AGENDA
CITY OF GLENWOOD SPRINGS
Planning and Zoning Commission
Regular Meeting
OCTOBER 16, 2019
Council Chambers, First Floor
101 W. 8TH STREET
6:00 PM

1 Roll Call

2 Work Session

   A. General discussion on Density Bonus Programs for Affordable Housing and the City of Glenwood Spring's existing Accessory Dwelling Unit standards.

3 Commissioner Comments

4 Director Comments

5 Adjournment

## Planning and Zoning Commission Report

Date: October 16, 2019

To: Planning and Zoning Commission

From: Hannah Klausman, Senior Planner

Subject: General discussion on Density Bonus Programs for Affordable Housing and the City of Glenwood Spring's existing Accessory Dwelling Unit standards.

**ACTION ITEMS**

None. Discussion Only.

**BACKGROUND**

Preliminary discussion on Density Bonus Programs for Affordable Housing and the City of Glenwood Spring's existing Accessory Dwelling Unit standards. Staff is seeking direction on program elements and goals.

**PROJECT SUMMARY**

Attachments include:

1. Presentation on Density Bonus Options and Accessory Dwelling Unit Standards
2. City of Glenwood Springs Comprehensive Plan Housing Strategy
3. Housing Tools Memo from 2005 Housing Study
4. Housing Gaps Regional and Glenwood Springs, 2018 Study

**REVIEW CRITERIA AND STAFF ANALYSIS**

**REVIEWING AGENCY COMMENTS**

**ACTION ITEMS & STAFF RECOMMENDATIONS**

Discussion only, no staff recommendation.

Suggested Findings:
NA

# Density Bonus, and Accessory Dwelling Unit Programs

Joint Work Session, Planning and Zoning Commission

Wednesday, October 16 2019

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# City of Glenwood Springs Program Background

## Inclusionary Housing Requirement:

- Required residential development to provide at least 15% of units to be affordable to households earning up to 120% of the area median income.
- Created 10 affordable deed restricted housing units.
- Removed as a requirement in 2018.

## Voluntary Deed Restriction Program:

- System Improvement Fees are waived in return for rent control limited to 100% AMI.
- 28 units currently enrolled in program.
- School District utilizing for teacher housing.

## Accessory Dwelling Unit:

- ADU's allowed in all res. zones and most commercial zones, as a use by right. (2000)
- ADU's have reduced system improvement fees, to make building them more affordable. ($5,000 versus $12,500 for a two bedroom 850 square foot duplex unit.)
- Glenwood implemented an ADU Amnesty program in 2017 to encourage the legalization of units in Glenwood Springs. Included reduced fee.
- Glenwood has approximately **121** permitted ADU's.

## Housing Attainability Element of Comp Plan:

- Outlines recommended policies and programs.

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# Background

## What is a Density Bonus:

- Density bonuses are a type of housing production incentive program where projects are granted additional residential density over and above the maximum limit allowed by existing zoning, with the condition that the housing (or a portion thereof) be deed restricted to occupancy by a target group. The density increase results in a decrease in the land cost per unit.

## Examples of Density Bonuses:

- Height increase
- Unit per acre increase
- Lot Standard reductions
  - Less parking
  - Smaller setbacks
  - Smaller lot size

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# Basic Components of Density Bonus

## Height limit increase

- Example: 40 feet height limit increased to 60 foot limit with certain % of dedicated affordable housing.


## GWS Code Integration

- Height increase bonus may work best in commercial districts, can be incorporated into any zone.

# Basic Components of Density Bonus

## Units per acre increase

- Example: 12 units/acre increased to 18 units/acre

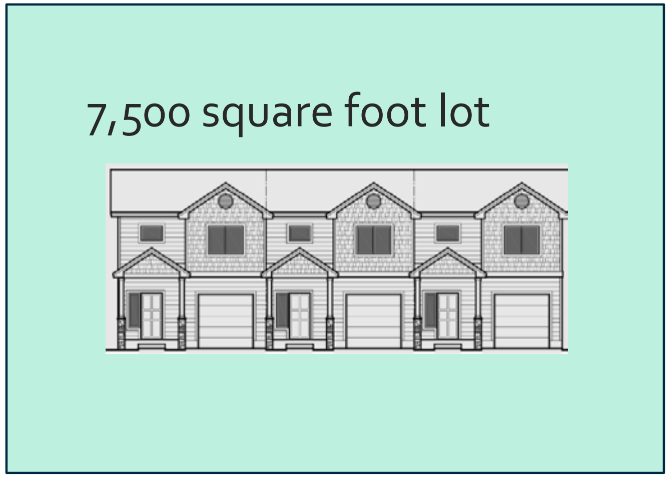

## GWS Code Integration

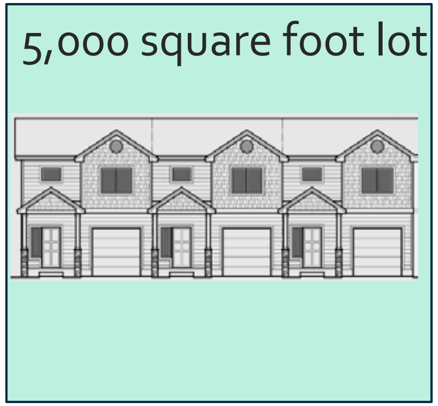
- Code does not identify units/acre. Instead relies on lot size standards. Units/acre does not integrate well with code. Glenwood's single family neighborhoods range from 7-9 units/acre. Glenwood’s high density residential neighborhoods range from 17-19/units an acre.

# Basic Components of Density Bonus

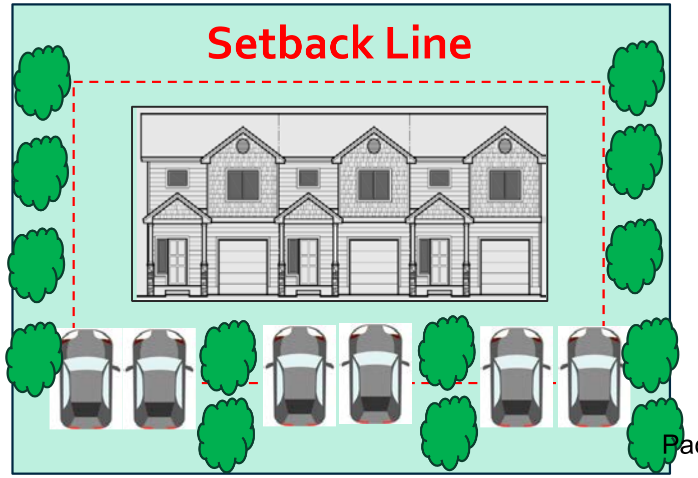
## Lot Size Standard decrease

- Reduced lot size requirements




- Reduced parking requirements
- Reduced setback standards




* Reduced Landscape area

## GWS Code Integration

- Lot standard reductions can be incorporated into any zone.

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# Zoning Lot Standards

| | RR | RL | RM1 | RM2 | RH | RT |
|---|---|---|---|---|---|---|
| | Rural | Low Density | Medium Density | Multifamily Limited | High Density | Transitional |
| **Lot Standards, Minimum** | | | | | | |
| Lot area | 40,000 sf | 20,000 sf | 6,000 sf | — | — | — |
| Lot area, lots created prior to March 1, 1965 | | | 5,000 sf | | | |
| Lot area, single-family detached | — | — | — | 5,000 sf | 4,500 sf | 5,000 sf |
| Lot area, attached dwellings sharing common wall | — | — | 7,500 sf | 2,500 sf/unit | 2,250 sf/unit | 2,500 sf/unit |
| Landscaped area (for multifamily dwellings) | — | — | — | 20 percent | 20 percent | 20 percent |
| Setbacks, Minimum | | | | | | |
| Front (arterial streets) | 50 feet | 50 feet | 30 feet | 30 feet | 15 feet | 15 feet |
| Front (other streets) | 25 feet | 25 feet | 20 feet | 20 feet | 10 feet | 10 feet |
| Side | 10 feet | 10 feet [1] | 5 feet | 5 feet [2] | 5 feet [2] | 5 feet [2] |
| Rear | 25 feet | 25 feet | 15 feet | 10 feet | 10 feet | 10 feet |
| **Building Standards, Maximum** | | | | | | |
| Building height | 27 feet | 27 feet | 27 feet | 27 feet | 40 feet | 40 feet |
| Notes: | | | | | | |
| [1] Or one-half the height of the principal building, whichever is greater. | | | | | | |
| [2] For attached dwellings sharing a common wall, interior side setbacks may be permitted at zero feet. | | | | | | |

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# Zoning Lot Standards

| | RR | RL | RM1 | RM2 | RH | RT |
|---|---|---|---|---|---|---|
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| Lot area, single-family detached | — | — | — | 5,000 sf | 4,500 sf | 5,000 sf |
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Notes:

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# Density Bonus Example

## Current Process

- RH Res. High Density zone
- 6,000 square foot lot.
- 2 units are allowed per current lot standards.

## Proposed Density Bonus

- RH Res. High Density zone
- 6,000 square foot lot.
- 2 units are allowed.
- 50% affordable project = no lot size standards.
- Density bonus allows for 2 units.
- Project is 4 units with 2 deed restricted.

# Zoning Map

- RR - Rural Residential (formerly R/1/40)
- RL - Rural Residential (formerly R/1/20)
- RM1 - Residential Medium Density (formerly R/1/7.5)
- RM1 - Residential Medium Density (formerly R/1/6)
- RM2 - Residential Multifamily Limited (formerly R/2)
- RH - Residential High Density (formerly R/3)
- RT - Residential Transitional (formerly R/4)
- M1 - Mixed Use Corridor (formerly C/1)
- M2 - Mixed Use Central Core (formerly C/2)
- M3 - Mixed Use Regional
- CO - Commercial (formerly C/3)
- RE - Resort (formerly C/4)
- HP - Hillside Preservation
- I1 - Light Industrial (formerly I/L)
- I1 - Light Industrial (formerly I/1)
- I2 - River Industrial (formerly I/2)
- IN - Institutional
- PUD - Planned Unit Development (no change)

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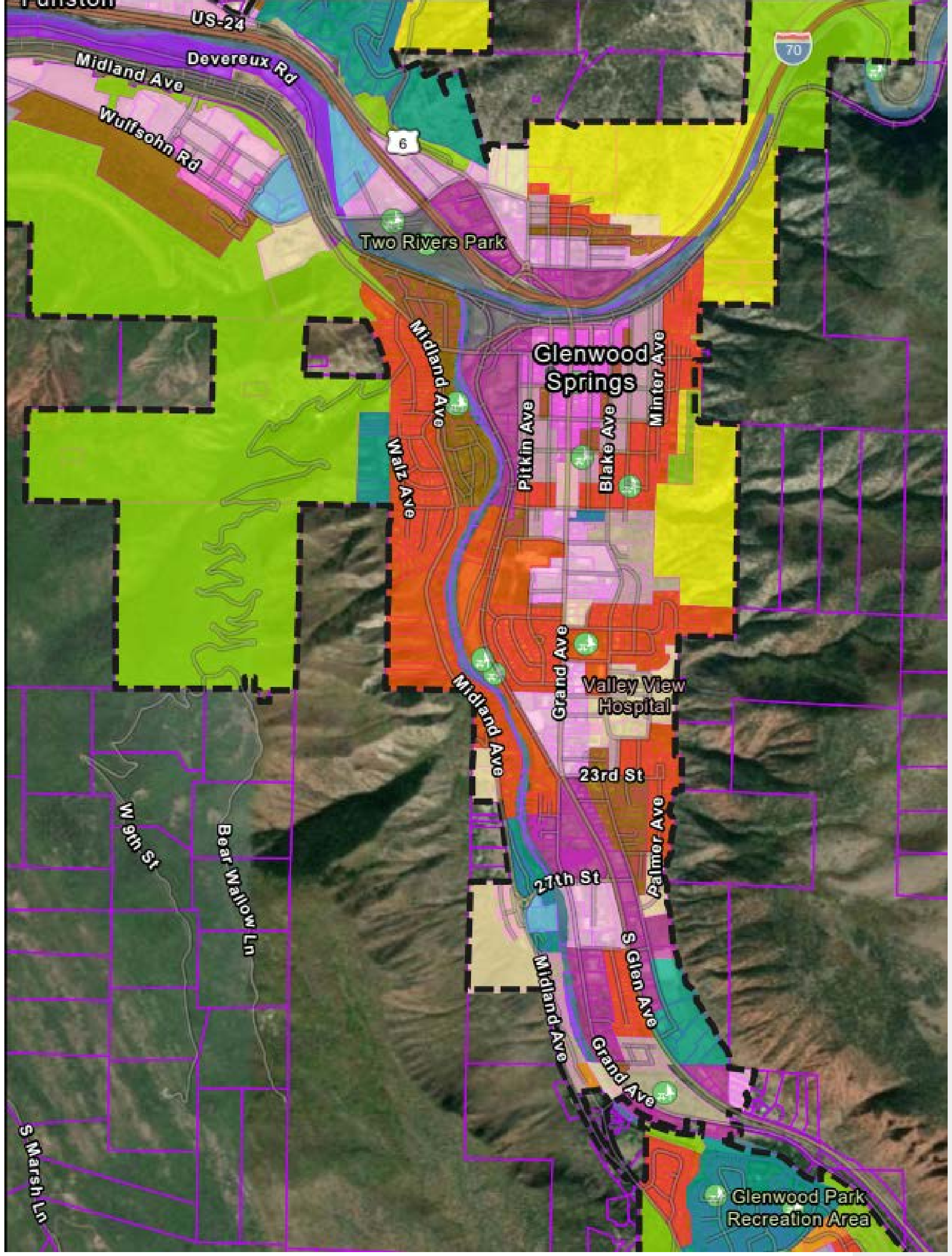

# Allowed Residential Uses by Zone

## Opportunities for increased density

| Table 030.1: Table of Allowed Uses | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| P = permitted by right S = special use permit required Blank = use prohibited | | | | | | | | | | | | | | | | | |
| | Districts → | | | | | | | | | | | | | | | | |
| Use Category | Use Type | RR | RL | RM1 | RM2 | RH | RT | M1 | M2 | M3 | CO | RE | I1 | I2 | IN | HP | Required Minimum Parking |
| RESIDENTIAL USES | | | | | | | | | | | | | | | | | |
| Household Living | Dwelling, live-work | | | | | | P | P | P | P | P | P | P | P | | | 1 per dwelling unit |
| | Dwelling, multifamily | | | | P | P | P | P | P | P | P | P | | | | | 1.5 per dwelling unit, plus 1 guest space per each 5 dwelling units |
| | Dwelling, townhouse | | | | P | P | P | P | P | P | P | P | | | | S | 1.5 per dwelling unit, plus 1 guest space per each 5 dwelling units |
| | Dwelling, single-family detached | P | P | P | P | P | P | P | P | | P | P | | | | S | 1 per dwelling unit |
| | Dwelling, two-family | | S | S | P | P | P | P | P | | P | | | | | S | 1.5 per dwelling unit |
| | Mobile home park | | | | | S | S | S | | | P | | | | | | 1 per dwelling unit |
| | Accessory dwelling unit | P | P | P | P | P | P | P | P | | P | P | | | | S | 1 per unit |

# Density Bonus Program Decisions

- Define the purpose for providing density bonuses
- Identify the area where the bonuses are allowed.
- Develop specific policy for allowing bonuses.
  - Identify allowable density increases (i.e. total number of units or maximum square footage)
  - Criteria must designate the number or percentage of affordable units needed for bonus eligibility.
  - Type of housing (single family, duplex, multi-family), income limits, sale price, or rent limits, should also be considered.

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# Accessory Dwelling Units

Evaluating program changes to make ADU's more permissive.

# Accessory Dwelling Unit Background

*Accessory Dwelling Units Purpose and Intent.*
Sec. 070.030.040:

- Promote small rental housing units
- Increase the stock of attainable rental housing in the community
- Use available land more efficiently
- Minimize the additional infrastructure
- Minimize impacts to the surrounding residential neighborhoods and the community.

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# Accessory Dwelling Unit (ADU) Standards

1. ADU's shall not be sold independently.
2. ADU's are allowed in **ALL** residential zoning districts.
3. Only allowed where a <u>detached single-family dwelling exists or will be constructed</u> concurrently.
4. Colors, materials, and design comparable to principal dwelling.
5. One (1) ADU per parcel.
6. Size: minimum **300 sq. feet, maximum 850 sq. feet.**
7. The area shall not exceed **<u>49</u>** percent of the area of the principal dwelling.
8. Must comply with the applicable zoning district requirements.
9. A detached ADU shall be located in the rear yard or side yard of the principal building.
10. Detached ADU's shall not exceed twenty-seven (27) feet.

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# ADU Size Limitations

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| Size of Primary Dwelling (Square feet) | ADU Size Limit (Square Feet) 49% | 60% | 65% | 70% | 75% |
|---|---|---|---|---|---|
| 850 | 417 | 510 | 553 | 595 | 638 |
| 1000 | 490 | 600 | 650 | 700 | 750 |
| 1100 | 539 | 660 | 715 | 770 | 825 |
| 1200 | 588 | 720 | 780 | 840 | |
| 1300 | 637 | 780 | 845 | | |
| 1400 | 686 | 840 | | | |
| 1500 | 735 | | | | |
| 1600 | 784 | | | | |
| 1700 | 833 | | | | |
| 1800 | | | | | |
| 2000 | | | | | |
| 2500 | | | | | |
| 3000 | | | | | |

**850 square feet Maximum Allowance**

# Accessory Dwelling Unit Program Decisions

Staff is seeking direction from Planning and Zoning Commission on amendments to existing ADU standards. Specifically the following aspects:

- Proposing lot standard incentives to property owners who build deed restricted ADU's; or
- Revise the existing program to be more permissive for any property owner to build an ADU through reduced lot standard incentives.

# Questions for Discussion

1. What is the goal of the density bonus?
2. What type of Housing is the program aimed at encouraging?
3. Is this a rental program, a for sale program, or both?
4. What is the threshold for receiving the bonus?
5. What zones should the density bonus apply to?
6. Which regulations are lifted or eased?

# AFFORDABLE HOUSING TOOLS AND TECHNIQUES

This document summarizes a wide variety of tools and techniques that can be used for affordable housing. It is prefaced by an explanation of why multiple tools used in combination are needed to effectively, comprehensive address the type of housing needs existing in the City of Glenwood Springs..

## I. NEED FOR MULTIPLE TOOLS

Before examining individual programs, it is important to keep in mind that a multi-faceted strategy is needed in order to address affordable housing comprehensively and equitably in a manner that is acceptable to the citizens and stakeholders, and legally defensible. Highly effective affordable housing strategies depend upon the involvement and cooperation of the private sector, local and county governments, employers, non-profit agencies, local housing authorities and residents themselves. Affordable housing programs are more successful when a mixture of community sectors and all of the primary beneficiaries of affordable housing are involved in producing such housing.

Multiple tools, including both incentives and mandates, used in combination are needed to create the best overall affordable housing strategy. Several considerations support the need to combine programs into a comprehensive strategy including:

- **Incentives Not Adequate**

  Incentive-only programs will not fully address the community's affordable housing needs, particularly since there appears to be an existing shortfall. With a strong demand for larger, more expensive homes, there is little likelihood that incentives alone will induce the private sector to produce the number of units needed at prices that are affordable. Incentives in combination with mandates have had more success in other communities. For example, an inclusionary zoning requirement may stipulate that a certain percentage of units have to be developed as affordable housing. The regulations may also allow for a density bonus, if the inclusionary zoning requirement threshold is exceeded. Often, developers will use these in combination to produce more affordable housing.

- **Community Acceptance**

  A strategy that consists of a single program would place the burden on a single industry or group. The groups that are mandated to fulfill the requirement often believe that it is not fair, and share this view with the broader community. A program that targets solely new residential development does not have as much acceptance as a program that requires a portion of new housing to be set aside as affordable while opportunities to preserve existing housing or to disperse responsibility for program costs throughout the community are also pursued. A multi-pronged approach is generally well received in communities that are concerned with growth, as it mitigates concerns that new growth is being undertaken solely to address affordable housing needs. Other opportunities may exist by combining requirements and incentives for both residential and non-residential development, thereby decreasing the amount that any one group would have to bear and making the overall strategy more acceptable.

- **Balancing Catch Up with Keep Up**

The strategy must ensure that new development provides housing in proportion to the need it directly creates or the program could be successfully challenged in court. At present, there is an *existing shortfall* in the supply of affordable housing in Glenwood Springs. It is unreasonable to expect development to meet existing affordable housing shortfalls.

As new commercial and residential development occurs, the *need for affordable housing will increase*. Ideally, new development would contribute to meeting new demand for affordable housing or with "keeping up" with the problem.

- **Targeting Different Groups with Different Programs**

Some tools serve certain groups better than others. Programs using Federal or State subsidies are generally restricted to serve very low and low income households while incentive programs tend to produce housing for moderate to middle income residents. Since the free market in resort-impacted communities often does not produce housing for residents at multiple income ranges, a variety of programs are needed to fill the gap.

## II. HOUSING TOOLS AND TECHNIQUES

The programs described in this report have been grouped into four broad categories:

- **Incentives** including density bonuses, flexible development standards and accessory units;
- **Production Mandates** including inclusionary zoning, commercial employee generation mitigation and residential employee generation mitigation;
- **Revenue Generation** covering both fees and taxes; and,
- **Public Initiatives and Partnerships** covering the provision of general funds and land, participating in employer-assisted housing, 6320 corporations, housing authorities, community land trusts, and down payment assistance.

There is overlap in some of the categories. For example, employee generation mitigation programs are covered under production mandates, however, these programs could also be considered fees depending upon the way that they are structured.

## Incentives

*Density Bonuses*

Density bonuses are a type of housing production incentive program where projects are granted additional residential density over and above the maximum limit allowed by existing zoning, with the condition that the housing (or a portion thereof) be deed restricted to occupancy by a target group. The density increase results in a decrease in the land cost per unit.

Depending upon the densities allowed by current land use codes and the targeted price levels for the proposed projects, density bonuses could be a strong incentive for the private sector to produce affordable housing. The private sector is less likely to be interested in the program, however, if deed restrictions establish low price targets thereby requiring that subsidies also be offered. An alternative is to apply the program only to middle to upper income population segments.

Density bonuses can be implemented through a zone district designed for the purpose. Such a district typically permits increases in residential density and more flexible development standards for most or all of the bonus density. Alternatively, density bonuses can be offered in association with inclusionary zoning programs, as described later in this report. For instance, a development that provides more than the required percentage of low income housing through an inclusionary requirement may be granted an automatic density bonus for market-rate units.

*Flexible Development Standards*

The incentives most often requested by developers are flexible development standards. Developers desire ways to reduce their costs in order to subsidize their provision of affordable housing. The standards they usually want waived or reduced include parking requirements, setback requirements and landscaping. They may also request variances in unit sizes and height limitations.

Concerns about providing reductions in development standards usually involve potential problems with project quality and sometimes safety, particularly if road width reductions are involved.

*Accessory Units*

"Accessory units" refers to optional, smaller second units attached to or within single-family units, also known as "caretaker units" or "mother-in-law units." Such units often provide desirable housing for singles, couples, entry-level and seasonal employees. Resident owners find the units to be desirable sources of extra income. They can also provide housing for senior citizens or adult "boomerang" children who may use such housing while they are in the process of establishing their independence.

Concerns over the impact of such units upon the overall community growth rate and quality of life are usually addressed with size limitations, off-site parking, location requirements and occupancy restrictions. Visual impacts of accessory dwelling units may best be mitigated by requiring the units to be attached to or included within a single-family dwelling or accessory structure like a garage. Thus, the property may continue to visually read as a single-family dwelling. Accessory units may be used as guest accommodations unless owners are required by binding agreements to house local residents.

## Production Mandates

*Inclusionary Zoning,* which is defined by the American Institute of Certified Planners as:

> **"The mandatory inclusion of affordable or local housing units, or financial set-aside, as a quid quo pro for development approval. "**

Jurisdictions utilizing this program often require that such units be of the same type or similar to other units being approved in the development. Thus, affordable housing in a wide variety of types and configurations may be produced with this program. For example, a development consisting of single-family lots might result in the set-aside of a percentage of the single-family lots for affordable housing, although the lots need not be the same size or as well located as other lots in the development. A multi-family development might set-aside a percentage of the multi-family units being built. Although the units need not be as large or as luxurious as other units in the development, the units by bedroom configuration should be proportionate to the overall mix of bedrooms in the development.

A survey of thirteen inclusionary zoning systems from around the country, conducted in 1998 by the City of Boulder Planning Department, has suggested that there are six variables to be considered in an inclusionary system design:

- Threshold of Applicability -- the minimum project size which triggers an inclusionary zoning affordable housing obligation. This often applies to developments of ten or more units;

- Inclusionary Requirement -- the nature and extent of the required set-aside or alternative contribution to affordable housing;

- Income Targets -- a determination of the level of affordability of various elements of the inclusionary obligation;

- In Lieu Allowances -- the manner in which in-lieu contributions are handled within any such system. In-lieu requirements speak to the ability to buy out of a requirement, particularly for smaller projects, or to build or acquire units "off-site";

- Incentives -- The manner in which incentives to developers are handled within the system and used to complement mandates.

The specific percentage amount of affordable housing to be set-aside in all residential developments depends upon the political and economic tolerance of the local community, and whether or not the demonstration of "nexus" between the development activity and the inclusionary housing requirement (further explanation of nexus is contained under Commercial Linkage below) applies. In all cases the level of required set-aside must be “reasonable”. The specific percentage selected or mitigation level should not be so great as to constitute a "taking" -- the size of the set-aside must leave the property owner with "a reasonable, economic return on his investment". Some factors that may mitigate some of the potential legal risks of inclusionary programs include:

- The program is an effort to meet the needs of low, moderate or middle income households; and,
- The program may be coupled with a density bonus or other provision, which can provide a measure of insurance relative to the defensibility of such a program.

A potential advantage of this program is the dispersal of affordable housing throughout the community. Larger projects are able to produce a mix of unit types and sizes, which are generally more appealing and interesting. It may not be desirable, however, to intersperse housing for residents in condominium projects that are used as vacation rentals or to isolate the units in large-lot developments.

Once produced, inclusionary housing units should have resale requirements described in a deed restriction that guarantee that the units provide housing for the target income group over the long term. An alternative for rental projects that are not produced by non-profits committed to affordable housing or under the LIHTC program would be to require that fees be paid in lieu of direct production for rental projects. The administration of deed restrictions could be carried out by City staff or under contract with the housing authority or other non-profit entity. Oversight of the affordable housing programs will have some budgetary implications on local government, although fees could be established to cover administrative costs.

*Commercial Job Generation Mitigation or Commercial Linkage*

Commercial job generation mitigation refers to regulations that require new commercial development to provide funds or housing units to mitigate some portion of identifiable housing needs created by the new development. The rationale for this program is that these uses are the direct source of most employees and should be required to mitigate the need to provide housing for these employees. In most communities with these standards, the housing that is produced is limited to multi-family housing suitable for low- and moderate- income households, including singles, as well as young families.

Prior to utilizing a mitigation program, a jurisdiction should demonstrate nexus by documenting the affordable housing demand resulting from employment generated by commercial, industrial, office and lodging uses. The next step is to select a mitigation rate that meets local political and economic tolerance, this rate is usually somewhat less than the maximum possible based on the demonstrated nexus. The information provided through the Housing Needs Assessment could be used for this purpose

Potential unintended consequences include mass and scale issues, site suitability issues, and the potential to drive development to other communities. Housing requirements have the potential to influence development decisions (i.e., what gets built) in ways that can produce undesirable results. Developers often find that they need to increase the mass and scale of development on a site to include additional space for affordable housing, and the resulting construction may not be appropriate in a given situation. For these reasons, it may be desirable to consider permitting affordable housing requirements to be met off-site, or to establish standards for this type of mixed-use development.

*Residential Job Generation Mitigation or Residential Linkage*

Residential linkage is very similar to commercial linkage in that developers are required to mitigate all or a portion of the housing demand directly generated by new employment that is created by the project. Rees Consulting and RRC Associates have established a data base on the number of jobs directly generated by various types and sizes of residential units through studies in Eagle, Pitkin, Gunnison, San Miguel, Summit, Routt and Gunnison counties in Colorado as well as Teton County, WY and Blaine County, ID.

If a linkage program is used along with an inclusionary zoning program, the linkage fee/units must be credited for the units produced through inclusionary zoning. Developers could be required to produce units or pay fees for their production. Since the number of jobs directly created by any single residential unit is so small (often a fraction of an FTE if the unit is less than 8,000 square feet), payments in lieu are usually accepted. A linkage program has some advantages over inclusionary zoning in that it could apply to additions and single structures, which are more complicated to cover under inclusionary zoning. A linkage program would not apply when subdivisions are divided into lots, however, since the permanent jobs are not created until structures are built.

While the residential job generation study documented the number of construction jobs created, requiring that developers provide or pay for housing for construction workers would be complicated. This is because the jobs are temporary in nature and because a certain level of construction workers already reside in the area. Demonstrating that a specific project results in an increase in construction workers would be difficult. An added complication is the fact that construction trades pay relatively high wages making is possible for workers to afford free-market rental housing and lower-priced for sale units. It is recommended instead that alternative types of housing for temporary construction workers be explored.

**Fee and Tax Programs**

The legal standards for fees and taxes are quite different. A tax is a charge or assessment against income, sale, person, activity, etc., in which there is no relationship between benefit and costs incurred. A vote of the public is required to levy taxes. Fees are collected from a person or organization to fund specific facilities or services directly benefiting those who pay. A nexus for the type and amount of fee must be established but no vote is required. Dedicated funding sources either from taxes or fees may be used to finance acquisition and/or development of units and the operation of affordable housing programs. They can also be used to back the sale of mortgage revenue bonds and thus to leverage the fees into more housing benefits.

*Fee Programs*

Fee-based programs involve the use of dedicated funding sources to raise funds that can accrue to a local housing trust fund or be held by the governmental entity collecting the fees. These funds are usually used to “buy-down” the cost of acquiring, developing or rehabilitating housing that is to be made affordable to households that meet defined income guidelines. These funds could be used by the private sector, local housing authority, non-profit or a combination of entities as long as they result in the production/acquisition of affordable housing.

Examples of funding sources include housing impact or linkage fees, business license fees, or voluntary real estate transfer fees. Fee based approaches usually require demonstration of a nexus linking the collection of the fee to mitigating some impact created as the result of some action. In addition, consideration must be given to how Amendment One affects the collection of these fees by local government.

Fee-based programs may involve zoning provisions that require new development to provide funds or mitigation to meet some portion of the identifiable impacts of the new development. Developers may elect to pay the fee rather than develop the housing within a specific site. At times, this creates concerns about distribution of affordable housing throughout the community. On the other hand, this allows the local government the ability to more clearly target the types of housing it wishes to see produced and then issue requests for proposals to facilitate the development or acquisition and rehabilitation of this housing. All sectors of the development community can respond and make proposals about how to apply these resources to various housing programs or projects.

*Tax Programs*

Taxes may be used to fund services that provide either general or special benefit and may be assessed upon transactions or upon specific "class of use," provided they are applied evenly and fairly. Therefore, taxes are the most flexible of all funding mechanisms in that they may be used to fund any public improvements, including affordable housing.

Tax programs involve the use of dedicated tax sources to raise funds to be used to develop, acquire and/or maintain affordable housing. In some instances, taxes may be imposed on more than one source. Tax-based programs are highly flexible and proceeds from the tax can be made available for use by the private sector, non-profits or local housing authorities. Taxes do not have to meet the strict requirements of a rational nexus/proportionality test. The allocation and use of the funds is based upon community goals. Once funds are available, those funds may be redirected as necessary to respond to changing housing needs in the community.

The types of taxes that could be used to fund housing programs include excise on new development, employee head tax, sales tax, luxury tax, lodging tax or property tax. With tax-based programs, local government usually assumes more direct responsibility for administering the funds and assuring program compliance.

Taxes must be approved by a vote of the general public.  This can be expensive and difficult to achieve.

*Real Estate Transfer Assessments (RETA's)*

Real estate transfer taxes can not longer be adopted in Colorado; however, transfer assessments to generate funds for affordable housing can be voluntarily placed on new homes when built.  Opportunities for "voluntary" placement include annexations, in lieu of linkage fees and in lieu of inclusionary zoning requirements.

## **Public Sector and Partnerships**

Public housing authorities and local governments can directly develop, acquire, own and manage housing.  Through partnerships with private developers and employers, municipal and county governments can facilitate the development of affordable housing without taking direct development responsibility.   Resources that the public sector can bring to projects include land, direct project funding and financing enhancements. The possible combinations of public and private resources are unlimited.  Many successful housing developments have been achieved when the public sector has leveraged its resources with those of the private sector.

*General Funds*

Allocating general funds for affordable housing purposes are a legitimate expenditure of public funds because such housing provides a general benefit to all citizens of the community.

*Land*

Publicly-owned land can be provided through long-term leases as was done at the Poplar Project in Boulder, in Vail for Vail Commons and in Breckenridge for the Pinewoods apartment project.

*Acquisition of Existing Housing*

This option provides for the acquisition of existing housing by the towns or county, local housing authority or non-profit organization for resale or rental to targeted households. This option involves obtaining subsidy from a source, such as the Community Development Block Grant Program, HOME Program, foundations or other sources to acquire a unit and re-sell it at below market rate prices to income eligible households. Another option is to provide a rehabilitation loan or grant so a homeowner can make repairs to bring the unit up to code or enlarge it and enhance livability.   Some form of re-sale restriction would need to be imposed to assure future affordability.

This type of program might work well for the acquisition of condominium units that are now in projects with high homeowners association dues and short-term vacation rentals. As new condominiums are developed that perform better as short-term rentals, opportunities to purchase units in older properties might increase.  If efforts are targeted to specific projects, control of the HOA by local residents could result in a reduction of fees thereby increasing affordability.

*6320 Corporations*

A government entity can form a non-profit corporation with a private developer under 63-20 of the Internal Revenue Service Tax Code. Local government's responsibility in such a corporation is limited to sponsorship of the formation of such a corporation and the issuance of revenue bonds. Revenue bonds do not burden property taxes; instead they depend upon dedicated project revenues for retirement. Because of the costs involved with a bond issue, underwriting and placement, this program is generally not feasible for projects involving less than 100 units. Units developed with the 63-20 Corporation may include any type of rental housing, but they are most often used for multi-family projects. Project occupancy is normally limited to low- to middle-income households and controlled by a board of directors composed of representatives of the residents, local government and the developer. The public subsidizes the resulting projects in that they are tax exempt, so there are implications on school districts and other taxing entities. However, when the bonds are paid off, the local government owns the projects debt free.

*Employer Assisted Housing*

Employers are increasingly becoming involved in the development of housing for their employees. There are multiple examples in Colorado's mountain communities. The ski area operators were perhaps the first employers to actively provide housing but a variety of other types of employers have gotten involved in recent years including retailers, hospitals, school districts and municipal governments. The 63-20 program referenced above provides a good opportunity for employers to participate by providing subordinated debt. With this participation, employers are then able to master lease units for employees with the provision that not more than 50% of the total project is master leased.

Since most employers do not have expertise in the development or management of housing, a public or non-profit entity might need to serve as the catalyst or organizer of the effort. Examples where small businesses have been able to work together to provide employee housing are very limited. Concerns include what happens to employees when they leave the employment of a participating employer yet continue to need housing in the community.

*Community Land Trusts*

Land trusts are a mechanism for assuring that the housing that is developed and/or acquired remains affordable in perpetuity. The land lease requires that the owners/renters of properties meet the stated guidelines of a land trust.

It is often difficult for buyers, builders and mortgage lenders to understand and accept the concept of a land trust. Typically, a non-profit governs the land trust. One must be created and gain the knowledge and experience to manage this model. Land trusts do not meet standard underwriting criteria thereby requiring special efforts to locate mortgage financing.

The trust assures that the intended income group lives in the housing. It can be self-governing and can be self funded (through the collection of land lease fees). The housing that is produced remains affordable for at lease 99-years (common length of time). Trusts can be used for both rental and for-sale properties. Thistle Community Housing, a Boulder-based non-profit, has established a land trust through which it is attempting to serve rural communities in Colorado.

*Land Banking*

Land banking is where a piece of land is purchased by a government entity or non-profit and designated as a future affordable housing site. The concept here is that land is purchased well in advance of development and with the full knowledge that at some future time it will be developed for affordable housing. Because the land is purchased well in advance of development, its cost relative to other development costs in the future is lower and helps to reduce the amount of subsidy that is needed from other sources. One option is accepting land in lieu or obtaining housing or cash-in-lieu fees from residential or non-residential developers who may be required to provide affordable housing through an inclusionary zoning program or commercial linkage program. This approach is often used when an “opportunity site”, such as a parcel that has unusual value in the community due to its location or size, becomes available for sale. Issues include appropriate zoning, pressures that might arise to preserve the parcel as open space or parks, and NIMBY concerns from adjacent property owners.

*Down Payment Assistance and Gap Financing*

Down payment assistance is provided to income-qualified households who want to purchase a home. Funds are used to supplement those of the buyer. Two approaches include shared equity or a one-time buy-down. The buy-down requires the buyer to sell the home at a reduced price to an income-qualified purchaser in the future. Targeting down payment assistance to specific properties or unit types could be more effective than scattering the assistance throughout the community.

Funding is a primary constraint, particularly in high cost areas where down payments may need to be higher than $50,000 to cover the gap between low-income buyers and market prices.

Covenants/restrictions must allow for the buyer to make improvements to the property. Most buyers want “credit” for making the improvements, which can be difficult to assess. Thorough education of the buyers so they understand the requirements of the assistance is needed. Buyers also often need homebuyer training courses in order to establish sufficient credit, reduce other fixed debt and save for their portion of the down payment.

*Housing Authorities*

Under Colorado statutes, housing authorities have the power to incur debt, receive grants, develop, own and manage housing projects. In many mountain communities, like Telluride and Aspen, the public housing authorities supply a significant proportion of the affordable housing. Since rent controls are not legal in Colorado, utilizing the housing authority to develop and own apartment projects is an option for insuring permanent affordability of rentals.

Housing authorities can issue tax-exempt bonds to finance the construction of projects. Planning projects and administering programs, like a down payment assistance program, are more difficult to finance, however. Until an authority has sufficient income from properties that are completed and occupied, financing operations can be difficult.

Housing authorities can take advantage of Low Income Housing Tax Credits, a Federal program that offers a credit against income for investors in a qualified tax credit project. The authority could sell the credits to investors in need of a tax shelter as a way to produce additional project financing. At least 20% of the units must be affordable to households earning 50% of the AMI or 40% affordable to households earning 60% of the AMI for at least 15 years. Tax credits are highly competitive.

Authorities can also be sub-recipients of Community Development Block Grant and HOME Funds. These are federal funds that are used for the production of housing for households earning less than 80% of the Area Median Income. Funds may be used for land, new construction, acquisition and rehabilitation. Some funds are available for low-interest rate construction loans. Funds are administered through the State Division of Housing and are highly competitive.

A problem associated with Federal/State financing is dealing with income limitations. These programs encourage the development of projects where 100% of the units are targeted to low-income households whereas market demand and the general community tend to support mixed income developments.

GLENWOOD SPRINGS

# COMMUNITY HOUSING ATTAINABILITY STRATEGY

## AN ELEMENT OF THE COMPREHENSIVE PLAN

For Consideration
April, 1997

City of Glenwood Springs
Community Development Department
806 Cooper Avenue
Glenwood Springs, CO 81601

March, 1997

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# EXECUTIVE SUMMARY

The *Community Housing Attainability Strategy* documents the current housing supply and market in Glenwood Springs, the goals of the City's Housing Commission, the housing needs of the community and a strategy of policies and programs to enable the City government to take an active role in providing the type of housing needed to meet the goals of the Commission and the citizens of Glenwood Springs.

**The report documents these findings:**

- Housing prices have sky-rocketed beyond the reach of most local workers. The average price of a three bedroom, single family home sold in Glenwood Springs in 1995 was $183,000. Average price per square foot for all houses sold in 1995 was $103.

- Local demographics are extraordinarily urban in nature - households are small, more likely to live in multi-family housing, more likely to have less than two vehicles, have less income, and work in the retail and service economies.

- The local free-market housing being constructed today continues to produce large single family detached units, but is shifting toward single family attached units. In 1995, half the housing units sold in Glenwood Springs were condominiums and townhouses.

- There is a need for additional home ownership opportunities that are affordable to households which have incomes between 1 to 1 ½ times the median household income.

**To meet these needs, the strategy suggests:**

- The City should become a part of the solution to housing issues.

- Local incentives to create housing for low, moderate, or middle income households which rent or wish to own a home of their own are as valid as state and federal subsidies to high income households who already own a home and have a mortgage.

- Local housing needs can be satisfied by encouraging smaller housing units on smaller building lots and by increasing density where it makes sense - within the core areas of the city, close to transit, jobs, and services.

- The City can play a role in encouraging more units, and reducing the cost of housing by providing land at costs below the recently inflated cost and creating incentives to keep prices low by reducing the hard and soft costs of construction.

# INTRODUCTION

The central focus of the Glenwood Springs Comprehensive Plan is the community's desire to maintain its "small town character." One of the most important criteria in measuring small town character is the opportunity for households to **work, live, play and raise families** within the community. Other elements described in the Vision Statement that is the basis of the Comprehensive Plan are: preserving the cultural and environmental resources of the community, achieving balance and direction in the community's development, achieving social and economic diversity and addressing the transportation problems of the community.

The Housing Commission was created to analyze the current housing situation in Glenwood Springs, to assist the City Council of Glenwood Springs in defining the nature and scope of housing opportunities in the City, to identify housing priorities, to identify housing resources, and to make recommendations to achieve its housing goals and serve as a model to implement community housing strategies.

Compelling information regarding the cost of housing in Glenwood Springs relative to the average median household incomes in the City, and the number of jobs within the community compared to the number of workers who are able to live in the community, indicates that aggressive action is necessary to help Glenwood Springs achieve the goals of character, preservation and diversity documented within the Comprehensive Plan. This *Community Housing Attainability Strategy (CHAS)* suggests housing related polices and programs which create a framework for Glenwood Springs' housing efforts.

Housing within the community is so important, not only in its own right as the foundation of the American Dream, but also because it strongly influences the character of the community and its residents, and overlaps into the social, cultural, economic and transportation facets of community development.

Glenwood Springs' role as a regional retail, service and hospitality center has resulted in twice the number of jobs in the community as there are local workers who fill them. This disparity is a significant contributor to the traffic congestion which residents identify as the City's leading problem, and is a major factor in the escalating price of housing in Glenwood Springs. Below average wage levels and above average housing costs create a significant barrier to home ownership for local employees. In addition, the overall superior quality of life and the perceived shortage of vacant land within the city further exacerbate the lack of housing which is attainable for those who wish to live in Glenwood Springs.

Only through collaborative and coordinated action across a broad spectrum of fronts will the community develop in a direction which achieves the Vision outlined in the Comprehensive Plan. Many people who work and serve in Glenwood Springs cannot afford to buy a home near where they spend most of their time, forcing long commutes, less time to devote to families and community, more stress in day-to-day living, and ultimately more demand for intervention by outside agencies such as child and health care providers, schools, public safety and emergency services. This situation will get worse unless the City of Glenwood Springs and other cities and counties in the region take corrective action, and even then, the very serious problem of job and home dislocation will remain.

> ***Housing is a key element in creating a quality of life which reflects the vision of Glenwood Springs' residents of their preferred community of the future.***

The current housing market, operating without any local government direction or assistance, is not meeting the needs of people who work in the local economy and wish to live in Glenwood Springs. Entry level housing in Glenwood Springs requires a household income in excess of 1 ½ times the current median household income. This drives local workers away from the community and into their automobiles to balance the requirements of home and work. It is the dislocation between where people work and where they must live which is the root cause of most of the visible problems of Glenwood Springs.

- If traffic...traffic...traffic is the most pressing problem of our time, then creating attainable housing for local workers is the easiest way to solve the problem.

- If lack of a sense of place and community is a significant current problem, then creating home ownership opportunities for local workers solves this problem as well.

- If increasing environmental and social service costs are a current concern, then creating local housing for local workers addresses this concern by reducing air and water pollution and getting people out of their cars and with their families.

- If increasing the pool of local volunteers to do all of the things that are a part of small town character is important to the community, then creating housing opportunities for more of the people who work here solves that problem also.

- If retail sales is the preferred engine which drives the local economy, then creating housing for the employees of the community helps fuel the engine. By not creating attainable housing the City will continue to lose its market share to other housing producing communities.

# HOUSING GOALS

What directions should housing in Glenwood Springs take to help maintain its community character and resources, achieve balance and diversity, and address transportation problems? Housing which helps the City achieve its community goals will be referred to throughout this discussion as "Community or Attainable Housing."

- First, it is important to create a community in which people can live, work, play and raise a family. The **supply of housing** which is affordable and attainable to people who work in the community but cannot now find or afford housing in Glenwood Springs should be increased. To accommodate the number of housing units within the community that are necessary to balance the existing and projected employment, while remaining cognizant of our traffic and transportation problems, will require an examination of housing densities and an effort to direct those necessary densities to locations which are close to jobs and close to transit hubs. To create a community which is whole, it is necessary to meet the demands of housing.

- Second, it is important to foster community housing which is diverse and dispersed, appropriate to the existing neighborhoods and affordable to those who work in the community. Projects which are too large, too isolated, and too one-dimensional have been proved to be ineffective, and in many cases counterproductive. True "small town character" reflects a **diversity of housing opportunities** within neighborhoods of the community. This means a variety of housing types and sizes, a balance of ownership and rental housing, and a full range of housing costs. This diversity of housing opportunities, available in an atmosphere of open and free choice for all, will then accommodate the desired population diversity - a variety of household sizes, especially families with children; all age groups, and a wide range of income levels.

- Third, it is important to address the **cost of housing** in Glenwood Springs. The inability of workers to live close to where they work is a root cause of our loss of "sense of community." More and longer commuting, less time for family and community and more demands on others are the results of local housing costs which are beyond the reach of most who now work in the community; and, in fact, would be beyond the reach of most who now own homes in the community, if they had to enter the market place today. The community has already utilized most of the land upon which it was easy to build. To reduce the cost of housing, the cost of land must be minimized. More creative use of vacant land and more intensive use of some already developed land can result in the production of more housing units at costs which are less than currently experienced.

- Fourth, it is important to **assess on a continuing basis** the housing needs, opportunities and implementation strategies of the community.

# HOUSING SUPPLY

In 1990, there were 2,882 housing units within the City of Glenwood Springs. Within the zip code area there were 4,079 housing units. Housing units within the city accounted for 71 percent of the housing units within the zip code area and 23 percent of the housing units in Garfield County. Housing units within the zip code area represent 33 percent of all housing units in Garfield County.

## Type of Housing in Glenwood Springs

Sixty five percent of Glenwood Springs' units within the city are single-family homes, but many are rented. Outside the city, but within the zip code area, 91 percent of housing units are single family homes. In 1990, the percentage of all housing units which were single family homes was 72 percent state-wide, 72 percent across the Western Slope, and 74 percent in Garfield County. Thirty percent of all multi-family housing in Garfield County is in Glenwood Springs; while the City had in 1990 only 19 percent of all county single-family housing.

### *GLENWOOD SPRINGS HOUSING UNITS COMPARED TO OTHER PLACES*

| **1990** | **Glenwood Springs** | **Rest of Zip Code** | **Garfield County** | **Western Slope** | **State of Colorado** |
|---|---|---|---|---|---|
| Multi-Family | 35% | 9% | 26% | 28% | 28% |
| Single Family | 65% | 91% | 74% | 72% | 72% |
| **2000** | | | | | |
| Multi-Family | 52% | | 44% | | |
| Single Family | 48% | | 46% | | |

Source 1990 and 2000 Census

## Tenure of Housing in Glenwood Springs

Owner-occupied housing in Glenwood Springs represented only 54 percent of all housing units in the city in 1990. Since 1990, most new housing has been owner-occupied so the percentage has increased slightly. Elsewhere, the percentage of owner-occupied housing is significantly greater. The national figure in 1990 was 54 percent.

*GLENWOOD SPRINGS TENANCY COMPARED TO OTHER PLACES*

| 1990 | Glenwood Springs | Rest of Zip Code | Garfield County | Western Slope | State of Colorado |
|---|---|---|---|---|---|
| Owner Occupied | 54% | 74% | 58% | 64% | 62% |
| Renter Occupied | 46% | 26% | 42% | 36% | 38% |
| **2000** | | | | | |
| Owner Occupied | 56% | | 65% | | |
| Renter Occupied | 44% | | 35% | | |

Source 1990 and 2000 Census

## Age of Housing in Glenwood Springs

Glenwood Springs' housing is older, when compared to other places. Forty-one percent of the City's housing was built before 1960. In the balance of the sip code area, only 13% of housing was built before 1960.

*GLENWOOD SPRINGS AGE OF HOUSING COMPARED TO OTHER PLACES*

| 1990 | Glenwood Springs | Rest of Zip Code | Garfield County | Western Slope | State of Colorado |
|---|---|---|---|---|---|
| Built Since 1960 | 59% | 87% | 75% | 75% | 69% |
| Built Before 1960 | 41% | 13% | 25% | 25% | 31% |
| **2000** | | | | | |
| Built Since 1960 | 67% | | | | |
| Built Before 1960 | 33% | | | | |

Source 1990 and 2000 Census

## Housing Prices in Glenwood Springs

Housing prices in Glenwood Springs have increased dramatically since 1990 because the housing supply is not being created to meet the demand for housing. Because the Roaring Fork Valley is a desirable place to live, housing demand is driven by forces outside the region. Many of the construction trades in the valley are located in Glenwood Springs and much of their activity is up-valley, at much higher prices than can be obtained locally. As a result, housing construction costs in Glenwood Springs are comparable to housing construction costs up-valley.

In contrast, housing demand in Glenwood Springs, while partially generated from outside the region, could be filled by people who work in the city, but are not able to live in Glenwood Springs because housing in their price range is not available. Up-valley costs are driven higher by housing demand from outside, yet these high housing costs are translated down-valley because the construction industry which serves the up-valley demand is located here. Higher costs down-valley, caused by up-valley demand, are driving away the demand for local housing because housing prices have moved beyond the local capability.

In 1990, the average sales price of all housing units within the City of Glenwood Springs was $95,800. In 1995, the average sales price of all units within the City was $169,200, a 77 percent increase in five years, an average annual increase of 15% per year. In the second quarter of 1995, the average sales price of a three bedroom, single family house in the city was $204,900; while for all of 1995, the average sales price of a three bedroom single family house within the City of Glenwood Springs was $183,000.

***GLENWOOD SPRINGS REPORTING AREA, AVERAGE SALES PRICE ALL RESIDENTIAL HOUSING UNITS***

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
|---|---|---|---|---|---|---|---|---|---|
| Sales Price (000) | $ 96 | $112 | $107 | $123 | $143 | $169 | $206 | $222 | $230 |
| | **1999** | **2000** | **2001** | **2002** | **2003 (1st half)** | | | | |
| Sales Price | $265 | $298 | $305 | $339 | $304 | | | | |

Source: Glenwood Springs Board of Realtors

Since 1990 the average cost per square foot of housing has increased by 72 percent. Cost per square foot for multi-family housing, condominiums and townhouses has increased more rapidly than the cost of single-family housing. Costs have increased more rapidly since 1993. In comparison, the national consumer price index increased by 13.3 percent from 1990 to 1994.

***GLENWOOD SPRINGS COST PER SQUARE FOOT BY TYPE OF HOUSING SOLD 1990 - 1995***

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | % CHANGE 90-95 | % CHANGE 93-95 |
|---|---|---|---|---|---|---|---|---|
| Condominiums | $55 | $59 | $56 | $66 | $81 | $100 | +82 | +52 |
| Townhouses | $45 | $49 | $52 | $67 | $82 | $102 | +127 | +52 |
| Single Family Homes | $64 | $65 | $67 | $75 | $91 | $105 | +64 | +40 |
| All Housing Units | $60 | $63 | $64 | $73 | $88 | $103 | +72 | +41 |

Source: Glenwood Springs Board of Realtors

Because costs are rapidly increasing, buyers have shifted to multi-family housing options. From 1990 to 1995 the percentage of condominium and townhouse units sold per year has gone from 37 percent to 50 percent of all housing units sold. Single family homes have accounted for a smaller percentage of all sales every year since 1991. Detached single family residences accounted for half the units sold in 1995.

*GLENWOOD SPRINGS HOUSING SALES*
*BY TYPE AND PERCENT OF SALES*
*1990 - 1995*

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1990-95 |
|---|---|---|---|---|---|---|---|
| Condominiums | 24 | 15 | 23 | 21 | 20 | 21 | 21 |
| Townhouses | 13 | 9 | 7 | 13 | 16 | 29 | 15 |
| Single Family Homes | 63 | 76 | 70 | 66 | 64 | 50 | 64 |

Source: Glenwood Springs Board of Realtors

## Size of Housing Units in Glenwood Springs

As sales have shifted toward multi-family units over the last six years, the average size of housing units sold has decreased since 1990, from a high of 1,767 square feet in 1991 to 1,623 and 1,637 square feet in 1994 and 1995, respectively, a reduction of about 8%. The reduction in size of units sold partially offsets the increase in cost per square foot in the overall price of housing.

*GLENWOOD SPRINGS AVERAGE SIZE OF HOUSING UNIT SOLD*
*1990 - 1995*

| | (Square Feet) | | | | | |
|---|---|---|---|---|---|---|
| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
| All Units | 1585 | 1767 | 1661 | 1674 | 1623 | 1637 |
| 3 Bedroom, Single Family | 1862 | 1766 | 1817 | 1768 | 1859 | 1636 |

Source: Glenwood Springs Board of Realtors

## Rental Housing in Glenwood Springs

In 1990, renter-occupied housing made up 46% of all housing units within the City. However, there have been few new rental units constructed in the last decade. The Machebeuf project, sponsored by the Archdiocese of Denver, built in 1992, and restricted to low income tenants, is the only significant rental housing constructed since 1990. High demand and curtailed supply results in relatively high rental rates. Average rent for a two bedroom unit was $644 in a Spring, 1994 survey completed by the Garfield County Housing Authority. Median rent for all rental units in 1990 was $460, according to the census. One third of all renters were "cost burdened," paying more than 30 percent of household income for housing compared to only 17 percent of owner households who were cost burdened.

## *GLENWOOD SPRINGS MEDIAN RENT COMPARED TO OTHER PLACES*

| | ***1990*** Glenwood Springs | Garfield County | Western Slope | State of Colorado | USA |
|---|---|---|---|---|---|
| Median Rent | $460 | $407 | $398 | $418 | $447 |
| As a % of Income26.1 | 24.5 | 25.1 | 24.9 | N/A | |

| | ***2000*** Glenwood Springs | Garfield County | 81601 Zip Code Area |
|---|---|---|---|
| Median Rent | $641 | $576 | $643 |
| As a % of Income26.4 | 25.8 | 26.7 | |

Source: 1990 Census

### Housing Vacancies in Glenwood Springs

According to regular surveys conducted by the City's Community Development Department, the vacancy Rate in Glenwood Springs has consistently registered less than one percent of all housing units since 1990. In August, 1995, the rate was 0.82%. A community vacancy rate of about 5% is considered "healthy," below 3% is "very problematic."

### Assisted Housing in Glenwood Springs

It is estimated that there are approximately 216 housing units in Glenwood Springs which were developed with pubic assistance. None of these units are owned, operated or managed by the Garfield County Public Housing Authority. In all of Garfield County there are estimated to be 1,000 units.

***Publicly Assisted Housing in Glenwood Springs***

| Development | 1996 Units | 2003 Units |
|---|---|---|
| Manor One | 30 | 30 |
| Manor Two | 46 | 46 |
| Sunnyside | 43 | 42 |
| 23rd Street East | 42 | |
| Machebeuf | 55 | |
| TOTAL | 216 | |

Source: Garfield County Housing Authority

Typically, as a requirement of receiving public funds, these units are restricted in their rents and tenant incomes.

The Housing Authority manages Section 8 and rental housing assistance in the county. Based on total 1995 expenditures of $419,655 in Glenwood Springs and average monthly assistance per family of $328, it is estimated that 107 households in Glenwood Springs received Section 8 rental assistance in 1995. In 2003, 87 households in Glenwood Springs received Section 8 rental assistance.

***Rental Assistance in Glenwood Springs***

| Year | County ($000) | City ($000) | Percent of County | Estmtd. Units |
|---|---|---|---|---|
| 1994 | 1,624 | 527 | 32.5 | 119 |
| 1995 | 1,411 | 420 | 29.1 | 107 |
| 2002 | 1,882 | N/A | | |

Source: Garfield County PHA

After a decade of steady increases in the amount of rental assistance, total 1995 assistance in the county was 11% less than 1994. In the city, it was 20% less. Average assistance per household also declined in 1995 by 11% from 1994 levels. 392 households in Garfield County, $402 average assistance per family

### Student Housing in Glenwood Springs

During the Spring semester, 1996, there were 1,660 students enrolled in courses at Colorado Mountain College (CMC), 550 at its Spring Valley campus and 1,110 at it Blake Avenue facility. However, this "head count" translates to a full time equivalent enrollment of 266. In 1996, the College plans to demolish its current student housing and build a new dormitory to house 248 full-time students at its Spring Valley campus. Assuming that students residing in college-owned housing would be full-time, the college is capable of accommodating a significant percentage of its resident full-time students. The balance of students during any semester are likely to be part-time students taking college courses for work or enjoyment.

### The Cost of Housing in Glenwood Springs

Housing costs in Glenwood Springs are rising, in part, because of inflated land costs, windfall profits, labor and materials costs and the imbalance between strong demand and limited supply of land and houses. Strong demand results from the local quality of life and large number of jobs in Glenwood Springs. In addition, the community is beginning to see the demolition or conversion of lower-cost housing for higher cost units and the conversion of rental units to owner units.

High cost housing is a significant problem for large segments of the community:

- ☐ Middle and moderate income households, particularly those with children who cannot afford to buy a home;
- ☐ Seniors on limited incomes which are not sufficient to keep up in a tight market;
- ☐ Working households with multiple low-paying retail and service sector jobs who cannot afford high rents or high house costs;
- ☐ Students who have limited financial resources; and
- ☐ Young households without equity from previous home ownership.

A significant number of Glenwood Springs households would qualify as "low-income" residents by federal standards. According to federal standards, a household with 50 percent of the median household income is classified as "very-low income" and households with between 50 and 80 percent of median household income are classified as "low income" households. **Forty percent of Glenwood Springs' households in 1990 had household incomes less than 80% of the median household income –**

23 percent had incomes less than 50 percent of median and 17 percent had incomes between 50 and 80 percent of median.

Many current home owners could not afford to buy their own homes in today's housing market. In 1990, the average value of an owned home in the City was $119,000, according to the census. The purchase of such a home would have required an annual household income of about $40,000. In 1990, only 33% of all households in the City had annual household incomes of $40,000 or more.

If the City is successful in implementing its Vision through its Comprehensive Planning efforts, the City will become a better place to live. As Glenwood Springs improves its quality of life, the cost of housing will go up! Without City-initiated attainable housing programs and policies, the supply of lower cost housing will continue to dwindle and low and moderate income owners and renters will continue to be pushed out of the area. New residents will be only those with high incomes.

*THE COST OF BUYING A HOUSE*

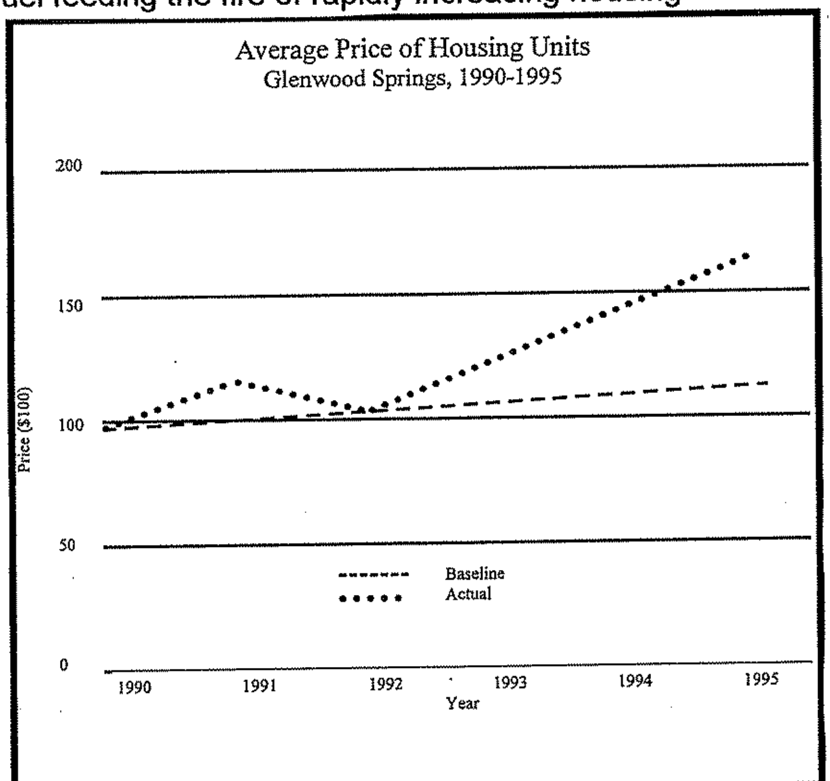
| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| House Value | | $100,000 | | | $150,000 | | | $200,000 | |
| Loan-to-Value | | 95% | | | 95% | | | 95% | |
| Loan Amount | | $ 95,000 | | | $142,500 | | | $190,000 | |
| Interest Rate | 7% | 8% | 9% | 7% | 8% | 9% | 7% | 8% | 9% |
| Monthly Costs (PITI-PMI) | $777 | $841 | $909 | $1,166 | $1,263 | $1,364 | $1,553 | $1,683 | $1,318 |
| Required Monthly Income | $2,590 | $2,803 | $3,030 | $3,887 | $4,210 | $4,547 | $5,177 | $5,610 | $6,060 |
| Required Annual Income | $31,080 | $33,640 | $36,360 | $46,640 | $50,520 | $54,560 | $60,520 | $65,660 | $72,720 |
| Cash Required | $7,850 | $7,850 | $7,850 | $11,775 | $11,775 | $11,775 | $15,700 | $15,700 | $15,700 |

## The Costs of Construction

From 1990 to 1994 there was a 63% increase in the average price of a housing unit sold in Glenwood Springs, an average increase of more than 13% per year. From 1990 through 1994, the latest yearly data available in the Producer Price Indexes as listed in the 1995 Statistical Abstract of the United States, the average unweighted increase in the cost of sixteen components of a typical housing unit went up by 4.2% per year. Some components have increased rapidly, such as softwood lumber, which went up by 60% in four years. But lumber is actually a very small element of the total cost of constructing housing, and other component costs have increased very little, if at all. The cost of floor coverings is up less than 2% in four years; and typical house costs include as much for floor coverings as for softwood lumber. The cost of glass has remained about the same and windows in a house typically cost more than softwood lumber. The cost of roofing actually declined from 1990 to 1994.

The cost of construction labor in Garfield County increased only 1.3% from 1990 through 1994, the latest yearly data available in the Labor Market Information report on Colorado Employment and Wages published by the Colorado Department of Labor & Employment, an average of little more than 0.3% per year. Construction industry data is made up of three components: general, heavy and special trades. Each plays a role in the development of new housing. General construction is typically the general contractor and his crew, plus framers, roofers, drywallers, painters, siding installers and the like. Heavy construction would be responsible for constructing the infrastructure which supports a housing unit - such as water lines, wastewater lines, and streets, curbs, gutters, driveways and sidewalks - plus the excavation for the basement or foundation. Special trades construction is typically the plumbing, heating and ventilating trades. The three subdivisions of construction have different wage patterns from 1990 through 1994: General construction is up 18.3%, or about 4.6% per year, heavy construction is down 13.6%, or about 3.4% per year, and special trades construction is up 8.5%, or about 2.1% per year.

From this data it can be concluded that neither the cost of materials nor the cost of construction labor has been the fuel feeding the fire of rapidly increasing housing prices, particularly for new construction. Had the average price of housing units sold in Glenwood Springs reflected the increased cost of materials and construction labor of about 4% per year, the housing unit that sold in 1990 for $96,000 (the average price of all units sold in 1990) would have sold for $117,000 in 1995. **A 4% annual increase would result in the doubling of the average price of housing units in 17 ½ years.** Instead, in 1995, the average price of all housing units sold in Glenwood Springs was $169,000, or $52,000 (31% of the price) more than a baseline price which would reflect a 4% inflation rate to account for the cost of materials and labor.




A household which purchased the average home in 1990 for $95,800, by investing $9,580 as a down payment and securing a mortgage for the balance, $86,220 at 10% interest rate over thirty years and sold that average home for $116,600 five years later in 1995, reflecting a 4% annual increase in house value, would have made a return of $33,337 on that initial $9,580 investment, a 248% return in five years, or an average increase in equity of 49.6% per year.

The increase in equity would include the equity earned by amortizing the household's mortgage for five years in addition to the difference between sale and purchase prices.

It does not include fees paid to complete each transaction, the expenses of home maintenance, or the tax reduction resulting from the deductibility of mortgage interest against federal income tax liability.

To reduce the cost of housing, it is necessary to focus on those components of housing cost other than materials and labor, although there are ways to address these elements on a project by project basis. The cost of regulations, land and windfall profits for property owners and construction company owners have been shown to be the most significant elements of the rapidly rising cost of housing in Glenwood Springs. The City can take an active role in managing the cost of regulations and land, and can provide incentives to developers and property owners to encourage a more moderate return on investment on housing, particularly if it is available and affordable to low, moderate and middle income households who work in Glenwood Springs.

## INTO THE NEXT CENTURY

The Community Development Department projects by the year 2010 an estimated population of approximately 9,300 within the City. This projection reflects a gradually diminishing rate of growth from the 2.1% annual growth experienced from 1990 to 1994 to a 1.4% annual growth rate by the year 2010. Over the period 1990 to 2010, the total increase in population is estimated at 42 percent. To accommodate the increase in population at an average of 2.4 persons per household, an additional 1,156 housing units will be required. From 1990 through 1994, a total of 252 units has been added. At an average of 5 units per acre, an additional 231 acres of undeveloped or underdeveloped land must be converted to housing within the City to accommodate the estimated population increase. Such a scenario would not increase the average density of developed land in the City.

The City has developed at less density that the current zoning allows. A recent study completed in conjunction with a regional wastewater analysis estimated that current zoning would allow nearly three times the number of housing units in residential zoning districts than have been developed.

At current trends, only upper-income households will be ably to buy a house in Glenwood Springs unless efforts are made to make some units available to low, moderate and middle income households. There is a need for a community housing strategy to increase the supply of housing that is affordable for low, moderate and middle income households and to enhance ownership opportunities for moderate and middle income households.

As the housing stock ages, there is a need to invest in rehabilitation of existing housing to keep it decent, safe, and sanitary.

The population of the city and community is changing significantly. The city's population in 1990 was 6,561, a 41.5% increase from the 1980 census. Since 1990, it is estimated that the population has increased by about 2.6% per year. The estimated January 1996 population was 7,500. The 1990 population in the zip code area was 9,581. In 1990, the city accounted for 68% of the population of the zip code area.

The population of the city is different from the population of the balance of the zip code area. Compared to the balance of the zip code area, the city's population is older, poorer, has smaller and less traditional households, is less likely to be self-employed, more likely to work in retail trade, more likely to have only one or few vehicles available, more likely to work outside the county, lives in older, less expensive housing and is more likely to live in multi-family housing and to be cost burdened. The demographics of the City are much more like the state of Colorado as a whole than they are like the balance of the zip code area, Garfield County, or the Western Slope.

## *Glenwood Springs Demographics*
## *City compared to Balance of Zip Code Area*

| | 1990<br>City | 2000<br>City | 1990<br>Balance of<br>Zip Code Area |
|---|---|---|---|
| Population age 0-17 | 23% | 23.1% | 30% |
| Population age 18-64 | 66% | 67.7% | 65% |
| Population age 65+ | 12% | 9.2% | 5% |
| Mean Household Income | $34,091 | $43,934 | $43,154 |
| Households in Poverty | 10% | | 5% |
| Non Family Households | 39% | 40.1% | 20% |
| Self-Employed Workers | 11% | 11.1% | 15% |
| Workers in Retail Trade | 24% | 15.4% | 19% |
| Households w/less than two vehicles | 40% | | 20% |
| Work Outside County | 18% | 22.3% | 14% |
| Housing Older than 1970 | 53% | 43.4% | 25% |
| Value of Owned Houses | $119,044 | | $145,850 |
| Live in Multi Family Units | 35% | | 9% |
| Housing Cost-Burdened | 30% | | 25% |

Source: 1990 Census

**Age.** The 1990 census shows that Glenwood Springs population is rising in median age. The 1990 median age of 34.9 years is dramatically higher than the median age of 31.0 in both 1980 and 1970, and is a return to the median age of the 1950 and 1960 censuses. But it is not the percentage of elderly population that is rising; rather, it is a decline in young people and a large increase in the age group 35 - 54 years that is reflected in the increase in median age from 1980 to 1990. From 1980 to 1990 the age group 0 – 24 declined from 35.4% to 30.1% of total population. The age group 55 + years declined from 21.8% to 19.4% of total population.

### *City of Glenwood Springs*
### *Population by Age as a Percent of Total*
### *1980 - 2000*

| Age | 1980 | 1990 | 2000 |
|---|---|---|---|
| 0 - 4 | 6.3 | 6.5 | 6.5 |
| 5 - 19 | 19.1 | 18.8 | 19.3 |
| 20 - 24 | 10.0 | 4.7 | 6.8 |
| 25 - 34 | 21.9 | 20.0 | 15.6 |
| 35 - 54 | 20.9 | 30.5 | 35.3 |
| 55 - 64 | 8.0 | 7.8 | 7.2 |
| 65 - 74 | 8.0 | 6.4 | 4.7 |
| 75+ | 5.8 | 5.2 | 4.5 |

Source: 1990 and 2000 Census

**Income.** Families and Non-Families within the city had higher incomes in 1990 than their counterparts in Garfield County and the Western Slope. Median Household income in the city is less than the surrounding area because of the higher percentage of Non-Family Households in Glenwood Springs. Median Family income in the city was higher than the state-wide median family income in 1990.

**Household size.** Household size in Glenwood Springs was significantly smaller in 1990 than inGarfield County as a whole, the Western Slope and the State of Colorado. Household size continues to decline in Glenwood Springs as throughout the country.

***City of Glenwood Springs***
***Household Size***
***1960 - 1990***

| Year | Size |
|---|---|
| 1950 | 3.1 |
| 1960 | 2.9 |
| 1970 | 2.7 |
| 1980 | 2.4 |
| 1990 | 2.3 |
| 2000 | 2.37 |

Source: Census

Household size within the City of Glenwood Springs in 1990 (2.3) was more like the average household size in the City of Denver (2.2) than in the balance of the Glenwood Springs zip code area (2.9) or the balance of Garfield County (2.7). The City of Glenwood Springs in 1990 was very urban in its demographic characteristics - not to mention its traffic characteristics.

Perhaps the most important parameter to be analyzed in predicting the future housing needs of the City is the percentage of small households, those with three or fewer persons. Four of every five households in the City has three or fewer persons. Tow of every three households has two or few persons. Again, the City's population is more like the City of Denver than the balance of the zip code area, the balance of the county, the Western Slope, or the state of Colorado. In Denver in 1990, 83.9% of all households had three or fewer persons.

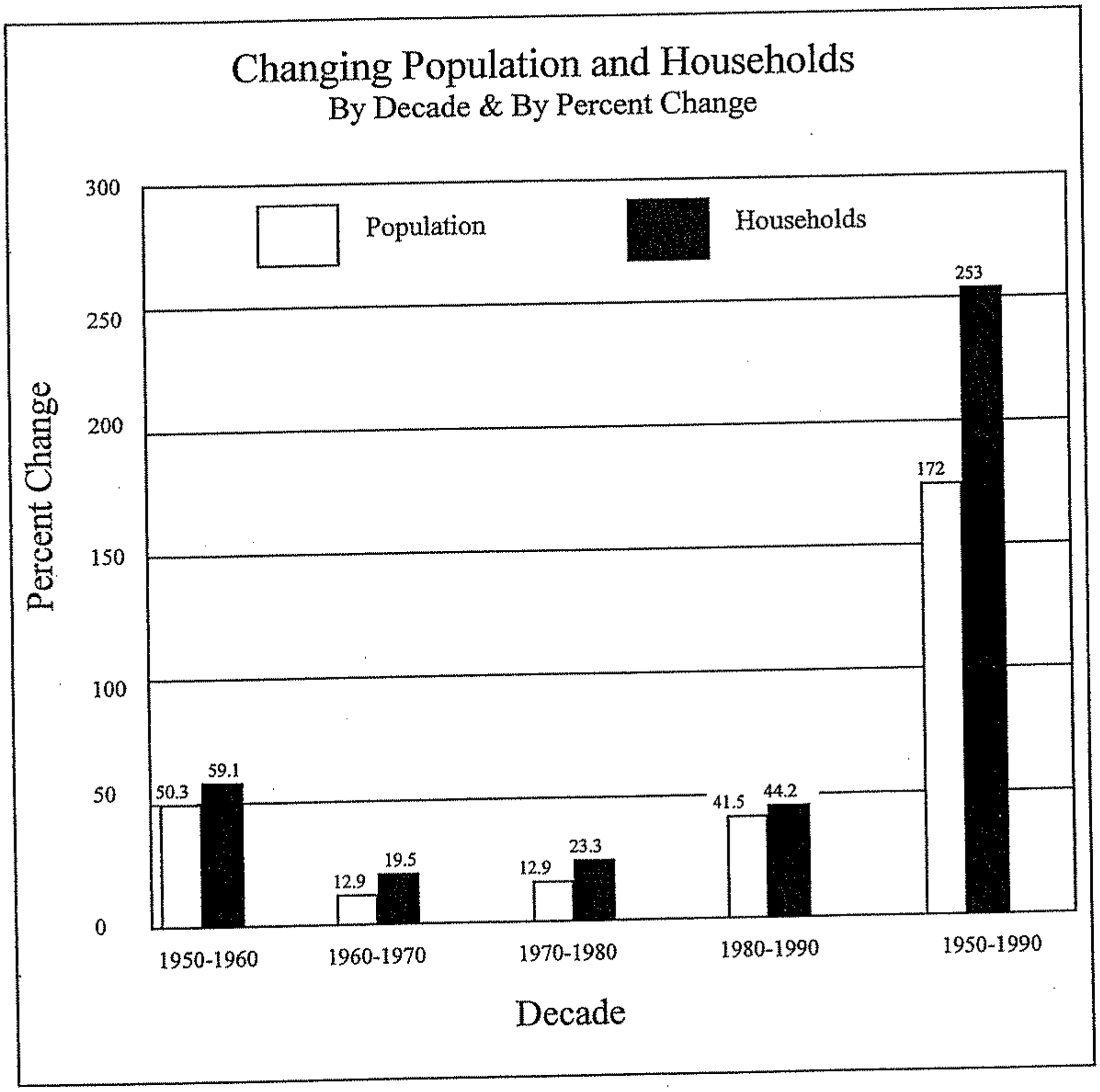
***Glenwood Springs Households Compared to Other Places***
***Percent of Households by Number in Household***

| | 2000 Glenwood Springs | 1990 Glenwood Springs | 1990 Balance of Zip Code | 1990 Balance of County | 1990 Western Slope | 1990 State of Colorado |
|---|---|---|---|---|---|---|
| One Person | 31 | 30.3 | 15.2 | 19.7 | 24.2 | 26.6 |
| Two Persons | 33 | 33.2 (63.5) | 31.9 (47.1) | 34.5 (54.2) | 35.8 (60.0) | 33.2 (59.8) |
| Three Persons | 16 | 17.0 (80.5) | 19.0 (66.1) | 17.9 (72.1) | 16.3 (76.3) | 16.6 (76.4) |
| Four + Persons | 20 | 19.5 | 34.0 | 27.8 | 23.7 | 23.6 |

Source: 1990 Census

Changes in population characteristics are reflected in changing needs within the housing inventory. The average household size will continue to decrease as families mature and older children leave home, as young married couples have fewer children, and as the proportion of one and two person households increases.

**Increasing Numbers of Households.** The impact of decreasing size of households in Glenwood Springs is the requirement of more housing units to accommodate the same level of population. When the effects of declining household size are combined with increasing population, the impacts on housing inventory and the ability of a City to provide adequate housing for its residents and those who work within the community are accentuated.



**Subsidy or incentive.** It is legitimate public policy to encourage housing attainability and wealth creation (home owners' equity) through incentives to build more attainable rental housing and increase home ownership rates among the middle class. In an era of government devolution, it will increasingly fall to local government to craft policy to meet these goals. It is the expressed desire of the citizens of Glenwood Springs to foster a heightened sense of community. Incentives to house local workers within the community and to increase home ownership opportunities will help the City reach this goal.

Public perception with regard to housing assistance is muddied. Public assistance to low income households, who often cannot own a home and must rent is called a "subsidy." Public assistance to high income households, who own their home and have a mortgage, is called an "incentive."

Among the critics of attainable housing, governmental assistance is called a subsidy of low income households. Of course, these same critics are quick to claim their housing subsidy every year at tax time when they deduct the interest paid on their home mortgage from their taxable income to reduce their tax liability. The higher the mortgage amount, the greater the home ownership subsidy each year. In addition, it is often the interest paid each year which qualifies a household for all the other tax deductions which result in lower tax liability for those fortunate enough to have a mortgage. Without the interest deduction, many households would be forced to use the standard deduction, and thus, household expenses such as charity and donations, medical payments greater than allowable, and other eligible deductions would not be claimed.

Among the households who do not qualify for this home-ownership subsidy are the 46% of households in Glenwood Springs which do not own their home. Renters typically have less income and are "cost burdened" much more than home owners. In addition, many families which have owned their home for a long period and have a fixed, usually low, monthly payment, may not be able to meet the deductibility thresholds to receive the subsidy.

The following table explores the arithmetic of the mortgage interest deduction "subsidy." It compares the state and federal income tax liability of two identical households, except that one household purchased a home and has a mortgage which corresponds to its household income, while the other household rents its home. The only difference is the allowable real estate tax and mortgage interest deduction available only to the homeowner household.

*The Arithmetic of the Home Ownership Subsidy*

| Household Income | Mortgage Amount | Home-Owner Tax Liability | Renter Tax Liability | Home-Owner Subsidy |
|---|---|---|---|---|
| $40,000 | $108,000 | $ 4,614 | $ 5,194 | $ 580 |
| $50,000 | $135,000 | $ 6,134 | $ 7,194 | $1,060 |
| $60,000 | $162,000 | $ 7,667 | $10,101 | $2,434 |
| $70,000 | $189,000 | $10,101 | $13,401 | $3,300 |

Source: Glenwood Springs Community Development Department
*A Little Bit on Subsidies*

A household which purchased a home with a mortgage about equal to the average sale price of a three bedroom home in Glenwood Springs in 1995, received a subsidy of approximately $3,300. This corresponds quite closely to the average annual public assistance of $3,956 received by each of the 366 households receiving rental assistance in Garfield County in 1995.

In aggregate, however, there are many more than 366 local households which receive home ownership assistance from the state and federal governments. In 1990, according to the census, there were 4,193 households in Garfield County which had home mortgages. If each received the $580 home ownership incentive corresponding to the $40,000 annual income level in the table above, the aggregate public assistance for home owners in Garfield County would be $2.4 million. In 1995, there was a total of $1.4 million in public rental assistance.

**Priorities for New Housing**. The character of the city is determined more by the type of people who live there than the quality of life, amenities and services that a city can offer. Diverse housing options will attract diverse residents. Achieving a balanced housing inventory will strengthen the community.

To assure that housing opportunities are available to as broad a spectrum of households as possible, new multiple-family housing should result in significant amounts of housing that households earning low, moderate and middle incomes can afford, while maintaining those qualities which make life so attractive in the city. Smaller homes on smaller individual lots balanced by community open spaces, parks and greenways would accommodate more housing units, house more workers and their families within the community and maintain the quality of life within the city.

Special attention should be given to housing for people who work in the City. The closer homes are to jobs, the greater the savings to the individual households, community and City. Instead of driving 30 minutes, workers can drive 10 - 15 minutes. More homes in the city will encourage more community involvement and volunteerism. If homes and jobs are within walking distance in our neighborhoods, communities would be safer, time and energy would be saved, and the sense of community would be heightened.

**The private market currently provides housing for only those households which earn nearly two times the median household income.**

**Definition of attainable housing:**

*Housing which can be purchased by households whose incomes do not exceed 150 percent of the median or rented by households whose incomes do not exceed 80 percent of the median, and who pay no more than 30 percent of their gross income for this housing.*

New housing should be located near transit centers (to make it easier to use transit) and near jobs (to help minimize traffic congestion). A mixed-use community designed in accordance with sound urban design principles has the potential of a balance between walkers, bicycle riders, transit users, and auto users. A significant reduction in the number of single occupant vehicle trips generated by conventional suburban development can be achieved when the core areas of the community have a balance of housing to jobs, appropriate recreation facilities within walking distance or a short bicycle ride, transit is available and results in short walking distances from homes to shopping.

There is a continuing substantial need for affordable rental housing. Because of the make-up of the local employment structure, dominated by low-paying retail and service jobs, many workers will not immediately have the equity or income necessary for home ownership and the demand for rental housing will remain strong. While the home ownership percentage in Glenwood Springs is lower than desired and aggressive action to provide increased home ownership opportunities is necessary, the rental portion of the housing inventory should not be neglected.

# HOUSING NEEDS, POLICIES, AND PROGRAMS

Maintaining Glenwood Springs' "small town character" is a driving element of its citizens' vision of the future. To accomplish this goal, there should be a balance between residential opportunities and employment opportunities. The existing imbalance between the high number of relatively low-paying jobs and the small number of housing opportunities for households with less than 1 ½ to 2 times the median household income points to a need for aggressive City involvement to increase the number of housing opportunities available for those who work within the community. Because the perceived quality of life in Glenwood Springs is currently considered to be good, many will argue that there is no need for City involvement in housing. But sustaining a great community will require more involvement than letting unwanted change occur on its own accord.

The following polices and programs have been developed to deal with the need to provide more home ownership opportunities, increase the housing supply, and minimize the cost of housing within the city. Providing more new housing in a diverse range of type, size, and cost will help the City achieve a more sustainable housing balance. By not getting involved in housing, the City is endorsing the trend toward lower home ownership rates, increasing the jobs to workers ratio, increasing the amount of traffic congestion in the City, reducing the base of committed volunteers available to create a sense of community, and increasing the demand for social services, and housing prices which are beyond the capability of those who serve the community.

*Polices* are broad general statements which should guide local decision making.

*Programs* are specific actions which could be endorsed or adopted by the City to implement its goals and policies.

Policies are meant to create a framework for evaluating more specific programs which are designed to achieve the goals of the community.

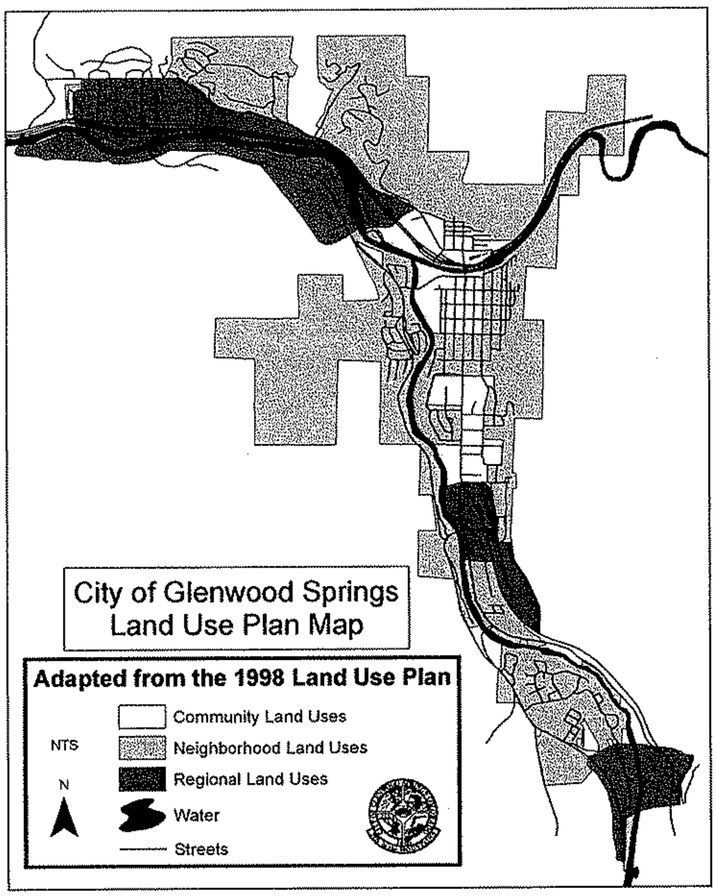
The following polices and programs should be considered by local decision-makes as tools to implement the broad goals of the Community Housing Attainability Strategy and the City's Comprehensive Plan and Land Use Plan.

## Policies and Programs to Maintain Small Town Character:

Protecting attractive neighborhoods is an important element of Glenwood Springs' housing and land use policies because attractive neighborhoods must be retained to maintain the City's small town character. Older houses tie the community to its past and provide diversity which sets the community apart from other places. One element of small town character is the feeling that it edge and its core are clearly defined. To prevent the kind of urban and suburban sprawl which destroys character, the City should concentrate of developing within its existing urban areas.

**Policy:** **Maintain the general low-density character of neighborhoods except in core areas designated to accommodate community or regional uses.**

The City's Land Use Plan establishes regional, community and neighborhood oriented districts within an Urban Development Boundary. Regional and community oriented districts are logical places to increase development densities, while preserving the low density development of the neighborhood districts, the remainder of the urban area.




***Program:*** ***In core areas, allow higher density multiple- family housing mixed with shops and offices.***

Core areas which have the potential to become transit nodes, are ripe to develop into mixed-use districts which contain housing, retail and office uses. Encouraging greater densities within these cores, while preserving traditional single-family neighborhoods elsewhere will help the community maintain its small town character

***Program:*** ***Allow housing density bonuses in community and regional oriented districts.***

Bonuses to allow additional housing within the core areas of the City should be considered, as long as the additional units that are allowed are deed restricted in terms of resale price. This would encourage additional housing which may remain affordable and attainable for low, moderate and middle income residents of the City.

## Policy: Preserve older single-family homes and small apartment buildings in the neighborhoods.

To reduce drastic changes in neighborhood character, the retention of older structures is important as these neighborhoods become candidates for redevelopment. Preservation of older, historic structures is an important tool in maintaining the City's small town character and preserving our cultural heritage. Tools should be developed to encourage preservation and adaptive reuse of significant older buildings and homes.

**Program:** **Support a program such as "Christmas in April" to rehabilitate and preserve older homes owned by elderly and low income families.**

Christmas in April is a nation-wide, volunteer program which is growing year-by-year. Its purpose is to rehabilitate the homes of low income homeowners, particularly the elderly and disabled. Typically, financial resources come from corporations and other entities, while human resources are provided by volunteer members of the corporation or community. In 1995, more than 4,000 homes were rehabilitated nation-wide through the efforts of Christmas in April volunteers.

**Program:** **Link efforts in historic preservation with the efforts to produce attainable housing.**

The goals of historic preservation efforts are compatible with the goals of attainable housing efforts. Often, the economics of historic preservation are prohibitive. However, linking the attainable housing goal of smaller units in more densely designated areas of the City, could provide the incentives necessary to mean the difference between tearing down historic resources or rehabilitating them through the development of attainable housing. While the state and federal resources available for development of attainable housing are dwindling, the State of Colorado is making more and more funds available for historic preservation through its linkage to gambling revenues produced in the state. Thus, grants or low-interest loans for historic preservation could make the difference in an attainable housing proposal.

**Policy: Encourage in-fill development within the urban area.**

The Land Use Plan has established an Urban Development Boundary in conjunction with a policy to encourage in-fill development within the urban area. There are many opportunities to add additional housing units within the boundary without contributing to the sprawl within the Roaring Fork River Valley.

**Program: Continue using minimum lot-size standards for single-family neighborhoods to analyze splitting of larger lots where appropriate.**

In some single-family areas, the splitting of large lots may have an adverse effect on the neighborhood by gradually increasing density and traffic. However, there are many areas of the city which were rural when first developed. As a result, many large residential lots which may be appropriate for lot splits have been incorporated into the urban setting of the city. In addition, cottage units and accessory apartments are already common in many older neighborhoods, such as the original townsite, and adding them will not noticeably affect the overall density of the area. Both old and new units should be retained under one ownership to provide much-needed rental housing in a very low-impact manner.

**Program: Provide a cottage-duplex zone which allows two detached single-family houses on one lot in areas where such development already exists or will fit in with existing single family properties.**

Cottage units are additional independent housing units added to existing single family properties within single family neighborhoods. Many lots within the City are capable of accommodating these units. They are often referred to an ECHO units, an acronym standing for Elder Cottage Housing Opportunity, or "granny" flats.

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**Program:** **Allow accessory apartments in areas where such development already exists or will fit in with existing single-family properties.**

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Accessory units are additional secondary housing units within an existing single family property within single family neighborhoods. They are a proven way of:

- permitting older homeowners to stay in their homes with help to pay their expenses;
- stimulating additional, moderately-priced rental units;
- providing a mix of income groups within existing neighborhoods; and
- preserving large, older homes, particularly in the original townsite.

## Policies and Programs to Maintain Housing Quality:

The quality of the housing inventory is of great importance in determining the character of the community and the quality of life of its residents. Housing in Glenwood Springs is older than the surrounding areas, particularly within the original townsite. The age of housing, and the inability of some residents to perform routine maintenance, coupled with a significant amount of absentee property ownership is a prescription for neglect. The quality of this important area of the City should begin to turn downward unless efforts are made to reverse the normal processes of deterioration.

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**Policy:** **Protect and enhance those qualities which make Glenwood Springs' neighborhoods especially desirable.**

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**Program:** **Use the Zoning Ordinance, other codes, and specific plans to maintain high-quality neighborhoods.**

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The Zoning Ordinance and Map set broad standards for how individual structures and areas of the City relate to each other, the street system and public facilities. Privacy, light, ventilation, outdoor space, public safety, off-street parking and contacts with traffic are criteria for evaluating the desirability of individual housing units and neighborhoods. The Land Use Plan sets the guidelines for the Zoning regulations. Zoning should encourage the location of higher density, multi-family housing within the community and regional oriented districts and allow only low density, multi-family housing and single family housing in the neighborhood districts.

**Program: Expand the present level of housing code enforcement to include existing structures.**

Enforcement of the Building Code ensures that structural quality remains high, which in turn helps maintain the integrity of quality neighborhoods. Code enforcement applies systematically to all new construction. Existing housing needs attention too, particularly older units. Enforcement of the Building Code is now voluntary or handled by complaint for existing housing. The City should consider promoting code inspection through increased publicity as a service to residents and as a deterrent to neighborhood deterioration.

## Policy: Support locally assisted housing rehabilitation with public and private financing.

Rehabilitation of existing substandard housing is an effective way to improve the quality of housing and maintain the character of neighborhoods by preventing the deterioration of the existing housing stock.

**Program: Encourage housing rehabilitation in single-family areas by providing City code inspection.**

The City should consider promoting code inspection through increased publicity as a service to residents and as a deterrent to neighborhood deterioration.

**Program: Encourage rehabilitation assistance to low-income homeowners and private rental owners in Glenwood Springs.**

There are many sources of housing related grants and awards which could be utilized to rehabilitate housing for low income residents in Glenwood Springs. The City should be prepared to support efforts to secure these resources as they become available. Sponsorship of grant applications, support of private non-profit efforts, data gathering and other efforts not involving a direct City interest are possible. The Uncle Bob Foundation, Habitat for Humanity, and Christmas in April are examples of private, non-profit, housing-related, community-based efforts which should be encouraged and supported by the City.

The Garfield County Housing Authority could expand its programming to include housing rehabilitation efforts and tap into State, Federal and banking resources available for housing.

## Polices and Programs to Reduce the Cost of Housing:

To bridge the gap between the ability of local residents and workers to pay for housing and the cost of market-priced housing, it is in the best interests of the community to aggressively attempt to reduce the cost of housing in the City. The costs of land, regulation, and inflation are all contributing to the rapid increase in housing costs in the City.

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**Policy: Decrease the amount and cost of land required for housing.**

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Land is a large factor in Glenwood Springs' rapidly increasing house values. The larger the lot required to build single or multi-family housing units, the higher the cost of the housing will be. Smaller lots and more density allowed in multi-family developments will provide the opportunity to reduce housing costs.

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**Program: In the original townsite, allow single family units on 2,500 sq. ft. lots.**

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The City's original townsite was platted with 25 ft. by 100 ft. lots, and many homes were built on single townsite lots. There remain scattered pockets of vacant 25 ft. lots throughout the core of the City which are unavailable for building because of the current minimum lot size requirements. With a smaller lot requirement, many of these lots could be built upon with small houses at affordable costs.

**Program:** **Encourage more residential density in the retail and commercial core area of the City by:**

- **increasing the maximum density permitted for residential uses in commercial districts;**
- **reducing parkland requirements for mixed residential and commercial developments;**
- **allowing a percentage reduction of off-street parking requirements for mixed use developments;**
- **increasing maximum height limits in some commercial areas for mixed-use development;**
- **allowing an increase in floor area ratio for mixed-use development.**

Mixing residential uses in commercial areas offers promise of increasing the housing supply because it can be done with little effect on adjoining single-family residential neighborhoods. Residences can be built over stores and offices. This could reduce commuting costs and impacts, and help employers recruit employees to the area with attainable and affordable housing. Housing in the downtown core could also improve the urban design quality by adding variety and visual enclosure to retail and office dominated streetscapes. Additional traffic generated could be minimized by housing oriented toward employees and other users of the downtown area.

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**Program:** **Require variety of lot sizes and types in major subdivisions.**

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The community should offer housing in a range of prices. Since land is such a significant factor in determining the price of housing, a variety of lot sizes should result in a variety of house prices. Rather than marketing to a single demographic category, providing a range of housing sizes, types, and prices creates market diversity and better opportunities to capture a greater percentage of the total market. Diversity in the housing stock will generate a more balanced community.

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**Program:** **Institute a Land Bank Program to provide land for attainable housing development.**

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A Land Bank Program would provide for City acquisition or utilization of sites for resale to developers interested in providing attainable housing. The construction of housing of this type is very unlikely without City involvement in land. Outright purchase of desirable properties, land swaps, or utilization of underdeveloped City land would be emphasized. The City would not own or operate housing as part of the program, although long-term lease projects provide a successful model to create attainable housing with ownership-like equity opportunities while maintaining City ownership of the land.

As an example, the City has several platted rights-of-way within which there are no streets or utilities. Many of these rights-of-way could be vacated and utilized to provide land for attainable housing. The vacated rights-of-way could also be traded for other land more suitable for attainable housing development or sold to provide revenues for a Land Bank Program.

Another example, the City-owned property now utilized as the airport could produce a significant number of attainable housing units in addition to other benefits to the City. The sixty acre parcel could be utilized as follows:

- Ten acres at the northern end as park land to become part of a 20 to 25 acre park featuring active outdoor recreation facilities when leveraged with the adjacent elementary school playground area and the park land dedication required by the adjacent property owner when development occurs.
- Ten acres of attainable housing adjacent to the park land at about 10-15 units to the acre to create 100 to 150 new housing units in a desirable setting attainable to households which work in Glenwood Springs.
- Twenty acres of new regionally oriented mixed-use commercial or light industrial land located near the new bridge across the Roaring Fork River to create business relocation opportunities for businesses now located within the core of the community which would better serve their markets with a perimeter location and which would create community oriented housing and commercial opportunities at their previous locations.
- Twenty acres of open space along the river and connecting the development to the river, plus reserves for required infrastructure, such as street rights-of-way.

Acquisition of **small lots within the original townsite** to be used for the construction of small attainable housing is another potential target of a Land Bank Program. By controlling the land, the City could dictate the performance of the development upon the land, thus controlling the size, cost and other characteristics of the housing.

**Resources to be used** for the Land Bank Program could come from local, state or federal sources. A local commitment of funds could be leveraged through state and federal affordable housing grants. The Federal Home Loan Bank is another possible source of funds for the program. Locally, the City could designate a portion of revenues received each year in excess of the annual budget for this purpose. This would be comparable to the commonly used Tax Increment Financing method of financing many urban development projects, only it would apply to sales tax revenues.

**Program:** **Designate a portion of all revenue received each year in excess of the annual budget projections to the Land Bank Program.**

For each of the last several years, the revenues received by the City through local taxes have exceeded the projections made while establishing the annual budget. Designating a portion of excess revenues received each year could contribute resources to be utilized in the Land Bank program.

**Program:** **Encourage energy efficiency and water conservation to reduce long-term "operating" costs for low, moderate and middle income households.**

City supported programs to weatherize homes of low and moderate income households would reduce their housing burden by reducing payment for heating, cooling and lighting. Programs to replace inefficient electrical fixtures and applicants would also reduce utility costs for households. These programs would also assist in community-wide resource conservation efforts.

**Policy:** **Encourage the development of smaller housing units.**

Housing cost is directly related to the size of the housing unit. Many of the efforts to reduce the land cost of housing could also have an effect on housing size, but there are several other incentives and disincentives the City can incorporate to encourage the construction of smaller houses on smaller lots. The free market over the last five years has demonstrated that buyers will purchase smaller units. The City's demographics demonstrate that smaller housing units will be supported.

**Program:** **Create an impact and improvement fee system based on size and characteristics of the housing unit, rather than simply by number of units under common ownership as is currently the practice.**

Currently, the impact and improvement fees charged by the City do not differentiate between a single-family residence with 5,000 square feet of living space, six bedrooms, six bathrooms, a four car garage and a swimming pool, and a single family townhome with 1,200 square feet, two bedrooms, two bathrooms, a single-car garage and less than 1,000 square feet of lawn. The system of fees can be modified to provide incentives to create less impact on the City's infrastructure thus allowing a smaller fee. Major subdivisions can be encouraged to utilize raw water for irrigation, water and wastewater improvement fees could be pegged to the number of plumbing fixtures, transportation improvement fees could be a function of square footage, bedrooms or off-street parking spaces provided, park land dedication could be linked to the number of bedrooms, and a minimum threshold could be created for each fee with an incremental addition according to each characteristic.

**Policy: Discourage the rapidly increasing rate of housing costs in the community.**

As shown on the graph (page 17) showing 1990 to 1995 average sale price of housing in Glenwood Springs compared to a 4% annual increase, there has been a tremendous windfall profit in housing in the last five years. An average annual increase of 2% to 5% has been experienced nationwide over the last several years. An annual increase of 5% would double the price of housing every 14 years; a 4% annual increase every 17 ½ years, and a 7% annual increase every 10 years.

With the minimal down payments necessary in today's housing market, it is possible to realize a 50% annual increase in equity over a five year period, even with only a 4% average annual increase in home value.

**Program: Require deed restrictions with regard to resale price in conjunction with receiving City housing assistance.**

To encourage housing prices which are attainable by ordinary households which work in the City, the rampant inflationary windfall profits must be removed by the housing market. Deed restrictions on resale price of houses receiving City assistance will allow substantial equity earning for participants, while keeping within reach resale housing prices for future potential buyers.

**Program:** **Offer a waiver of improvement and impact fees on infill, home ownership opportunities in exchange for deed restriction of resale price.**

To encourage the development of housing within the existing service area of the City, and to provide an incentive to deed restrict the resale price of housing units, the City should expand its existing affordable housing policy with regard to deed restricted rental housing to include owner occupied housing.

**Program:** **Allow development projects which guarantee "attainability" to be placed first on the agenda at reviews and public hearings.**

In the development business, time is money. By placing attainable housing projects first on review and public hearing meetings, the cost resulting from the time of architects, attorneys, engineers and other staff will be minimized. This practice could result in reduced housing costs.

## Policy: Help reduce the risk to developers associated with producing attainable housing.

There is a direct relationship between a developer's risk and uncertainty associated with an investment in housing and the developer's expectations of profit.

*The greater the risk, the greater the expectations in regard to profit.*

It stands to reason, then, that when risk and uncertainty are reduced or eliminated, the need for excessive profit is curtailed. A municipal government is in the position to reduce the potential risk to developers in a variety of ways. It could provide infrastructure, it could guarantee loans, it could deliver home buyers, it cold take a position of first right of purchase on unsold housing units in any housing development.

Of course, reducing risk through City participation demands that the City have some resources dedicated to achieving attainable housing. The greater the resources, the greater the impact of reducing risk and ultimately reducing the cost of housing for households in the City.

**Program:** **Establish a "Buyer's Bank" of current renters who would qualify to buy attainable housing if it were produced.**

The easiest, and least cost, approach to reducing developers' risk would be to establish a *Buyers Bank* of current renters who would be qualified to buy attainable housing when it is produced, and who would be willing to do so. The data could be generated at little cost through periodic surveys of the community. The data could then be provided to developers of housing which achieves community goals.

## Policies and Programs to Encourage New Housing:

**Policy:** **Encourage the development of housing that low, moderate and middle income households, especially those with children, can afford.**

Unless steps are taken most new workers in Glenwood Springs will be unable to live close to their jobs and employers may not be able to attract new employees. Providing housing opportunities for middle income households (those with income from 0.8 to 1.5 percent of the median) should be a priority. Middle income households often have the equity and the income necessary to achieve home ownership. Housing units affordable for this group should be provided.

**Program:** **Support the creation and activities of a local, non-profit housing development corporation.**

A local, non-profit corporation whose mission is to develop attainable housing for employees of Glenwood Springs could create a partnership among all the key players in the community: employers, financial institutions, developers and local government. The City could participate through many ways, including funds to start the corporation, staff time and office space, installation of infrastructure, waiver of improvement and other fees, fast-track permitting, and provision of parking in the core downtown. The development of partnerships to develop attainable housing will enhance the ability of the community to attract financial resources from state and federal agencies.

**Policy:** **Encourage the development of additional assisted and free market housing for the elderly.**

The community's elderly (65 plus years of age) is the fastest growing segment of population. As households move into retirement, they often have housing in which they have raised families and which becomes oversized when the nest is empty. In addition, aging households are typically faced with fixed incomes and rising medical costs. Assisted housing for many of these households is the only option. For many others, it

is an attractive option, when compared to supporting a home which is too big, too old, and too costly to maintain. Developing additional housing for the elderly within the community would not only assist the elderly, but it would open up housing opportunities for other households to move into housing previously occupied by the elderly.

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**Program:** **Support the Garfield County Pubic Housing Authority to develop assisted housing in Glenwood Springs.**

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The Garfield County Public Housing Authority currently operates no assisted housing in Glenwood Springs. The PHA owns and operates 12 units in Parachute. There are no vacancies and long waiting lists for all of the assisted housing in Glenwood Springs. Additional elderly and other assisted housing should be developed close to transit, medical facilities, shopping and other amenities. The PHA has existing capability and management capacity in place. Rather than duplicate the PHA on a local basis, the City should support and assist the PHA to create new assisted housing opportunities.

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**Program:** **Encourage development of free-market housing with amenities to entice retirement households.**

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Many retired households would choose to relocate to high quality housing, built with the amenities desired by the elderly. Proximity to recreation facilities, transit and civic centers are factors which are important to active seniors. Development of this type of housing would open up opportunities for other households.

**Policy: Support the mixing of residential uses in commercial and industrial areas.**

Locating housing within core retail and commercial areas will not only reduce the cost of housing, as described above, it will increase the supply of housing, particularly smaller housing units. The City can provide incentives to encourage an increase in the supply of new housing which helps achieve community goals.

---

**Program: Provide incentives for industrial, retail and office developments to provide all or some residential on the same site or on another non-residentially zoned site.**

- **Increase maximum density permitted in commercial and industrial zones.**
- **Reduce parkland requirements for mixed residential and commercial and industrial developments.**
- **Allow a reduction of off-street parking requirements for mixed-use developments.**
- **Increase maximum height limits in some commercial areas for mixed use developments.**
- **Allow increase in floor area ratio for mixed use development.**

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The City's Land Use Plan identifies four core areas which also could serve as future transit hubs along Highway 6 and 82 within the urban development boundary: West Glenwood near the I-70 exit; Downtown, 27$^{th}$ Street and Highway 82, and the location of a future bridge crossing the Roaring Fork River near Holy Cross Electric. These areas can be developed in mixed-uses to combine residential opportunities with retail and other commercial land uses.

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**Program: Pursue development of residential units on air space over selected public and private parking lots in commercial and industrial districts.**

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There are significant, large parking lots along the Highway 6 and 82 corridor and downtown that offer opportunities to develop housing units "over" the ground level parking surfaces. The parking lots at the Roaring Fork Marketplace, the Glenwood Springs Mall, City Market and Safeway, and a number of properties in downtown

Glenwood Springs are potential sites for such development. In addition there are numerous churches throughout the City that have large parking lots.

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**Program:** **Encourage use of unconventional housing financing techniques to make more housing affordable for persons employed in Glenwood Springs, such as:**

- **Co-investment programs, wherein an employer helps employees with mortgage assistance.**
- **Equity sharing, wherein a home buyer and investor form a partnership that shares in down-payment, monthly payments and equity.**
- **Non-profit or limited equity cooperative ownership (deed restrictions.)**
- **Housing development corporation, wherein large entities in the City cooperate to aid in developing or financing attainable housing.**

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Innovative financing techniques have been developed in the private sector that reduce the costs of owning new and existing housing. Employers can take a lead role in making the alternatives to conventional mortgage financing available individually or through a housing development corporation. This could include a demonstration project.

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**Program:** **The City of Glenwood Springs should lead by example and provide some attainable housing for its employees.**

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The City of Glenwood Springs is one of the leading employers in the community with more than 125 employees. Many of its employees have job descriptions which either mandate or encourage their rapid response to emergency situations. In addition, it is good public policy to encourage its employees to actively participate in community events. The City also has many jobs which pay below the ability to afford "entry-level" housing in Glenwood Springs. The City also could utilize City-owned land to creatively set an example for other major employers in the community to provide employee housing.

**Program:** **Work with local employers to encourage occupancy of housing by households in which at least one person works in Glenwood Springs.**

Primary objectives for new housing are (1) that low, moderate and middle income households can afford it, and (2) that it be occupied by people employed in Glenwood Springs. It would be difficult for the City to require that private housing be occupied by people who work in the City. However, the City can encourage local employers who participate in housing development to give first priority to those who work nearby. This will help employers recruit, reduce employee travel costs, and reduce commute traffic.

**Program:** **Continue to assist developers in constructing low, moderate and middle income housing, especially for families, through land banking and other methods.**

The City's only existing attainable housing program is the waiver of impact and improvement fees for the provision of income and rent restricted rental housing. This program was put in place to assist the completion of the Machebeuf project in West Glenwood. This project was developed by the Archdiocese of Denver, resulting in 55 rental units restricted to low income households at rents which are affordable. In addition to waiving fees, the City also secured a Community Development Block Grant from the State of Colorado to support the development. These units are the only deed restricted housing in the City. In addition to support through waiving of fees, the procurement of State grants and the provision of land, municipalities are often eligible for other resources available only to non-profit entities. The Federal Home Loan Bank offers an affordable housing program with a number of eligible activities. Various private foundations often seek municipal participation in projects.

**Cottage unit and accessory apartment programs**, described earlier, are additional ways to reduce the cost of housing.

## Policies and Programs to Work with Other Levels of Government:

**Policy:** **Encourage and participate in low and moderate income housing programs financed by other levels of government.**

Working with other levels of government to create attainable housing in the region works to everyone's benefit. In particular, the City should encourage and support the creation of housing elsewhere within the Roaring Fork River valley. Virtually every attainable housing unit created between Glenwood Springs and Aspen will result in less traffic and its associated congestion impacts in our community. Working together to achieve a "fair share" approach to housing delivery will demonstrate a good-faith effort to meet the City's obligation within the region.

**Program:** **Assist developers who want to use state and federal housing programs.**

By keeping abreast of state and federal housing assistance programs, the City can provide information to developers interested in using housing programs. City support is often valuable in obtaining state and federal approvals. The City should support county, state and federal legislation which will promote more housing opportunities for all segments of the community.

**Program:** **Work to achieve a statewide policy to overturn Amendment One to allow cities to impose a real estate transfer tax to provide revenue for attainable housing programs.**

Cities which had a real estate transfer tax in place prior to the enactment of Colorado's Amendment One were allowed to keep it, while this logical resource for the development of attainable housing is denied all other communities as a result of Amendment One. Overturning this portion of the amendment would allow local residents to decide for themselves whether or not a real estate transfer tax is a viable and logical resource to meet the housing needs of the community.

## Other Local Policies and Programs for Consideration:

**Policy:** **Foster the provision of some new and existing units, dispersed throughout the City, for ownership and rental by households of low and moderate income.**

Local housing assistance programs, in addition to those associated with state and federal programs, may be warranted to provide a full range of income levels which Glenwood Springs wishes to house.

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**Program:** **In housing developments of 10 or more units, a portion of the units should be provided at below market rates to low and moderate income families.**

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A *Balanced Housing Program* could require developers to provide units affordable to low, moderate, and middle income households, and deed restrict the units with regard to subsequent resale prices. A payment in lieu of the housing units could be provided and placed in the Land Bank Program.

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**Program:** **Explore the possibility of encouraging developers to provide more than a minimum number of below market rate units.**

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Such a provision would emphasize the important of affordable housing, especially near employment centers, transportation corridors, and on larger sites. Incentives could include density bonuses over the maximum density allowed by zoning if the bonus units are attainable.

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**Program:** **Use tax-exempt revenue bonds and other innovative methods to finance low and moderate income housing.**

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The City could use these funds for many aspects of attainable housing development:

- to provide construction financing to developers of attainable housing;
- to provide low interest, long-term mortgages to buyers of attainable housing;
- to provide infrastructure in support of private development of housing; or
- to construct attainable housing.

## Policy to Promote Open Choice:

**Policy:** **Work towards the elimination of discrimination based on race, religion, national origin, sex, sexual preference, marital status, or physical handicap, and other barriers that prevent free choice in housing.**

## ACKNOWLEDGMENTS

CITY COUNCIL

Marc Adler, Mayor
Greg Jeung
Shirley Schiesser (through 11/95)
Sam Skramstad
Lou Trapani
Jon Tripp
Don Vanderhoof (after 11/95)
Bob Zanella

HOUSING FOR TOMORROW COMMISSION

Tom Beard, Chair
Craig Davis (through 10/95)
Richard Gates
Greg Jeung
Sue LaGiglia
Jean Martensen
Jim McCann (after 2/96)
Bonnie Reiff
Lou Trapani
Pat Tonozzi (through 1/96

STAFF

Mike Copp, City Manager
Mark Donaldson, Community Development Director

## Regional Housing Gaps

The boundaries of the region's economy and population are fluid—intermingled with the markets of Vail and Grand Junction. Some people live and work in the region, others live elsewhere and work here, while others live here but work elsewhere. Though the region covers a very large geography, it has too few housing units for the economic activity it creates (regardless of affordability level). The region is currently estimated to be short approximately 300 units, a deficit that is projected to get larger over the next 10 years. While that does not appear to be an insurmountable challenge, the real problem lies in the mismatched distribution of inventory by affordability levels.

In 2017, the region had a 2,100-unit shortfall for households at 60 percent AMI and below, a 700-unit shortfall for those at 100 to 120 percent AMI, and a 1,200-unit shortfall for the "missing middle"—households between 120 and 160 percent AMI. By 2027, it is projected that the shortfall of units affordable to households at or below 100 percent AMI will balloon to 5,700 units, and the shortfall for the missing middle will remain the same.

**Table 3. Regional Housing Units Needed by AMI, 2017 & 2027**

| Regional Gaps | 2017 | 2027 |
|---|---|---|
| Less than 60% AMI | 2,118 | 2,383 |
| 61% to 80% AMI | --- | 2,748 |
| 81% to 100% AMI | --- | 590 |
| 101% to 120% AMI | 703 | --- |
| 121% to 140% AMI | 195 | --- |
| 141% to 160% AMI | 968 | 1,105 |
| Greater than 160% AMI | --- | --- |

Source: Economic & Planning Systems

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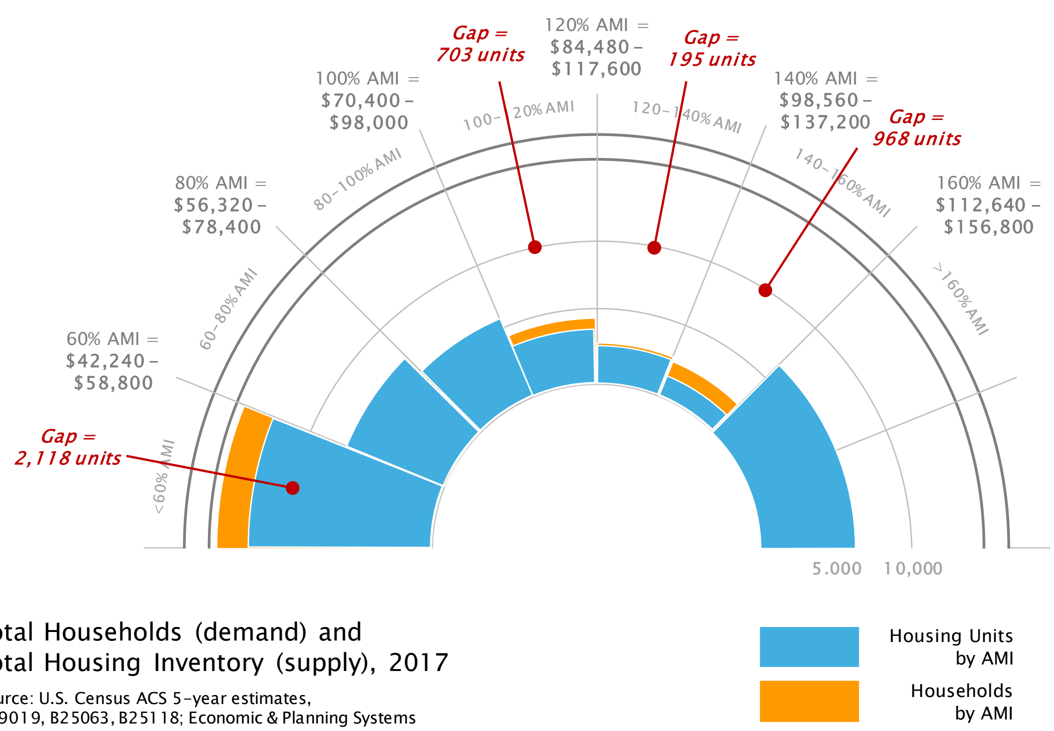
**Figure 3. Regional Housing Gaps by AMI, 2017**



## Glenwood Springs Area

The average housing price in the Glenwood Springs Area was approximately $530,000 in the 3rd quarter of 2018. Although this was approximately 30 percent lower than the Basalt Area, 25 percent lower than the Carbondale Area, and nearly 80 percent lower than the Aspen to Snowmass Area, this part of the region generates more housing demand than it supplies.

Overall, the area has a 2,000-unit shortfall, which is projected to remain relatively the same over the next 10 years. That shortfall is also spread across every income level, and is projected to expand in the missing middle category (120 to 160 percent AMI) by 2027.

**Table 6. Glenwood Springs Area Housing Units Needed by AMI, 2017 & 2027**

| Glenwood Springs | 2017 | 2027 |
|---|---|---|
| Less than 60% AMI | 1,126 | 483 |
| 61% to 80% AMI | 107 | 688 |
| 81% to 100% AMI | --- | 403 |
| 101% to 120% AMI | 169 | --- |
| 121% to 140% AMI | 157 | 597 |
| 141% to 160% AMI | 381 | 436 |
| Greater than 160% AMI | 301 | --- |

Source: Economic & Planning Systems

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**Figure 6. Glenwood Springs Overall Housing Gaps by AMI, 2017**

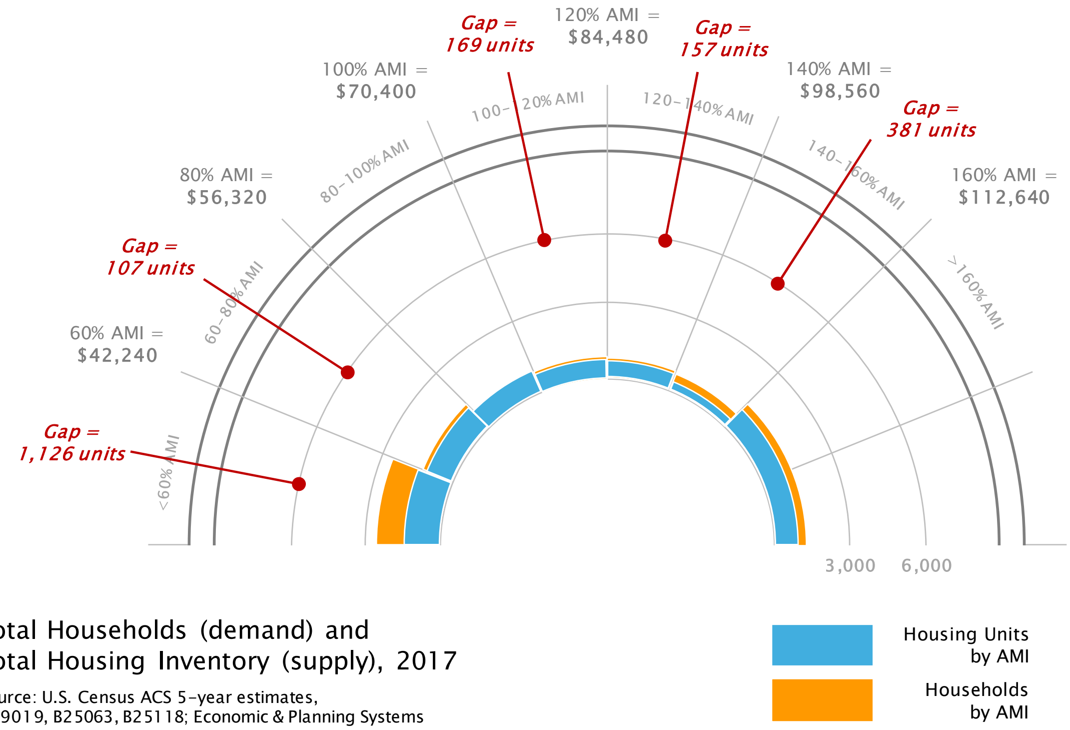

**Table 39. Cost-Burdened Households in GRFR by Area, 2017**

| Cost Burden, 2017 | Eagle to Gypsum | New Castle to Parachute | Glenwood Springs | Carbondale | Basalt | Aspen to Snowmass | Regional |
|---|---|---|---|---|---|---|---|
| **Cost-Burdened Households** | | | | | | | |
| Less than 60% AMI | 1,399 | 2,762 | 1,470 | 1,366 | 575 | 1,595 | 9,167 |
| 61% to 80% AMI | 311 | 487 | 326 | 305 | 95 | 252 | 1,775 |
| 81% to 100% AMI | 30 | 346 | 247 | 239 | 22 | 48 | 932 |
| 101% to 120% AMI | 30 | 16 | 25 | 22 | 22 | 48 | 162 |
| 121% to 140% AMI | 30 | 16 | 25 | 22 | 22 | 48 | 162 |
| 141% to 160% AMI | 30 | 16 | 25 | 22 | 22 | 48 | 162 |
| Greater than 160% AMI | 289 | 239 | 357 | 312 | 181 | 390 | 1,769 |
| **Subtotal Households** | **2,117** | **3,883** | **2,475** | **2,286** | **939** | **2,429** | **14,129** |
| **All Households** | | | | | | | |
| Less than 60% AMI | 1,807 | 3,799 | 1,922 | 1,652 | 849 | 2,861 | 12,889 |
| 61% to 80% AMI | 793 | 1,333 | 703 | 604 | 439 | 1,048 | 4,919 |
| 81% to 100% AMI | 524 | 1,269 | 635 | 650 | 404 | 703 | 4,185 |
| 101% to 120% AMI | 503 | 1,096 | 597 | 528 | 186 | 496 | 3,406 |
| 121% to 140% AMI | 563 | 1,012 | 579 | 469 | 161 | 473 | 3,256 |
| 141% to 160% AMI | 563 | 547 | 252 | 338 | 126 | 371 | 2,197 |
| Greater than 160% AMI | 1,111 | 2,392 | 1,319 | 1,579 | 425 | 1,248 | 8,074 |
| **Total Households** | **5,865** | **11,448** | **6,007** | **5,818** | **2,588** | **7,201** | **38,927** |
| **Cost-Burdened as % of Total** | | | | | | | |
| Less than 60% AMI | 77% | 73% | 76% | 83% | 68% | 56% | 71% |
| 61% to 80% AMI | 39% | 37% | 46% | 50% | 22% | 24% | 36% |
| 81% to 100% AMI | 6% | 27% | 39% | 37% | 5% | 7% | 22% |
| 101% to 120% AMI | 6% | 2% | 4% | 4% | 12% | 10% | 5% |
| 121% to 140% AMI | 5% | 2% | 4% | 5% | 14% | 10% | 5% |
| 141% to 160% AMI | 5% | 3% | 10% | 6% | 18% | 13% | 7% |
| Greater than 160% AMI | 26% | 10% | 27% | 20% | 43% | 31% | 22% |
| **Subtotal Households** | **36%** | **34%** | **41%** | **39%** | **36%** | **34%** | **36%** |

Source: Economic & Planning Systems

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