limits for households earning between 30% and 120% AMI. Limits are based on the median family income for Grand County, which is \$65,900 in 2007, as determined by the US Department of Housing and Urban Development (HUD). "Low-Income" families, as defined by HUD, have incomes that do not exceed 80% AMI. "Very Low-Income" families are defined as having incomes that do not exceed 50% AMI.

Since 2000, Grand County's AMI has increased by 35% from \$48,700 to \$65,900

Grand County 2007 Area Median Income

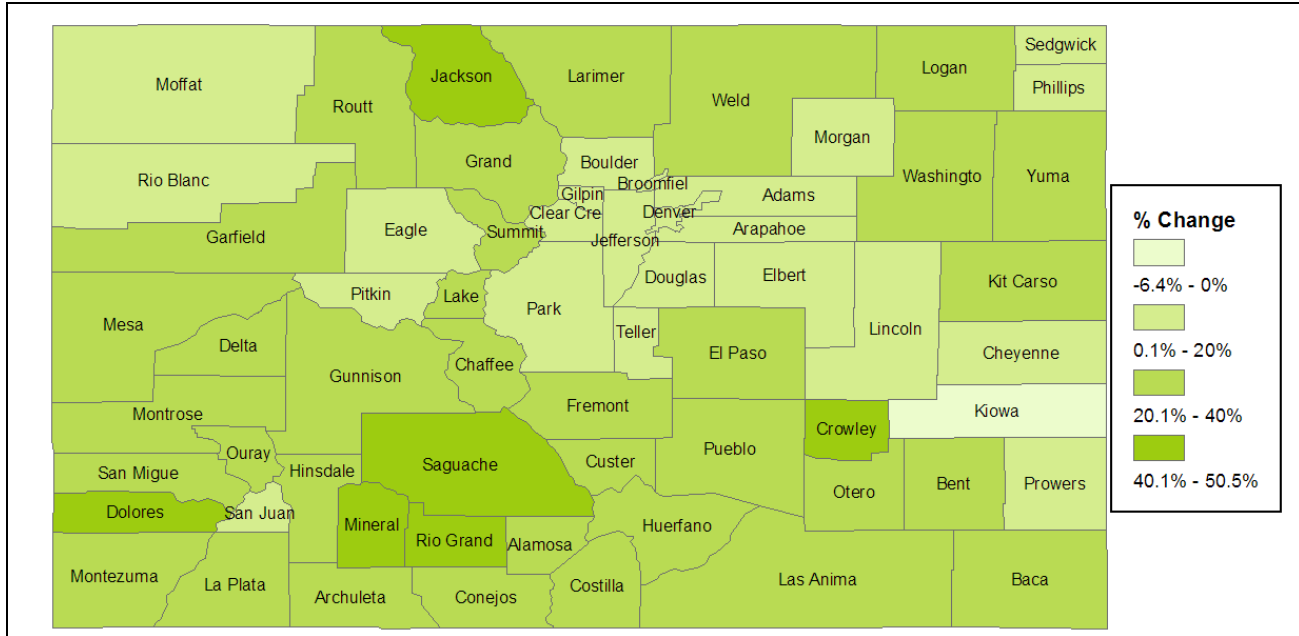
Family Size	30% AMI	50% AMI	60% AMI	80% AMI	100%AMI	120% AMI	140% AMI
1 person	\$13,850	\$23,050	\$27,660	\$36,900	\$46,100	\$55,320	\$64,540
2 person	\$15,800	\$26,350	\$31,620	\$42,150	\$52,700	\$63,240	\$73,780
3 person	\$17,800	\$32,950	\$35,580	\$47,450	\$59,300	\$71,160	\$83,020
4 person	\$19,750	\$35,600	\$39,540	\$52,700	\$65,900	\$79,080	\$92,260
5 person	\$21,350	\$38,200	\$42,720	\$56,900	\$71,200	\$85,440	\$99,680
6 person	\$22,900	\$40,850	\$41,256	\$61,150	\$76,400	\$91,680	\$106,960

Source: Department of Housing and Urban Development

Grand County ranks 19th in the state for 2007 area median income (\$65,900), with Pitkin County ranking 1st (\$89,300) and Costilla County ranking 64th (\$30,400) in the state. Since 2000, Grand

County's area median income has increased by about 35%, from \$48,700 to \$65,900. Compared to the rest of the state, Grand County ranks 13th out of 64 counties for percentage increase in area median income during this time period.

Colorado % Change in Area Median Income (AMI), 2000 to 2005



Source: Department of Housing and Urban Development; RRC Associates, Inc.

*Denver MSA includes: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park Counties.

Special tabulations of the 2000 US Census data (CHAS) were used to determine the number and percentage of Grand County households within each AMI category and were used to weight the 2007 survey data results to ensure representation of the population as a whole. Based on final survey results, about 33% of Grand County's households earn less than 80%AMI and 32% earn over 140% AMI. This varies by tenure, with renters more likely than owners to have low-incomes although the majority (52%) has incomes above 80% AMI.

Income Distribution by Tenure: 2007 Estimates

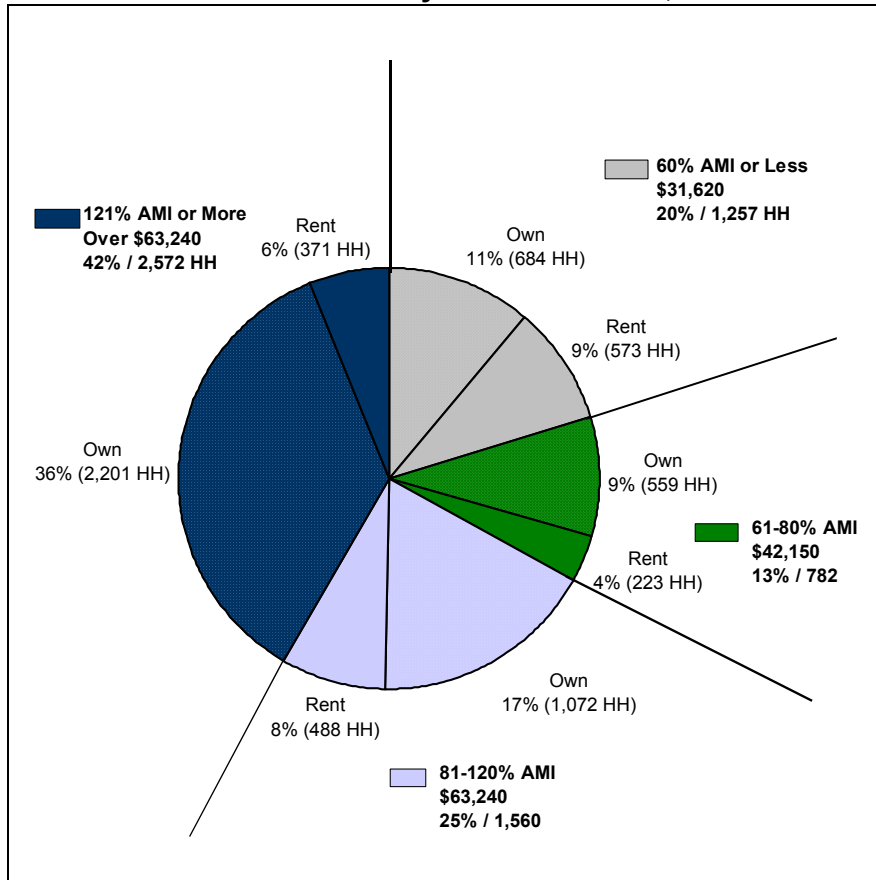
	Renters		Owners		Total	
	#	%	#	%	#	%
30% or less AMI	254	15.4%	183	4.0%	437	7.1%
31 - 60%	318	19.2%	502	11.1%	820	13.3%
61 - 80%	223	13.5%	559	12.4%	782	12.7%
81 - 100%	254	15.4%	502	11.1%	756	12.3%
101 - 120%	233	14.1%	570	12.6%	804	13.0%
121 - 140%	138	8.3%	445	9.8%	583	9.4%
Over 140%	233	14.1%	1,757	38.9%	1,990	32.2%
Total	1,654	100.0%	4,517	100.0%	6,171	100.0%

Source: Department of Local Affairs; CHAS; RRC Associates, Inc.

Of all households in Grand County, 13% are renters making below 80% AMI and 20% are owners making below 80% AMI. There are more owner households with incomes over 120% AMI than any other category.

The Census reports 52% of renter households have income above 80% AMI, which is unusually high.

Total Households by AMI and Tenure, 2007



Source: Department of Local Affairs; CHAS; RRC Associates, Inc.
 *Maximum Household Income for a two person household

Job Estimates and Employment

Based on estimates from the Colorado Department of Local Affairs (DOLA) – State Demography Office, there are currently 9,458 jobs in Grand County in 2007. Looking to the future, it is projected there will be 11,721 jobs by 2015, as illustrated in the table below.

Yearly Average Total Jobs	
	Total Jobs
2000	9,022
2005	9,153
2007	9,458
2012	10,851
# Change 2007 to 2012	1,393
% Change 2007 to 2012	14.7%

Source: Source: Colorado Department of Local Affairs (DOLA)

Jobs per Employee and Employees per Household

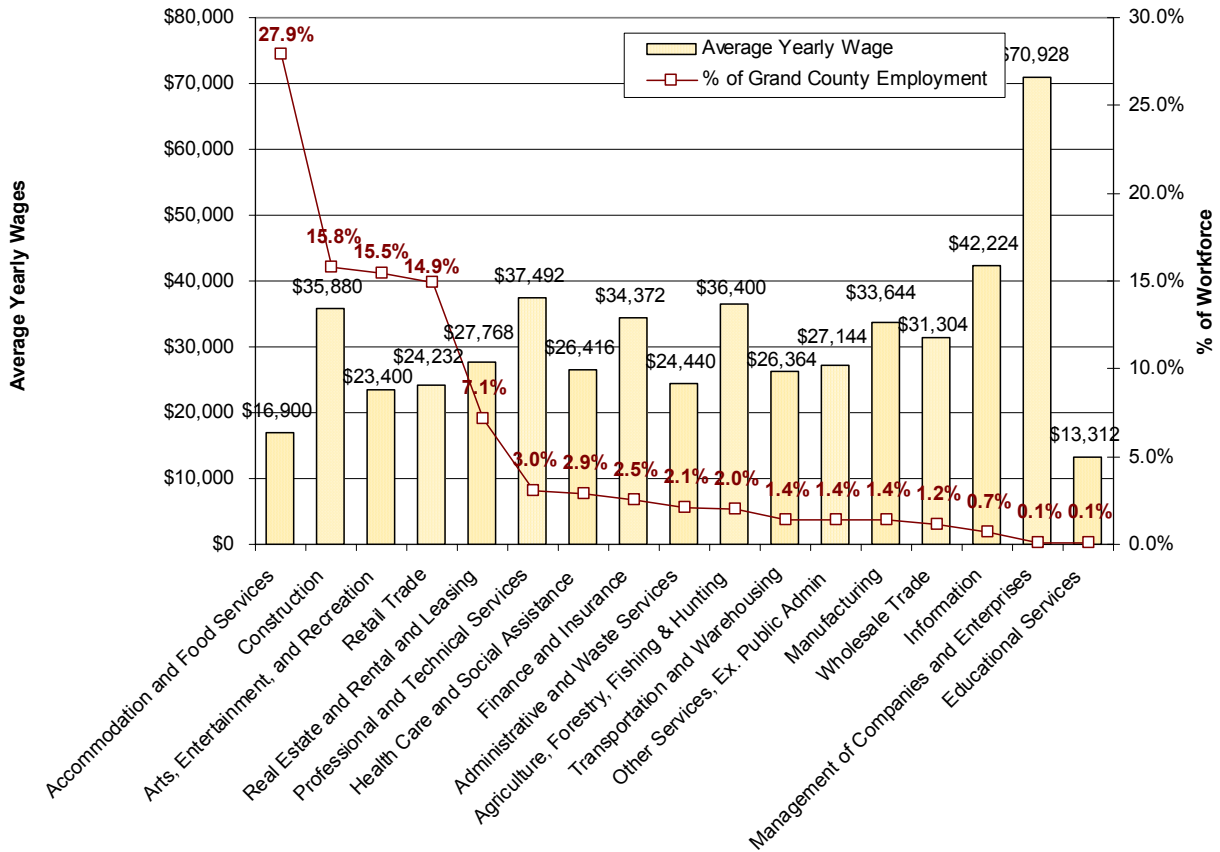
The household and employee survey asked workers how many jobs they hold during the summer and the winter and how many adults (age 18 and over) in their household are employed. These responses can be used to translate the estimated increase in jobs in the county into housing units demanded by workers needed to fill new jobs (see Housing Needs and Gaps, for projections of future housing demand).

	<i>Overall</i>
<i>Total Jobs (DOLA)</i>	<i>9,458</i>
<i>Jobs per employee</i>	<i>1.2</i>
<i>Total employees</i>	<i>7,882</i>
<i>Employees per working household</i>	<i>1.74</i>
<i>Total employee households</i>	<i>4,530</i>

Jobs and Wages by Industry

The Quarterly Census of Employment and Wages (QCEW) reports there were an average of 7,100 employees in Grand County in 2006 (preliminary data). This data includes workers covered by unemployment insurance and, therefore, does not generally include self-employed proprietors and positions exempt for various reasons. However, QCEW provides useful estimates of the types of industries that supply jobs in a region. In 2006, accommodation and food services supplied the largest percentage of jobs in Grand County, followed by construction, arts and entertainment and the retail trade. The industry paying the highest average wage (management of companies \$70,928) supplied only 0.1% of jobs in Grand County.

Average Wage by Industry: 2006



Source: Quarterly Census of Employment and Wages (QCEW); Sorted in descending order of average wage paid in Grand County. Sorted in descending order of % of Grand County Workforce.

Accommodation and Food Services employs the largest percent of Grand County's workforce (27.9%), and pays the second lowest average wage (\$16,900).

Unemployment

The unemployment rate in Grand County is very low indicating that labor shortages exist. While rates in Grand County increased between 2000 and 2003, they still remained lower than in Colorado as a whole. As with unemployment in Colorado, rates in Grand County have been decreasing since 2004 and in 2006 dropped to about the same level as in 2002, a full percentage point below the state average. It continued to drop this year dipping below 3%, which is generally considered full employment. As of June 2007, the rate was 2.6%.

Unemployment Trends, 2000 thru 2006		
Year	Colorado Unemployment Rate (%)	Grand County Unemployment Rate (%)
2000	2.7	2.5
2001	3.8	3.0
2002	5.7	3.7
2003	6.1	4.2
2004	5.6	4.2
2005	5.1	4.1
2006	4.3	3.3
2007-June	3.8	2.6

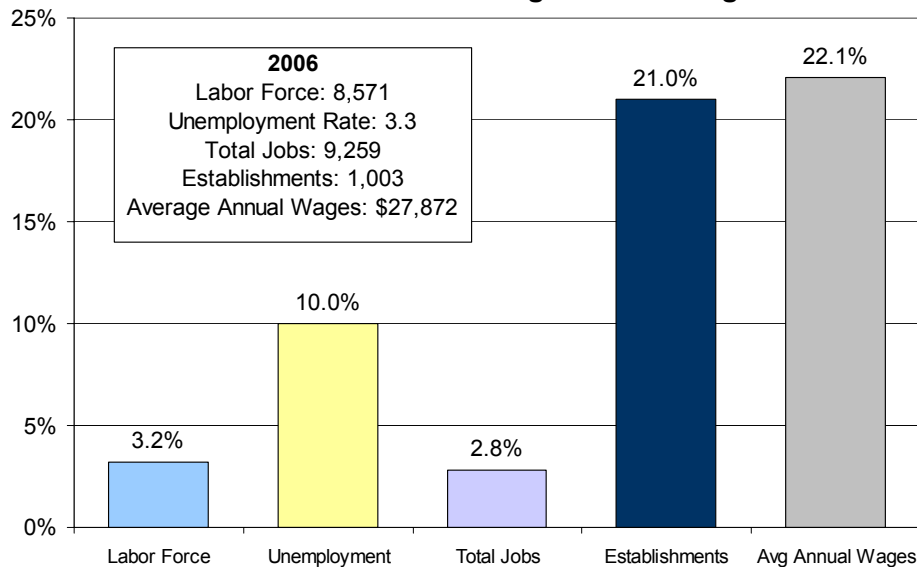
Source: Colorado Workforce LMI Data

Five Year Economic Trends

As represented in the chart below, average annual wages increased by 22% over the past five years, compared to about 15% statewide. While Grand County's wages increased at a higher rate between 2001 and 2006, the average annual wage in Grand County in 2006 was \$15,634 below that of Colorado as a whole.

The total number of establishments in Grand County increased by a much higher rate between 2001 and 2006 than the total number of jobs.

2001 to 2006% Change: Labor Force, Unemployment, Total Jobs, Establishments and Average Annual Wages

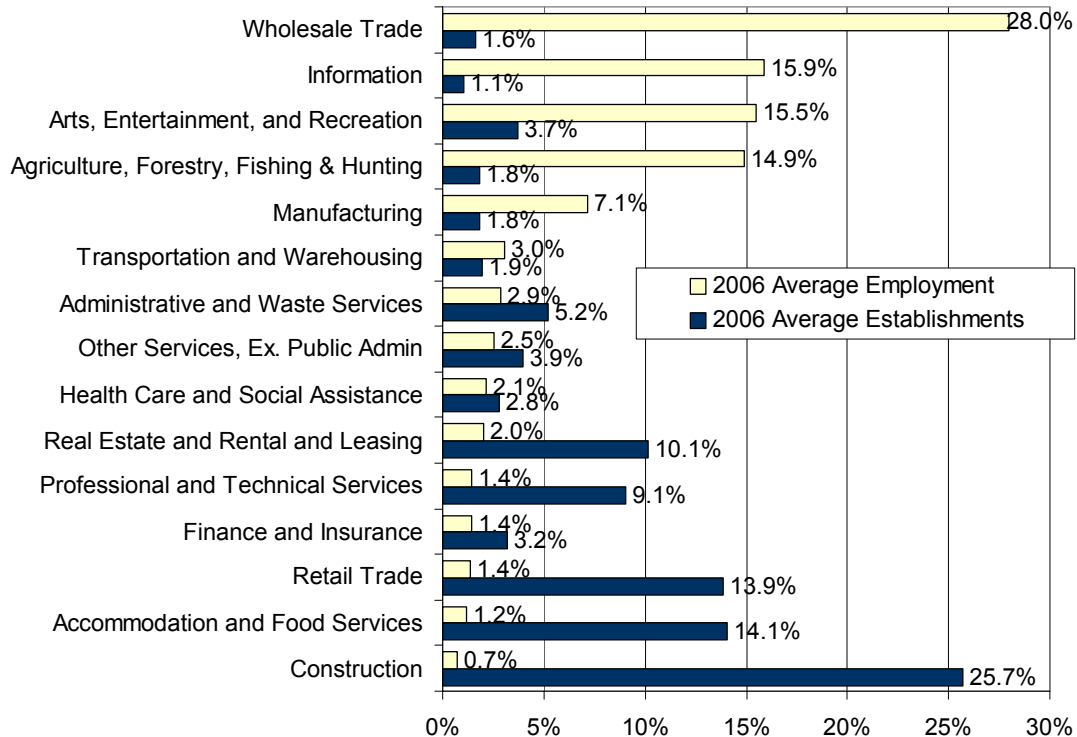


Source: Colorado Department of Local Affairs, LAUS; ES202

One explanation for the more rapid increase in establishments in relation to jobs is the distribution of industries in Grand County. The industries with the highest employment in the county generally make up the lowest percent of establishments. Construction, for example, makes up the highest percentage of all establishments in the county while it employs the lowest

percent of jobs. A recent increase in establishments could also be an indication that additional job growth should be expected in the near future as start-ups reach sustaining employment levels.

2006 Establishments and Employments by Industry

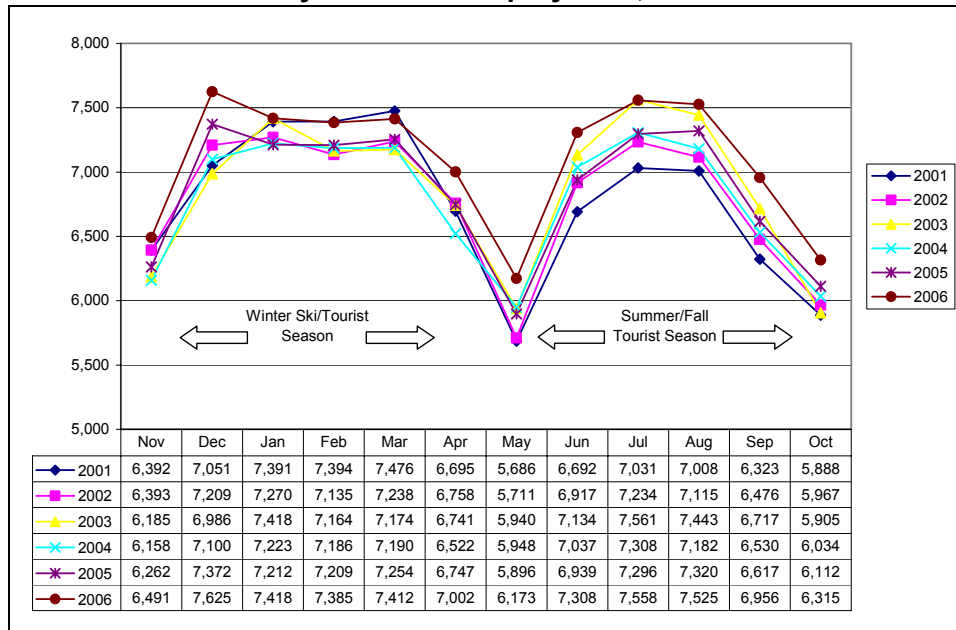


Source: Colorado Department of Local Affairs, LAUS; ES202

Seasonality in Employment

The following graph compares employment by month from 2001 through 2006. As shown in the graph, there is a seasonal fluctuation of employment by season in Grand County. The winter months (December through March) and summer months (June through August) have historically been the peak employment months in Grand County, while the lowest employment levels occur in May and October of each year. It is common in Colorado counties with ski resorts to have much higher employment in the winter than in the summer. Grand County, despite the presence of Winter Park Ski Area, actually has similar summer and winter peaks.

Grand County Seasonal Employment, 2001 thru 2006



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW)

Commuting Patterns

Approximately 450 employees currently commute into Grand County for work. This estimate was derived, however, from data sources that are not yet sufficiently up to date to account for the jump in job growth that occurred in the county in 2006 and 2007. As such, when it is used to estimate need for additional housing later in this report, the resulting estimate should be considered conservative.

Grand County has historically housed more workers that commute out to jobs elsewhere (primarily Summit County) than it has imported workers who live in other counties. Though not shown by the county-level figures, most of the out commuting is from the West Grand area.

More employees commute to out-of-county jobs than into the county for work.

The 2000 Census Worker Flow Tabulations estimated that in 2000, 6.5% of the persons employed in the County did not live in the county (this excludes people telecommuting from out of state). Based on available data, it appears that the percent of employees commuting into the county decreased between 2000 and 2007 to 5.8% (515 people), and will decrease by 2012 to 5.6%, which is actually an increase in the number of in-commuting employees to 582 (see Appendix for methodology).

In-Commuters

	2000	2007 (est)	2012 (est)
Total Jobs (DOLA)	9,022	9,458	10,851
Jobs per Employee	1.2	1.2	1.2
Total Employees	7,518	7,882	9,043
% In-Commute	6.5% (Census)	5.8%	5.6%
# In-Commute	489	454	504

Source: 2000 Census; Department of Local Affairs; RRC/Rees Calculations

On average, Grand County residents commute about 23 miles roundtrip, with 85% of workers commuting in a one-person vehicle. Of those leaving the County for work, the largest percentage travel to Summit County. Of those commuting into the county for work, the largest percentage (aside from out-of-state and other) come from nearby Routt County.

2000 Census Worker Flow Tabulations

	Live in Grand County - Out Commute to:	Work in Grand County, In- Commute from:
Summit County	41.1%	8.6%
Denver County	12.4%	9.0%
Jefferson County	9.9%	11.8%
Out-of-State	9.5%	22.1%
Other	5.9%	19.7%
Arapahoe County	5.6%	0.0%
Adams County	4.9%	3.5%
Larimer County	4.1%	3.9%
Clear Creek County	4.0%	3.5%
Boulder County	1.6%	6.1%
Routt County	0.9%	11.6%
Total	100.0%	100.0%

Source: 2000 County to County Worker Flows

There is extensive commuting within the county between home and work. Kremmling houses the largest percentage of its' workers while Winter Park houses the lowest percentage. Fraser is home to a disproportionate number of workers, including 64% of its' workers, 37% of Tabernash's workers and 47% of Winter Park's workers. One explanation for this is the presence of Grand County's two income restricted rental properties, Fox Run (64 total units) and Wapiti Meadow (50 total units) in Fraser.

Commuting within Grand County

Where Live	Where Work							
	Fraser	Granby	Grand Lake	Hot Sulphur Springs	Kremmling	Tabernash	Winter Park	Other
Fraser	64.0%	15.1%	6.4%	7.3%	2.3%	36.5%	47.0%	19.8%
Granby	12.4%	48.3%	17.0%	25.7%	2.9%	18.2%	12.4%	24.8%
Grand Lake	1.8%	14.1%	65.7%	12.7%	0.0%	3.2%	1.9%	12.2%
Hot Sulphur Springs	3.4%	7.8%	2.2%	41.2%	4.3%	0.0%	1.7%	6.3%
Kremmling	0.9%	3.3%	2.7%	9.8%	86.9%	1.6%	0.7%	21.8%
Tabernash	8.1%	5.4%	4.0%	1.1%	1.4%	27.5%	12.3%	6.0%
Winter Park	7.3%	4.6%	1.6%	2.2%	0.0%	11.3%	19.0%	6.5%
Other	2.3%	1.4%	0.5%	0.0%	2.2%	1.6%	5.2%	2.8%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%

Source: 2007 Household Survey

SECTION 2 - HOUSING INVENTORY

In this section of the report, information provided about the housing inventory includes number and type of units, occupancy (local renters and owners versus vacation homeowners), age of housing, rate of production and development trends, income-restricted units, and employer-assisted housing.

Number of Units and Unit Type

Approximately 14,700 residential units are located in Grand County. This number includes all types—single-family homes, apartments, condominiums and mobile homes regardless of whether they are occupied, vacant, second homes or vacation accommodations.

Housing Units by Type				
	2000	New	Total thru 2006*	Percent of Total
Single-family	6,131	2,975	9,106	61.8%
Two Units	704	80	784	5.3%
Three and Four Units	617	100	717	4.9%
Five or More Units	2,399	660	3,059	20.8%
Mobile Homes	1,027	45	1,072	7.3%
Total	10,878	3,860	14,738	100.0%
	73.8%	26.2%	100.0%	

Sources: US Census Bureau and Grand County Assessor

The number of housing units grew by 35.5% between 2000 and 2007

Residential development since 2000 is altering the composition of the housing inventory and making housing less affordable in Grand County.

- The number of single-family homes, which are typically the most expensive type of housing on a per-unit basis, is increasing faster than other unit types. In 2000, 56% of total housing units were single-family houses but, through growth, increased to nearly 62% by the end of 2006.
- The relative availability of mobile homes, which are one of the least expensive types of housing, is declining. In 2000, 9.4% of Grand County's residential units were mobile homes. The percentage has now decreased to 7.3%.

Changes in the type of units being built are making housing less affordable.

The mix of unit types varies by area and reflects the diversity within Grand County although, for the most part, the county remains largely rural with low-density residential areas. The Fraser Valley is the only area where the majority of units are condominiums or townhomes; there are none in the West Grand area.

Unit Type by Area

	West Grand	Granby/HSS/ Three Lakes	Fraser Valley	Total
Single-family	100%	83.3	38.1	67.1
Condo/Townhome		16.7	61.9	32.9
	100	100%	100%	100%

Source: Grand County Assessor Data; parcel numbers not available for mobile homes.

Rate of Production and Development Trends

Residential development has been booming in Grand County. As a result, much of the housing in the county is relatively new. Approximately 26% of the residential units in the county were constructed in the past seven years.

Over ¼ of the housing units in Grand County were built this decade, an indication of the magnitude of the recent surge in residential construction.

The rate of housing growth in Grand County was robust in the late 1990's into this decade but started slowing in 2001 and dropped off in 2002 as it did in other Colorado mountain counties following the attack on the World Trade Center, a mild national recession and low snow levels. The rate of new home construction picked up again in 2004 and has been

increasing since. It jumped in 2006 when permits were issued for over 800 residential units with an estimated construction cost of over \$176 million.

Building Permits, 2000 - 2007

	# Units Assessor Records	# Units Census Records	Construction Costs
2000	585	544	\$104,131,176
2001	491	479	\$85,138,670
2002	344	358	\$80,384,313
2003	393	443	\$98,210,336
2004	457	527	\$119,381,767
2005	593	629	\$144,601,846
2006	809	835	\$176,428,308
2007 (thru September)	-	470	\$103,106,304

Sources: Grand County Building Dept and US Census Bureau

Note: County and Census records vary slightly in terms of the number of units built. The Census assumes some units are added for which permits are not obtained therefore their figures are higher.

Most of the recent residential growth in Grand County (nearly 60%) has occurred in rural, unincorporated areas. Winter Park has also been booming with 673 units permitted from 2000 through 2006, which equates to nearly 19% of total units countywide. Little construction, however, has taken place in Kremmling (only 26 units). Compared to the rest of the county, few residential units have been built in Hot Sulphur Springs and Grand Lake although the communities have averaged 8.4 and 16 homes per year, respectively.

Building Permits, 2000 – 2006

Area	SF	MF	Total	% of total
Unincorporated	1,776	345	2,121	58.4%
Fraser	214	104	318	8.8%
Grand Lake	88	24	112	3.1%
Granby	240	80	320	8.8%
Kremmling	22	4	26	0.7%
Hot Sulphur Springs	59	0	59	1.6%
Winter Park	99	574	673	18.5%
TOTAL	2,498	1,131	3,629	100.0%

Source: Grand County Building Department

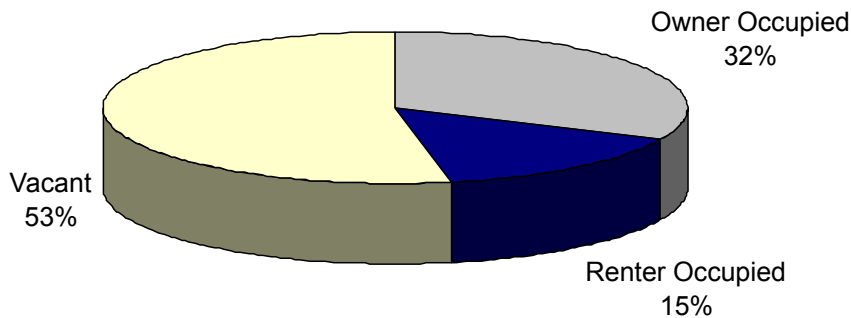
Most of the recent growth has occurred in the unincorporated areas of Grand County, however, housing construction has also been booming in Winter Park, Fraser and Granby.

Occupancy and Ownership

Most of the residential units in Grand County are not used as housing. In 2000, 53% were vacant. Of these, most are second homes and vacation accommodations occupied only for seasonal or occasional use. The 47% of the county’s residential units that were actually lived in when last measured are part of the housing supply; the majority of units generate housing demand.

Only 47% of the residential units in the county are occupied as housing; the majority are vacation homes and accommodations.

County-wide Occupancy, 2000



Source: Grand County Assessor

The homeownership rate in Grand County is 73%

Occupancy characteristics vary around the county. Kremmling and Granby have the highest proportion of units that are actually used as housing – just over 90%. Winter Park has the lowest where less than one-quarter of the housing units are occupied as housing.

The mix between owner and renter occupancy also varies widely in the county. Overall, the homeownership rate is 73% in Grand County. In Fraser, however, more homes are occupied by renters than owners. This is unusual in Colorado; Fraser is the only community in Grand County where renters outnumber owners. In Winter Park the mix is about evenly split but, county wide, there are over two owner-occupied units for every rental unit.

Occupancy by Community, 2000						
	Fraser	Granby	Grand Lake	Kremmling	Winter Park	Total County
Occupied	63.7	91.1	26.7	92.1	24.0	46.6
Owner	30.2	58.0	16.0	62.8	13.9	31.8
Renter	33.5	33.1	10.7	29.3	10.1	14.8
Vacant	36.3	8.9	73.3	7.9	76.0	53.4
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2000 Census

Ownership

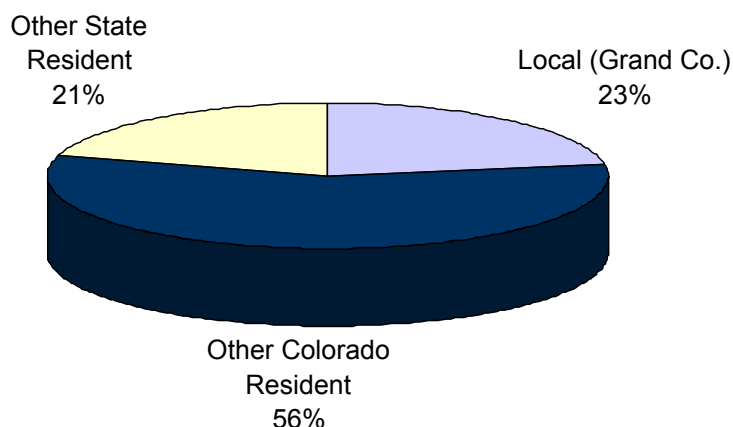
In between the decennial census, it is difficult to quantify shifts in occupancy characteristics. Examining ownership using County Assessor records provides insight into how occupancy has changed since 2000 and to determine if there has been a shift between local and non-resident ownership, an indicator of changes in the housing supply/demand equation. All residential units in the Grand County Assessor database were analyzed based on the mailing address location of their owners.

Grand County has an unusually high percentage of homeowners who live on the Front Range.

One-third of single-family homes, condominiums and townhomes in Grand County are owned by Grand County residents. Nearly half are owned by residents of other Colorado counties while 18% have out-of-state ownership. This relationship is somewhat unique for a Colorado mountain county with a destination ski resort. The

percentage of owners from other areas of Colorado, particularly the Front Range, is unusually high. For example, ownership of units in Summit County, which is about the same distance from the metro Denver region, is fairly evenly divided between locals (33%), other Colorado residents (36%) and out-of-state/country residents (32%). As a result, it is likely that residential growth in Grand County does not generate the same housing demand as elsewhere since so many homes are owned by persons who provide their own maintenance and bring groceries and other supplies with them in their cars. Since they tend to shop, eat out and purchase services less often than owners from more distant locations, they generate fewer jobs.

Ownership by Unit Type, 2007



Source: Grand County Assessor data

Note: Does not include ownership of mobile homes and apartment properties.

The rate of out-of-county ownership is higher among condominiums and townhomes than single-family residences.

As with most measurements of the housing inventory, ownership varies by area within the county. In the West Grand area, local residents own the majority of residential units and out-of-state residents own only 6.6%. In the Fraser Valley, less than one-quarter of the housing units are owned by locals and residents of other areas of Colorado, primarily the Front Range, own more than half. In the Granby/Hot Sulphur Springs/Three Lakes area, the percentages fall about mid way between the other two areas.

Ownership by Area, 2007

	West Grand	Granby/HSS/ 3 Lakes	Fraser Valley	Total
Local (Grand Co.)	52.0	38.2	23.2	33.5
Other Colorado Resident	41.3	48.1	50.6	48.5
Other State Resident	6.6	13.7	26.2	18.0
	100%	100%	100%	100%

Source: Grand County Assessor data

Ownership patterns are shifting with fewer homes being purchased by residents who live in Grand County. Based on the ownership of units sold in 2006, local residents are buying relatively fewer units in Grand County than they have in the past. Only 23% of the units that sold in 2006 were purchased by county residents. This compares with 34% of all units existing in 2006. Colorado residents who live somewhere other than Grand County are buying proportionately more units than they have in the past – 57% of those sold in 2006 compared with 49% of total units. If this trend continues, housing will become increasingly difficult for local residents to afford. Out-of-county owners create demand for housing yet the units they purchase are not part of the housing supply that will address demand. This will shift the housing demand/supply relationship that now exists and will drive prices upward.

Ownership patterns are changing as prices increase, only 26% of homes sold in 2006 were purchased by Grand County residents. Front Range residents are buying even more units than they have in the past. This alters the relationship between housing supply and demand, and will continue to drive prices upward.

Ownership of Units Sold in 2006

	% of Units Sold
Local (Grand Co.)	22.5
Other Colorado Resident	56.9
Other State Resident	20.6
	100%

Source: Grand County Assessor data

An examination of valuation by ownership shows that local residents generally own the less expensive housing units while the units owned by out-of-state residents are the most expensive.

Valuation by Ownership and Area

	West Grand	Granby/HSS/3 Lakes	Fraser Valley	Overall
Local (Grand Co.)	\$142,220	\$211,980	\$219,220	\$201,410
Other Colorado Resident	\$167,125	\$221,425	\$235,450	\$224,480
Other State Resident	\$158,180	\$231,570	\$253,560	\$237,270

Source: Grand County Assessor data.

Age of Housing

Much of the housing in Grand County is fairly new. There was a boom in construction in the 1970's then again starting in the mid 1990's. The product built in the 1970's is aging, however, and often in need of repair. Renters, social service agencies that serve lower-income households and employers report that the poor condition of units built during that earlier boom is one of the main problems with housing in the county (after high cost and limited availability).

Age of Housing

Age	West Grand	Granby/HSS/3 Lakes	Fraser Valley	Total
New (2007)	0.0	0.2	0.0	0.1
1 to 5 years	9.6	17.9	18.6	17.5
6 to 10 years	17.3	18.5	20.8	19.3
11 to 15 years	9.5	8.0	7.7	8.0
16 to 20 years	5.3	4.9	1.6	3.7
21 to 30 years	25.5	26.4	33.5	29.1
31 to 50 years	19.0	17.0	16.6	17.0
51 to 100 years	13.7	6.8	1.1	5.1
Over 100 years	0.2	0.4	0.0	0.2
	100%	100%	100%	100%

Source: Grand County Assessor data

Income-Restricted Housing

Though referred to throughout the county by different names – attainable housing, affordable housing, workforce housing and senior housing, each community with the exception of Grand Lake has some form of housing priced below the free market. In total, 179 units in Grand County are publicly subsidized. This equates to approximately 1.2 % of the housing supply. Almost all (89%) are rentals.

Only a small percentage of units in Grand County (1.2% or 172 units) are publicly subsidized and therefore permanently affordable.

Price, Income or Occupancy Restricted Units

Name	# Units	Location	Income Restriction
Rental			
Fox Run	64	Fraser	60% AMI & free market
Wapiti Meadows	50	Fraser	40%, 50% & 60% AMI
Grand Living Solar Senior	24	Granby	50% AMI
Silver Spruce Senior	20	Kremmling	50% AMI
Accessory Units	2	Winter Park	None – must be rented for 6 months/yr
Ownership			
Hidaway Junction	10*	Winter Park	None
Millers Inn Condos	9	Winter Park	115% AMI
Total	179		

* First phase.

Family Apartments

- Fox Run is a 64-unit apartment property in Fraser developed by the Grand County Housing Authority, owned by Fox Run Apartments, LLLC and financed with Low Income Housing Tax Credits (LIHTC). It was completed in 2002, making it the newest of the rental properties in Grand County. Of the 64 one-, two- and three-bedroom units, 53 are income restricted at 60% AMI. No income restrictions are imposed on the remaining 11 apartments but the rents are capped at the 80% AMI level. The project serves households with widely-ranging incomes from Section 8 voucher holders with extremely low-incomes through middle management.
- Wapiti Meadows is a 50-unit apartment property in Fraser built in 1995 by Mercy Housing, a non-profit housing developer operating throughout the western states. All of the units in the LIHTC project are income restricted at 40%, 50% and 60% AMI. The property offers one-bedroom, two-bedroom and three-bedroom units.

Senior Apartments

- Grand Living Solar Senior Homes are in Granby. The 24 one-bedroom units were built in 1980. The units are in three single-story buildings with active solar systems. The property was financed by Rural Development, and all units are income restricted at 50% AMI for residents who are 62 years of age or older or disabled. Rent, including utilities, equals 30% of gross income.

- Silver Spruce is a 20-unit senior apartment project in Kremmling built in 1981 with financing from the US Department of Housing and Urban Development and the Colorado Housing and Finance Authority. As with Grand Senior Living, units are income restricted at 50% AMI and residents pay 30% of their income for gross rent.

Homeownership

- The Town of Winter Park is developing Hideaway Junction in phases on eight acres near the northern edge of Winter Park. The first phase of 10 units has just been completed. As of the November 1st, eight were occupied (six by owners and two by renters), one was under contract and one was listed for sale. All of the units in the first phase are single-family homes – two have two-bedrooms and 1.5 bathrooms with 1,700 square feet and three have three bedrooms and two bathrooms with 1,900 square feet. These sizes include garages. The two-bedroom homes sold for \$225,000 while the three-bedroom houses were priced at \$245,000. There are no income limits imposed on the units but they are deed restricted with appreciation caps of 2% per year for the first three years then 1% annually thereafter.

Most of the initial buyers have been couples and young families. The homes are too large and/or too expensive for most singles. The homes are being constructed with funds from the \$3.00 per square foot housing impact fee assessed on new commercial and residential development.

- Millers Inn in Winter Park is a condo conversion. The nine units were converted from vacation accommodations to entry-level homeownership for households with incomes no greater than 115% AMI. The condos initially sold for prices ranging from \$40,000 to \$120,000. Appreciation is capped at 3% per year.

Accessory Dwelling Units

The Town of Winter Park offers discounts of up to \$10,000 on impact fees for the construction of accessory dwelling units that will be rented for at least six months each year. So far, two units have been built using this incentive.

Section 8 Vouchers

The Grand County Housing Authority administers 90 Section 8 rent subsidy vouchers, of which 50 are allocated to households living in Grand County at the time of application. The rest are administered for Routt and Gilpin counties. Of the vouchers in Grand County:

- 17 are in Kremmling
- 16 in Fraser
- 2 in Grand Lake
- 4 in Winter Park
- 3 in Tabernash
- 8 in Granby

There is clearly a need for additional rent subsidies. The housing authority has 50 names on their wait list for rent subsidy vouchers in Grand County, equal to the total number of vouchers now administered.

Employer-Assisted Housing

Of the employers surveyed, 29% provide some type of housing assistance for their employees. Combined, these employers provide 679 employees with some type of housing assistance, which equates to 15.6% of the persons employed. Employers have focused more on renters by providing deposits, monthly subsidies or master leasing units.

Type of Assistance Provided by Employers

Type of Assistance	Percent Responses
Security deposits	28.6
Rent subsidies	28.6
Master leasing rental units	21.4
Building housing on site	14.3
Building housing off site	14.3
Purchase existing housing	7.1
Public Private Partnership	7.1
Total*	121.4%

Source: 2007 Household Survey

* Multiple choice question; responses exceed 100%.

The Winter Park Resort places approximately 200 employees in housing, primarily by master leasing units for its employees. The inventory of units they manage includes:

- 10 single-family homes in Granby
- 15 condominiums in Tabernash
- the Fireside Inn in Fraser
- 50 beds in scattered apartments

The units provided by the resort are 100% occupied during the six peak weeks from mid January through the end of February but otherwise there are vacancies. During the summer, construction workers stay in the units with occupancy running at about 70%. The resort also provides incentives to employees to let other employees live with them. The Housing a Friend program has been an integral component of the resort's housing efforts for years.

SECTION 3 - HOUSING MARKET CONDITIONS

This section of the report examines home prices, both current and over the past five years, sales volume and availability as represented by current listings. Data referenced in this section was provided by the Grand County Assessor's Office and the Grand County Board of Realtors. This section also assesses the relative health of the rental market and availability of housing choice for renters in Grand County.

Home Ownership Market

Home Prices

In the first seven months of 2007, the median price for residential units sold in Grand County exceeded \$300,000 for the first time. This figure includes single-family homes, condominiums, townhomes and modular units on fee simple lots. The average price was even higher at nearly \$383,000, an indication of some very high prices at the upper end of the market. The median is more representative of the middle of the market and is therefore used in the remainder of this analysis on sale prices.

Average and Median Sales Prices, 2002 – 2007

	Mean	Median	Annual Change
2002	\$239,796	\$194,250	N/A
2003	\$272,425	\$229,900	18.4%
2004	\$271,281	\$223,500	-2.8%
2005	\$313,529	\$249,500	11.6%
2006	\$343,787	\$270,000	8.2%
2007	\$382,841	\$307,500	13.9%
Increase	59.7%	58.3%	9.9%

Source: Grand County Assessor; Rees/RRC calculations

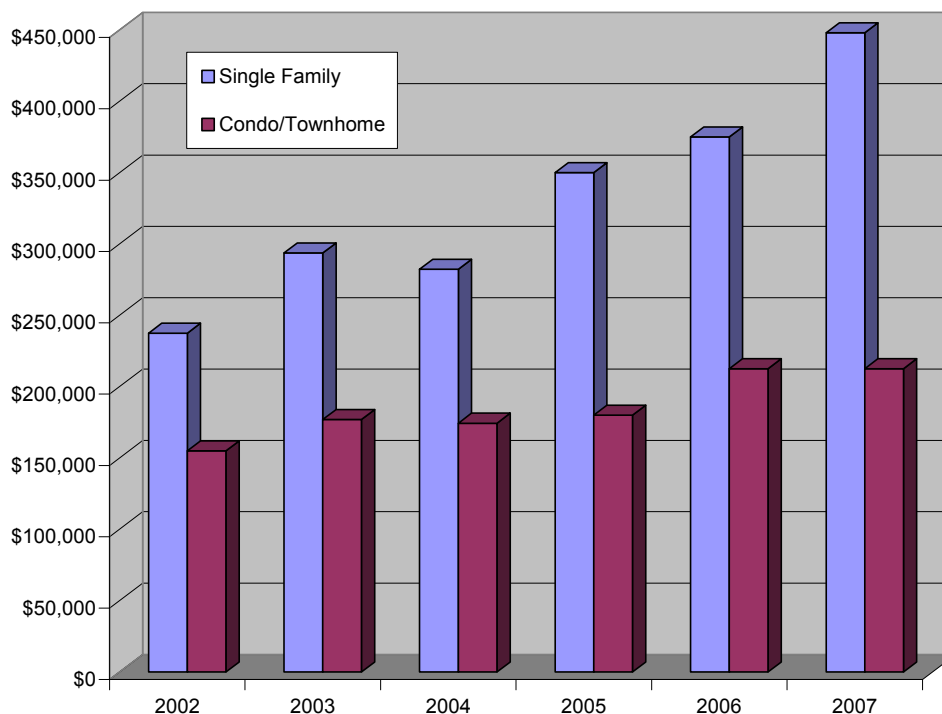
Note: The sample includes most but not all sales. For properties that sold multiple times during the five-year period, only the most recent sale is included.

The price of homes has increased 58% in the past five years.

In the 5½-year period since 2002, the median price of homes sold escalated over 58%. While all types of units increased in price, the change was highest among single-family homes -- 88.6%. The price of condominiums and townhomes rose 37%. The highest single year gain occurred this year, when the median price of homes sold in the first seven months was nearly 14% higher than in the previous year.

Condominiums and townhomes have averaged about 57% of the median price of single-family homes. That will change however, if recent trends continue and single-family homes continue to increase at faster rates than condominiums and townhomes.

Median Sales Prices by Unit Type, 2002 – 2007



Source: Grand County Assessor; Rees/RRC calculations

Prices per Square Foot

Prices exceeded the \$200 per-square-foot level in 2004 and have continued to rise. The median price for new homes has exceeded the price per square foot of existing home re-sales but the difference has not been consistent or great.

Median Prices, New and Existing Units

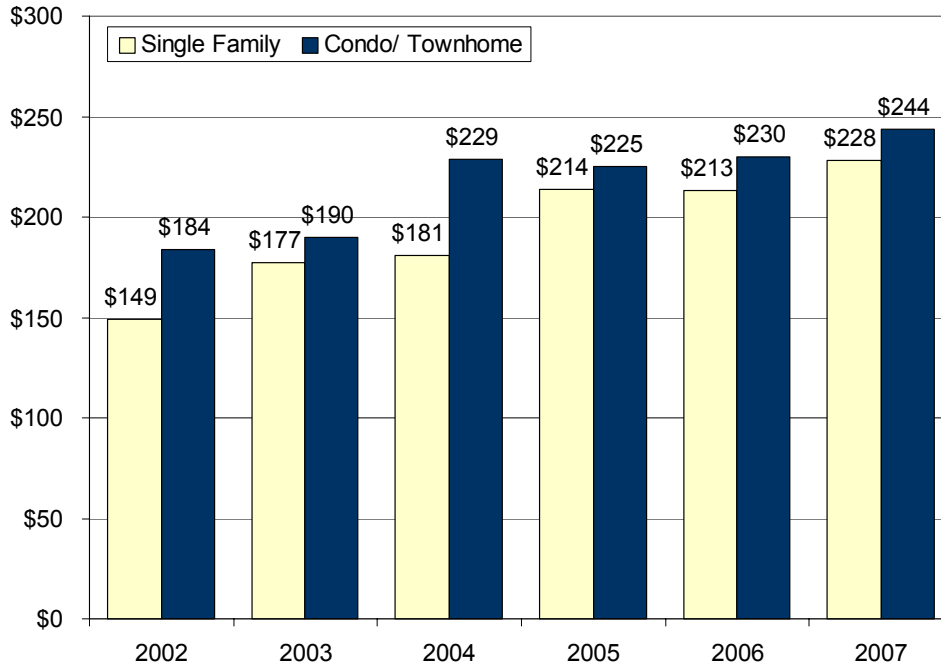
	New	Existing	Total
2002	\$141	\$173	\$172
2003	\$160	\$188	\$185
2004	\$168	\$214	\$206
2005	\$261	\$217	\$221
2006	\$239	\$215	\$220
2007	\$269	\$226	\$235

Source: Grand County Assessor; Rees/RRC calculations

Condominiums and townhomes have consistently been more expensive on a per-square-foot basis than single-family homes.

The median price of new homes sold in the first seven months of 2007 was \$269 per square foot.

Median Prices by Unit Type



Source: Grand County Assessor; Rees/RRC calculations

Prices by Area

Prices have increased the most in the Fraser Valley where the median price of all units sold jumped over 76% since 2002.

Median Sales Prices by Area, 2002 – 2007

	West Grand	Granby/HSS/ 3 Lakes	Fraser Valley	All Sales
2002	\$149,250	\$227,500	\$180,000	\$194,250
2003	\$194,000	\$250,000	\$211,000	\$229,900
2004	\$181,000	\$235,000	\$221,900	\$223,500
2005	\$180,000	\$265,000	\$245,500	\$249,500
2006	\$212,500	\$292,000	\$275,000	\$270,000
2007	\$206,000	\$339,500	\$316,900	\$307,500
% Change	38.0%	49.2%	76.1%	58.3%

Source: Grand County Assessor; Rees/RRC calculations

The following chart illustrates trends. Prices in the Granby/Hot Sulphur Springs/Three Lakes area are tracking closely with the Fraser Valley though the increase is not as great.

Prices are about 40% lower for the same type of product in the Granby/Hot Sulphur Springs/Three Lakes area than in the Fraser Valley. Overall median prices are higher because more of the units sold in the area were single-family homes. A more in-depth look at 2006 sales shown on the table below reveals this price relationship.

Prices have increased the most in the Fraser Valley - a gain of 76% in the past five years.

In the Fraser Valley, only 36% of sales were single-family homes; most were condominiums or townhomes, which were lower in price and caused the median price in the valley to be lower than in the Granby/Hot Sulphur Springs/Three Lakes area.

2006 Sales Information Compared

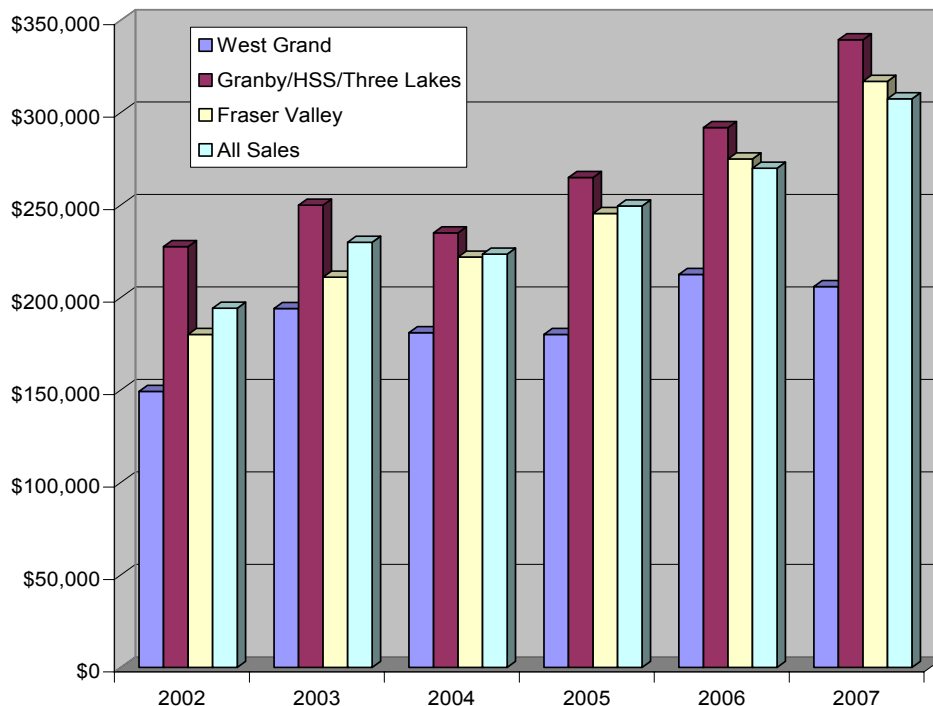
Median Price	Single Family	Condo/Townhome
Granby/HSS/3 Lakes	\$357,544	\$160,000
Fraser Valley	\$488,952	\$230,000
# Sales		
Granby/HSS/3Lakes	306	95
Fraser Valley	167	302

Source: Grand County Assessor; Rees/RRC calculations

Prices are much lower in the West Grand area and, while they are rising, the rate of change is lower than elsewhere in the county. This means that the Kremmling area is becoming more attractive in terms of home value for Grand County employees, and that an increase in commuting should be expected.

Growth in commuting to Kremmling is anticipated as homes there are increasingly a better value than elsewhere in Grand County.

Median Sales Prices by Area, 2002 – 2007



Source: Grand County Assessor; Rees/RRC calculations

The free market is providing fewer housing opportunities that are affordable for the workforce. The percentage of units priced at less than \$200,000 decreased from 52% in 2002 to 28% by 2006.

The free market is providing fewer homes priced to be affordable for the workforce than ever before.

A major shift upward in prices occurred in 2006. From 2002 through 2005, the single largest number of sales was in the \$150,000 to \$200,000 price range. In 2006, more sales were in the \$500,000 or more price range than any other category. Just five years ago, 25% of homes sold for \$200,000 or less. This year, only 12.5% were priced at or below \$200,000.

Sales by Price Range, 2002 – June 2007

Shading denotes price range with highest number of sales.

	2002	2003	2004	2005	2006	2007 Jan-June
< \$100,000	8.7	7.2	7.6	5.1	6.2	5.5
\$100-149,999	17.7	11.9	15.1	11.5	7.1	7.2
\$150-199,999	25.3	22.1	21.0	19.9	14.8	12.5
\$200-249,999	14.8	15.9	15.3	13.5	15.2	9.2
\$250-299,999	7.4	9.7	9.4	10.8	12.4	14.5
\$300-349,999	6.5	9.3	5.6	5.4	6.8	6.8
\$350-399,999	7.6	7.7	6.8	7.4	7.2	6.4
\$400-449,999	2.7	4.7	7.3	6.1	5.6	4.1
\$450-499,999	4.0	4.5	3.5	5.9	6.0	6.6
\$500,000+	5.2	6.9	8.3	14.3	18.6	27.1
Total	100%	100%	100%	100%	100%	100%

Source: Grand County Assessor; Rees/RRC calculations

Sales Volume

From 2000 through mid 2007, the number of sales averaged 957 in Grand County. The Fraser Valley and the Granby/Hot Sulphur Springs/Three Lakes had an equal number of sales – 450 units sold in each area. In sharp contrast, only 58 residential units were sold on average each year in the West Grand area.

Number of Qualified Sales by Area*

	West Grand	Granby/HSS/ 3 Lakes	Fraser Valley	Total
2002	42	424	345	811
2003	54	450	428	932
2004	61	501	454	1,016
2005	82	493	547	1,122
2006	56	453	511	1,020
2007 (Jan – mid June)	24	153	188	365
Total	319	2,474	2,473	5,266
Average	58	450	450	957

*Includes all qualified sales; does not include fractional ownership and unusually high or low sales-- see appendix for greater detail on methodology.

The number of sales jumped in 2004 and continued to climb in 2005. The volume decreased slightly in 2006 to an average of 85 sales per month. According to the Sold Market Analysis report provided by the Grand County Board of Realtors for January 1st through October 2nd, sales in 2007 are up 19% from the number in 2006. Sales of both single-family homes and condominiums have increased with the biggest gains in the Granby and Winter Park areas.

Locals have been purchasing about 330 units per year.

In 2006, only 22.5% of qualified sales were to Grand County residents. This means that the local's market is much smaller than the total sales volume represents. In 2006, Grand County residents purchased 336 units. This is the reference point that should be used when analyzing the size, scale and market penetration of proposed homeownership projects for the workforce.

Residents of other Colorado counties, primarily the Front Range, purchased 56% of the units sold in 2006.

2006 Qualified Sales by Buyer Residence

	Single Family	Condo/ Townhome
Local (Grand Co.)	30.2	12.1
Other Colorado Resident	50.5	65.5
Other State Resident	19.3	22.4
Total	100%	100%

Source: Grand County Assessor; Rees/RRC calculations

Availability

As of early October, 1,026 residential units were listed for sale in Grand County. This equates to a one-year inventory based on the average of 85 sales per month in 2006. This would be considered a saturated market in many areas but realtors report that competitively priced homes in good condition are moving very fast. New units have been relatively quick to sell. Outdated and overpriced product is sitting on the market. While prices are continuing to rise, conditions are definitely competitive.

Market conditions are competitive with a large inventory but prices have not decreased, and in most areas are continuing to rise.

The overall median price for single-family homes listed for sale was \$565,000. To afford to buy this home, a household would need an income equivalent to approximately 300% AMI, assuming they could only afford a 5% down payment. The median price for condominiums and townhomes was about half the price for single-family homes. To be affordable, an income of 150% AMI would be needed.

In the most expensive area, the Fraser Valley, the median priced home is affordable for households with incomes of roughly 365% AMI. In the West Grand area, where housing is the least expensive, an income of approximately 130% AMI would be required to be the typical home at 2007 prices.

An income of 300% AMI is needed to afford a median-priced home in Grand County.

Median Prices and Incomes Required by Area

	West Grand	Granby/HSS/ 3 Lakes	Fraser Valley	Overall
Condominiums	N/A	\$253,900	\$328,250	\$285,000
Income Needed		\$79,800	\$103,200	\$89,500
AMI Needed		135%	174%	150%
Single-family	\$249,000	\$475,800	\$689,000	\$565,000
Income Needed	\$78,200	\$149,500	\$216,400	\$177,500
AMI Needed	132%	252%	365%	300%

Sources: Grand County Board of Realtors and HUD; Rees/RRC calculations.

Income needed based on assumptions: 5% down payment, 20% of payment covering taxes/insurance/HOA fees with a 30-year fixed rate mortgage at 7%.

AMI based on three-person household.

As of October, nearly 47% of all listings were priced at or above \$500,000. Only 66 units were listed for sale at prices below \$200,000, which equates to less than 7% of all listings and compares to 12.5% of units sold in 2006 and 25% that sold in 2002.

For-Sale Listings by Price Range and Type

	Condos/ TH's	Single Family	Total	% of Total
Less than \$100,000	5	6	11	1.1%
\$100-149,999	7	8	15	1.5%
\$150-199,999	23	17	40	3.9%
\$200-249,999	53	25	78	7.6%
\$250-299,999	77	43	120	11.7%
\$300-349,999	36	38	74	7.2%
\$350-399,999	12	55	67	6.5%
\$400-449,999	16	42	58	5.7%
\$450-499,999	7	77	84	8.2%
\$500,000+	51	428	479	46.7%
Total	287	739	1,026	100.0%

Source: Grand County Board of Realtors; Rees/RRC calculations.

Nearly half of all homes listed for sale were in the Fraser Valley, with the majority (61%) priced at or above \$500,000. Another 46% were in the Granby/Hot Sulphur Springs/Three Lakes area. Prices were clustered in two ranges -- \$250,000 to \$300,000 and above \$500,000.

Very few homes (only 43) were listed for sale in the West Grand area. This may seem like a lot to residents of Kremmling but it equates to an 8.9-month inventory, which is lower than elsewhere in the county. Prices were concentrated in the \$150,000 to \$300,000 price range. While these prices are more affordable than elsewhere in Grand County, many of the homes are older and need repairs/remodeling. Limited housing availability in terms of choice and price could hinder job growth and economic development efforts, especially with two pellet plants scheduled to open.

*Fewer units are priced at or under \$200,000:
-25% that sold in 2002
-13% that sold in 2007
-7% of October 2007 listings*

Limited availability could hinder economic development efforts in Kremmling.

For-Sale Listings by Price Range and Type

	West Grand	Granby/HSS/ 3 Lakes	Fraser Valley
Less than \$100,000	2	7	2
\$100-149,999	3	7	5
\$150-199,999	9	26	5
\$200-249,999	8	42	28
\$250-299,999	8	77	35
\$300-349,999	4	36	34
\$350-399,999	3	39	25
\$400-449,999	1	24	33
\$450-499,999	1	50	33
\$500,000+	4	166	309
Total	43	474	509
% of Total	4.2%	46.2%	49.6%

Source: Grand County Board of Realtors; Rees/RRC calculations.

Affordability by AMI

A more detailed examination of the affordability of units listed for sale shows that the free market provides few housing opportunities for households with incomes below 120% AMI. List prices were compared to the maximum amount affordable for each income category starting at 80% AMI. Only 81 units listed for sale were potentially affordable for households with incomes of 120% AMI or less. This number is likely overstated, however, since it does not take into account HOA fees. Availability increases for households with incomes in the 120% to 140% AMI range but choices in terms of location and unit type are limited except for households with incomes of 160% AMI or higher.

The free market provides very few homes that are affordable for households with incomes at or below 120% AMI.

For Sale Listings by AMI and Area

	West Grand	Granby/HSS/ 3 Lakes	Fraser Valley	Total
≤80% AMI	2	3	2	7
100% AMI	11	17	0	28
120% AMI	11	25	10	46
140% AMI	9	139	70	218
160% AMI	6	84	115	205
>160% AMI	4	206	312	522

Source: Grand County Board of Realtors; Rees/RRC calculations.

Prices per square foot are now around \$280 per square foot. Approximately 40% of units listed for sale are priced between \$200 and \$300 per square foot but 42% are priced over \$300/SF. Condominiums and townhomes are priced about 6% more than single-family homes, which is typically the case for smaller units.

Price per Square Foot by Unit Type

	Condos/ Townhomes	Single Family	Total
Under \$100/sqft	--	1.1	0.8
\$100 - 199/sqft	6.3	19.9	16.1
\$200 - 299/sqft	47.0	38.5	40.9
\$300 - 399/sqft	24.7	26.9	26.3
\$400 - 499/sqft	4.2	9.5	8.0
\$500+/sqft	17.8	4.1	7.9
	100%	100%	100%
Median Price/sqft	\$294	\$277	\$280

Source: Grand County Board of Realtors; Rees/RRC calculations.

Housing costs in the Fraser Valley are the highest but the price per square foot of single-family homes in the Granby/Hot Sulphur Springs/Three Lakes area follows closely behind. The differential in prices between the two areas is much higher for condominiums, which is likely a reflection of the higher demand in the Fraser Valley for multi-family product.

Home prices now average about \$280 per square foot.

On a per-square-foot basis, homes in the West Grand area are priced at about 52% of those in the Fraser Valley.

Prices per Square Foot by Area

	West Grand	Granby/HSS/ 3 Lakes	Fraser Valley
Condominiums	N/A	\$258	\$330
Single-family	\$150	\$278	\$289

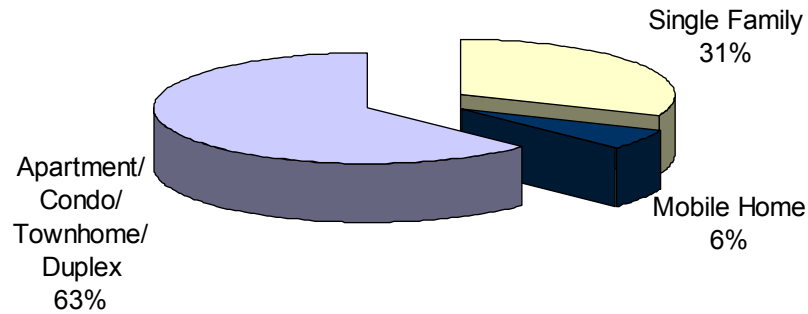
Source: Grand County Board of Realtors; Rees/RRC calculations.

Rental Market Conditions

Rental Supply

The percentage of households in Grand County that rent has decreased since the 2000 Census, from approximately 32% to 27% in 2007. Results from the 2007 survey show a decrease since 2000 in single-family and mobile-home rentals and an increase in the percentage of renter-occupied units that are condominiums and apartments. Renters who have moved into ownership since 2000 have been more likely to purchase single-family homes than condominiums or townhomes.

Rentals by Type of Unit: 2007



Source: 2007 Household Survey

The current supply of rental units in Grand County is comprised of scattered condominium and single-family home rentals plus seven apartment properties, including three senior properties, two income-restricted family properties (both are located in Fraser), and two market-rate family projects (both in Kremmling).

- Fox Run Apartments offers 53 units restricted under the Low-income Tax Credit (LIHTC) program for households with incomes at or below 60% AMI. The other 11 units have rent restrictions at 80% AMI. Fox Run was developed by the Grand County Housing Authority and is owned by Fox Run, LLLP.
- Wapiti Meadows Apartments offers 50 income-restricted units at 40% to 60% AMI and is owned and managed by Mercy Housing.
- The majority of rental units are individually owned and rented through property management companies.
- Employers also provide rental housing. Of those responding to the employer survey, about 29% provide at least one unit for employees. Winter Park Resort provides about 60 units to employees, with the ability to house about 200 people. The units are dispersed, with some at the Fireside Inn, at the Grand Meadows House, at Wintersage Condominiums, and in employee houses. All units are fully furnished and have easy access to the employee shuttle. The units range between \$250 and \$425 per person.
- Two senior apartment properties are in Grand County, one located in Kremmling (Silver Spruce Senior Apartments) and one Granby (Grand Living Solar Senior Homes). Both have only one-bedroom units and are income restricted at 50% AMI. Comments from property managers and the 2007 Household Survey indicate that many seniors cannot qualify for the income-restricted housing, yet need the amenities and services of a senior apartment rental property. Both are owned by Grand County Housing Authority.

Apartment Properties

Complex	Year Constructed	Units	Yearly Turnover	Vacant Units	Restrictions
Grand Living Senior Homes	1979	24		0	62 yrs or older, Pay 30% of income for rent, rural development pays balance
Silver Spruce Apartments	1981	20	10%	0	62 yrs or older, Pay 30% of income
Fox Run Apartments	2002	64		0	60% income restricted
Wapiti Meadow	1995	50	25%	1	40, 50, 60% income restricted
Kremmling Apartments	1980's	24	21%	0	No restrictions
Gore View		7		0	No restrictions
TOTAL		243			

Source: Property Manager Interviews

Rental Rates

Results from the 2007 Household survey show that the median rent in Grand County is \$733/month (average \$670/month), which is an increase of about 25% since 2000 (\$593/month average). Households making 50%AMI are on the threshold of affordability, where households making 80% or more can generally afford to rent an appropriate-sized unit. It is important to note that the rental rates reported from the 2007 Household Survey include both income-restricted and free-market rentals.

Households making 80% or more can generally afford to rent an appropriate-sized unit.

2007 Median Rent, Grand County

Household Size (persons)	Median Rent	Household Income Required (pay no more than 30% for rent)	50% AMI	80% AMI
1	\$500	\$20,000	\$23,050	\$36,900
2	\$800	\$32,000	\$26,350	\$42,150
3	\$903	\$36,120	\$32,950	\$47,450
4	\$984	\$39,360	\$35,600	\$52,700
5	\$1,041	\$41,640	\$42,720	\$56,900

Source: 2007 Household Survey; Department of Housing and Urban Development

The chart below shows the median rent by type of rental and number of bedrooms. Single-family homes are by far the most expensive to rent, with apartments being the most affordable. For apartment properties, the median rent shown below includes income-restricted rentals.

The rates shown for condominiums and single-family rentals are market rates. They are higher (10% to 25%) than the rates charged for income-restricted units. Compared to rates from the 2000-2001 winter season, both condominium and single-family units appear to be rented for slightly lower amounts; however, variation in the sample could be responsible for the difference.

2007 Rents

Bedrooms	All Types Medians	Inc. Restricted Apts.	Free Market Apts.	Condos Medians	Single-family Homes Medians
1	\$394	\$370 - \$551	\$450 - \$475	N/A	\$600
2	\$743	\$450 - \$697	\$500-\$750	\$768	\$866
3	\$991	\$502 - \$800	\$800	\$928	\$1,159
4	\$1,072		-	-	\$1,165
TOTAL	\$733		\$514	\$767	\$997

Source: 2007 Household Survey

The only free-market apartment properties in Grand County do not provide a good indication of the difference between market rates and subsidized rents since both are located in Kremmling whereas the two LIHTC projects are in Fraser. Kremmling Apartments provides only two-bedroom units, which rent between \$725 and \$750. Gore View was originally a hotel that has since been converted to apartments with one-, two- and three-bedroom units. Their two-bedroom units are between \$175 and \$225 less per month than those in Kremmling apartments. Two-bedroom units at Gore View apartments actually rent below the 50% AMI units at Wapiti Meadow.

While there are no large rental properties in the Granby/Hot Sulphur Spring/Three Lakes area, survey data shows that the median rent for condominium properties is \$870 and for single-family properties is \$1,017.

Rent Comparison

	1 bdrm			2 bdrm			3 bdrm		
	rent	qualification	sqft	rent	qualification	sqft	rent	qualification	sqft
<u>Income Restricted</u>									
Wapiti Meadow	\$370	2 at 40%	703	\$450	3 at 40%	927	\$502	2 at 40%	1,127
	\$494	2 at 50%	703	\$590	8 at 50%		\$681	5 at 50%	
				\$697	15 at 60%		\$793	13 at 60%	
Fox Run	\$551	60%	588	\$665	60%	840	\$800	60%	896
<u>Free Market</u>									
Kremmling Apartments				\$725	none	1,150			
				\$750		1,150			
Gore View Apartments	\$450	none		\$500	none		\$800	none	
	\$475			\$575					
Scattered Rentals-	\$500 - \$800	none	varies	\$600- \$1,200	none	varies	\$1,000 - \$2,000	none	varies

Source: Property Manager Interviews

Vacancy Rates

Currently, the vacancy rate in Grand County for income-restricted and free-market apartment properties is near zero, while the vacancy rate for scattered rentals leased through property management companies is about 8.2%.

The current vacancy rate among apartment properties represents a slight decrease since the 2001 Grand County Housing Needs Assessment, when property managers indicated that the rental market was tight and the inventory was decreasing. Not long after, two properties came on the market (Wintersage and Fox Run) than increased unit availability at the same time that a slow down in the economy softened rental demand. Absorption was slow at Fox Run, and property managers indicated that it was very tough for them to rent out scattered market-rate units in 2002 and 2003.

The vacancy rate in Grand County for apartment properties is near zero, while the vacancy rate for scattered upper-end rentals is about 8.2%.

The rental market started to rebound in 2004 and has continued to strengthen through 2006. Property managers, however, are concerned that another development like Fox Run would significantly soften the market.

Of the 243 units in apartment properties, only one was vacant at Wapiti Meadows. All of the vacant units in Grand Lake are single-family homes, advertised as cabins, which are only available in the winter. The vacant condominium units in Fraser and Winter Park require one year leases and are high-end properties with rents that are significantly higher than median rates. The two vacant units in Granby are also listed above prevailing market rates.

Vacancies in Scattered Units

Location	Bedroom	Type	Rent Range	Total Vacant
Grand Lake	1	Single-family	\$650-\$800	2
Grand Lake	2	Single-family	\$600-\$850	4
Grand Lake	3	Single-family	\$1,250	1
Granby	3	Single-family	\$1,500	1
Granby	2	Condo	\$900	1
Fraser	3	Condo	\$1,800	1
Winter Park	2	Condo	\$1,800	1
Total				11

Source: Property Manager Interviews
 *Interviews represent a total of 134 properties.

SECTION 4 - HOUSING PROBLEMS

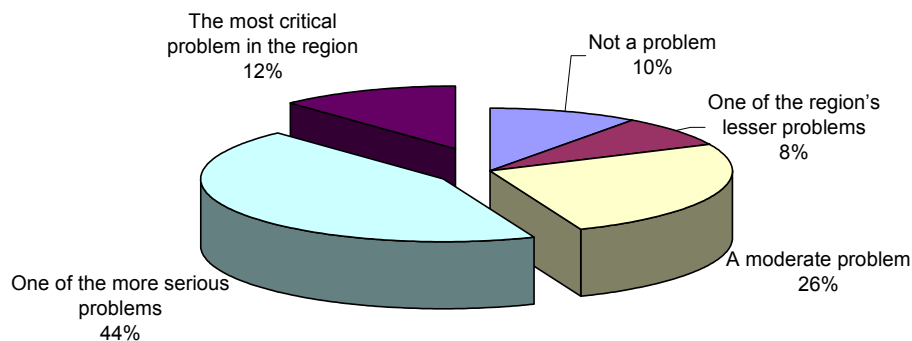
This section of the report examines various types of housing problems, starting with an examination of employer perceptions about housing and identification of the difficulties they are experiencing directly related to the availability and cost of workforce housing followed by:

- satisfaction levels;
- the condition of homes;
- affordability;
- overcrowding;
- living other than where desired; and
- foreclosures.

Employer Perceptions about Housing

The vast majority of employers believe that the availability of affordable housing for the workforce in Grand County is a problem. Over half (56%) feel it is the most critical or one of the more serious problems in the county. Only 10% feel it is not a problem.

Extent to which Housing is a Problem -- Employers



Source: 2007 Employer Survey

Employers, however, appear to be less concerned about workforce housing than they have been in the past. As part of the 2001 Housing Needs Assessment, 77% of employers surveyed reported that workforce housing was the most critical or one of the more serious problems in the county compared with 56% in 2007.

Most employers feel that the availability of workforce housing is a problem, and that recruiting and retaining employees has gotten harder.

Employer Problems Related to Housing

Nearly half of the employers surveyed report that their ability to recruit and retain qualified employees has gotten harder in the past three years. Very few felt that their ability to find and keep employees has gotten easier.

Ability to Recruit and Retain Qualified Employees

Improved/gotten easier	6.1
Stayed about the same	26.5
Declined/gotten harder	49.0
Don't know/not applicable	18.4
Total	100%

Source: 2007 Employer Survey

Employers report that, at any given time, between 3.2% and 3.8% of their available positions are unfilled, which reduces both the quality/quantity of the product or service they provide and profitability. Applying the mid-range percentage of unfilled jobs to average employment in Grand County results in an estimate of 330 total unfilled jobs (9,458 jobs; 3.5% unfilled).

Unfilled Jobs – Employers Surveyed

	Year-Round	Winter seasonal	Summer seasonal	Total Winter	Total Summer
Number of Employees	3,524	3,091	816	6,615	4,340
Unfilled Jobs	102	110	62	212	164
Percent Unfilled Jobs	2.9%	3.6%	7.6%	3.2%	3.8%

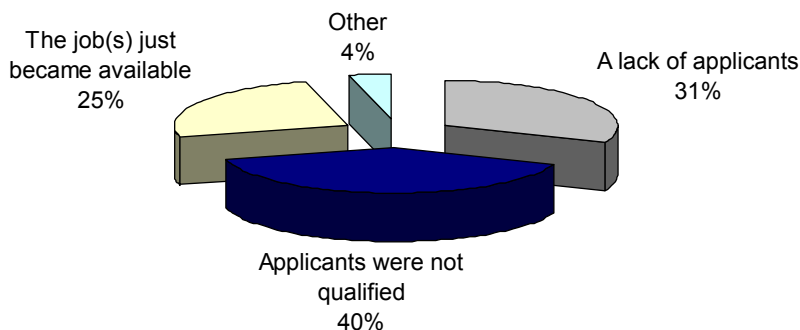
Source: 2007 Household Survey

Approximately 330 jobs are unfilled during peak employment periods, primarily due to housing-related factors.

Seasonal jobs, particularly those available during the summer months, have been harder to fill than year-round positions. It is important to note that the employer survey was conducted just after the summer season ended; the higher percentage of unfilled jobs represents the increasing labor shortage.

Applicants not having sufficient qualifications and lack of applicants were the two most frequently cited reasons for unfilled jobs.

Reasons for Unfilled Jobs



Source: 2007 Household Survey

If left unaddressed, unfilled jobs negatively affect the operations of businesses and essential service providers (schools, medical facilities, emergency service providers, municipal and county governments, etc.). Finding applicants to fill vacant positions will require an in migration of workers given how low the unemployment rate was (2.6%) in June. It is likely the ability to hire and retain qualified employees will worsen if the trend in the unemployment rates continues downward.

The employers surveyed also reported that over 1,000 persons were not hired or left their employment last year. This is equal to 18% of their average employment (total summer and winter seasons averaged). The primary reason was that the cost of living in Grand County, of which housing is usually the largest component, was too high. The second most frequent reason was a lack of housing. The lack of parking, transportation and day care were also factors but to a much smaller degree than housing.

The employers surveyed alone reported that over 1,000 employees left or did not accept jobs mostly due to housing.

**Reasons for Not Accepting or Leaving Employment
Employer Surveyed**

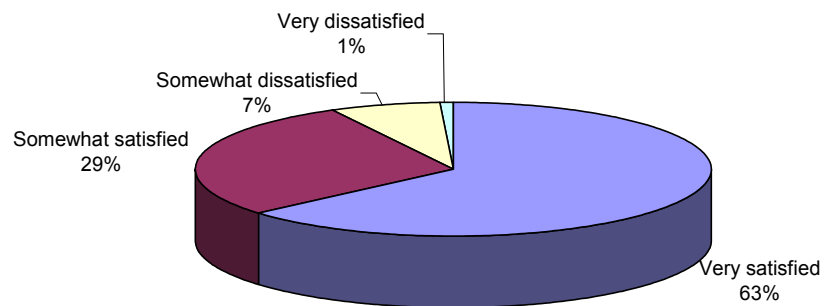
Primary Reason	# Employees
Lacked housing	220
Lacked transportation	69
Lacked day care	34
Lacked Parking	122
Found cost of living in Grand County was too high	556
TOTAL	1,001

Source: 2007 Employer Survey

Satisfaction with Housing

In Grand County, satisfaction levels are high. The vast majority of residents (92%) are satisfied with the housing in which they reside; 63% are very satisfied and 29% are somewhat satisfied.

Satisfaction with Current Residence



The large majority of households are satisfied with their housing, however nearly 500 are not.

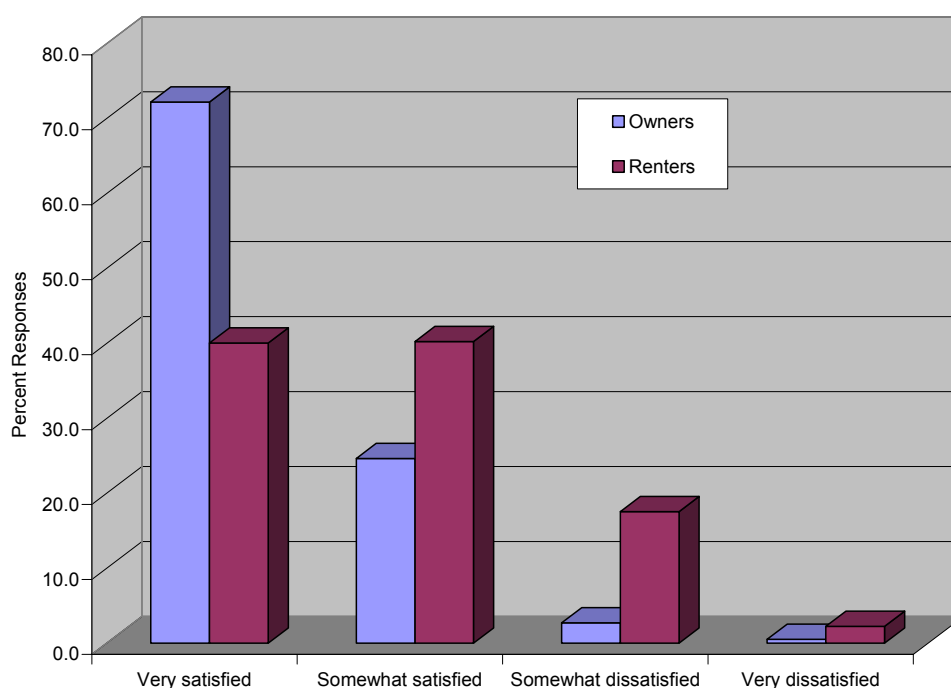
Source: 2007 Household Survey

Approximately 494 households are dissatisfied, however. Some of the most frequently cited reasons for dissatisfaction include:

- small size of the units;
- poor condition of units;
- inability to buy; forced to rent;
- management of rental units; and
- neighborhood issues – noise, too many second homes, too far from services.

Homeowners tend to be more satisfied than renters, which is typically the situation in most market areas. Even among renters, however, satisfaction is high with only 20% indicating they were either somewhat or very dissatisfied.

Satisfaction with Current Residence by Own/Rent



Source: 2007 Household Survey

Satisfaction levels are high throughout the county although they are slightly lower in the Fraser Valley than elsewhere.

Satisfaction with Current Residence by Area

	West Grand	Granby/ HSS/ 3 Lakes	Fraser Valley	Overall
Very satisfied	63.0	66.0	60.5	63.8
Somewhat satisfied	32.1	28.1	27.7	28.6
Somewhat dissatisfied	3.7	5.0	10.9	6.8
Very dissatisfied	1.2	0.8	0.9	0.9
Total	100%	100%	100%	100%

Source: 2007 Household Survey

There is a correlation between satisfaction levels and length of residency. Generally, the longer that residents have lived in Grand County, the more satisfied they are with their housing.

Satisfaction by Length of Residency in the Region

	< 6 months	6 mos - 1 year	1 to 3 year	3 to 5 year	5 to 10 year	10+ years
Very satisfied	53.8	23.1	53.5	60.9	56.6	71.1
Somewhat satisfied	30.8	46.2	32.6	30.4	33.6	22.6
Somewhat dissatisfied	15.4	30.8	11.6	7.2	8.0	6.0
Very dissatisfied	0.0	0.0	2.3	1.4	1.8	0.3
	100%	100%	100%	100%	100%	100%

Source: 2007 Household Survey

There is also a correlation between satisfaction with current residence and the length of time living in that residence. If households are dissatisfied for very long with their housing, they tend to move.

Satisfaction by Length in Residence

	< 6 months	6 mos - 1 year	1 to 3 year	3 to 5 year	5 to 10 year	10+ more
Very satisfied	49.1	50.0	55.3	61.5	74.3	71.0
Somewhat satisfied	37.7	30.0	32.6	30.3	20.4	26.1
Somewhat dissatisfied	13.2	17.5	9.9	7.3	4.4	2.4
Very dissatisfied		2.5	2.1	0.9	0.9	0.5

Source: 2007 Household Survey

It is important to note that the survey did not cover seasonal workers or many residents who have just moved into the county and are likely less satisfied than long-term residents.

Upper-income households are the most satisfied.

There is a relationship between income and satisfaction levels, though it differs from what might be expected. Relatively more households with extremely low-incomes ($\leq 30\%$ AMI) are very satisfied with their housing than any other income group. This may be due to a combination of factors including expectations, past experience and housing assistance received. Households in the upper income category (140% AMI or greater) tend to be the most satisfied. Households with incomes between 30% and 60% are the least satisfied with their housing.

Satisfaction Levels by AMI

	$\leq 30\%$ AMI	30.1% - 50% AMI	50.1 - 60% AMI	60.1% - 80% AMI	80.1% - 100% AMI	100.1% - 120% AMI	120.1% - 140% AMI	140%+ AMI
Very satisfied	71.3	49.3	55.2	55.9	53.9	66.9	58.8	69.2
Somewhat satisfied	25.0	34.7	22.4	40.8	29.3	28.8	34.9	25.4
Somewhat dissatisfied	3.7	13.0	22.4	3.3	15.6	4.2	6.4	3.8
Very dissatisfied	0.0	3.1	0.0	0.0	1.3	0.0	0.0	1.6
	100%	100%	100%	100%	100%	100%	100%	100%

Source: 2007 Household Survey

Condition of Housing

Residents also seem to be generally pleased with the physical aspects of where they now live. On a scale where 1 = poor, 3 = good and 5 = excellent, all conditions received overall ratings of 3.9 or above. The quality of neighborhoods received the highest overall ratings. Yard/lot size and exterior appearance received the lowest. Across the board, owners rated the condition of their homes higher than did renters.

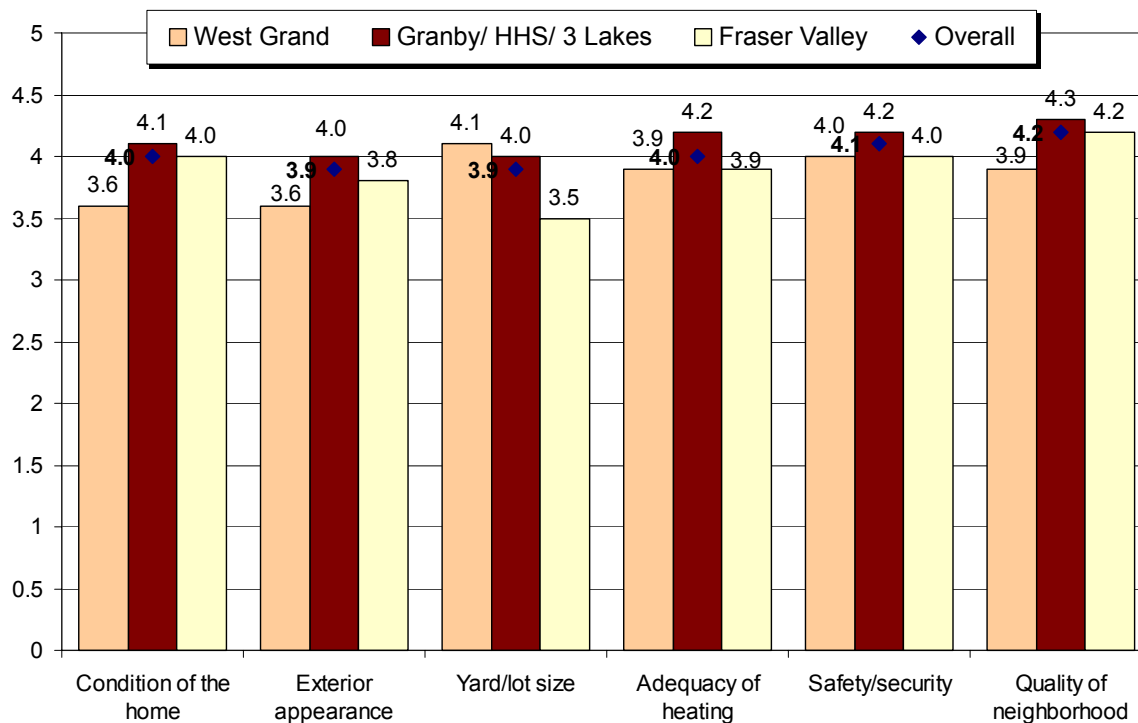
Physical Conditions by Own/Rent

	Overall	Owners	Renters
Condition of the home	4.0	4.2	3.5
Exterior appearance	3.9	4.1	3.5
Yard/lot size	3.9	4.1	3.2
Adequacy of heating	4.0	4.2	3.5
Safety/security	4.1	4.3	3.7
Quality of neighborhood	4.2	4.2	4.0

Source: 2007 Household Survey

There was only a slight variation in the responses by area. West Grand residents were less satisfied than others with the condition and exterior appearance of their homes. Residents living in the Fraser Valley were less satisfied with their yard/lot size.

Average Ratings of Condition by Area



Source: 2007 Household Survey

Extremely low-income households ($\leq 30\%$ AMI) tended to rate the condition/quality of their homes higher than other income groups. This may be because their expectations are low and not necessarily a reflection of actual condition. There was little variation between 30% and 120% AMI.

Average Ratings of Condition by AMI

	$\leq 30\%$ AMI	30.1% - 50% AMI	50.1 - 60% AMI	60.1% - 80% AMI	80.1% - 100% AMI	100.1% - 120% AMI	120.1% - 140% AMI	> 140% AMI
Condition of the home	4.4	3.3	3.5	3.7	3.7	3.9	3.9	4.3
Exterior appearance	4.6	3.1	3.5	3.6	3.5	4.0	3.8	4.1
Yard/lot size	4.4	3.7	3.5	3.6	3.7	3.6	3.7	4.0
Adequacy of heating	4.7	3.4	3.7	3.7	3.7	3.9	4.0	4.2
Safety/security	4.4	3.7	3.9	3.8	3.9	4.0	4.0	4.3
Quality of neighborhood	4.6	3.8	4.0	4.0	4.1	4.3	4.1	4.3

Source: 2007 Household Survey

The overall condition of homes is the most direct indication of the need for repair, rehabilitation or replacement. Overall, 6% of residents surveyed indicated their homes are in poor or fair condition (ratings of 1 or 2). This equates to 370 households living in homes that are not in good condition. This estimate is low, however, since few transient renters and Spanish speaking employees completed the survey, yet tend to live in some of the worst housing in the county. A detailed listing of all ratings is included in the appendix.

Over 370 households live in homes that are not in good condition.

Affordability

Approximately 1,425 households occupy housing that is not affordable.

Over three-fourths of the households in Grand County live in homes that are affordable given their incomes. Just over 23% or an estimated 1,425 households, however, spend more than 30% of their gross household income on their rent or mortgage payment and are therefore considered to be cost burdened. When households are cost burdened by their housing payment, they have difficulty affording groceries, health care, transportation, clothing and other necessities.

Percentage of Income Spent on Housing by Own/Rent

	Overall	Owners	Renters
Under 10%	6.3	5.9	6.8
11-20%	40.1	39.0	41.4
22-30%	30.4	31.2	29.3
31-40%	10.0	8.9	12.0
41-50%	5.4	6.3	3.8
Over 50%	7.8	8.6	6.8
Total	100%	100%	100%
Total Cost Burdened	23.1%	23.8%	22.6%

Source: 2007 Household Survey

Rents in Grand County tend to be more affordable for the workforce than often found in the Colorado mountains. While nearly 23% of the county's renter households are cost burdened, the percentage is typically closer to 50% in other high-amenity mountain counties. The trend is heading in the wrong direction, however. The 2001 Needs Assessment reported that only 13% of renter households spent more than 30% of their income on their rent payment.

The percentage of renters with housing that cost more than they can afford jumped from 13% in 2001 to 30% today.

Affordability is slightly lowest in Granby/Hot Sulphur Springs/Three Lakes than in the Fraser Valley. In relative terms, about half as many households are cost burdened in the West Grand area.

Percentage of Income Spent on Housing by Area			
	West Grand	Granby/ HSS/ 3 Lakes	Fraser Valley
Under 10%	7.0	6.8	5.4
10-20%	39.5	42.7	37.2
20-30%	41.9	25.0	34.5
30-40%	4.7	10.0	11.5
40-50%	0.0	5.9	6.8
Over 50%	7.0	9.5	4.7
	100%	100%	100%
Total Cost Burdened	11.6%	25.5%	23.0%

Source: 2007 Household Survey

Overcrowding

Overcrowding is not a widespread problem among the population surveyed. By comparing the number of household members to the number of bedrooms, an estimate of 270 overcrowded housing units is derived. Large households are much more likely to be overcrowded than households with fewer than four members.

Over 270 units are overcrowded.

Number of Bedrooms and Number of Residents Compared							
<i>Shading denotes overcrowded units</i>							
Persons in Household							
Bedrooms	One	Two	Three	Four	Five	Six	Seven
1	28.3	4.4	2.3	1.4		14.3	0.0
2	40.3	32.3	22.1	20.0	4.5		0.0
3	24.5	40.5	43.0	45.7	27.3	42.9	0.0
4	5.7	17.7	24.4	22.9	50.0	14.3	0.0
5	1.3	4.1	7.0	5.7	18.2	28.6	100.0
6	0.0	0.6	1.2	2.9	0.0	0.0	0.0
7	0.0	0.3	0.0	1.4	0.0	0.0	0.0
Total	100%	100%	100%	100%	100%	100%	100%

Source: 2007 Household Survey

Note: the overcrowding estimate does not take into account many large Hispanic households or transient seasonal workers that often crowd into units to keep their rent as low as possible.

Unable to Live Where Desired

A frequent complaint in high-cost mountain counties is that employees cannot live where they want to live and are forced to commute between their homes and their jobs, which has numerous social, economic and environmental consequences. For the most part however, residents in Grand County live where they most want to live. For example, 72% of the households in Fraser most want to live in Fraser while 16% would like to move to Winter Park.

The data show, however, that some residents are not able to live where they want to and are forced to live down valley. Generally, those who did not live where they want to live would rather live up valley. For example, of those living in Fraser, 16.3% would rather live in Winter Park. Applying survey findings to household population figures results in an estimate of 1,359 households that live other than where they want to live.

Where Want to Live by Where Now Live

Where Want to Live	Where Now Live						
	Fraser	Granby	Grand Lake	Hot Sulphur Sps	Kremmling	Tabernash	Winter Park
Fraser	72.1%	4.9%	2.7%	2.9%	3.9%	5.3%	
Granby	1.2%	68.3%	2.7%	5.9%	5.2%		
Grand Lake	1.7%	5.6%	86.6%	8.8%	2.6%	7.0%	
Hot Sulphur Sps	0.6%	1.4%	0.9%	67.6%			
Kremmling	0.6%			2.9%	75.3%	3.5%	
Tabernash	3.5%	2.1%				56.1%	2.9%
Winter Park	16.3%	7.7%	0.9%	2.9%	1.3%	17.5%	97.1%
Clear Creek Co.		0.7%	0.9%			1.8%	
Summit County		1.4%		5.9%	6.5%	1.8%	
Metro Denver	0.6%	2.1%	1.8%			1.8%	
Other	3.5%	5.6%	3.6%	2.9%	5.2%	5.3%	
	100%	100%	100%	100%	100%	100%	100%

Source: 2007 Household Survey

According to research published by Colorado Housing, for every dollar a family saves by moving to a house that's more affordable but farther from work, they pay an additional 77 cents to cover transportation costs (car payments, maintenance, gas, insurance, parking).

Housing is forcing employees to commute. Approximately 1,360 households do not live in the community where they want to live.

Households Living Other Than Where Desired

	% Not Living Where Want To	Total Households	# Not Living Where Want To
Fraser	27.9%	516	144
Granby	31.7%	726	230
Grand Lake	13.4%	236	32
Hot Sulphur Springs	32.4%	233	75
Kremmling	24.7%	604	149
Winter Park	2.9%	624	18
Unincorporated	22.0%	3,231	711
Total		6,171	1,359

Source: 2007 Household Survey

Foreclosures

The Grand County Treasurer's office reports that foreclosures in Grand County have remained steady in recent years. In both 2005 and 2006, there were 47 foreclosures in Grand County. During the first 10 months of 2007, the County processed 41 foreclosures. Mortgage lenders and social service agencies who work with families in need are not witnessing a significant increase in the ability of residents to meet their mortgage obligations.

The foreclosure rate is holding steady in Grand County although it may increase as owners face high debt to income ratios, balloon payments, adjustable rates and the inability to refinance with the current mortgage crisis.

SECTION 5 - SPECIAL NEEDS

This section of the report examines the housing-related needs of specific population groups in Grand County including seniors, Spanish-speaking employees, victims of domestic violence, homeless persons and very low-income households.

Seniors

Persons age 65 and older comprised about 7.8% of Grand County's population in 2000. According to the Colorado Demography Section of the Colorado Department of Local Affairs, the percentage has now increased to nearly 9%, will grow to 10% by 2010 and will continue to increase reaching 12.4% by 2015. With baby boomers growing older and the average life span increasing, the senior population in Grand County will continue to grow in both absolute numbers and in relative terms (as a percentage of the population) through at least 2030.

The senior population is growing faster than the population as a whole.

Senior Population Estimates, Grand County				
	2000	2007	2010	2015
Total Population	12,885	14,968	16,448	19,355
Population Age 65+	1,002	1,337	1,646	2,394
% Pop Age 65+	7.8%	8.9%	10.0%	12.4%

Source: DOLA Demography Section

The percentage of households that are occupied by seniors (persons age 65+) is higher than the percentage of the population – 13.1% in 2000, an estimated 17.5% in 2007 and a projection of 22.6% by 2015. This is because senior households are smaller than other family and non-family households. While the majority of Grand County's seniors live with their spouse, over one-third live alone.

By 2015, over 22% of households will be occupied by seniors, up from about 17% today.

Senior Households by Type and Size		
	Households	% of Senior Households
Households with one or more people 65+	663	100%
1-person household	242	36.5%
2-or-more person household:	421	63.5%
Family households	410	61.8%
Nonfamily households	11	1.7%

Source: 2000 Census

The distribution of senior households is not even throughout Grand County. The concentration is highest in the Granby/Hot Sulphur Springs/Three Lakes area followed closely by West Grand.

Fewer seniors live in the Fraser Valley, where temperatures are lower, snowfall is deeper and housing prices are higher.

Senior Household Estimates by Area, 2000 - 2015

2000 Census	West Grand*	Granby/HSS/3 Lakes	Fraser Valley	Total
All HH	1,099	2,838	1,138	5,075
Senior Headed	149	432	82	663
% Senior Headed	13.6%	15.2%	7.2%	13.1%
2007 Est				
All HH	958	3,220	1,993	6,171
Senior Headed	174	658	193	1,082
% Senior Headed	18.2%	20.4%	9.7%	17.5%
2015 Est				
All HH	992	3,908	1,851	7,267
Senior Headed	233	1,031	231	1,645
% Senior Headed	23.5%	26.4%	12.5%	22.6%

Sources: DOLA Demography Section, Region 12 COG and RRC Associates

* Includes the western edge of the Fraser Valley.

Most residents want to stay in their home upon retirement, which means that replacement employees will increase housing demand even if the number of jobs stays level.

Most of the seniors now living in Grand County are staying in their homes upon retirement. While nearly 10% plan to leave the region, nearly 87% plan to stay in their same residence. There is little interest in moving into other homes in the same community, which could be changed depending upon the type and cost of housing available for seniors. Since most seniors will stay in their homes, their housing will not become available for employees needed to fill jobs vacated by retiring employees. This means that even with no new job growth, the net demand for employee housing will increase as more housing units are occupied by retired seniors.

Where Will Live Upon Retirement

	Overall	Owners	Renters
Stay in the same residence	86.9	87.1	85.2
Move to a different residence in same community	2.7	1.6	14.8
Move elsewhere in the valley	0.7	0.8	
Move out of the region	9.6	10.5	
	100%	100%	100%

Source: 2007 Household Survey

The vast majority of seniors now living in Grand County are satisfied with their current housing. Less than 1% is very dissatisfied.

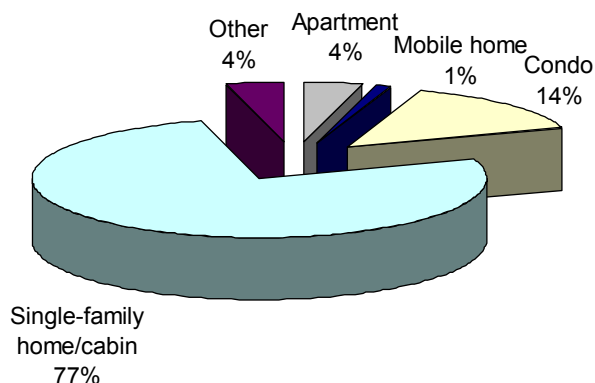
Satisfaction with Current Housing Senior Households

Satisfaction Level	% Senior Households
Very satisfied	84.9
Somewhat satisfied	11.9
Somewhat dissatisfied	2.3
Very dissatisfied	0.9
Total	100%

Source: 2007 Household Survey

Most seniors live in single-family homes but nearly 15% resides in condominiums, which tend to be popular among retirees who prefer to downsize into lower-maintenance housing.

Types of Units Occupied by Senior Households



Source: 2007 Household Survey

The Grand County Housing Authority owns two senior apartment projects and an assisted living facility in Grand County. All of the units in the two apartment properties are restricted for low-income elderly or disabled. Both are fully occupied yet nearly 30 years old. Cliffview Assisted Living maintained high occupancy levels for most of its 13-year history but, within the last 1½ years, has experienced high vacancies. Cliffview is examined in greater detail later in this section of the report.

Nearly 20% of seniors live in housing that is too expensive given their incomes.

Senior Apartments and Assisted Living

Name	# Units	Location
Grand Living Senior Apts	24	Granby
Silver Spruce Apts	20	Kremmling
Cliffview Assisted Living	24	Kremmling

Source: Grand County Housing Authority

Most seniors live in housing that is affordable given their incomes. Almost 20%, however, spend more than 30% of their income on housing and are considered to be cost burdened.

Affordability of Housing, Senior Households
Shading Denotes Cost Burden

	% Senior Households
Under 20%	38.3
20-30%	42.6
30-35%	2.1
35-40%	2.1
40-50%	6.4
Over 50%	8.5
Total	100%
Total Cost Burdened	19.1%

Source: 2007 Household Survey

Households with at least one member age 65 or older were asked to indicate how likely they would be to move into senior housing or use senior housing services within the next five years. Of the six options tested, interest is lowest in reverse mortgages and assisted living. Renting in a senior apartment building received the highest rating.

Interest in Senior Housing Options

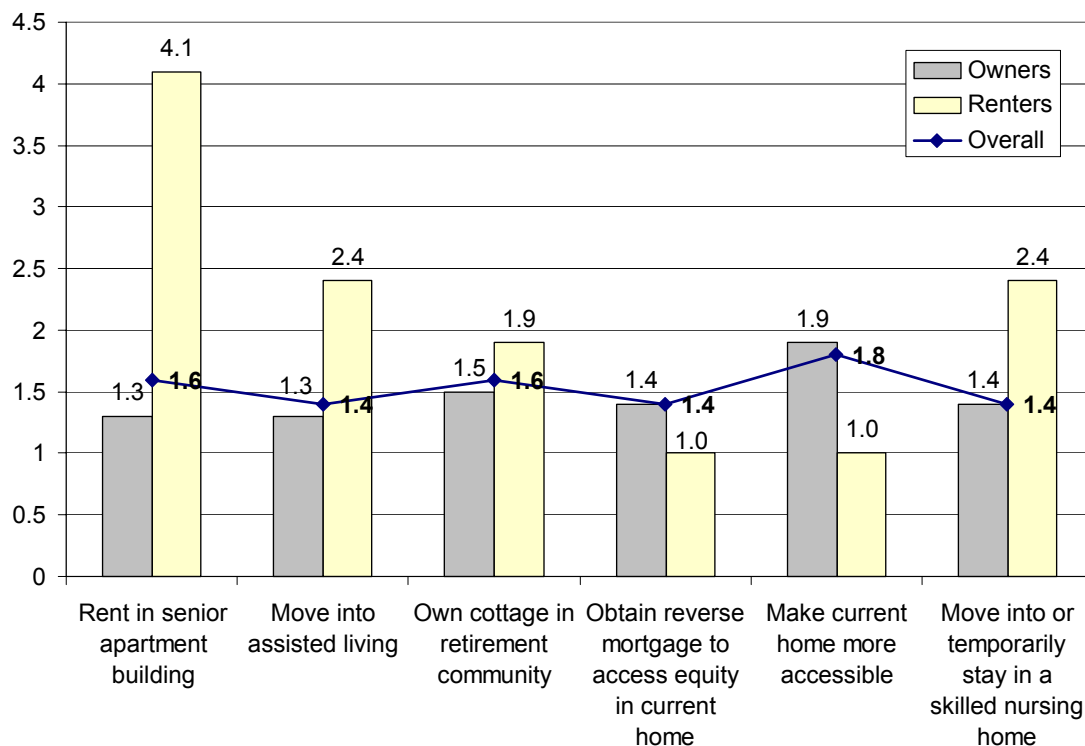
	Senior Apartment	Assisted Living	Cottage in Retirement Community	Reverse Mortgage	Make Home Accessible	Skilled Nursing Home
1 - Would not	61.5	69.1	60.3	75.3	52.9	61.8
2	6.0	5.5	4.5	3.6	7.1	5.2
3	4.1	4.5	3.3	3.3	14.1	8.8
	0.0	4.9	7.4	0.0	4.7	1.3
5 - Would	8.9	0.6	2.5	5.6	5.2	1.9
Don't know	19.5	15.4	22.0	12.2	15.9	21.1
Total	100%	100%	100%	100%	100%	100%

Source: 2007 Household Survey

It appears to be adequate for development of small-scale senior apartment projects and possibly cottages in retirement communities.

Interest levels differ between owners and renters. Seniors who now rent indicated they are more likely than owners to move into a senior apartment, assisted living or skilled nursing home than are homeowners.

Interest in Senior Housing Options by Own/Rent
Average Rating: 1 = would not consider; 5 = would consider



Source: 2007 Household Survey

Interest levels vary by area. Seniors living in the West Grand area are generally more likely to rent a senior apartment, move into assisted living, stay in a skilled nursing home or want assistance to make their homes more accessible while seniors living in the Granby/Hot Sulphur Springs/Three Lakes area are more interested in buying a cottage in a retirement community. They probably have more equity in their homes than seniors living in and near Kremmling and are, therefore, more interested in ownership options for their retirement years.

Interest in Senior Housing Options by Area
Average Rating: 1 = would not consider; 5 = would consider

	Senior Apartment	Assisted Living	Cottage in Retirement Community	Reverse Mortgage	Make Home Accessible	Skilled Nursing Home
West Grand	3.1	2.5	2.1	2.1	3.5	3.4
Granby/ HSS/ 3 Lakes	2.7	2.0	2.6	2.0	2.4	2.1
Fraser Valley	1.8	2.0	2.5	1.8	2.2	2.3

Source: 2007 Household Survey

Cliffview Assisted Living

Cliffview is an attractive, well-maintained assisted living facility built in 1994 in Kremmling. Most units are designed for single occupancy but up to four of its 24 rooms could accommodate couples. Cliffview accepts both Medicaid and private-pay residents with typically about an even split between the two. The monthly charge is \$2,600 for private-pay residents while the Medicaid reimbursement rate is set by the State. Historically, about half of the residents have come from the area, which includes Summit, Routt and Jackson counties, and half have moved in from more distance locations to live near their family.

Occupancy rates have been declining since mid 2006. The size of the senior population in Grand County and Kremmling in 1990 and 2000 were compared to see if a decline in the senior population contributed to the low occupancy levels as of late at Cliffview. Between 1990 and 2000, the senior population county wide grew nearly 55% but stayed almost level in Kremmling with an increase of only 13% in 10 years. There was an increase of 33%, however, in the number of seniors age 75 or older living in Kremmling between 1990 and 2000.

Senior Population, 1990 and 2000

Grand County	1990	2000	Increase
age 65+	611	968	58.4%
age 75+	203	292	43.8%
Total	814	1,260	54.8%
Kremmling			
age 65+	123	128	4.1%
age 75+	54	72	33.3%
Total	177	200	13.0%

Source: Census

A more detailed examination by age shows that many of the seniors living in Kremmling in 2000 were age 85 or older and have probably since passed away. There were relatively fewer seniors in the 75 to 79 and 80 to 84 ranges, the ages that would now make them prime candidates for assisted living. There are more seniors in the 70 to 74 age range, however, and these folks should be in need of assisted living in the near future. That means occupancy levels should increase. If the fluctuations in the senior population by age are the reason for the recent low occupancy levels, another slump should be expected around 2015 as the few persons who were 65 to 69 in 2000 reach their eighties.

Senior Population by Age, 2000

2000	Grand Co	Kremmling
65 and 66 years	170	16
67 to 69 years	212	9
70 to 74 years	294	31
75 to 79 years	152	23
80 to 84 years	66	19
85 years and over	74	30

Source: 2000 Census

Spanish-Speaking Population

In 2000, approximately 4.4% of Grand County's population was Hispanic/Latino. As has been the case in similar Colorado mountain counties, the growth in the past few years in low-wage services and in the labor-intensive construction industry has spurred an influx of Spanish-speaking employees. Some are US residents or have work visas but others are undocumented. The total number, and the number in each legal category, are unknown. Of employers surveyed, 38% reported that they have Spanish-speaking employees. Approximately 10% of their total employees during the summer season speak Spanish as their primary language.

About 10% of summer employees are Spanish speaking.

The housing needs of Spanish-speaking employees are not well understood and are extremely difficult to quantify. Social service agencies are very limited in what they can offer if the applicants are not documented. Even if private non-profit agencies were not restricted by their funding sources, their ability to serve this special population is impacted by fears of deportation. Attendance in Mountain Family's cultural integration program dropped from 70 to two following raids in Colorado.

While nearly 5% of the households surveyed indicated Spanish or some language other than English is spoken at home this percentage understates the situation since surveys are usually only completed by employees who are documented and highly skilled in English. The percentage is slightly higher among owners than renters, which also indicates that the surveys are completed by legal residents.

Language Spoken by Own/Rent			
	Overall	Owners	Renters
Yes - Spanish	2.6	3.1	1.2
Yes - other	2.6	2.4	2.9
No	94.8	94.4	95.9
	100%	100%	100%

Source: 2007 Household Survey

The majority of residents who speak a language other than English live in the Granby/Hot Sulphur Springs/Three Lakes area. Most have lived in the area for five years or more and most are couples, with or without children.

Property managers report an increase in the number of Spanish-speaking employees who are looking for places to rent. Because of their larger household size, it is more difficult to place them in rental units without overcrowding.

Average Household Size by Ethnicity	
	Avg. # Persons per Household
All households	2.37
Hispanic/Latino households	2.68
White, not Hispanic/Latino	2.36

Source: 2000 Census

Mountain Family is conducting an assessment of the needs of the Spanish-speaking population with completion scheduled for the end of January 2008. Results from that study could provide additional insights into the housing needs of this population.

Victims of Domestic Violence and Sexual Abuse

Advocates Victims Assistance Team provides short-term emergency shelter for victims of domestic violence. They serve all of Grand County. Through their crisis intervention efforts, stays of up to three nights in motels and lodges in the county are provided. In the first 10 months of 2007, 39 women were placed in emergency shelter.

Advocates receives approximately 400 calls per year, about half of which are from first-time callers. Victims are from all demographic groups, income levels and areas within the county. The number of calls and the need to provide emergency shelter are increasing steadily although there has not been a surge associated with recent growth in any segment of the population. The degree of violence has increased in recent years.

Transitional housing is needed. Since there is no transitional housing in Grand County, victims often return to homes with their offenders rather than leave the county after their stay in emergency shelter is over.

It is difficult to place women in emergency shelter during high season when lodging occupancy levels are high and during low season if the crisis occurs during the middle of the night and motels are closed. It is especially difficult to place women with children (about 60% of those placed in shelter in 2007) and pets. The Housing Authority gives priority consideration to referrals from Advocates yet availability is limited and a unit at Fox Run in Fraser, the only non-senior apartment project they manage, is not always appropriate.

Transitional housing and greater ability to provide emergency shelter are needed.

Homelessness

A point-in-time survey was conducted in Grand County on August 28th and 29th of 2006 to count the homeless population as part of the statewide survey sponsored by the Colorado Division of Housing and the Colorado Coalition for the Homeless. Mountain Family served as the point agency and, with the assistance of the Sheriff's office, identified a total of nine persons who were homeless. Several had developmental or other disabilities that limited their ability to function. This tally does not include employees who were choosing to camp out or who were staying with friends.

Staying with friends (called "sofa surfing" by the employees who do it) is common; it is a type of temporary homelessness. Approximately 5% of the respondents to the household survey in the renters category indicated they were staying with friends at the time of the survey. This equates to an estimated 80 employees who were without regular housing. Due to the time of year it was conducted, the survey did not cover seasonal employees who live only during part of the year, otherwise, the number would likely have been higher. There does not appear to be a correlation

between length of residency and temporary homelessness. Of the employees surveyed who were “staying with friends”, the majority:

- had lived in the area for between one and five years;
- would like to live in Fraser; and,
- are staying with friends in large households of three or more members who were generally between the ages of 21 and 30.

Mountain Family provides a one-time payment to households at risk of homelessness covering up to a full month of rent or mortgage assistance. With a budget of \$17,000 to \$19,000 from four to five resources, Mountain Family is able to assist 56 to 60 households per year. The demographic characteristics of households receiving rent/mortgage assistance have varied with a range in age from 17 to 81 years of age. Most recipients are families. Seasonal workers are more likely to need food and help with gas/transportation but occasionally seek rent assistance during low seasons while waiting for their jobs to start.

Very Low-income Needs

63% of household with income less than 30% AMI do not have affordable housing.

Households with incomes no greater than 30% AMI are particularly stressed by the high cost of housing in Grand County. As shown on the AMI Profile in the appendix to this report, 63% are cost burdened by a housing payment that exceeds 30% of their income. Most rent and live alone. Many of the persons in this income category are seniors who are retired or will retire in the next five years. Additional Section 8 vouchers could be utilized by this population to subsidize market rents.

Transportation is a major problem for very low-income households. Commuting between home and work is not the only transportation issue. Necessary trips to the courts and social service offices in Hot Sulphur Springs, doctor appointments and other destinations that are spread throughout Grand County’s seven communities are difficult for the low-income population. Day care, both availability and cost, is an issue for families served by the Grand County Department of Social Services.

SECTION 6 - HOUSING GAPS AND ESTIMATED NEED

This section of the report estimates the total number of housing units needed by employees in Grand County both to fill existing gaps in the market and to accommodate future needs based on population and employment growth projections through 2012. The need for additional employee housing is estimated using a combination of factors – unfilled jobs, overcrowding, in-commuting, replacement of retiring employees and growth in new jobs.

Catch-up is a measurement of current needs; Keep-up quantifies future needs.

Estimates are provided on the number of housing units that are needed to support job growth and sustain employers. Two categories of need are quantified:

- *Catch-Up Needs* -- the number of housing units needed to address current deficiencies in housing calculated by considering overcrowding, unfilled jobs and in-commuting employees who want to live in Grand County; and,
- *Keep-Up Needs* -- the number of units needed to keep-up with future demand for housing based on projected employment and population growth and the requirement to replace retiring employees.

The quantitative estimates in this section of the report represent the number of additional housing units needed. The development of these additional units will not, however, address all existing housing problems, such as lack of affordability. In theory, if the balance between demand/need and supply is brought into greater balance, housing affordability and other problems will improve. If the development of additional units for employees continues to lag behind job growth, other non-development measures for addressing problems will be needed.

This section concludes with an analysis of the “gaps” in housing and compares total needs to units provided by the market to better understand at what price points housing is needed to meet resident and local worker needs.

It is important to note that the estimates of need contained herein represent components of demand, but not total demand. This section does not quantify demand from households that are adequately and affordably housed but who would like to buy a new or different home.

Catch-Up Needs

Demand from Unfilled Jobs in 2007

The number of units needed to attract employees to fill vacant positions is part of the equation for the total catch-up demand for additional employee housing units in 2007. Approximately 118 additional housing units are needed to enable additional employees to move into Grand County to fill jobs that are currently vacant. This estimate was based on a combination of assumptions concerning the number of unfilled jobs and the number of employees now living in Grand County and available for work. As covered in the Housing Problems section of this report, employers report that between 3.2% and 3.8% of jobs are vacant depending upon time of year

with seasonal positions more difficult to fill than year-round jobs. This translates into an estimate of about 330 jobs unfilled during peak winter and summer employment periods.

The Colorado Department of Labor reports that Grand County's unemployment rate was 2.6% as of June 2007 down from 3.3% for the same month the previous year. Unemployment levels are so low that Grand County should be considered a labor shortage area where there are fewer residents looking for jobs than there are open positions. As such, it will be assumed that in-migration will be required to fill 75% of the vacant positions. This estimate is conservative; with an unemployment rate less than 3% it may be optimistic to assume that 25% of vacant jobs can be filled by employees who already reside in Grand County. To fill the remaining jobs, 118 additional units are needed.

Estimate of Housing Needed to Fill Vacant Jobs

	Grand County
Total Unfilled Jobs (avg of summer & winter)	330
Jobs per employee	1.2
Total employees needed	275
In-migration of Employees (75%)	206
Employees/Housing Unit	1.74
Housing Demand Generated	118

Sources: 2007 Employer and Household Surveys, RRC/Rees calculations.

In-Commuters (Catch-Up)

Demand from in-commuters represents a catch-up housing need. As reported in the Economic and Demographic Framework section, roughly 450 employees commute into Grand County for work. The 2001 Housing Need Assessment estimated that between 25% and 50% would move into Grand County if housing became available that is affordable given their incomes and desirable given their preferences. For simplicity sake, it has been assumed that 35% would move. Given that the estimate of in-commuters is likely conservative, the 35% assumption is reasonable and should not overstate need.

Catch-Up Housing Needs Generated by In-Commuting Employees

	Grand County
In-commuters	450
# that would move to Grand County (35%)	158
Employees per household	1.74
Total housing units needed	91

Sources: DOLA, 2007 In-commuter survey and RRC/Rees calculations.

Typically, most in-commuters would like to own and are not interested in moving closer to their jobs if they have to rent. If affordable and desirable ownership units are not developed in Grand County, in-commuters will likely remain living where they now reside and may change jobs to eliminate commuting since employment opportunities in their home counties are increasing.

Units Needed to Address Overcrowding

While some of the housing problems now existing in Grand County can be addressed through non-construction methods like monthly subsidies for cost-burdened renters, overcrowding can only be addressed by building additional units. As reported in the Housing Problems section of this report, 270 units are overcrowded in Grand County. Typically, an increase in the supply of workforce housing equal to about 30% of the number of overcrowded units will largely address overcrowding to the extent practical, given cost consciousness and cultural preferences.

Units Needed to Address Overcrowding	
	Units
# Overcrowded Units	270
% NEEDED TO REDUCE OVERCROWDING	30%
Housing units needed	81

Source: 2007 Household survey and RRC/Rees calculations.

Keep-up Needs

Housing Demand from Job Growth

According to employment forecasts developed by the Colorado Department of Local Affairs (DOLA), Grand County will have a net gain of over 1,393 jobs in the next five years. Job growth in Grand County will be the result of expansion by existing employers, new residential development and new commercial/industrial development. Of employers surveyed, 53% indicated they plan a net increase in employees in the next five years. These employers estimate creating approximately 290 additional employees, which are generally compatible with DOLA's projections.

Projected job growth through 2012 will generate demand for 667 additional housing units to accommodate the workforce. This assumes the multiple job holding ratio of 1.2 and the average number of employees per unit of 1.74 remain constant.

Estimate of Housing Needed to Fill New Jobs, 2007 – 2012

	2007	2012
Total Projected Jobs	9,458	10,851
Increase in Jobs over 2007	-	1,393
Jobs per Employee	1.2	1.2
New Employees Needed		1,161
Employees/Housing Unit	1.74	1.74
Housing Demand Generated	-	667

Sources: DOLA, 2007 Household Survey and Rees/RRC calculations.

Demand from Replacement of Retirees

Many mountain counties anticipate a surge in the number of employees reaching retirement age as their population matures and the first wave of baby boomers reach 65. In Grand County, however, the workforce is younger. Only 13% of employers surveyed indicate they now employ someone who will be retiring within the next five years. Combined, they indicate 65 employees

will retire, which equates to 1.19% of their year-round workforce, which is very low. This translates into a total estimate of 94 employees who will retire during the next five years (1.19% of 7,882 employees). The new employees who are needed to fill the positions vacated by the retiring employees will generate demand for additional housing units; few of the housing units the retirees now occupy will be available for their replacements.

Employees needed to replace retirees will generate demand for approximately 54 additional units by 2012.

Estimate of Housing Needed to Fill Jobs Vacated by Retirees, 2007 - 2012

	Grand County
Total Jobs	9,458
Jobs per Employee	1.2
Total Estimated Employees, 2007	7,882
% Employees Retiring by 2012	1.19%
Replacement Employees Needed	94
Employees/Housing Unit	1.74
Housing Demand Generated	54

Source: 2007 Household Survey, Rees/RRC calculations.

Total Need for Additional Housing

At present, there is catch-up demand for approximately 290 housing units needed to:

- attract employees to fill vacant positions (118 units);
- accommodate in-commuters who want to move into Grand County (91 units); and,
- address overcrowding (81 units).

By 2012, keep-up demand for 721 units will be generated including:

- 667 additional units to accommodate growth in the labor force through in-migration to sustain business expansion and start ups, and
- 54 units for employees needed to fill positions that will be vacated by retiring workers.

In total, just over 1,000 units of housing will be needed to address catch-up and keep-up needs by 2012. These estimates represent all housing needed at all income levels and price ranges, not just affordable housing for low- and moderate-income households.

Summary of Housing Needs

Source of Demand	Units Needed
Catch-Up Needs	
Unfilled Jobs, 2007	118
In-commuters	91
Overcrowded Units	81
Total Catch-Up Needs	290
Keep-Up Needs	
New Jobs, 2007 - 2012	667
Replacement of Retirees, 2007 - 2012	54
Total Keep-Up Needs	721
Total Need for Additional Units by 2012	1,011

The estimate of 290 units currently needed is lower than the range of 498 to 585 units reported in the 2001 Needs Assessment. Reasons for this include:

- Development of several workforce housing projects including Fox Run, Hideaway Junction and Wintersage;
- Softening of market conditions in 2002 and 2003;
- Increased homeownership enabled by easy-to-obtain mortgages;
- A reduction in the number of units needed to address overcrowding as the result of more conservation assumptions.

It should be noted that the above estimates do not include the need for additional retirement/senior housing. Given that senior apartments in Grand County are fully occupied, retiring employees who need to cash out of homes they own to support their expenses and want to remain in Grand County will need additional rental units. Since the homes they now own are largely free-market units, few if any will be affordable for the employees who must move in to fill vacated positions.

Needs by Own/Rent

Multiple considerations determine how the need for additional units is allocated between ownership and rental housing. Both owners and renters now living in Grand County have unmet needs; the percentage that is cost burdened by high housing payments is similar. Of the employees who will move into Grand County, some will buy while others will rent. Therefore, both catch-up and keep-up needs include both ownership and rental housing components.

In practice, the ideal mix between ownership and rental housing is as much a matter of policy as it is of need. Municipal and county officials base policies not only on the extent of problems but on the vision they have for their community's future. To some extent, the adage "build it and they will come" is true. If homeownership opportunities are created that are responsive to

needs (price and location being the key factors) many employees will buy. If they are not, proportionately more rental units are needed.

In this study, the need is allocated according to the mix that existed in 2000 – 68% of units should be built for owner occupancy and 32% of additional workforce housing units should be rentals. If further changes in the county's demographic and economic characteristics are desired, these numbers could shift.

Housing Needs by Own/Rent			
	Owner 68%	Renter 32%	Total
Catch-up – Current Needs	197	93	290
Keep-up – Future Needs	490	231	721
Total	687	324	1,011

While the homeownership rate has increased slightly since 2000, this trend will be difficult to continue. In the next five years, homeownership will likely be more difficult to attain than in the first half of this decade because of tightening credit and dwindling funds for down payment assistance. The owner/renter mix for workforce housing would help maintain characteristics as the county grows. If shifts in the owner/renter mix occur, changes in demographics and physical characteristics should be expected as well.

Currently, 93 additional rent units and 197 for-sale units are needed to adequately house the workforce.

Homeownership Needs by AMI

At present, approximately 197 units designed for homeownership are needed to address existing needs and an additional 490 will be needed over the next five years for employees to purchase.

While 30% should be priced for households with incomes over 140%, the large majority (70%) need to be priced well below median prevailing prices in Grand County. The AMI distribution is based on the incomes of households identified as potential homebuyers by the household survey.

Homeownership Housing Needs by AMI

AMI Range	Max Income*	Affordable Price - Max.**	% of Need	Units Needed Now	Units Needed by 2012
60% AMI or less	\$35,580	N/A	N/A	N/A	N/A
61 - 80% AMI	\$47,450	\$114,000	13.1%	26	64
81 - 100% AMI	\$59,300	\$163,200	17.5%	34	86
101 - 120% AMI	\$71,160	\$212,450	24.4%	48	120
121 - 140% AMI	\$87,170	\$278,950	15.0%	30	74
Over 140% AMI	>\$87,170	>\$278,950	30.0%	59	147
Total	-	-	100%	197	490

Source: CHAS; Rees/RRC calculations.

* Varies by household size; figures shown are for 3-person households

** Housing Authority figures for 2007; the changing mortgage market will likely force these prices downward.

Nearly 140 units are needed for households with incomes equal to or less than 140% AMI to purchase.

Note that households who want to purchase but have incomes less than 60% AMI have been excluded from the need for homeownership estimates since most would not be able to buy. Just over 17% have incomes below 60% AMI and are therefore unlikely candidates for homeownership. Even if the purchase price could be subsidized to the extent that the monthly payments would be affordable, poor or

inadequate credit, instability in employment, high debt to income ratios, and insufficient funds for the down payment and closing costs are all reasons making it very difficult to provide homeownership opportunities for households with incomes less than 60% AMI.

Rental Needs

Another rental project of around 44 units is now needed for low-income households. This estimate was derived by applying the income distribution from renters now living in Grand County to the total estimate of current need. It is appropriate to assume that the income of the region's households will be similar in the foreseeable future to the current distribution by AMI since no significant shifts in the composition of the region's economy are anticipated.

44 low-income rentals are now needed.

Rental Housing Needs by AMI

AMI Range	Max Income*	Affordable Rent - Max.*	% of Need	# Units Needed Now	Units Needed by 2012
≤ 30%	\$15,800	\$445	15.5%	14	36
31 - 60%	\$31,620	\$890	19.1%	18	44
61 - 80%	\$42,150	\$1,186	13.3%	12	31
81% or more	>\$42,150	\$1,482	52.4%	49	121
Total	-	-	100%	93	231

* Varies by household size; figures shown are for two-person households.

** Varies by unit size; rents shown are for two-bedrooms.

The methodology used makes it appear that most of the rental units needed should be priced for households with incomes greater than 80% AMI. This is really not the case, however. The rents would be higher than prevailing rates and not competitive. Renters in Grand County tend to spend less on rent as a percentage of than income than renters in similar mountain counties; relatively fewer are cost burdened by their rent. The proportion of renters earning in excess of 80% AMI is unusually high; these renters could be candidates for homeownership. If homeownership opportunities are created for households with incomes in the 80% to 120% AMI range, the demand for moderate and middle income rentals will decrease.

Gaps

The gap is the difference between the number of units needed and the number of units that are available at specific price and income ranges. It has been calculated separately for ownership and rental housing.

Homeownership Gap

As described in Section 3, Homeownership Market Analysis, the median price for single-family homes listed for sale in Grand County was \$565,000 as of October 2007. Very few housing units are available for purchase in Grand County by households with low, moderate and even middle incomes, and availability is declining. As of April, only 41 residential units were listed for sale through the MLS for prices that were potentially affordable for households with incomes equal to or less than 100% AMI. The number that was truly affordable was likely lower, however, due to high HOA dues that reduce the amount that households can afford to pay.

There is a clear gap in homeownership opportunities in the 80% to 120% AMI range.

There is clearly a mismatch between prices that are affordable for potential homebuyers and the free-market pricing of available homes. Nearly 73% of homes are priced for sale at amounts that are affordable only for households with incomes greater than 140% AMI yet only 30% of the households who will need to buy have incomes that high. Approximately 42% of need falls within the 80% to 120% AMI range (the income group most often targeted by homeownership subsidies in Colorado mountain counties) yet only 7.3% of units are priced to be affordable for this range. These figures are dynamic; the number of units on the market at any given time will fluctuate.

Homeownership Gap Analysis

AMI Range	Max. Affordable Price*	# Units Needed	% of Need	% Current Listings
≤60% AMI	\$64,700			0
61 - 80% AMI	\$114,000	26	13.1%	1.4%
81 - 100% AMI	\$163,200	34	17.5%	2.6%
101 - 120% AMI	\$212,450	48	24.4%	4.7%
121 - 140% AMI	\$278,950	30	15.0%	18.4%
Over 140% AMI	>\$278,950	59	30.0%	72.8%
Total	-	197	100.0%	100.0%

Source: Grand County Housing Authority, Grand County Board of Realtors, Rees/RRC calculations.

* Varies by unit size; amounts shown are for two-bedroom units.

Rental Gap

While employees face problems with the availability, location and condition of rental units, rents are generally affordable given incomes of renter households in the area. Rental vacancies are very low, however, particularly at income-restricted and market-rate apartment properties. Units leased through property management companies have higher vacancies but most rent for rates much higher than average and yet should soon be leased with an influx of winter seasonal employees.

Rental Gap Analysis

AMI Range	Affordable Rent – Max.*	# Units Needed	% of Need	% Rents	% Units Available**
≤ 30%	\$445	14	15.5%	17.7%	0.0%
31 – 60%	\$890	18	19.1%	54.4%	58.3%
61 - 80%	\$1,186	12	13.3%	17.3%	8.3%
81% or more	\$1,482	49	52.4%	6.7%	33.3%
Total	-	93	100.0%	100.0%	100.0%

* Varies by unit size; rents shown are for two-bedrooms.

** Based on a very small sample size.

Nearly 60% of the few rental units that were found to be vacant in early November were priced to be affordable for households with incomes between 50% and 60% AMI. These were all cabins in the Grand Lake area, however, where employment is much lower in the winter than summer. The only rentals found to be available in the Fraser Valley were condominiums with rents of \$1,800 per month. In Granby, rents being asked for vacant units ranged from \$800 to \$1,500 per month.

Rental availability is more of a problem than rental rates.

SECTION 7 - CONCLUSIONS

Trends and Context

Much has changed in Grand County since the 2001 Housing Needs Assessment particularly since early 2006. In 2001, the housing market was starting to soften as was the case through most of the mountain west but the recession was short lived and the economy rebounded by 2004. The number of jobs and housing units has been increasing since then but jumped upward in 2006 with the onset of a major construction boom.

The homeownership market was somewhat soft earlier this decade but prices have escalated at moderate rates compared to similar mountain counties and are now at levels where they are no longer affordable for low-, moderate- and even-middle income households (up to 140% AMI). With large numbers of homes being built (835 permits in 2006 compared to 358 in 2002), a one-year inventory is now listed for sale and conditions are competitive. Older, outdated product priced comparably to newer homes is sitting on the market yet newer homes have sold well in 2007. Prices may have flattened somewhat recently but are not dropping.

Rental units built during the slump were initially slow to absorb but are now full. Vacancies are very low except in Grand Lake during the winter and among high-end condominiums (rents of \$1,800+) in the Fraser Valley.

Grand County is in the midst of change. If growth continues at 2006 and 2007 levels, housing needs will increase at a corresponding rate. With very low availability and existing gaps, the demand for housing generated by future job growth will directly translate into the need for construction of additional workforce housing units.

Economics and Demographics

Grand County's population has been growing, ranking 15th out of 64 counties in Colorado for growth between 2000 and 2005.

Population growth has not matched housing growth, however. The number of households increased 22% between 2000 and 2007 while the number of housing units increased 36%. The percentage of units occupied by Grand County residents has been decreasing, which impacts the housing demand/supply relationship. Vacation homes generate housing demand. An increase means that relatively fewer homes are housing employees.

Incomes are changing. Since 2000, Grand County's AMI increased by 35% from \$48,700 to \$65,900, making it 19th in the state for 2007 area median income. Grand County ranks 13th out of 64 counties for percentage increase in area median income during this time period.

The county has a diverse population in terms of income levels; approximately one-third are low-income ($\leq 80\%$ AMI), one-third are moderate/middle income (80% - 120%) and one-third are upper income ($< 140\%$ AMI).

The economy is not highly diversified, however. Accommodation and food services employs the largest percent of Grand County's workforce (27.9%), and pays the second lowest average wage (\$16,900).

The unemployment rate in Grand County is very low (2.6% as of June 2007), an indication that labor shortages currently exist. Employers confirm that they have unfilled jobs due primarily to housing and the ability to recruit and retain employees has gotten more difficult in the past three years. More employees commute to out-of-county jobs than into the county for work.

Grand County's renters have some unique demographic characteristics. They are more likely than owners to have children living at home, and 52% have incomes above 80% AMI, which is unusually high.

Other key measurements used frequently in this report include:

Grand County Key Statistics	
	2007
Households	6,171
Average Household Size	2.3
Tenure	
Owner	73.2%
Renter	26.8%
Area Median Income	\$65,900
Total Jobs	9,458
Jobs per employee	1.2
Total employees	7,882
Employees per working household	1.74
Total employee households	4,530

Housing Inventory

Over one-fourth of the housing units that now exist in Grand County were built this decade, an indication of the magnitude of the recent surge in residential construction. Most of the recent growth has occurred in the unincorporated areas of Grand County (nearly 60%) however housing construction has also been booming in Winter Park, Fraser and Granby.

Changes in the type of units being built are making housing less affordable. Proportionately more units are single-family homes while there are few mobile homes in relative terms.

Only 47% of the residential units in the county are occupied as housing; most are vacation homes and accommodations. Grand County has an unusually high percentage of homeowners who live on the Front Range. Ownership patterns are changing as prices increase; only 26% of homes sold in 2006 were purchased by Grand County residents. Front Range residents are buying even more units that they have in the past. This alters the relationship between housing supply and demand, and will continue to drive prices upward.

Only a small percentage of units in Grand County (1.2% or 172 units) are publicly subsidized and therefore permanently affordable.

Market Conditions

Homeownership

The median price for single-family homes sold during the first six months of 2007 exceeded \$300,000. An income of roughly 300% AMI is needed to afford a median-priced home in Grand County.

Home prices have been rising. The price of single-family homes increased 58% in the past five years with a 37% gain for condominiums and townhomes. Prices have increased the most in the Fraser Valley – an overall gain for all unit types of 76% in the past five years.

The median price for new homes sold in the first six months of 2007 was \$269 per square foot. Homes now listed for sale have prices that average about \$280 per square foot.

The free market is providing fewer homes priced to be affordable for the workforce than ever before. In 2002, 25% of the units sold were priced at or under \$200,000. This percentage decreased to 13% in the first six months of 2007. Of units listed for sale in October of this year, only 7% were for sale at \$200,000 or less.

Locals have been purchasing about 330 units per year. This is a measurement of the size and depth of the locals market and should be used for perspective (calculating capture rates and increases in inventory) when developing homeownership opportunities for the workforce.

Rental

Most renters live in multi-family units (condominiums, townhomes, apartments) but nearly one-third rent single-family houses. The inventory of apartment complexes is small – only six apartment properties were identified which combine offer 183 units. Two of these are restricted for low-income seniors or disabled adults.

The median rent in the county is \$733 per month which is an increase of about 25% since 2000. Rents are generally affordable for households with incomes in the 50% to 80% AMI range but very few of the units with these rents are available. Both of the family projects financed with tax credits are now remaining at or near full occupancy. Of the vacant units identified in early November, most except those in Grand Lake rented for \$1,500 or more.

Specific Housing Problems

- The vast majority of employers believe that the availability of affordable housing for the workforce in Grand County is a problem. Over half (56%) feel it is the most critical or one of the more serious problems in the county. They reported that over 1,000 employees left or did not accept jobs mostly due to housing.
- The large majority of households are satisfied with their housing however, nearly 500 are not. Of no surprise, upper-income households are the most satisfied.
- Over 370 households live in homes that are not in good condition.

- Over 270 housing units are overcrowded.
- Approximately 1,425 households occupy housing that is not affordable (monthly payment exceeds 30% of income). The percentage of renters with housing that cost more than they can afford jumped from 13% in 2001 to 30% today.
- Housing is forcing employees to commute. Approximately 1,360 households do not live in the community where they want to live.

Special Needs

The senior population is growing faster than the population as a whole. By 2015, over 22% of households will be occupied by seniors, up from about 17% today. Interest appears to be adequate for development of small-scale senior apartment projects and possibly cottages in retirement communities. Employers would support the construction of senior apartments (the only type of housing the majority would currently support) and the two senior apartment properties are 100% occupied with wait lists.

About other special-needs populations:

- In 2000, approximately 4.4% of Grand County's population was Hispanic/Latino. According to employers, about 10% of their employees are now Spanish speaking.
- Transitional housing and greater ability to provide emergency shelter for victims of domestic abuse are needed.
- Very low-income households have a particularly difficult time finding places to live;
- 63% of households with incomes less than 30% AMI do not have affordable housing.

Design and Development

Approximately 80% of potential homebuyers (renters who want to buy and owners who want to buy a different home) would like to purchase a single-family house. Most would prefer three bedrooms.

Location and price are the most important considerations, however, over unit type and size when buying homes. This suggests that townhomes and condominiums can successfully be marketed to local buyers if well located and priced affordably. Since no single community stands out in terms of where residents want to live, workforce housing should be developed throughout the county.

To plan and design housing for the workforce, the following are particularly important considerations:

- Proximity to nature and outdoor recreation is the most important location consideration although community character and community amenities are also very important.
- Most potential buyers choose units with options that they cannot afford. Prices should therefore be based on the incomes of potential buyers, not what they say they can pay. Otherwise, units will be priced beyond the amounts for which employees can qualify.
- Sunlight is the most important amenity and energy efficiency is also very important, particularly to renters.
- Deed restrictions will be acceptable to the majority of buyers if they result in prices that are at least \$100,000 below the free market.

Housing Needs and Gaps

The number of housing units that are needed to support job growth and sustain employers is expressed in two categories:

- *Catch-Up Needs* -- the number of housing units needed to address current deficiencies in housing calculated by considering overcrowding, unfilled jobs and in-commuting employees who want to live in Grand County -- 290 additional housing units are now needed to provide a sufficient labor force to sustain these employers and address overcrowding.
- *Keep-Up Needs* -- the number of units needed to keep-up with future demand for housing based on projected employment and population growth and the requirement to replace retiring employees. Growth is expected to continue for at least the next five years, adding nearly 1,400 more jobs by 2012. These jobs coupled with the need to replace retiring employees who will stay in their homes generate the need for 721 more workforce housing units by 2012.

The following table summarizes the units required to catch-up with current needs and keep-up with future needs.

Summary of Housing Needs

Source of Demand	Units Needed
Catch-Up Needs	
Unfilled Jobs, 2007	118
In-commuters	91
Overcrowded Units	81
Total Catch-Up Needs	290
Keep-Up Needs	
New Jobs, 2007 - 2012	667
Replacement of Retirees, 2007 - 2012	54
Total Keep-Up Needs	721
Total Need for Additional Units by 2012	1,011

The allocation of needs between ownership and rental housing is as much a matter of policy as it is of need. Municipal and county officials base policies not only on the extent of problems but on the vision they have for their community's future. Based on the assumption that Grand County would like to maintain its character as it grows, the owner/renter mix in 2000 was used to allocate current catch-up needs between owners and renters. This methodology results in an estimate of 93 rental units and 197 for-sale units for a total of 290 units now needed to adequately house the workforce. Job growth will likely increase the need to over 1,000 units in the next five years.

There is a clear gap in homeownership opportunities in the 80% to 120% AMI range. Nearly 140 units are needed for households with incomes equal to or less than 140% AMI to purchase.

Rental availability is more of a problem than rental rates. That does not mean however that luxury, high-end rentals should be built. Vacancies are highest among the most expensive units and almost non-existent at income-restricted apartment properties. Approximately 44 additional low-income rental units are now needed. Since the only two permanently affordable rental projects are in Fraser; growth patterns suggest that Granby and Winter Park would be preferential locations.

SECTION 8 - COMMUNITY RESOURCES AND FINANCIAL TOOLS

This section of the report examines the availability of resources in Grand County that are being or could be used to address housing problems and needs identified in this study. This examination specifically looks at home mortgage availability, down payment assistance, homebuyer education programs, local sources of revenue and land.

Mortgage Availability

Mortgage brokers and banks that do mortgage lending are well represented in Grand County with offices in most of the communities.

The mortgage meltdown is not causing much of a problem in Grand County.

Credit is tightening nation-wide with increases in foreclosures and several of the county's largest mortgage lenders facing financial disaster. Interest-only loans, high debt to

income ratios, 100% financing and other high-risk, sub-prime lending is mostly a thing of the past, at least in the near-term future.

Lenders are in agreement that the single largest impediment to homeownership in the county is the lack of homes listed at prices that employees who earn local wages can afford. Mortgage lenders report that the impacts are being felt in Grand County but that the lack of homes listed for sale at prices that are affordable for local wage earners is a much larger problem. Lenders still have a variety of loan products and are able to assist the large majority of the applicants.

The single largest impediment to homeownership in the county is the lack of homes at prices that employees who earn local wages can afford.

Lenders perceive other obstacles differently. They were specifically asked to rate the extent to which the following five factors affect their ability to qualify local residents for mortgages:

- Down payment availability
- Poor credit
- Other debt – high back end ratios
- Employment patterns
- Appraisals

Some felt down payment availability and poor credit were the most prevalent problems while others felt the seasonal/irregular employment or becoming recently self employed with no track record were more often impediments to qualifying. Appraisals are not a problem.

Down Payment Assistance

Down payment assistance has been and is currently still available through the Grand County Housing Authority but funds are near depletion and no additional source of financing has been identified. The Grand County Housing Authority received \$200,000 as part of its share of a \$1 million special allocation awarded for the Colorado Mountain Housing Coalition to provide down payment assistance in five counties. A total of 19 home buyers have received assistance. While the funds will ultimately revolve with the 15-year loans due and payable upon sale, only \$50,000 is still available from the original allocation for Grand County. This may assist only two buyers since the maximum has been raised -- 5% of the purchase price up to \$25,000. The method for providing assistance is being modified from a subordinated 10-year deferred loan to a shared equity model.

The Housing Authority also processes applications for down payment assistance from the Colorado Division of Housing. Grand County was awarded \$65,000 in 2004 through which 10 loans were made. Only \$2,200 remains from this allocation.

The towns of Granby and Grand Lake have both allocated general funds for down payment assistance. In Granby, five loans have been made thus far with 20-year terms and 3% for households with incomes equal to or less than 100% AMI and 5% interest for households with incomes above 100% AMI. So far, no loans have been made using Grand Lake's allocation.

39 homebuyers have received down payment assistance but funds are now nearing depletion.

Counseling Programs

The Grand County Housing Authority provides homebuyer education, which is required in order to obtain down payment assistance. The four-hour classes are held once a month. Attendees are eligible for assistance for nine months following the class. The program is accredited through the Colorado Housing and Finance Authority. Attendance ranges from 5 to 25 per class. The classes are held at locations all over the county. The classes in Granby have been the most popular and well attended.

The homebuyer education program has been criticized by some lenders as being confusing. They believe that it raises expectations and that attendees still do not have the training they need in budgeting and debt management. A longer-term case management approach for qualifying buyers could be beneficial.

Housing Rehabilitation

Grand County does not have a housing rehabilitation program. This is due to the complexity and cost of administration rather than a lack of need. The age and poor condition of housing units, particularly in and around Kremmling, Granby and Grand Lake, is one of the major reasons leading to residents being dissatisfied with their housing. Renters throughout the county are often displeased with the condition of the units in which they reside. Social service providers indicate that landlords refusing to make repairs are one of their client's chief complaints about housing

The Colorado Mountain Housing Coalition may develop a rehabilitation program covering Grand County through which special assessments charged by homeowners associations are covered. This program may well serve a niche but can not be used to provide the repairs needed on most of the older properties, and especially the rental units, in the county.

Local Revenue

The County as well as Winter Park Resort and the towns of Winter Park, Fraser, Grand Lake and Granby support the Grand County Housing Authority. The offices were moved into the courthouse in Hot Sulphur Springs in part as a cost savings

The Town of Winter Park assesses a \$3.00 per square foot impact fee on new commercial and residential development. While minor exceptions have been allowed, the impact fee has been a valuable source of revenue for the Town's attainable housing efforts since 2002. The revenues received have grown each year with an average annual gain of 83% since its inception. A major jump of 180% occurred in 2006 largely reflecting growth at the base area.

Winter Park Housing Impact Fee Revenue

	Square Feet	Fees Received
2002	59,778	\$119,556
2003	91,923	\$183,846
2004	112,693	\$225,386
2005	193,441	\$386,882
2006	550,978	\$1,101,956

Based on projects in the pipeline (in the commercial core and north edge of town as well as continued development/redevelopment at the base area), the Town anticipates that the recent level of growth will continue into the near future and revenues will be sustained at or above amounts received in 2006. There is no indication that the impact fee has slowed or is going to measurably alter development in Winter Park.

The Town of Fraser enacted an impact fee for housing at the same time as Winter Park but later rescinded it. The type of development taking place in Fraser brought the appropriateness of the fee into question. According to the Town Manager, the fees were being imposed upon the construction of homes needed to house local residents. The Town felt they were placing the burden onto the solution. Approximately \$135,000 was collected before termination and is available for housing development.

The Town of Grand Lake has a \$1.00 per square foot impact fee on all new residential and commercial construction. Roughly \$200,000 has been generated since its enactment in 2003. These funds will likely be allocated to further lower the price on some of the 14 affordable homes to be provided through a pending annexation. The Town is also considering an inclusionary zoning through which 10% of homes in new subdivisions of five units or more will be attainable.

The Town of Granby will receive revenues over time from a real estate transfer fee on recent annexations. The 1% transfer fee only applies after the initial sale and two subsequent sales so will not generate funds for use in the near term.

Land

A complete inventory of publicly-owned land that could potentially be sites for workforce or senior housing has not been conducted. Two sites have been identified, however:

- Winter Park – The Town owns property on the north side of town next to Hideaway Junction known as the Triangle parcel. Duplexes, townhomes and other multi-family product will be considered for the site.
- Fraser -- The Town of Fraser owns a vacant block downtown suitable for development of multifamily housing; conceptual plans call for attainable units on all or a portion of it.
- Granby – The Town of Granby plans to acquire land for housing including a 30- acre tract in Granby Ranch, 12 acres in Grand Elk and a percentage of developed lots in a 250-unit subdivision. Future commercial development is also required to provide some employee housing but only households in the 80% to 120% AMI range.

SECTION 9 – RECOMMENDATIONS FOR AN ACTION PLAN

This section of the report is divided into four parts:

1. Priorities, which examines for whom housing should be built and the types of units that should be constructed.
2. Tools and Techniques, which provides insight into the acceptability to employers and residents of various mechanisms that could potentially be utilized to produce affordable workforce and senior housing in Grand County.
3. Design and Development, which describes the preferences of residents in terms of where they want to live, the type of units they want to live in, the optional amenities they desire and the price they want to pay.
4. Recommended Next Steps for development of a comprehensive, effective strategy for housing county wide.

Part 1 – Priorities

Priorities for Who should be Housed

Since housing must be affordable given local wages for a sustainable economy, the opinions and priorities of employers is crucial to the development of a housing strategy that is both effective and acceptable. As described in the HOUSING PROBLEMS section of this report, employers are finding it increasingly difficult to recruit and retain qualified employees. Where asked which segment of the workforce should be the priority for affordable housing the majority of employers indicated year-round employees. Over one-third, however, indicated that seasonal and year-round employees should be equal priorities for affordable housing.

Employer Priorities for Affordable Housing

Year-round employees	52.1
Seasonal employees	12.5
Both are equal	35.4
	100%

Source: 2007 Employer Survey

Several large employers with seasonal employees were interviewed concerning their perceptions of housing availability. They generally were of the same opinion that employees who live in the area just during the ski or summer season are able to find a place to stay that meets their needs, which tend to be more minimal compared to year-round residents, especially those with children. Seasonal employees are typically young and single, share accommodations, stay with friends, have few furnishings to move, and will tolerate conditions that older, year-round employees will not.

Most employers feel year-round employees should be the priority.

Priorities for Type of Housing

Employers were also asked if they felt various alternative types of housing should be developed. The nine housing options included:

1. Dormitories for seasonal workers near town center
2. Accessory dwellings to single-family homes
3. Group homes (single-family homes with 4-8 bedrooms)
4. Co-housing (private units with shared common areas, including group kitchen)
5. Subsidized housing - for rent
6. Subsidized housing - for ownership
7. Assisted living (elderly/disabled)
8. Nursing homes
9. Senior apartments

The majority of employer feel senior apartments should be constructed.

It is interesting that, while the majority of employers (56%) feel that the availability of affordable housing for the workforce is the most serious or one of the most critical problems in the region, senior apartments are the only type of housing that the majority of employers feel should be built.

Type of Housing that should be Built

	Yes	No	Don't Know	Total
Dormitories for seasonal workers	19.6	45.7	34.8	100%
Accessory dwellings	15.2	47.8	37.0	100%
Group homes	13.0	50.0	37.0	100%
Co-housing	10.9	52.2	37.0	100%
Subsidized rental housing	39.6	33.3	27.1	100%
Subsidized ownership housing	34.8	37.0	28.3	100%
Assisted living	29.8	40.4	29.8	100%
Nursing homes	21.3	40.4	38.3	100%
Senior apartments	64.7		35.3	100%

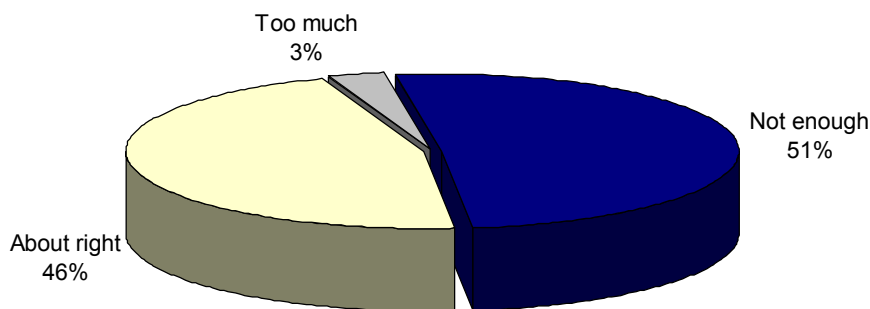
Source: 2007 Employer Survey

The percentage of “don’t know” responses was high, indicating that employers are uncertain about housing needs or unfamiliar with the type of housing options provided. This suggests that a public awareness and education program should be a component of any housing strategy that is pursued.

Housing Authority Role

Both employers and households were asked if they thought the Grand County Housing Authority is doing enough to provide workforce and senior housing. Responses were divided. Just over half of the residents surveyed responded that the authority is not doing enough. Almost half felt they are doing about right. Very few (only 3%) felt they were doing too much, which indicates that the overwhelming majority in Grand County is supportive of having a housing authority to provide workforce and senior housing.

Work of Grand County Housing Authority



Source: 2007 Household Survey

There was a slight variation in responses by owners and renters. Renters more often feel that the housing authority is not doing enough while the percentage of owners who feel they are doing too much is higher.

Work of Grand County Housing Authority by Own/Rent

	Overall	Owners	Renters
Not enough	50.7	50.3	52.1
About right	45.8	45.6	46.1
Too much	3.5	4.1	1.8
	100%	100%	100%

Source: 2007 Household Survey

There also appears to be a subtle relationship between opinions about the work of the housing authority and income levels. The lower the income, the more likely that residents feel not enough is being done.

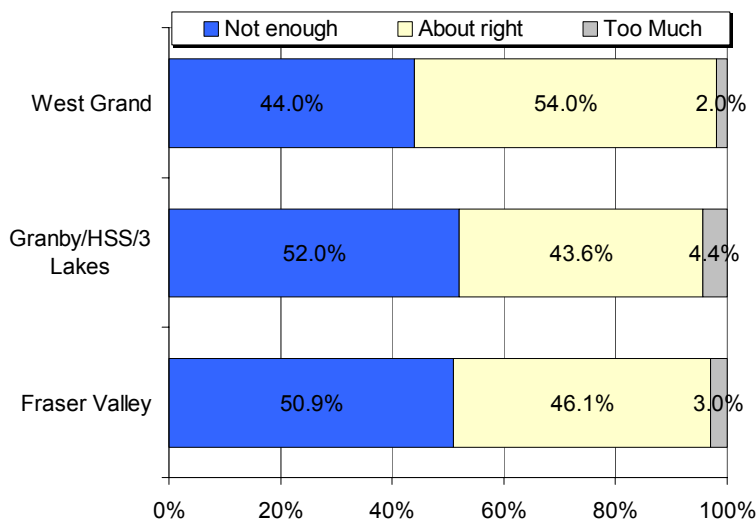
Work of Grand County Housing Authority by Income

	≤30% AMI	30.1% - 50% AMI	50.1 - 60% AMI	60.1% - 80% AMI	80.1% - 100% AMI	100.1% - 120% AMI	120.1% - 140% AMI	>140% AMI
Not enough	46.8	48.8	52.6	53.7	45.8	59.7	50.4	51.0
About right	53.2	51.2	47.4	43.9	54.2	40.3	47.4	44.9
Too much				2.4			2.2	4.1
	100%	100%	100%	100%	100%	100%	100%	100%

Source: 2007 Household Survey

Opinions about the level of work being done by the housing authority vary by area. West Grand residents are more likely to feel that the amount of work being done is about right. Elsewhere in the county where housing is less affordable, residents are more likely to feel that not enough is being done.

Work of Grand County Housing Authority by Area



Source: 2007 Employer Survey

Employers are more likely than other residents to feel that more should be done about workforce and senior housing. Most (62%) feel that not enough is being done by the housing authority.

Work of Grand County Housing Authority Employers and Residents Compared

	Employers	Households
Not enough	61.9	50.7
About right	33.3	45.8
Too much	4.8	3.5
	100%	100%

Source: 2007 Employer Survey

Part 2 -- Tools and Techniques

Both the household and employer surveys included a question concerning six mechanisms that could potentially be used to provide workforce and senior housing in Grand County. The six options were patterned after methods used elsewhere in Colorado for housing and include:

- An affordable housing impact fee of \$2/ square foot on all new residential and commercial construction;
- A requirement that 20% of housing units in all new subdivisions be permanently affordable, the term for which is inclusionary zoning;
- A fee on new commercial buildings but not on residential units;
- A sales tax increase of up to 1 cent (\$0.01);

- A small property tax increase; and
- A lodge/accommodations tax.

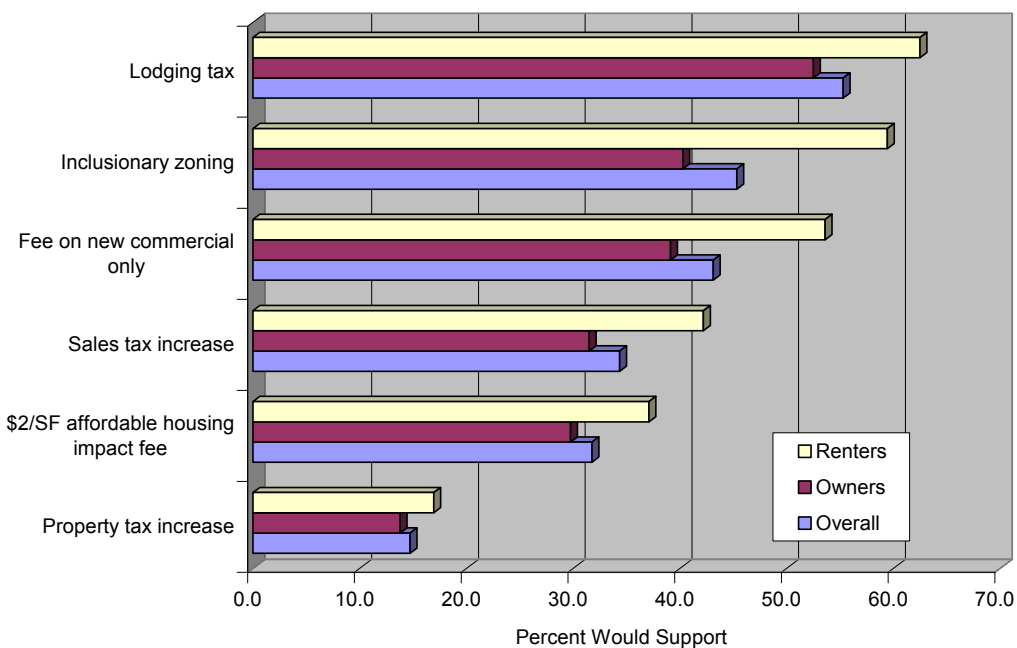
Survey participants were asked to indicate if they would support or oppose each one.

The only tool the majority of residents would currently support is a lodging tax.

A lodging/accommodations tax is the only option that the majority of residents (55%) would currently support. Inclusionary zoning, which would require that a percentage of housing (20% specified in the survey) in all new subdivisions be affordable, was the second most favored option, however, was supported by less than half (45%).

Recent interest in an impact fee has been generated by passage of legislation in Colorado allowing multi-jurisdictional housing authorities to assess an impact fee of \$2.00 per square foot. Only one-third of the residents surveyed, however, would support an affordable housing impact fee of \$2.00 per square foot on all new residential and commercial development. Given this finding, creating a multi-jurisdictional housing authority so that an impact fee could be assessed county wide may not be appropriate at this time.

Support for Affordable Housing Tools by Own/Rent



Source: 2007 Employer Survey

All of the six tools received more support from renters than owners. Since renters are less likely to vote should any of these measures be placed on the ballot, it is important to consider the lower levels of support among homeowners.

Support is generally highest in the Fraser Valley. Residents of the Granby/Hot Sulphur Springs/Three Lakes area are as likely to support a lodging tax and expressed support almost

as high as in the Fraser Valley for a sales tax increase. West Grand residents would strongly oppose most of the tools presented but the majority would support a lodging tax and nearly half would support inclusionary zoning on new subdivisions.

Support for Affordable Housing Tools by Area

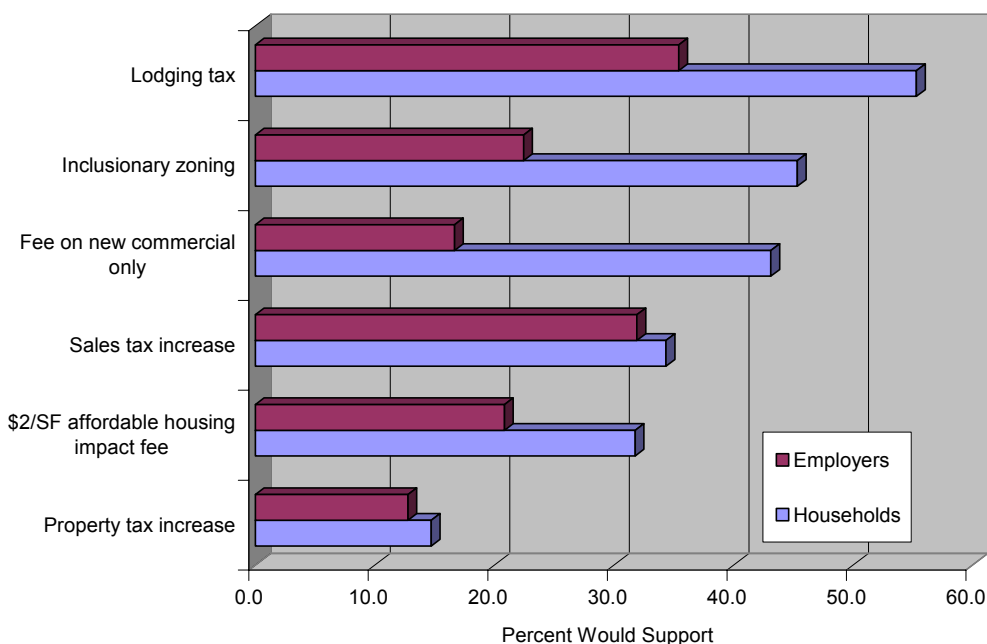
	West Grand	Granby/ HSS/ 3 Lakes	Fraser Valley
\$2/SF affordable housing impact fee	18.3	28.4	42.0
Inclusionary zoning	45.1	44.2	47.4
Fee on new commercial only	43.2	39.5	48.8
Sales tax increase	23.3	33.8	38.0
Property tax increase	5.4	15.6	15.3
Lodging tax	52.1	55.8	55.8

Source: 2007 Employer Survey

Even though employers feel that the availability of workforce housing is a problem, most would oppose all of the six options given for housing. Employers were similar to residents in that they favor a lodging tax over any of the other tools but their second choice would be a sales tax increase rather than inclusionary zoning.

Residents are more likely than employers to support any of the options.

Support for Affordable Housing Tools Employers and Households Compared



Source: 2007 Employer Survey

Employers are highly uncertain about their support for affordable housing tools.

A more detailed examination of employer responses shows that a significant percentage of employers are uncertain as to whether they would support or oppose the six optional methods for producing workforce and senior housing. The greatest uncertainty regarded inclusionary zoning.

Employer Opinions about Affordable Housing Tools

	Support	Oppose	Don't Know	Total
Property tax increase	12.8	61.7	25.5	100%
\$2/SF affordable housing impact fee	20.8	52.1	27.1	100%
Fee on new commercial only	16.7	52.1	31.3	100%
Inclusionary zoning	22.4	40.8	36.7	100%
Lodging tax	35.4	37.5	27.1	100%
Sales tax increase	31.9	46.8	21.3	100%

Source: 2007 Employer Survey

There appears to be some relationship between opinions about housing tools and incomes – lower-income households are more likely to state that they “don’t know” whereas higher-income households tend to more often support or oppose.

Deed Restrictions

How to produce housing that is needed at an affordable price is not the only challenge. How to maintain affordability over time is complex, involves compromise and is often the subject of heated debates. Permanent affordability is most often attained through deed restrictions that limit appreciation.

The majority of potential homebuyers will accept deed restrictions.

Potential homebuyers were asked to consider whether or not they would accept deed restrictions with resale price caps that would limit appreciation or pay \$100,000 more for a home without a deed restriction. Overall, 36% indicated they would pay an additional \$100,000 for a home without a deed restriction. Those already owning a home and looking to buy a new or different home were less willing than renters to accept deed restrictions. Approximately 75% of renters who would like to buy would accept a deed restriction.

Would Pay More for Home without a Deed Restriction

	Overall	Owners	Renters
Yes -- add \$100,000 for no deed restriction	35.9	46.7	24.6
No -- keep the same price for home with deed restriction	64.1	53.3	75.4
	100%	100%	100%

Source: 2007 Employer Survey

There is little variation within the County concerning the acceptability of deed restrictions.

Would Pay More for Home without a Deed Restriction by Area

	West Grand	Granby/ HSS/ 3 Lakes	Fraser Valley
Yes -- add \$100,000 more to home	36.4	34.5	36.9
No -- keep the same price	63.6	65.5	63.1
	100%	100%	100%

Source: 2007 Employer Survey

This section of the report provides information for use in the planning, design and development of housing in Grand County. It considers the preferences of Grand County's residents in terms of the type, size and price of home they want. It also examines location-related issues and neighborhood considerations to support the selection and planning of sites for housing development.

Part 3 – Design and Development

Location Preferences

While more residents want to live in Fraser than any other community, desires vary widely and no single area dominates in terms of location preferences. Renters and owners differ somewhat in their desires with renters more likely to favor Fraser and Granby than owners.

No single community stands out in terms of where residents want to live.

Where Residents Most Want to Live

	Overall	Owners	Renters
Fraser	22.2	19.3	29.6
Grand Lake	18.5	20.9	12.4
Granby	17.2	16.4	19.0
Winter Park	13.5	14.2	11.6
Kremmling	9.8	9.1	11.6
Tabernash	6.7	7.1	5.8
Hot Sulphur Springs	4.4	4.7	3.7
Other	7.7	8.3	6.4
	100%	100%	100%

Source: 2007 Household Survey

Since seasonal renters were not surveyed, their preferences can not be quantified, however, the Winter Park Resort reports that their seasonal employees highly value living close to work. In other ski resorts, numerous advantages associated with housing seasonal workers close to their jobs have included employee moral – commuting costs them in terms of time and money, and they would rather walk or bike to work.

A comparison of first and second location choices shows a shift from more centrally located communities towards Winter Park in one direction and Hot Sulphur Springs in the other.

Where Residents Want to Live, 1st and 2nd Choices Compared

	1st Choice	2nd Choice
Fraser	22.2	15.6
Grand Lake	18.5	13.5
Granby	17.2	12.0
Winter Park	13.5	18.3
Kremmling	9.8	4.3
Tabernash	6.7	7.9
Hot Sulphur Springs	4.4	10.2
Other (rural or not in Grand Co.)	7.7	18.2
	100%	100%

Source: 2007 Household Survey

A few of the residents surveyed would like to leave Grand County if they are unable to live in their first choice community. Their second choice was often a rural or warmer location.

Survey participants were asked if they would move to or live in a community other than their first choice if this allowed them to buy a new or different residence. Responses were split. Approximately 35% answered “no” and an equal percentage answered “yes”. There was a high degree of uncertainty; the willingness to live in communities other than where they most prefer in order to buy would depend to a high degree on the type and price of housing options available.

Typically, homeownership opportunities built for the workforce through subsidies are primarily entry-level and target renters rather than owners who want to own a different home. As such, it is important to note that the majority of renters would be willing to live somewhere other than

their first choice in order to own. This indicates there is flexibility when selecting sites for homeownership workforce housing.

Would Live in Other Community in Order to Buy New/Different Home

	Overall	Owners	Renters
No	35.2	41.6	18.5
Yes	35.0	26.7	56.6
Uncertain	29.9	31.6	24.9
	100%	100%	100%

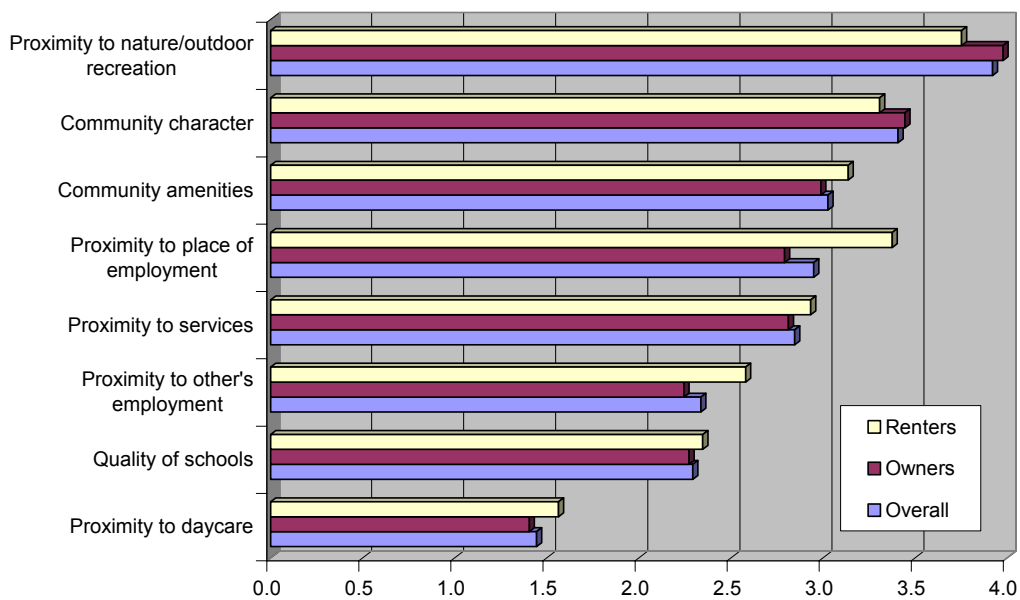
Source: 2007 Household Survey

Location Considerations

Survey participants were asked to rate the importance when looking for a place to live of nine location-related variables on a scale where 1 = not at all important and 5 = extremely important. Proximity to nature and outdoor recreation received the highest overall rating followed by community character, which was defined as family oriented, neighborhood appeal, etc. Community amenities, which were defined as schools, parks, libraries, etc. rated third overall. Proximity to place of employment was fourth overall but second in terms of importance among renters. This again shows that housing for renters should be built near employment but that employees will commute in order to own a home provided it is in a desirable community.

Proximity to nature and outdoor recreation is the most important location consideration. Community character and community amenities are also very important.

Importance of Location Considerations by Own/Rent



Source: 2007 Household Survey

There are other differences in terms of how owners and renters regard location. Owners place greater importance on community character and proximity to recreation while renters tend to more highly value proximity to everything – employment, services, daycare and amenities. Generally, renters are not willing to or can not afford to commute the distance that homeowners are.

There was little variation in the importance placed upon location attributed by income except that households with extremely low-incomes ($\leq 30\%$ AMI) placed greater importance on proximity to services and lower importance on proximity to employment.

Proximity to day care was ranked the lowest by both renters and owners of the nine issues presented, with an average rating of only 1.4 out of 5. Quality of schools ranked significantly higher but still received only a moderate rating of 2.3. Regarding day care, households without young children do not look upon it as a community asset important to have nearby; 79% of residents consider proximity to day care to be not at all important. Quality of schools is important in varying degrees to a much larger segment of the population; only 55% considered quality of schools to be unimportant when looking for a place to live. Concerns about the quality of schools in Grand County have contributed to dissatisfaction with housing and led to desires to move elsewhere (see comments in the appendix).

Detailed Ratings of Daycare and Schools

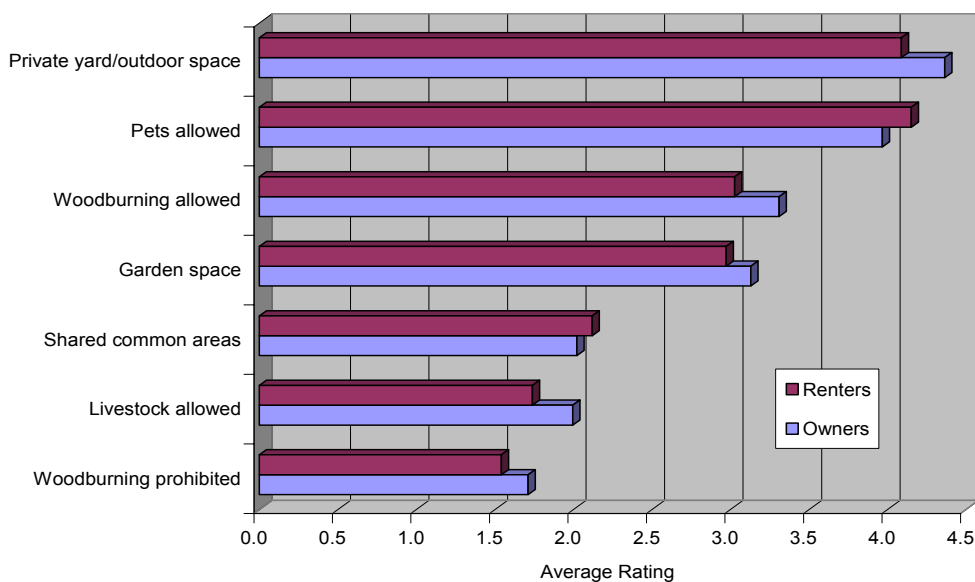
Proximity to Daycare	Overall	Owners	Renters
1 - Not at all important	79.0	79.4	77.4
2	6.5	7.2	4.6
3	8.2	8.8	6.5
4	4.0	2.8	7.2
5 - Extremely important	2.5	1.8	4.3
	100%	100%	100%
Average Rating	1.4	1.4	1.6
Quality of Schools			
1 - Not at all important	54.8	54.4	55.9
2	4.8	5.2	3.6
3	11.1	12.3	7.9
4	14.9	14.8	14.8
5 - Extremely important	14.4	13.3	17.7
	100%	100%	100%
Average Rating	2.3	2.3	2.3

Sources: 2007 Household Survey

Neighborhood Features

Grand County residents highly value being outdoors. Private yards or other type of outdoor space is the feature that they rate as the most important feature in their neighborhoods. Owners and renters are in agreement on this issue. Pets are also very important as is common in rural areas. Property management policies prohibiting pets would likely increase both initial absorption time and long-term turnover.

Importance of Neighborhood Options



Source: 2007 Household Survey

Unit Type

Potential homebuyers, both owners looking to buy a new or different home and renters who would like to buy, were given three choices for type of unit, each with number of bedrooms and price specified. The choices were intended to be the base designs or “shells” from which potential buyers would design their homes choosing additional bathrooms and amenities taking into consideration the price for each additional option.

Unit Type, Size and Cost Preferences

Type/Bedrooms/Base Price	Overall	Owners	Renters
CONDOMINIUM - Single Story			
1 bedroom - \$100,000	2.4	2.2	2.6
2 bedrooms - \$125,000	4.3	3.6	4.9
3 bedrooms - \$150,000	0.9	0.9	
Sub-total	7.6%	6.7%	7.5%
TOWNHOME - Two Story			
1 bedroom - \$150,000	1.9	0.9	2.9
2 bedrooms - \$175,000	3.8	5.7	2.1
3 bedrooms - \$200,000	4.7	3.8	5.7
4 bedrooms - \$225,000	0.9	0.8	1.1
Sub-total	11.4%	11.3%	11.7%
SINGLE-FAMILY HOUSE			
1 bedroom - \$200,000	1.9	0.8	2.9
2 bedroom - \$225,000	14.6	12.4	16.9
3 bedroom - \$250,000	43.2	41.5	45.3
4 bedroom - \$275,000	21.3	27.3	15.6
Sub-total	80.9%	82.0%	80.7%
	100%	100%	100%

Source: 2007 Household Survey

Everyone does not want a house as is often said, but most do. Just over 80% of renters who want to buy and owners who want to buy a different home would like to purchase a single-family house. Most (43% of potential buyers) would prefer three bedrooms. Townhomes are the second most popular option with less than 8% preferring a condominium. The responses from owners and renters were very similar.

Pricing

Most potential buyers added options that increased the purchase price above the base amounts. Overall, prices ranged widely but were clustered in the \$250,000 to \$350,000 range. Potential buyers who indicated that a condominium was their first choice were the most cost conscious with about half adding no more than \$50,000 to the base purchase price. If the respondent indicated they would be willing to pay more for not having a deed restriction, \$100,000 was included in the total cost. Refer to the Action Plan section of this report for greater detail on deed restrictions.

Price Range of Designed Units				
Price Range	Condominium	Townhome	House	Overall
\$100,000 - \$124,999	18.8			1.5
\$125,000 - \$149,999	31.3			2.5
\$150,000 - \$174,999	25.0	8.7		2.9
\$175,000 - \$199,999	6.3	4.3		1.0
\$200,000 - \$224,999		26.1	0.6	3.4
\$225,000 - \$249,999	6.3	21.7	2.4	4.9
\$250,000 - \$274,999		8.7	12.1	10.8
\$275,000 - \$299,999		4.3	12.7	10.8
\$300,000 - \$324,999	12.5		18.2	15.7
\$325,000 - \$349,999		13.0	7.3	7.4
\$350,000 - \$374,999		4.3	8.5	7.4
\$375,000 - \$399,999		8.7	8.5	7.8
\$400,000 - \$424,999			9.7	7.8
\$425,000 - \$449,999			7.9	6.4
\$450,000 - \$474,999			5.5	4.4
\$475,000 - \$499,999			2.4	2.0
\$500,000 - \$524,999			3.0	2.5
\$525,000 - \$549,999			1.2	1.0
	100%	100%	100%	100%
Average	\$170,074	\$257,544	\$351,442	\$326,884
Median	\$155,000	\$236,021	\$332,053	\$313,178

Source: 2007 Household Survey

Note: Sample size for condominiums and townhomes is small.

Most potential buyers choose units with options that they cannot afford.

The incomes of potential buyers were compared to the prices of the homes they desired to determine if they would be affordable. In most cases, potential buyers selected homes and options that resulted in higher prices than they could afford. As such, housing built for sale to employees should be based on incomes rather than what employees say they want since there is a mismatch. This is also an indication that additional homebuyer education is needed.

Purchase Price by AMI
Shading denotes affordable purchase prices.

Purchase Price by AMI	Income by AMI					Total
	60.1% - 80%	80.1 to 100%	100.1 to 120%	120.1% - 140%	> 140%	
80% AMI or less	5.3%		5.3%		2.2%	2.1%
100% AMI		19.2%		4.0%	2.2%	4.8%
110% AMI		3.8%				1.6%
120% AMI	5.3%	3.8%	5.3%	4.0%	2.2%	3.7%
140% AMI	52.6%	38.5%	36.8%	44.0%	30.4%	39.9%
160% AMI	36.8%	34.6%	42.1%	48.0%	52.2%	42.0%
Over 160% AMI			10.5%		10.9%	5.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2007 Household Survey

Trade Offs

Potential homebuyers were asked to rank the importance of four considerations when purchasing a home – price, location, type and size, in light of the need for trade offs due to expensive land, limited sites and high construction costs in Grand County. Location is the single most important variable among both renters who want to buy and owners who want to buy a different home. Price is the second most important consideration when buying a home. Size ranked third while unit type ranked a distant fourth with only 10.5% of respondents indicating it is their top consideration. This is a key finding since it suggests that there is flexibility in terms of the type of units that could be developed in response to demand. If priced appropriately and located where desired, condominiums and

Location followed by price are the most important considerations when buying a home.

Townhomes and condominiums can successfully be marketed to local buyers if well located and priced affordably.

townhomes should be acceptable to many who prefer to buy a single-family house. If housing can not be developed where buyers want to live or prices are not considered to be a good value, it will be more important to provide the type of units that buyers most want to own.

Most Important Consideration by Own/Rent

Consideration	Overall	Owners	Renters
LOCATION - the COMMUNITY	39.3	41.8	35.2
PRICE - the BEST VALUE	29.3	29.7	27.3
SIZE - SPACE IS KEY	20.9	18.7	25.0
TYPE - DESIGN IS IMPORTANT	10.5	9.9	12.5
Total	100%	100%	100%

Source: 2007 Household Survey

Priorities vary somewhat within the county. Households now living in the West Grand area are more concerned about where they live than other residents and they care much less about the size of their home. There are few differences between residents of the Granby/Hot Sulphur Springs/Three Lakes area and the Fraser Valley.

Most Important Consideration by Area			
	West Grand	Granby/ HSS/ 3 Lakes	Fraser Valley
LOCATION - the COMMUNITY	55.0	35.4	38.2
PRICE - the BEST VALUE	25.0	30.5	30.3
SIZE - SPACE IS KEY	5.0	19.5	25.8
TYPE - DESIGN IS IMPORTANT	15.0	14.6	5.6
	100%	100%	100%

Source: 2007 Household Survey

Bathrooms

Each of the basic housing options presented included one bathroom. Potential buyers were asked to indicate how many additional bathrooms they desired given the cost of \$10,000 for a half bath and \$20,000 for a full bathroom. Nearly half would like an additional half bath. About 56% would like one additional full bathroom.

Number of Additional Bathrooms Desired by Own/Rent

Half Baths	Overall	Owners	Renters
0	48.2	53.7	42.1
1	49.7	43.4	56.6
2	1.6	1.9	1.2
3	0.5	0.9	0.0
	100%	100%	100%
Full Bathrooms	Overall	Owners	Renters
0	24.1	14.8	33.8
1	56.1	54.6	58.2
2	14.3	21.1	6.4
3	4.6	7.7	1.6
4	0.9	1.8	
	100%	100%	100%

Source: 2007 Household Survey

Options and Amenities

Potential buyers were given options they could add, each with the price specified. Roughly three-fourths chose a private yard at \$5,000, a two-garage garage for \$18,000 and a balcony or deck for \$3,000. Green building/energy efficiency with a price tag of \$10,000, which would enhance the long-term affordability of homes, was selected more frequently than many of the lower-priced options ranking fifth out of the 10 options offered.

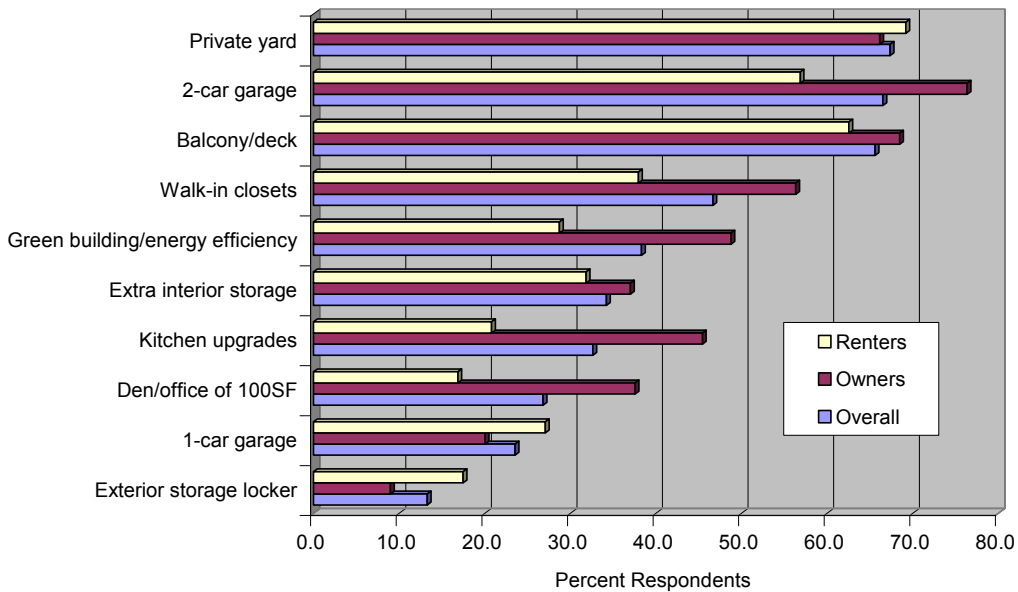
Options Selected

	Overall	Owners	Renters
Private yard - \$5,000	67.4	66.1	69.2
2-car garage - \$18,000	66.5	76.4	56.9
Balcony/deck - \$3,000	65.6	68.5	62.6
Walk-in closets - \$4,000	46.7	56.3	38.0
Green building/energy efficiency - \$10,000	38.3	48.8	28.7
Extra interior storage - \$4,000	34.2	37.0	31.9
Kitchen upgrades - \$15,000	32.6	45.4	20.8
Den/office of 100SF - \$18,000	26.8	37.6	16.9
1-car garage - \$10,000	23.5	20.1	27.1
Exterior storage locker - \$2,000	13.3	9.0	17.5
Total	415%	465%	369%

Source: 2007 Household Survey
 Note: Multiple response question; totals exceed 100%.

Generally, owners and renters responses were similar although owners who would like to buy a different house selected more optional upgrades, particularly two-car garages, space for an office, kitchen upgrades and walk-in closets.

Options Selected by Own/Rent



Source: 2007 Household Survey

All survey participants (not just potential homebuyers) were asked to rate the importance of various amenities. Overall, sunlight is the most desired amenity in Grand County although among renters, energy efficiency rated higher and in-unit washers and dryers were equal.

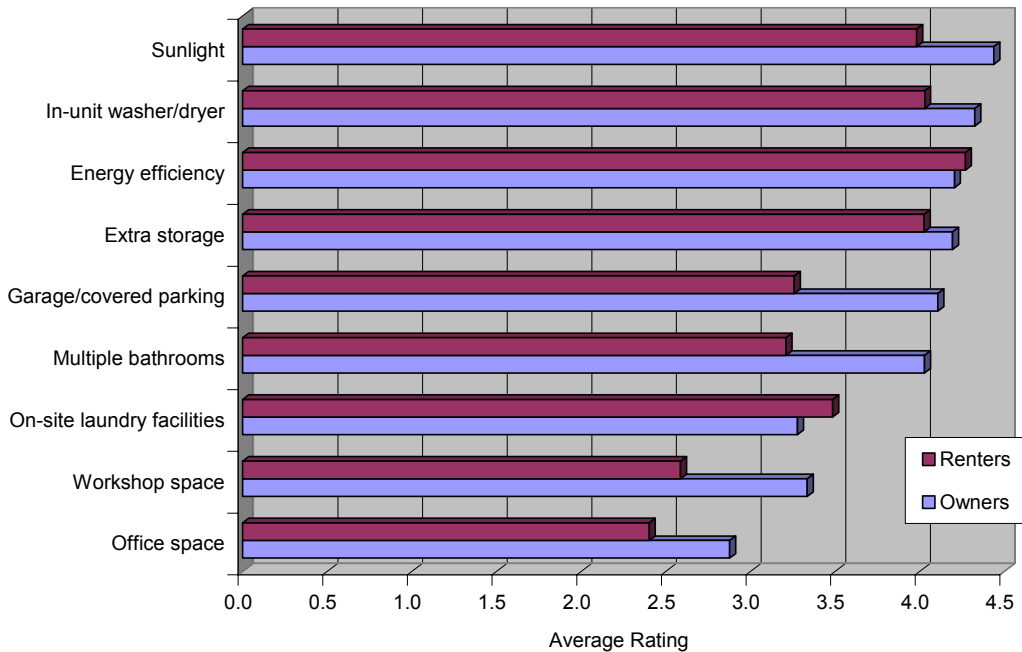
Sunlight is the most important amenity.

Overall Rating of Amenities
1 = not at all important; 5 = extremely important

	Avg. Rating
Sunlight	4.3
In-unit washer/dryer	4.2
Energy efficiency	4.2
Extra storage	4.1
Garage/covered parking	3.9
Multiple bathrooms	3.8
On-site laundry facilities	3.3
Workshop space	3.1
Office space for business use	2.8

Source: 2007 Household Survey

Importance of Amenities by Own/Rent



Source: 2007 Household Survey

There does not appear to be a significant correlation between income level and the importance placed upon amenities.

Part 4 -- Recommended Next Steps

Develop a 5-Year Work Plan

1. Set policies, goals and quantitative objectives for housing that are specific enough to estimate the cost, identify the most appropriate tools and assess the potential effectiveness of optional methods. Each community and county should have specific, quantitative objectives for housing.
2. Gain public support for the plan through education of elected and appointed officials, employers and the general public about the extent of the housing needs in Grand County.
 - Share the results of the needs assessment.
 - Compare the situation in Grand County to other Colorado mountain counties.
 - Learn about tools and techniques
 - Seek direction

Develop County-Wide Cooperation

Work with communities in Grand County to develop complementary housing programs, tools that could be effective, and systems for efficiently sharing administrative responsibilities. While uniformity is not necessary and seems inappropriate given the diversity in Grand County, county-wide cooperation and coordination are important for solving such a complex need.

Options include:

- A multi-jurisdictional housing authority.
- A cooperative arrangement for sharing project development expertise – planning, designing, financing and building homes is a significant responsibility and requires expertise. It does not make sense for each community to develop the capacity to build, buy, fund and manage housing.
- A centralized system for administration of deed restrictions.
- A single point of contact for housing assistance. Employees who need housing should not have to contact each town and the county in order to find out about what might be available.

Take Action Soon for Future Growth

1. Pursue passage of a lodging tax. Research other communities with a similar tax, even if the revenue is used for other purposes. Determine how the revenue generated would be spent. Analyze how large the tax would need to be in order to generate the amount of funds needed.
2. Consider inclusionary zoning. Test the political will and confront issues, like the misperception that it can not be a mandatory component of subdivision approval. As an alternative, model policies similar to Winter Park's and Fraser's through which the

County attainable units are provided through negotiation with developers of new subdivisions.

3. Consider linkage fees on commercial development.
4. Increase housing requirements for annexations and new subdivisions. While Fraser, Winter Park and Granby have taken steps in this direction, the number of units required is small and/or ill defined.
5. Identify and dedicate additional land for housing. While Winter Park (the Triangle parcel) and Fraser (a block downtown) both own sites identified for future attainable housing, Granby is the only community that is actively acquiring additional land at this time.

Build Rental Housing

Development of one or two small apartment properties with a combined total of 40 to 50 units should be pursued. Although managers of scattered condominium and home rentals will object, units that rent at rates affordable for low-income households are full. Since Fraser already has a high concentration of rental, apartments needed now should be built elsewhere. Winter Park and Granby are both possible locations given the growth occurring there.

Develop Ownership Housing

Need for entry-level homeownership currently outweighs the need for rentals if the homeownership rate in the county is to be maintained. A variety of unit types should be considered including condominiums and townhomes. Units should be at all price ranges affordable for households with incomes as low as 60% AMI and as high as 140% AMI. Deed restrictions protecting permanent affordability should be imposed. Sites throughout the county should be considered.

Address Special Needs Housing

Assisted Living -- Explore the appropriateness and feasibility of using available rooms at Cliffview for disabled adults who are homeless or at risk of homelessness. It would address both the problem of high vacancy levels and homelessness among a small population with housing needs that are not being met otherwise. This would, however, create some fundamental challenges for operations including managing potential incompatibilities among residents. The length of residency would typically be much longer for younger and middle-age adults who need assistance with activities of daily living; taking in non-seniors would be a long-term commitment.

Victims of Domestic Abuse -- Explore the possibility of using, through rent or donation, housing that is listed for sale and currently vacant as transitional housing. The inventory of units listed for sale is large and, in some areas like Granby, might be well suited for transitional housing. Enhance the emergency shelter program by having a dedicated room somewhere (maybe in a private residence or an accessory dwelling) not subject to availability and front desk operations.

Senior Housing -- Develop more senior housing, particularly small cottages or single-story condominiums in retirement communities and apartments. The senior population is growing faster than the rest of the population, and most want to continue to live in Grand County upon

retirement. Senior apartments are fully occupied with wait lists. A sufficient number of residents age 65 and older are interested specifically in senior housing to make small projects viable. By providing alternative housing for seniors, it might be possible to create a mechanism whereby the homes they are vacating are available for employees to fill the jobs they are leaving.

Housing for Spanish Speakers -- Consider the development of an apartment property for large families. The Archdiocese of Denver has developed projects in Silverthorne, Carbondale and Glenwood Springs that serve primarily Hispanic/Latino families, and might be willing to consider a Grand County location.

Suggestions for State Resources

Down Payment Assistance -- Provide more funds for down payment assistance and revamp the program so that closings are not delayed while waiting on receipt of funds.

Rent Subsidies -- Fund a rent subsidy program to address the needs of households on wait lists in Grand County and elsewhere in the state for Section 8 vouchers. The administration systems are largely in place and the need is clearly demonstrated – households are cost burdened and on wait lists for Section 8 are documented. Increases in the Federal allocation for rent subsidies seem unlikely.

Moderate- and Middle-Income Assistance -- Provide financial support for projects that benefit households with incomes higher than 80% AMI. Colorado has many high-cost areas where the free market does not provide housing opportunities for moderate- and even middle-income residents. For many areas like Grand County, programs should be available to assist households with incomes at least as high as 120% AMI. Limiting assistance as done under Federal programs to only low-income households ($\leq 80\%$ AMI) has undesired consequences. When moderate- and middle-income families can not find housing and are forced out, communities suffer from a that lack diversity, stability, volunteers and the employees needed to hold many essential positions.

Develop a Rehab Model for Rental Units -- Figure out a way to finance and administer housing rehabilitation programs that are appropriate for areas like Grand County where the rental inventory consists primarily of scattered units that are aging and not professionally maintained.

APPENDICES

- A. AMI Profiles
- B. Household Survey
- C. Employer Survey
- D. Survey Comments
- E. Data Tables
- F. Definitions
- G. Methodology