

HOUSING

Executive Summary

The **Southwest Colorado Index**, previously called the Pathways to Healthier Communities Indicator Report, was first published in 1996 by Operation Healthy Communities Inc. (OHC). That first edition was conceived before data was readily available on the Internet, and there was a tremendous need for localized data as well as a single document to measure community trends. OHC developed vision statements with broad-based community input that defined what a healthy community would look like, and various measures were collected and developed to track changes and evaluate trends over time. After producing five editions of the Indicator Report, the Region 9 Economic Development District of Southwest Colorado (Region 9) took over publication of the document in 2008. The 2015 edition, produced in a series of installments, is provided courtesy of several regional organizations that recognize the importance of up-to-date information.

A healthy community is one in which families and individuals of all income levels live in safe and affordable housing. Housing experts agree that ideally a family should not spend more than one-third of their income on housing costs. 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. This report looks at the cost of **rental units**, as well as for sale **home prices**, in each of the communities in southwest Colorado.

The report found that in many communities (with the exception of Dove Creek, Bayfield and the Town of Dolores) actual rents were up to 45% higher than the Fair Market Rents determined by the Department of Housing and Urban Development (HUD). Durango had the highest rents in La Plata County. In Montezuma County rents were highest in Mancos. In some communities, such as Ignacio and Silverton, rental rates were not readily available. When rent expenses are linked to livable wages most families need to earn above the basic wages per hour, or get a second job, to obtain the income needed for affordable rental housing. Home ownership is also out of reach for many families in the region. Interest rates have gone down (from 6.5% to 4.5%) since our last report in 2008, but median home prices have surpassed pre-recession levels in many areas. However, based on the area median income determined by HUD for 2014, a greater percentage of families in each county would qualify for a median priced home than in 2008. The report also identifies organizations that provide housing assistance to low income families or individuals, the elderly, and people with disabilities. The numbers of organizations and the types of services that they provide are growing in response to the need for housing assistance throughout the region.

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A healthy community is one in which families and individuals of all income levels live in safe and affordable housing. Housing experts agree that ideally a family should not spend more than one-third of their income on housing costs. 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.

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 2015 by collecting information from property managers, looking at online listings, and following ads in local newspapers over a period of several months. 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 $(\text{Rent}/.30) \times 12 = \text{Required Income}$.

Archuleta County			Dolores County			
Units	Pagosa Springs		Dove Creek		Rico	
	Rent	Income	Rent	Income	Rent	Income
1 Bedroom	\$ 750	\$ 30,000	\$ 500	\$ 20,000	\$ 800	\$ 32,000
2 Bedroom	\$ 1,250	\$ 50,000	\$ 633	\$ 25,320	\$ 900	\$ 36,000
3 Bedroom	\$ 1,380	\$ 55,200	\$ 825	\$ 33,000	\$ 1,100	\$ 44,000

La Plata County						
Units	Durango		Bayfield		Ignacio*	
	Rent	Income	Rent	Income	Rent	Income
1 Bedroom	\$ 1,014	\$ 40,560	\$ 715	\$ 28,600	\$ 740	\$ 29,600
2 Bedroom	\$ 1,172	\$ 46,880	\$ 1,017	\$ 40,680	\$ 921	\$ 36,840
3 Bedroom	\$ 1,493	\$ 59,720	\$ 1,190	\$ 47,600	\$ 1,248	\$ 49,920

Montezuma County							San Juan County	
Units	Cortez		Dolores		Mancos		Silverton*	
	Rent	Income	Rent	Income	Rent	Income	Rent	Income
1 Bedroom	\$ 683	\$ 27,320	\$ 475	\$ 19,000	\$ 700	\$ 28,000	\$ 759	\$ 30,360
2 Bedroom	\$ 1,172	\$ 46,880	\$ 800	\$ 32,000	\$ 925	\$ 37,000	\$ 1,027	\$ 41,080
3 Bedroom	\$ 1,493	\$ 59,720	\$ 948	\$ 37,920	\$ 1,500	\$ 60,000	\$ 1,513	\$ 60,520

*Rental rates are not readily available in these communities, used Fair Market Rent estimates.

Estimates of Fair Market Rent (FMR) are drawn from surveys conducted by the Department of Housing and Urban Development (HUD). Those rental costs include utilities. However, most of those surveys are conducted in metropolitan areas, and often do not reflect the reality of rental costs in small, rural areas.

2015 Fair Market Rents			
	1 BDR	2 BDR	3 BDR
Colorado	\$ 804	\$ 1,034	\$ 1,504
Archuleta	\$ 750	\$ 807	\$ 1,055
Dolores	\$ 542	\$ 643	\$ 948
La Plata	\$ 740	\$ 921	\$ 1,248
Montezuma	\$ 542	\$ 643	\$ 948
San Juan	\$ 759	\$ 1,027	\$ 1,513

National Low Income Housing Coalition
 Fair Market Rents determined by HUD
<http://nlihc.org/oor/colorado>

We found that in almost every community actual rental costs were substantially higher than FMR estimates. In some communities, such as Ignacio and Silverton, rental rates are not readily available so we did use FMR estimates, though actual rates may be higher.

2015 Comparison of Actual Rental Costs to Fair Market Rent Estimates	Actual Rental Cost (1)			Fair Market Rent (2)		
	1 BDR	2 BDR	3 BDR	1 BDR	2 BDR	3 BDR
Archuleta County Average	\$ 750	\$ 1,250	\$ 1,380	\$ 622	\$ 807	\$ 1,055
Dolores County Average	\$ 650	\$ 700	\$ 962	\$ 542	\$ 643	\$ 948
Dolores County- Dove Creek	\$ 500	\$ 633	\$ 825	\$ 542	\$ 643	\$ 948
Dolores County - Rico	\$ 800	\$ 900	\$ 1,100	\$ 542	\$ 643	\$ 948
La Plata County Average	\$ 900	\$ 1,040	\$ 1,365	\$ 740	\$ 921	\$ 1,248
La Plata County - Bayfield	\$ 715	\$ 1,017	\$ 1,190	\$ 740	\$ 921	\$ 1,248
La Plata County - Durango	\$ 1,014	\$ 1,172	\$ 1,493	\$ 740	\$ 921	\$ 1,248
La Plata County - Ignacio	NA	NA	NA	\$ 740	\$ 921	\$ 1,248
Montezuma County Average	\$ 759	\$ 763	\$ 1,195	\$ 542	\$ 643	\$ 948
Montezuma County - Cortez	\$ 683	\$ 692	\$ 1,175	\$ 542	\$ 643	\$ 948
Montezuma County - Dolores	\$ 475	\$ 800	\$ 948	\$ 542	\$ 643	\$ 948
Montezuma County - Mancos	\$ 700	\$ 925	\$ 1,500	\$ 542	\$ 643	\$ 948
San Juan County - Silverton	NA	NA	NA	\$ 759	\$ 1,027	\$ 1,513

NA = Actual rents not available for this community.

(1) Source: compilation of online listings, newspapers and property managers.

(2) Fair Market Rent from National Low Income Housing Coalition, <http://nlihc.org/oor>.

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.

Median Home Prices

Next, we looked at the median price of homes sold in each of the counties in 2014, based on information provided through the Colorado Association of Realtors. 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. The interest rate selected for use was based on an assumption of a good credit rating and commonly selected financing options. 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.

% of Families Unable to Purchase a Median Price Home - 2014

Jurisdiction	Purchase Price 4.5% Interest 10% Down 30 Yr Loan Term	Qualifying Annual Income	2014 Area Median Income by County	% of Families with less than Qualifying Income
Archuleta County - Pagosa Springs all	\$ 228,500	\$ 55,780	\$ 73,200	38%
Dolores County - all	\$ 78,500	\$ 23,875	\$ 56,200	21%
Dove Creek	\$ 60,000	\$ 15,625	\$ 56,200	14%
Rico	Not Available		\$ 56,200	
La Plata County - all	\$ 336,900	\$ 79,000	\$ 72,900	54%
Bayfield	\$ 249,500	\$ 59,725	\$ 72,900	41%
Durango	\$ 400,000	\$ 90,500	\$ 72,900	62%
Ignacio	\$ 127,500	\$ 29,675	\$ 72,900	20%
Montezuma County - all	\$ 171,000	\$ 42,350	\$ 53,800	39%
Cortez	\$ 147,250	\$ 36,390	\$ 53,800	34%
Dolores	\$ 230,000	\$ 56,900	\$ 53,800	53%
Mancos	\$ 202,500	\$ 49,750	\$ 53,800	46%
San Juan County - Silverton	\$ 178,800	\$ 44,448	\$ 56,400	39%

Purchase Price based on median home prices.

Qualifying Annual Income courtesy of Julie Cooley - Wells Fargo Bank

Area Median Income determined by HUD

http://nlihc.org/sites/default/files/oor/2014-OOR-CO_0.pdf

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 regional 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 and Montezuma Counties.

Housing Assistance Programs

Those that traditionally need housing assistance include low income families or individuals, the elderly and people with disabilities. There are different levels of need, ranging from short term emergency shelters to providing home repair services or low income rental housing.

The following list does not include all of the subsidized rental units available across the region. Some units are developed and managed by private management companies and have a variety of income and age qualification criteria. Some of these do accept Housing Choice Vouchers.

The Housing Choice Voucher Program

The Housing Choice Voucher (HCV) program is the federal government's primary program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and accessible housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice, in the community of their choice, where the owner agrees to rent under the program. However, rental units are not readily available in some areas so waiting lists are often long. A number of organizations in the region provide access to housing choice vouchers, in addition to assisting with repairs and upgrades to current homes or building homes for eligible families.

The **Bridge Emergency Shelter** provides emergency shelter and food to homeless and stranded people in Cortez (Montezuma County). Their facilities include four rooms for men, two rooms for women, a dining room/kitchen area, a living room and two staff offices. During 2013-2014, they served 248 individuals during the six months the shelter was open. There was an average of 23 clients per night, with 3,680 total night stays. They can be reached at 970-565-9808 or <https://thebridgeshelter.org>. The Bridge Shelter also runs the Cortez Day Labor Center. The mission of the Center is to provide a place where workers of various skills and abilities can gather and be available to fill temporary labor needs in the community. The program provides a safe meeting place and facilitated interaction for employers and people seeking day labor assignments.

Since 1991, the **Durango Community Shelter** (a Volunteers of America program) has served families and individuals experiencing homelessness. Each year the Durango Community Shelter provides over 9,000 nights of safe shelter to 500 individuals, 40% women and children. The Durango Community Shelter continues to be the only 24/7/365 shelter service in Southwest Colorado and the only option for families and individuals trying to get back on their feet and regain self-sufficiency. The facility has sleeping quarters for men, women, and families as well as communal living spaces including a kitchen, living room, laundry facilities, and dining room. They can be reached at 970-259-1255 or www.voacolorado.org/.

Habitat for Humanity has organizations in Archuleta, La Plata, and Montezuma Counties. Using tax deductible donations of money and materials, land is secured and homes are built or renovated with the help of the homeowners and volunteers. 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.

- In Archuleta County the organization has provided new homes for 25 families since 1994. And, through the **Neighbors Helping Neighbors (NHN)** program, they help low-income homeowners impacted by age, disability and family circumstances, who struggle with home

maintenance projects, an opportunity to reclaim their homes. They can be reached at <http://www.habitatarchuleta.org/> or 970-264-6960.

- In La Plata County the organization has built 39 homes since 1994. Their office can be reached at 970-382-2215 or www.habitatlaplata.org. They also support a **ReStore**, which sells new and gently used building materials, household items, furniture and fixtures from a variety of sources such as contractors, individuals and partner retail stores. The donated materials are sold at 20-70% off retail prices. Proceeds from the sale of materials help support the mission of Habitat for Humanity. The ReStore can be contacted at 970-382-9931.
- In Montezuma County a primary focus is to help existing low income homeowners upgrade their homes (15 projects since 2008). In addition, they provide rehabilitation on already existing houses for purchase by new homeowners. Two families have already been placed in rehabilitated homes and two more projects are currently in the works. They can be reached at 970-565-8312 or <http://habitatmontezuma.org/>.

Housing Authority of the County of Montezuma (HACM) provides rental assistance and public housing within Cortez, Dolores and Mancos. They administer three rental assistance programs: the Low Rent Public Housing Program; Housing Choice Voucher Program; and Affordable Tax Credit Units based on Federally established income limits. The Housing Choice Voucher Program and Public Housing Programs are funded by the U.S. Department of Housing and Urban Development. They can be reached at 970-565-3831 or www.mc-ha.org.

Housing Solutions for the Southwest has served the five county region of southwest Colorado (including the headquarters for two tribal entities, the Southern Ute and the Ute Mountain Ute Tribes) for more than thirty years. The agency offers a safety net for life's challenges, ranging from homeless prevention to home repair and beyond. Housing Solutions provides comprehensive information about housing and other community resources to over five thousand people every year. The philosophy of the agency is to encourage each person to develop a sustainable plan for safe, stable housing for the long-term. Housing Solutions offers comprehensive housing services in conjunction with case management, along with direct financial assistance to clients. Specific services provided by Housing Solutions include emergency assistance, rental and utility assistance, transitional housing, housing rehabilitation, emergency heating repair, housing counseling and reverse mortgage counseling. The agency manages housing choice vouchers for individuals and families, with preferences for people with disabilities, who are homeless or victims of domestic violence. VASH housing vouchers for Veterans are also administered by the agency, in conjunction with the Veteran's Administration. Housing Solutions also oversees the Community Emergency Assistance Coalition (CEAC) for La Plata County which provides one-time emergency assistance to community members facing financial crisis. Financial, budget and housing counseling is provided to every applicant by the staff at Housing Solutions.

Housing Solutions is also the agency for southwest Colorado that manages Community Services Block Grant (C.S.B.G.) funding for the region, which supports nine non-profit agencies in the region to provide services to low-income people with basic services. Housing Solutions can be reached at 970-259-1086 or www.swhousingsolutions.com. The agency also builds affordable housing.

Affordable rental housing built by the agency includes:

- Southwest Horizon Ranch, 61 single family homes in La Plata County
- Homeward Bound, a transitional housing apartment building in Durango
- Socorro, a 19 apartment senior living facility in Pagosa Springs

Mercy Housing is one of only a few national organizations that provide affordable housing for all low- and moderate-income populations. They serve families, seniors, and people with special needs with the full spectrum of affordable housing, including supportive housing for the formerly homeless, transitional housing, permanent rental, and affordable homeownership opportunities www.mercyhousing.org. They have three projects in La Plata County.

- **Merced de las Animas** includes 50 units of affordable rental housing for families in Durango. Catholic Health Initiatives and the Mercy Regional Medical Center donated the land to Mercy Housing for the development, and the project was completed in 1998. The property features a variety of programs and services for the residents and the surrounding community. They can be reached at 970-247-9066.
- **Valle de Merced**, completed in 2005, consists of 46 one-, two- and three-bedroom homes for low-income families; 15 of these homes are set aside for individuals with special needs. This property, located in Durango, serves families and individuals with special needs who are earning 30 – 60 percent of the area median income. They can be reached at 970-259-1118.
- **Piñon Terrace** has 64 units and provides housing for families and people with special needs in Durango. Completed in 2008, this is Mercy Housing Colorado's third affordable rental property in Durango. They can be reached at 970-385-8618.

Regional Housing Alliance of La Plata County (RHA) was created through a 2004 inter-governmental agreement between La Plata County, Town of Ignacio, Town of Bayfield, and City of Durango. As a local governmental partnership, the RHA develops housing policy, identifies priorities, and allocates resources to provide La Plata County workforce and residents with affordable housing opportunities and to ensure the county remains diverse and economically strong. The RHA and its sister cost sharing partner, La Plata Homes Fund, develop affordable housing and empower residents with the financial resources and educational tools to achieve homeownership. They can be reached at 970-259-1418 or www.rhalpc.org.

Southwest Center for Independence (SWCI) is a private non-profit established in 1990 to serve Archuleta, Dolores, La Plata, Montezuma, and San Juan County in southwest Colorado. SWCI provides a wide array of services to assist and empower people with disabilities to live independently in their communities with the supports that they need. They provide approximately 123 Housing Choice Vouchers for people who have a disability and a number of State Housing Vouchers for people that receive services from Axis Health System. They can be reached at (970-259-1672) or www.swilc.org.

The **Southwest Safehouse** (a Volunteers of America program) serves women and children survivors of domestic violence and other violent crimes. Administering essential services in Durango and the surrounding area since 1985, the Southwest Safehouse provides over 5,000 nights of safe shelter to over 200 women and children each year. This facility provides a safe refuge for women and children who have no safe home, and provides the tools and support needed for women and children to recover from trauma and start a new life. They can be reached at 970-295-5443 or <http://www.voacolorado.org/gethelp-southernco-southwestsafehouse>.

Volunteers of America guide individuals and families by providing safe, affordable housing, and the vital support services they need to thrive. They are one of the nation's largest nonprofit providers of quality, affordable housing for low and moderate-income households. They create and manage housing for the homeless, families with children, the elderly, and people with disabilities, including physical and mental disabilities. In Durango, the Cedar View Apartments has 53 one bedroom units for seniors aged 62 or over. They can be reached at 970-259-7600 or voacedarview@voacolorado.org.