

HOUSING

Community Vision - A healthy community is one in which families and individuals of all income levels live in adequate and affordable housing.

The cost of housing continues to rise in communities in Southwest Colorado. In our region Dove Creek (Dolores County) and Pagosa Springs (Archuleta County) were the least expensive places to buy a home in 2007, while Durango and rural La Plata County were the most expensive places to buy homes. Nationally, inflation was about 13% from 2003 to 2007. This means that \$1 in 2003 had the same buying power as \$1.13 in 2007. We see from the chart at right that the median home prices in our region changed from minus (-) 11% to 84% during that time period. High rents and home prices, coupled with relatively low wages, make affordable housing a prime concern in most of our towns and rural areas. In order to obtain affordable housing many people are forced to commute long distances to their workplaces, which increases transportation costs, adds to traffic congestion and air pollution, and takes more time away from their families. In this section we look at the cost of **rental units**, as well as for sale **home prices**, in each of the communities in Southwest Colorado.

Jurisdiction	Median Home Price 2003	*2003 Dollars Adjusted to reflect 2007 Dollars	Median Home Price 2007	Median Home Price % Change 2003-2007
Archuleta County-all	\$ 181,000	\$ 203,961	\$ 227,500	12%
Pagosa Springs	\$ 110,000	\$ 123,954	\$ 110,000	-11%
Rural Dolores Co	\$ 95,000	\$ 107,052	\$ 126,800	18%
Dove Creek	\$ 36,750	\$ 41,412	\$ 50,000	21%
Rico	\$ 173,615	\$ 195,640	\$ 275,000	41%
Rural La Plata Co.	\$ 190,750	\$ 218,948	\$ 330,000	51%
Bayfield	\$ 180,000	\$ 202,835	\$ 265,500	31%
Durango	\$ 257,250	\$ 289,884	\$ 350,000	21%
Ignacio	\$ 100,000	\$ 112,686	\$ 173,000	54%
Rural Montezuma Co.	\$ 150,000	\$ 169,028	\$ 275,000	63%
Cortez	\$ 95,000	\$ 107,052	\$ 155,800	46%
Dolores	\$ 104,000	\$ 117,193	\$ 190,500	63%
Mancos	\$ 115,000	\$ 129,589	\$ 217,000	67%
San Juan County	\$ 145,000	\$ 163,395	\$ 300,000	84%

*Adjusted using inflation rate of 13% provided by Bureau of Labor Statistics
<http://data.bls.gov>

Rent and Required Income

What are the monthly rents in various communities, and what is the minimum annual income that a person must generate to afford this monthly rent? To answer these questions, we looked at the cost of rental units in 2007 by

Archuleta County			Dolores County			
Units	Pagosa Springs		Dove Creek		Rico	
	Rent	Income	Rent	Income	Rent	Income
1 Bedroom	* 599	\$23,960	*599	\$23,960	*599	\$23,960
2 Bedroom	\$ 800	\$32,000	\$ 450	\$18,000	\$1,450	\$57,999
3 Bedroom	\$ 900	\$36,000	\$ 800	\$32,000	\$1,900	\$76,000

La Plata County						
Units	Durango		Bayfield		Ignacio	
	Rent	Income	Rent	Income	Rent	Income
1 Bedroom	\$ 645	\$25,800	\$ 575	\$23,000	*681	\$27,240
2 Bedroom	\$ 717	\$28,680	\$ 950	\$38,000	\$ 600	\$24,000
3 Bedroom	\$1,077	\$43,080	\$1,200	\$48,000	\$1,000	\$40,000

collecting information on rental costs from various property managers throughout the region. The calculation used to figure the required income is fairly simple. A generally used guideline is that a person can spend 30% of their monthly income on rent, so $(\text{Rent}/.30) \times 12 = \text{Required Income}$.

*These units are not readily available in these communities; Fair Market Rents provided by HUD are used to provide income estimates.

Montezuma County						San Juan County		
Units	Cortez		Dolores		Mancos		Silverton	
	Rent	Income	Rent	Income	Rent	Income	Rent	Income
1 Bedroom	\$ 450	\$18,000	\$ 650	\$26,000	*681	\$27,240	*593	\$ 17,360
2 Bedroom	\$ 700	\$28,000	\$ 775	\$31,000	\$ 650	\$26,000	*686	\$ 27,440
3 Bedroom	\$ 800	\$32,000	\$ 975	\$39,000	*1210	\$48,400	*908	\$ 36,320

2007 Fair Market Rents			
	1 BDR	2 BDR	3 BDR
Colorado	\$ 681	\$ 854	\$ 1,210
Archuleta	\$ 593	\$ 746	\$ 907
Dolores	\$ 593	\$ 686	\$ 908
La Plata	\$ 675	\$ 772	\$ 1,083
Montezuma	\$ 517	\$ 597	\$ 713
San Juan	\$ 593	\$ 686	\$ 908

A comparison of actual rents to Fair Market Rents indicates that in many of our communities rents are substantially higher than Department of Housing and Urban Development (HUD) estimates. When we link these rent expenses to livable wages we see that most families need to earn above the basic wage per hour, or get a second job, to attain the income needed for affordable rental housing.

Data Source: National Low Income Housing Coalition
www.nlihc.org/oor/oor2006/data.cfm

Fair Market Rents determined by HUD

Median Home Prices

Next, we looked at the median price of homes sold in each of the counties in 2007, based on County Assessor’s data. The **median** is the midway point between all sales, it is not an average. We took the median prices to Wells Fargo Bank and asked them to calculate what the annual income of a family would need to be to qualify for a home loan using the median price as an assumed sale price. Using the Median Family Income numbers provided by HUD, we could then see how many families in our region would probably not qualify for a home loan sufficient to afford market price homes without additional assistance.

Jurisdiction	Purchase Price 6.5% Interest 10% Down 30 Yr Loan Term	Qualifying Annual Income	2007 Median Family Income by County	% of Families with less than Qualifying Income
Archuleta County-all	\$ 227,500	\$ 56,500	\$ 51,500	55%
Pagosa Springs	\$ 110,000	\$ 27,300	\$ 51,500	27%
Rural Dolores Co	\$ 126,800	\$ 31,500	\$ 44,000	36%
Dove Creek	\$ 50,000	\$ 12,500	\$ 44,000	14%
Rico	\$ 275,000	\$ 68,300	\$ 44,000	78%
Rural La Plata Co.	\$ 330,000	\$ 82,000	\$ 60,600	68%
Bayfield	\$ 265,500	\$ 65,900	\$ 60,600	54%
Durango	\$ 350,000	\$ 86,900	\$ 60,600	72%
Ignacio	\$ 173,000	\$ 43,000	\$ 60,600	35%
Rural Montezuma Co.	\$ 275,000	\$ 68,300	\$ 45,000	76%
Cortez	\$ 155,800	\$ 38,700	\$ 45,000	43%
Dolores	\$ 190,500	\$ 47,300	\$ 45,000	53%
Mancos	\$ 217,000	\$ 53,900	\$ 45,000	60%
San Juan County	\$ 300,000	\$ 74,500	\$ 47,200	79%
Silverton	\$ 282,025	\$ 70,000	\$ 47,200	74%

Purchase Price based on median home prices. Data provided by Assessors offices.

Qualifying Annual Income courtesy of David Fountain - Wells Fargo Bank

Area Median Income determined by HUD, based on US Census 2000 family median income estimates.

Source www.nlihc.org

Those that traditionally need housing assistance include low income families/individuals, the elderly, and people with disabilities. The ability of persons with disabilities to access housing is one indicator of independence and integration into mainstream society. The number of housing vouchers available to persons with disabilities has decreased by more than 50% since 2000. This is due to federal funding cuts at the Department of Housing and Urban Development (HUD). As expected, the number on waiting lists has simultaneously risen. In 2000, 35 people were on waiting list for housing vouchers, and now that number is 83. In addition, with affordable housing becoming scarcer, a voucher does not guarantee a person can find rental units that will accept their voucher.

Independent Housing Assistance						
	2000	2003	2004	2005	2006	2007
Number of Vouchers Used by Persons who are Disabled	165	99	85	74	74	75
Number of Persons who are Disabled on Waiting List	35	58	76	65	97	83

Sources: Southwest Center of Independence, Community Connections Inc.

Seeking Solutions – There are many obstacles to providing affordable housing in Southwest Colorado, including lack of developable land, infrastructure or funds to provide infrastructure; and economic issues such as the rapidly escalating cost of land and construction. At the local level, multiple efforts are underway to provide housing opportunities through partnerships between local governments and private development. Housing authorities are in place in La Plata, Montezuma and Dolores Counties.

Regional Housing Alliance of La Plata County (RHALPC), created through a 2004 inter-governmental agreement between the County, Town of Ignacio and City of Durango builds resources and capacity to create more housing opportunities in the community through its action plan: 1) Fair Share Programs: requiring development to dedicate a percentage of resources to affordable housing as part of the local governmental approval process; 2) Homes Fund: community investment fund to provide mortgage assistance for families and acquire land for affordable development; 3) Land Development and Banking: acquire land that can be used to develop affordable/attainable housing through public-private partnerships; 4) Homebuyer Assistance: prepares families to become homeowners through a 9-hour financial literacy and homeownership class, one-on-one counseling, and financial/mortgage assistance; 5) Policy and Education: promote housing through public awareness, policy areas include encouraging annexations, green home designs, adopting Smart Growth principles, design guidelines, and preserving existing affordable housing in the community. They can be reached at 970-259-1418 or www.rhalpc.org.

Housing Authority of the County of Montezuma (HACM) provides rental assistance and public housing within Cortez, Dolores and Mancos. They can be reached at 970-565-3831.

Housing Solutions for the Southwest promotes a socially and economically balanced community by providing housing and energy assistance services to very-low-to-moderate income families, individuals, the elderly and special needs populations in five southwest Colorado counties. Housing Solutions provides weatherization, home repair loans, rental assistance, housing development, transitional housing and self sufficiency programs, homeless prevention and housing counseling. They can be reached at 970-259-1086 or www.swhousingsolutions.com.

Habitat for Humanity works in La Plata, Montezuma and Archuleta Counties under the direction of volunteer board of directors, and other volunteers. Using tax deductible donations of money and materials, land is secured and homes are built or renovated with the help of the homeowners. The houses are sold at no profit to partner families, and no-interest mortgages are issued over a fixed period time, up to 20 years. Owners build their equity by providing their own labor. They can be reached at 970-382-2215 or www.habitatdurango.org in La Plata County; and 970-264-6960 or www.habitatcolorado.org/archuleta in Archuleta County. A new office will also be opening in Montezuma County in the summer of 2008.

Colorado Housing, Inc. (CHI) serves low to very low income families in need of housing in La Plata, Montezuma, Archuleta, and San Juan Counties. CHI conducts a mutual self-help homeownership program where families secure a mortgage, budget their home construction, and work in a community construction group with the support of CHI. CHI supports energy efficiency in their builds through grants, outside technical assistance and sustainable building best practices to increase the long term affordability of each home. CHI also hires local construction companies and buys local to help build affordable homes in those communities. They can be reached at 970-264-6950, or www.housinginc.com.

Mercy Housing (303-830-3300) or www.mercyhousing.org and **Volunteers of America** (970-247-9620) also provide low-income and senior housing in La Plata County.