



**CHAFFEE HOUSING**  
— AUTHORITY —

## Housing Needs and Production Goals

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with the City of Salida and the Town of Buena Vista

# Housing Needs Update

## Chaffee County, Colorado

July 2022

**WILLIFORD, LLC**  
land use & affordable housing

**URBANrural**  
—continuum—

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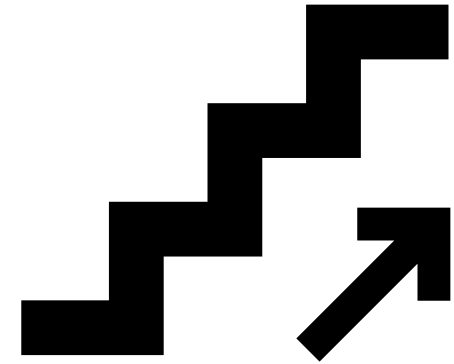
# Introduction



# Introduction

This snapshot of the housing needs in Chaffee County, Colorado, was prepared as an update to the Chaffee County Housing Needs Assessment and Strategy completed in the summer of 2016. It is intended to support and guide future time, effort, and funding aimed at the production of workforce housing.

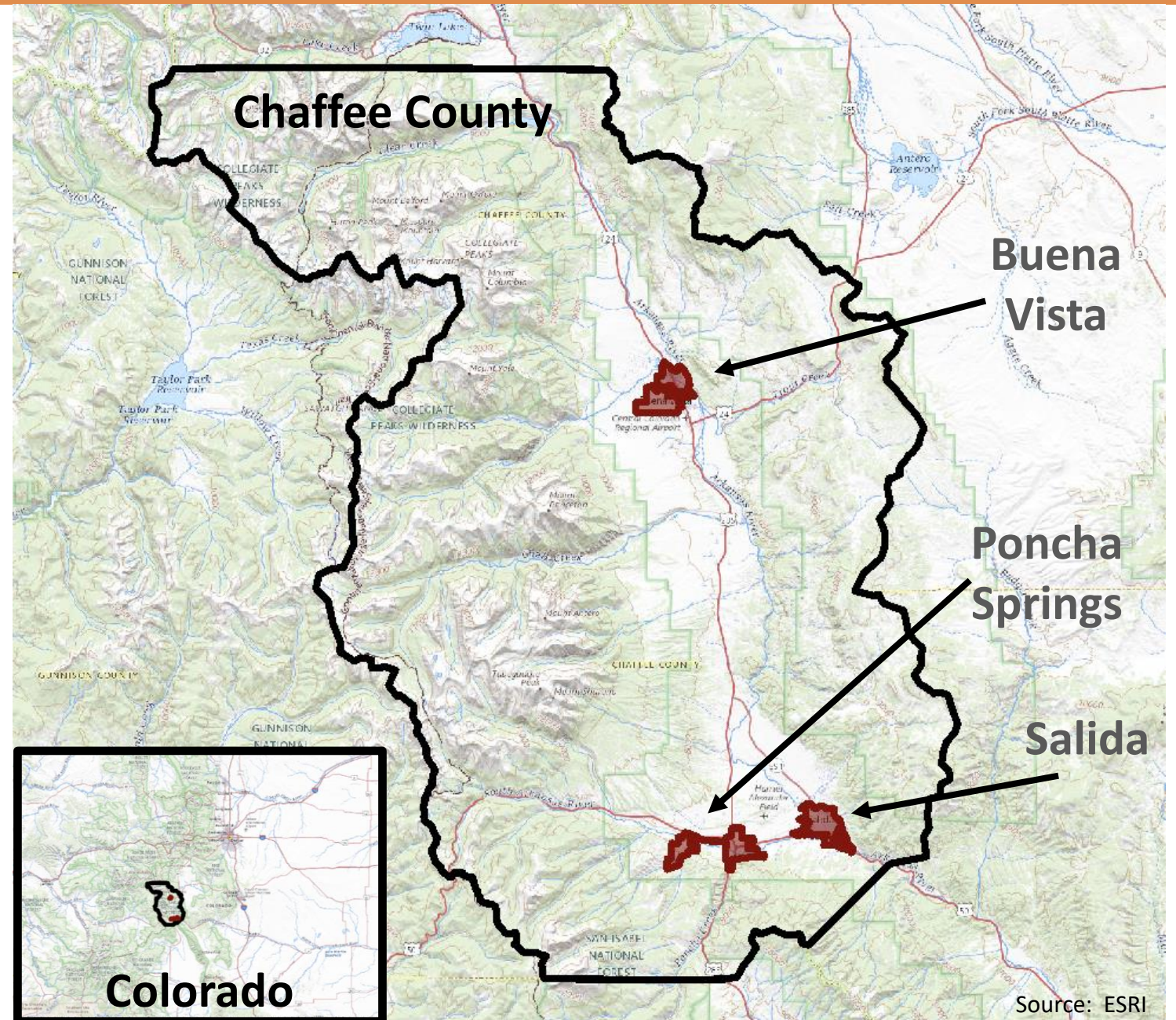
The data presented underscores the breadth and intensity of the housing problem across Chaffee County. The lack of housing that is available and affordable to the local workforce is adversely impacting the local economy and ability of individuals to live and work in the community. Coordination and collaboration between Chaffee Housing Authority, Chaffee County, City of Salida, Town of Buena Vista, Town of Poncha Springs, employers, non-profit organizations, developers/builders, and residents is already underway. This study provides updated data on the amount, location, tenure, bedroom count and price points of the housing needed for local residents and employees to thrive.



# Study Area

This assessment covers Chaffee County, including the Town of Buena Vista, Town of Poncha Springs, and City of Salida.

The portion of the county not within one of the three municipalities is referred to as unincorporated Chaffee County.



# Definition: Housing Affordability

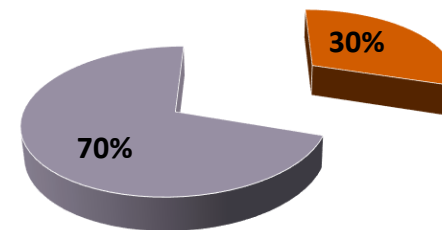
## What is affordable?

The standard definition used throughout this assessment is that housing is affordable if monthly housing costs (rent or mortgage plus utilities) is equal to or less than 30% of gross household income (before taxes).

“Affordable housing” is often thought of as rentals that are subsidized by the government, but it’s really just a calculation of housing costs divided by household income.

This calculation is applied the same way to households making minimum wage or six figures, regardless of the type of home, who built it, or if it is for rent or for sale.

If a household spends more than 30% of their gross household income on housing, they are considered cost burdened.



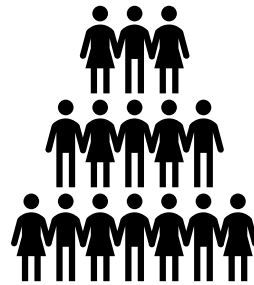
- Housing
- All Other Household Expenses (e.g., health care, food, transportation)

# Summary of Findings

Housing production for the local workforce has not kept pace with changing economic conditions and housing demand.

- Finding a place to rent is extremely difficult.
  - Average rents have increased by about 43% since the last housing needs assessment in 2016.
  - Vacancy is below 5%.
  - 79% of rentals are marketed using word of mouth.
  - Rents are rising.
- The homeownership market is out of reach of all but about 9% of county households.
  - Wage growth has not kept pace with home price escalation.
  - Home prices were already rising prior to COVID-19, but took a sharp upward increase the past two years.
  - The average home price increased 41% between 2020 and the summer of 2022.
- In total, 1,105 new homes are needed by 2027. About 435 homes are needed to house those filling unfilled jobs after accounting for pending development, and about 670 homes are needed to keep up with job growth and retirements over the next five years.
  - There is a gap between the cost to build and what local workers can afford. The market cannot and will not be able to meet the need alone given high construction costs.
  - There have been some wins for local workforce housing, with Collegiate Commons, Salida Ridge, and Old Stage Road Rowhouses, but development dedicated to local workforce price points represents less than 10% of overall residential permits.
  - Some noteworthy projects that serve local residents and employees are in the planning and construction phase. More will be needed to catch up with the current need, and keep up over the next five years.

# Demographics



# Population & Age

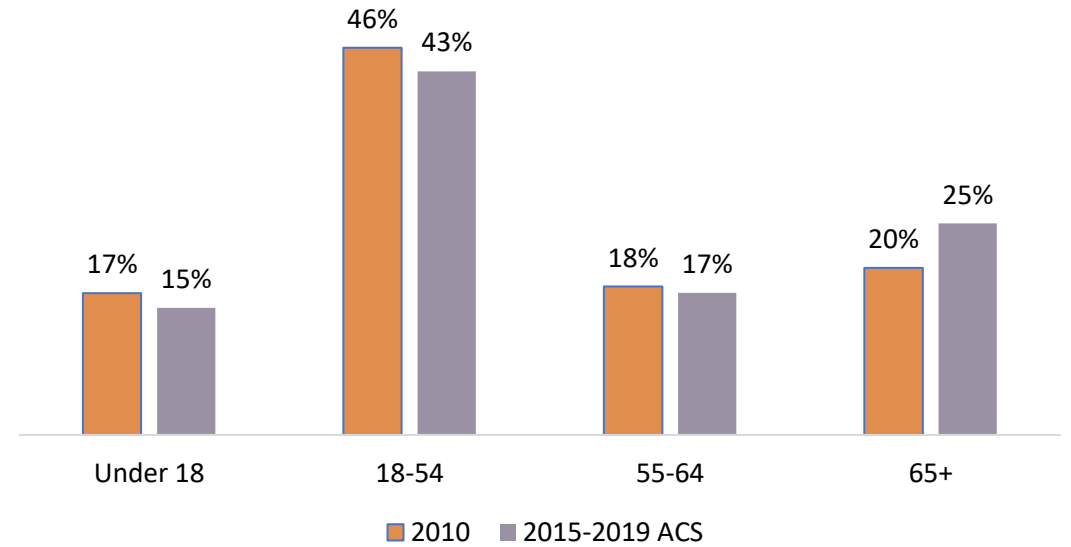
From 2010 to 2021, the population of Chaffee County grew to about 20,100 residents (1.1% per year on average), which was slower than the state. Using recent growth rates, the population in 2027 is estimated to be about 21,600.

Poncha Springs grew at 3.8% per year from 2010 to 2021, by far the fastest rate of the three municipalities. Buena Vista grew by 1.3% per year on average and Salida at 0.8%.

The county is aging. The share of residents under 18, those of prime working age (18-54) and those at or near retirement (55-64) all declined while the share of seniors increased by five percentage points. As a result, the median age of county residents and each municipality increased, with a dramatic increase in Poncha Springs.

As the county ages, construction of smaller homes with low maintenance needs will allow seniors to downsize and free up larger homes for families.

Chaffee County Age Distribution



	Median Age	
	2010	2015-2019 ACS
<b>Chaffee County</b>	<b>47</b>	<b>49</b>
Buena Vista	45	45
Poncha Springs	39	54
Salida	46	47

Source: 2010 Census, 2015-2019 ACS, Colorado Demography Office, consultant team

# Households

The rate of household growth in Chaffee County was just over one percent per year on average from 2010 to 2021. Buena Vista and Salida grew at a slower pace than the county, and Poncha Springs experienced by far the fastest rate of growth in new households, many of retirement age.

Over half (55%) of the new households live in the three municipalities.

	Households			Annual Average Growth
	2010	2021	New Households	
<b>Chaffee County</b>	<b>7,601</b>	<b>8,709</b>	<b>1,108</b>	<b>1.2%</b>
Buena Vista	1,194	1,342	148	1.1%
Poncha Springs	320	519	199	4.5%
Salida	2,515	2,776	261	0.9%
Unincorporated	3,572	4,072	500	1.2%

Source: 2010 Census, Colorado Demography Office

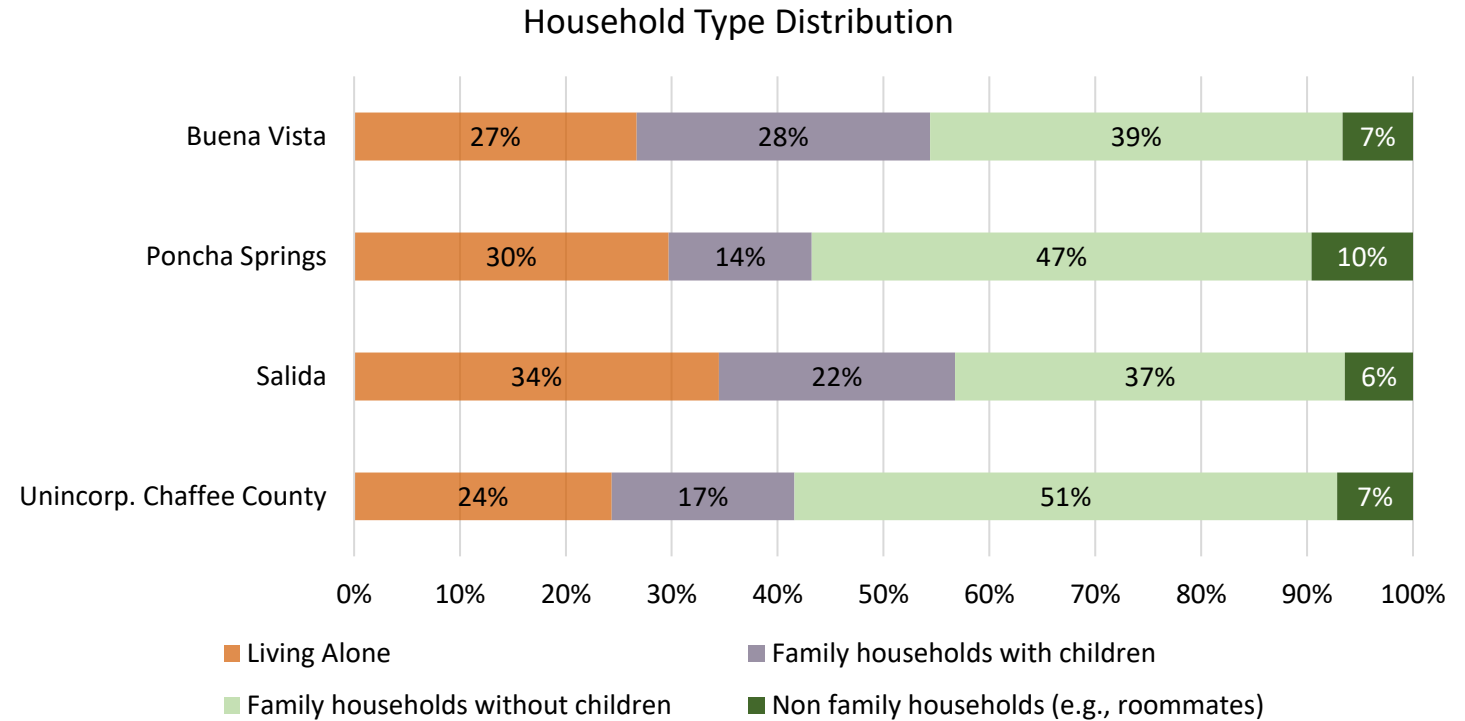
# Household Type

About one third (32%) of households in the three municipalities is a single person living alone. The share of families with children is much higher in Buena Vista and Salida than Poncha Springs and unincorporated Chaffee County.

Poncha Springs experienced a shift in household composition since 2010. The share of households without children increased by about 10 percentage points and those living alone increased by four points, which coincides with an aging population.

The average household size is 2.2 in Chaffee County, 2.4 in Buena Vista, 2.0 in Poncha Springs, and 2.2 in Salida. Poncha's average household size declined slightly while BV and Salida increased slightly since 2010.

Source: 2010 Census, 2015-2019 ACS



Percentage Point Change 2010 to 2015-2019 ACS

	Unincorp. Chaffee County	Buena Vista	Poncha Springs	Salida
Living Alone	1%	-5%	4%	-5%
Family households with children	-1%	3%	-16%	1%
Family households without children	-2%	1%	10%	4%
Non family household (e.g., roommates)	2%	1%	2%	-1%

# Cost Burden

About one third of households in Chaffee County spend 30% or more of their gross income on housing, making them cost burdened.

- The share of cost burdened homeowners and renters has changed little since 2010.
- Almost half of renters are cost burdened, whereas less than a third of homeowners are cost burdened.

This metric is important because cost burdened households have a smaller share of their income to pay for other life necessities like food, health care, and transportation. Focusing on rental affordability over the next five years is important, especially in the current inflationary environment where purchasing power is being eroded, exacerbating the financial challenges faced by lower income households.

## Share of Cost Burdened Households

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	2010	2019
Cost burdened homeowners	30%	28%
Cost burdened renters	46%	48%

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Source: 2016 Chaffee County Housing Needs Assessment and Strategy; 2015-2019 ACS

# Housing Inventory & Tenure



# Housing Units, Occupancy & Tenure

## Housing Units

	Housing Units 2021	Annual Avg. Rate of Growth (2010-2021)
<b>Chaffee County</b>	<b>11,245</b>	<b>1.1%</b>
Buena Vista	1,644	1.6%
Poncha Springs	592	4.6%
Salida	3,304	1.2%
Unincorporated	5,705	0.5%

According to the Colorado Demography Office, new homes were added to the housing stock at a very slow rate in the unincorporated portion of the county since 2010. In contrast, Poncha Springs added housing in excess of four percent per year on average during that time. Buena Vista and Salida grew at a similar or somewhat faster rate than the state. The towns of Salida and Buena Vista report higher housing unit counts today than shown in the table - 3,770 in Salida and 1,832 in Buena Vista. Demography data was used to maintain consistency.

## Unoccupied Housing Units

	Percent Unoccupied 2021	Annual Avg. Rate of Change (2010-2021)
<b>Chaffee County</b>	<b>23%</b>	<b>0.4%</b>
Buena Vista	18%	4.6%
Poncha Springs	12%	5.2%
Salida	16%	3.1%
Unincorporated	29%	-1.0%

The share of homes classified by the U.S. Census Bureau as vacant (unoccupied) includes homes for rent or for sale, those rented or sold but not occupied, those for seasonal, recreational, or occasional use, those for migrant workers, and those vacant for other reasons. Almost one in four homes in the county is unoccupied. The majority of unoccupied homes are used for seasonal, recreational, or occasional use. In other words, they are typically second or vacation homes, not homes waiting to be sold or rented.

Source: 2010 Census, Colorado Demography Office

# Housing Tenure

## Rate of Homeownership

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	2010	2015-2019 ACS
<b>Chaffee County</b>	72%	78%
Buena Vista	69%	68%
Poncha Springs	63%	69%
Salida	62%	74%
Unincorporated	82%	84%

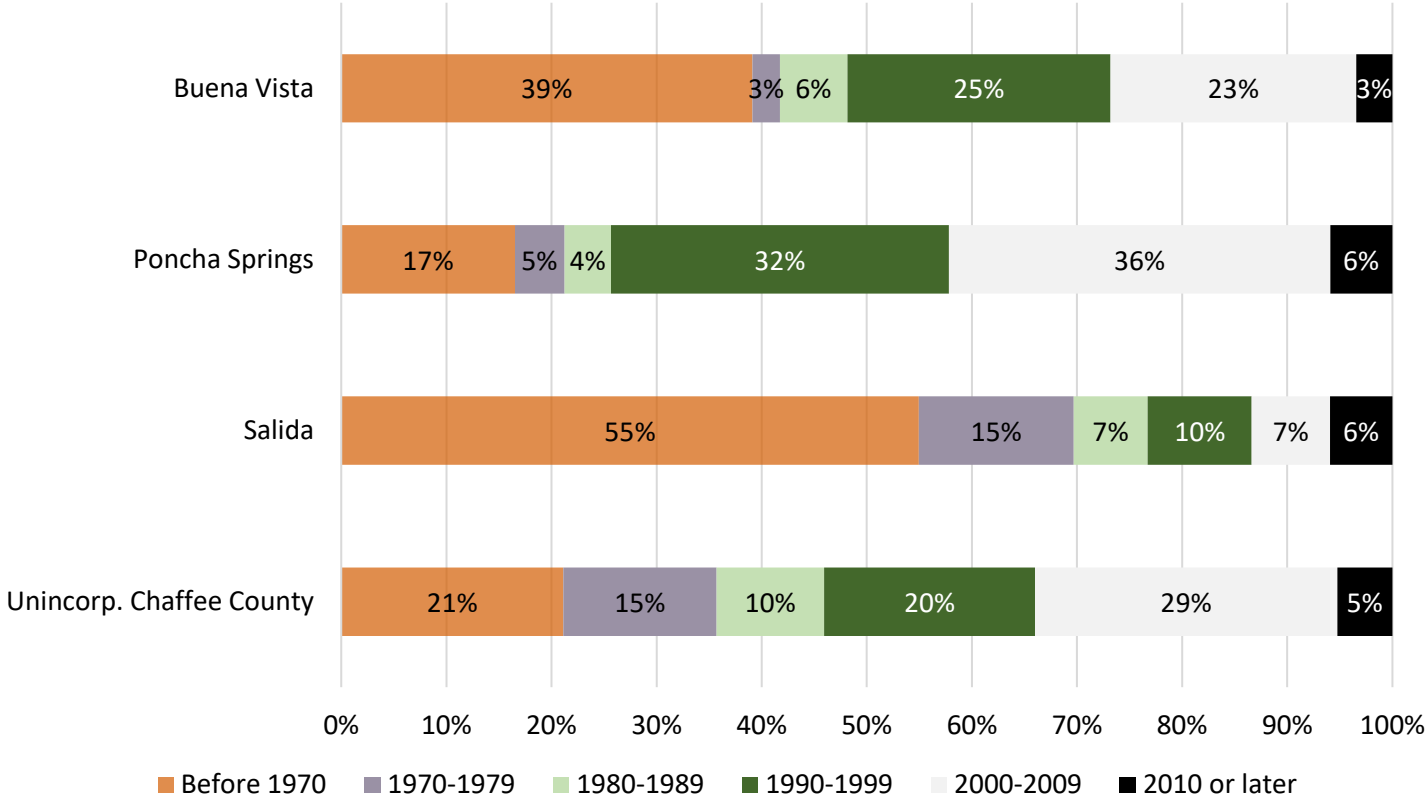
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Housing tenure is the share of occupied housing units (locals living in their current place of residence) that are owned and those that are rented. It does not account for homes that are not occupied (e.g., those used as second/vacation homes or rented on a short-term basis). These housing units are considered unoccupied (see page 14).

The share of households who own their home increased since 2010, except in Buena Vista where it remained fairly stable. All locations in the county have a high homeownership rate compared to Colorado and the nation. Homeownership has long been a means for households to accumulate wealth, and working to ensure homeownership opportunities allows local working households to put down roots. Essential workers and those in other industries are better able to commit to staying in a community when they have the opportunity to purchase a home. But, there are so few rentals available that focusing on rentals should be a priority so employers can better recruit workers into the county, and renters already in the community can move when their circumstances change.

Source: 2010 Census, 2015-2019 ACS

# Age of Homes



The age of homes as a share of the total differs across the county.

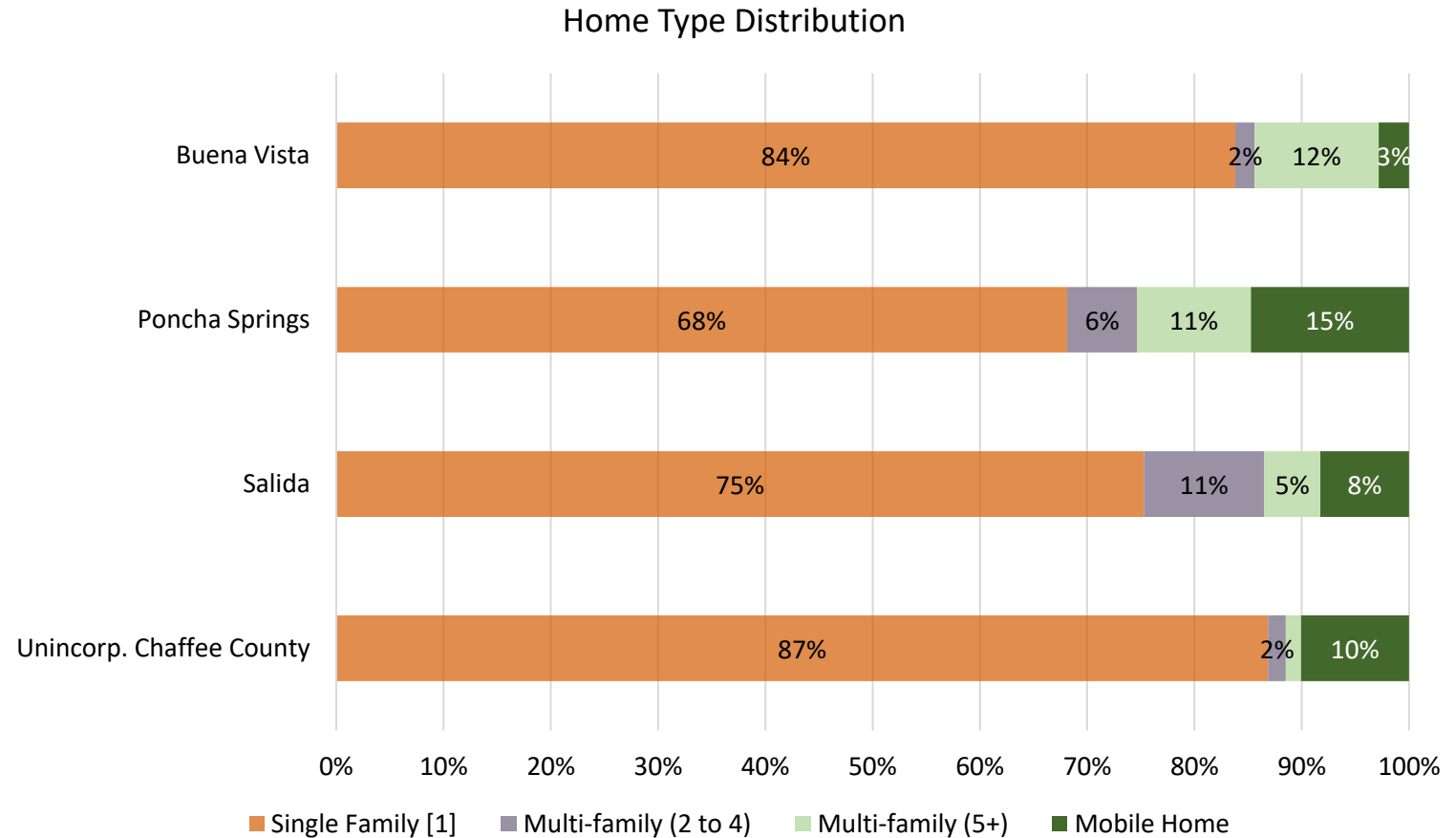
- Salida and Buena Vista have the largest share of homes built before 1970 (over 50 years ago).
- Poncha Springs and Buena Vista have a large share of homes built in the 1990’s and the “aughts” at 68% and 48% respectively.
- The share of homes built since 2010 is very low throughout the county, which is a contributing factor to the dearth of available housing and rising prices.

Source: 2010 Census, 2015-2019 ACS

# Home Type

There is very little diversity in the housing stock, which limits housing choice. Over 80% of the housing stock in each municipality, and almost all homes in unincorporated Chaffee County, is comprised of single family and mobile homes.

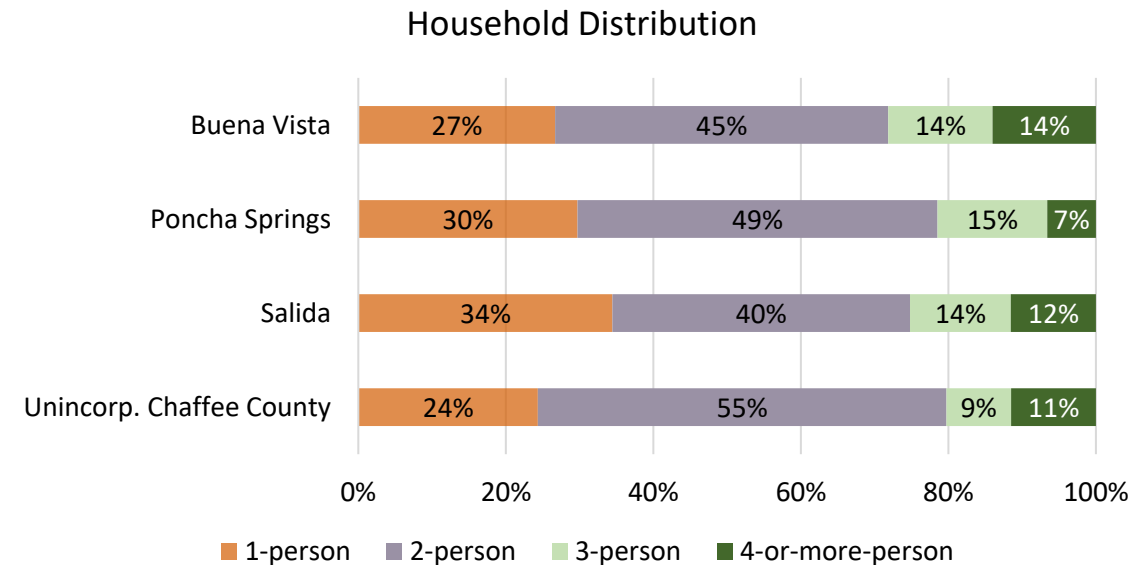
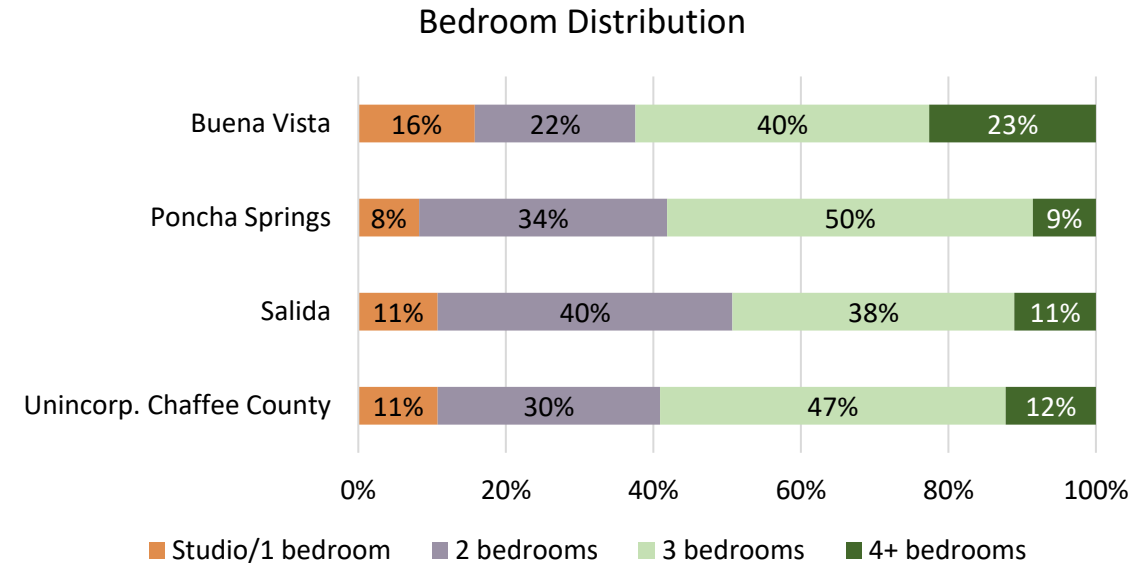
High construction costs make building single family housing for the local workforce increasingly difficult, especially for middle and lower-income households. Building a more diverse housing stock not only creates more choices for households, but building attached and small to medium size “plexes” may lower the per unit cost of housing.



# Bedroom Mix vs. Household Size

There is a mismatch between household size and the number of bedrooms in homes, which points to the need for more studio, 1-bedroom and 2-bedroom units.

- The share of households with three or fewer people ranges from a low of 86% in Buena Vista to a high of 93% in Poncha Springs.
- Yet, the share of homes that are two bedrooms or smaller only represent 38% of homes in Buena Vista and 51% of homes in Salida.



Source: 2015-2019 ACS

# Short Term Rental Market

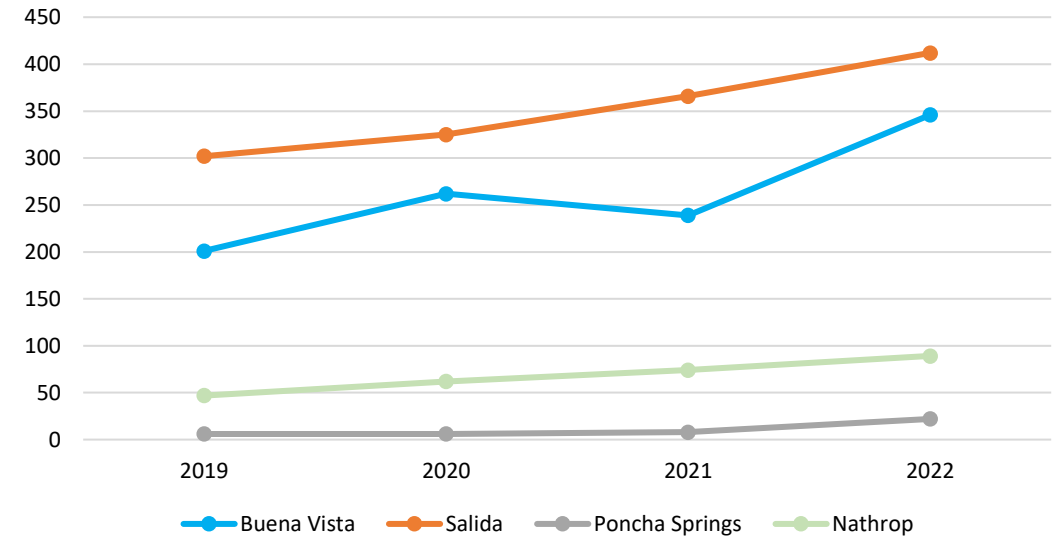
Hundreds of homes in Chaffee County that could be used as long-term rentals are being used as short-term rentals (STRs), adding pressure to an already constrained housing market. The majority of these STRs are concentrated in Buena Vista and Salida. Occupancy for STRs is 67% in the three focus communities of Buena Vista, Salida, and Poncha Springs. Peak occupancy occurs in July at 93% and dips as low as 20-40% in the off-season. Revenue is tied to occupancy. Some months yield over \$6,000 and others less than \$3,000. Despite revenue fluctuations, STRs still yield much higher revenues on average than a long-term rental suitable for the local workforce.

## Chaffe County Short Term Rental Summary

	Buena Vista Area	Salida Area	Poncha Springs Area	Nathrop Area
Average Daily Rent	\$258	\$240	\$262	\$352
Occupancy Rate	67%	67%	67%	61%
Median Monthly Revenue	\$3,803	\$3,745	\$3,351	\$4,908
Median Room Size	2.6	2.4	2.9	3
Current Active Rentals	365	394	20	91

\*These numbers come from Air DNA's Market Minder tool. Each area is larger than municipal boundaries.

Number of Short Term Rentals Over Time



Source: Air DNA

STRs are rapidly increasing across the County with a 56% increase in total listings on the market between 2019 and summer 2022. The *2016 Housing Needs Assessment* noted that there were 105 STRs in Salida at that time; today town staff report 220 STRs. Recent figures on Air DNA indicate that there are 394 active STRs in the Salida area, which is a larger boundary than the municipal limits.

# Jobs

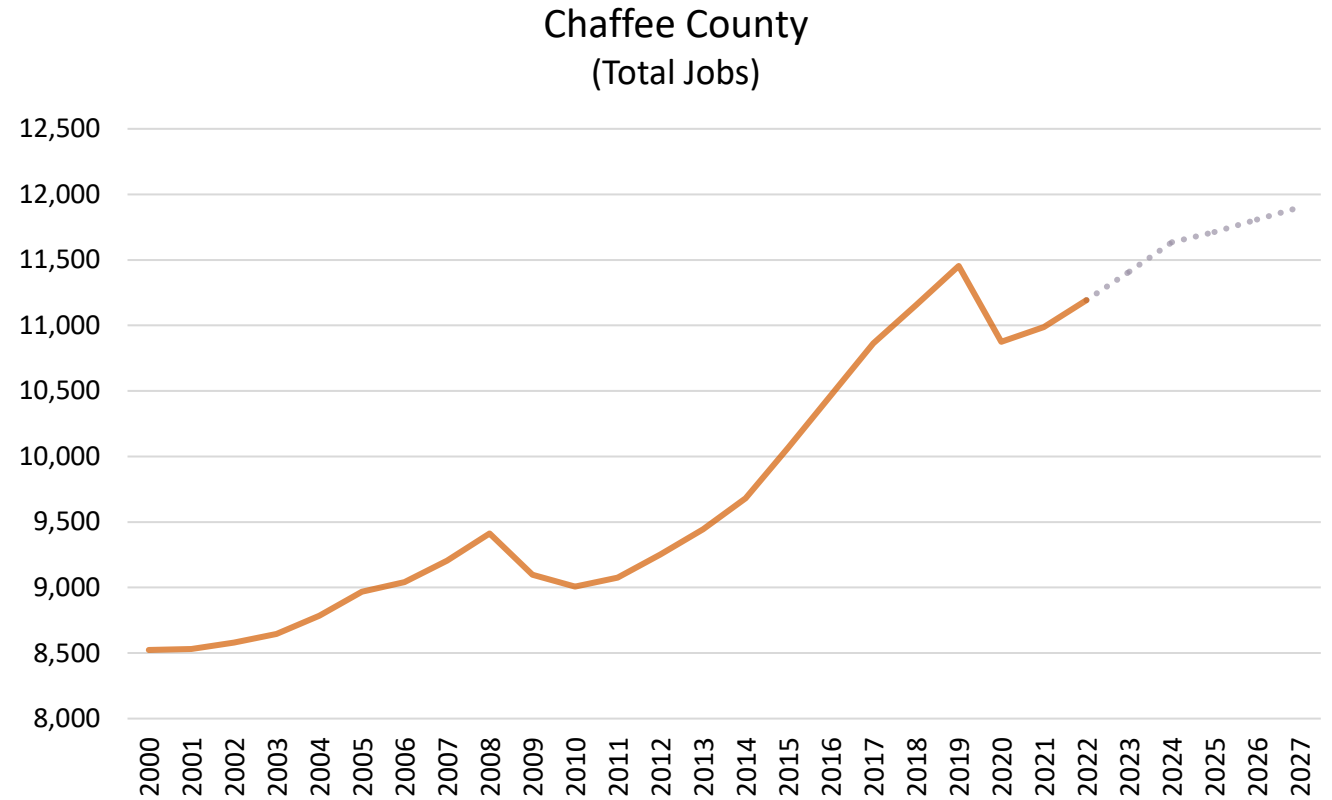


# Job Growth

The total number of jobs in Chaffee County grew by 3.3% per year on average in the lead up to COVID (2015 to 2019). But, job growth from 2000 to 2021 was much slower (1.2%) due to the downturn of the Great Recession and the more recent COVID recession. The Colorado Demography Office projects the addition of over 700 new jobs over the next five years at a rate of 1.2% per year on average, which aligns with the longer term rate of growth since 2000.

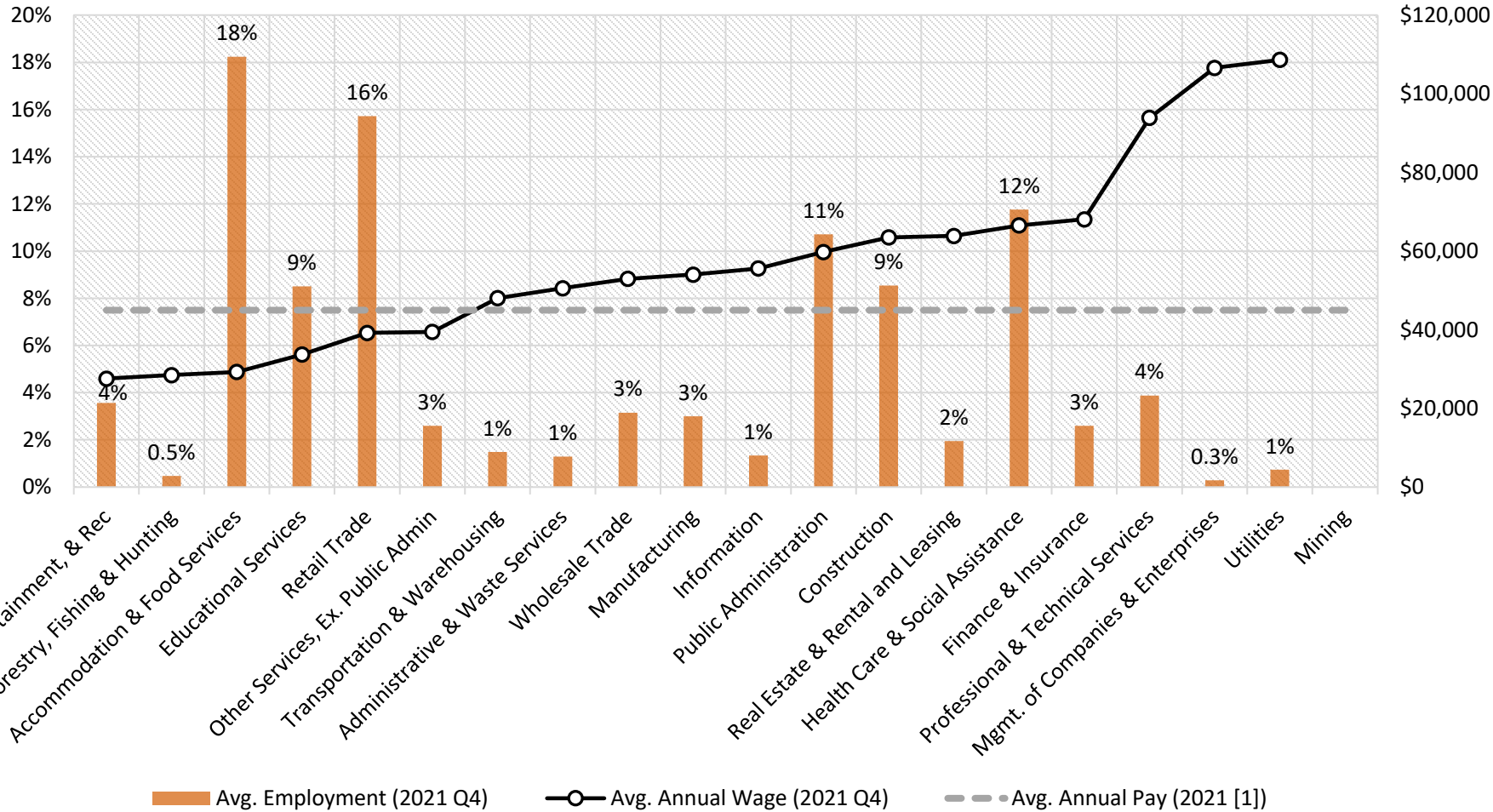
An increase in jobs creates housing demand, but an economic shock or slowdown relative to projections will temper demand. If the economy gets back to pre-pandemic job growth rates, 1.2% growth per year on average is conservative. It is very important to monitor actual job growth in real time relative to these projections.

The preliminary unemployment rate (not seasonally adjusted) in April 2022 was 2.4%, which is only slightly higher than in April 2019 (2.2%). **Employers with access to housing in a tight labor market will have a competitive advantage when recruiting.**



Source: Colorado Demography Office

# Pay by Sector



The two sectors with the largest share of jobs are accommodation and food services, followed by retail trade. Combined they represent just over one third (34%) of covered jobs in the county, but pay below the average annual pay of about \$45,000 (about 80% AMI for 1-person household).

Public administration (government) and Health Care/Social Assistance are the third and fourth largest sectors and pay above the county average annual pay.

Note: employment data for mining sector suppressed to ensure confidentiality  
 Source: QCEW data - Bureau of Labor Statistics & Colorado Department of Labor & Employment

# Ownership + Rental Market



# Rental Market

## Property Manager/Landlord/Tenant Survey

Chaffee Housing Authority's *Property Manager Landlord and Tenant Survey* found that 8 out of 10 landlords and property managers use word of mouth to advertise rentals (79%). As a result, there are more units on the rental market not captured in the table above. Despite this, more rental supply at affordable price points is still needed. The findings are also noteworthy because rental availability is mostly not publicly available. As a result, vulnerable populations, including people of color and lower-income households, may not have access to many rental opportunities. Moreover, new employees attempting to move to the area will also be at a competitive disadvantage. When asked about their willingness to advertise listings on the Housing Authority's website, over half (52%) of landlord and property managers indicated they would do so. Should this occur, it would result in a more equitable method of advertising rentals.

## Chaffee County Rental Listings April-May 2022

	# of Rentals [1]	Median Monthly Rent	Median # of Bedrooms
Buena Vista	12	\$2,020	3
Poncha Springs	1	\$1,200	1
Salida	30	\$1,775	2
Unincorp. Chaffee County	5	\$1,850	2
Total	48	\$1,825	2

[1] based on listing address  
Source: consultant team

## Online Listings

Between April and May of 2022, 48 rental units were found advertised online across Chaffee County. 63% of these were found in Salida (30) and only one was listed in Poncha Springs. Average asking rent in 2016 was \$1,400. It was \$2,000 in the spring of 2022, an increase of about 43%. The median monthly rent is a little lower (\$1,825).

# Rental Market – Listing vs. Renter Distribution

AMI	Household Income (2-person household)	Max Affordable Rent (2-person household)*	Renter Household Distribution	Share of Current Listings (April-May 2022)
<30%	< \$19,740	\$494	18%	0%
30.1-60%	\$19,741 to \$39,480	\$987	31%	4%
60.1-80%	\$39,481 to \$52,640	\$1,316	12%	13%
80.1-100%	\$52,641 to \$65,800	\$1,645	10%	23%
100.1-120%	\$65,801 to \$78,960	\$1,974	7%	15%
120.1-140%	\$78,961 to \$92,120	\$2,303	6%	19%
140.1-160%	\$92,121 to \$105,280	\$2,632	3%	6%
160.1-200%	\$105,281 to \$131,600	\$3,290	4%	15%
>200%	> \$131,600	>\$3,290	8%	6%
			100%	100% (48 listings)



Of the online listings between April and May of 2022, almost 70% were priced to be affordable to those with incomes between 60% and 140% AMI.

Almost half of renter households in the county (49%), however, can afford no more than \$1,000 per month. Only two listings fell into this price range. One of these was a room for rent in Salida for \$800 and the other was a small one bedroom in Buena Vista for \$950.

Renters making under \$40,000 have few to no publicly listed rental options.

\*inclusive of utilities

Source: CHFA; Ribbon Demographics, LLC; consultant team

# For Sale Market

Sale prices have increased dramatically in recent years and wage growth has not kept up.

- The average sale price in 2021 was double that in 2015. Prices have continued to climb in 2022.
- The rate of growth from 2015 to 2020, and more recently, far exceeds that of 2010 to 2015.

Growth in average annual pay was 3% per year from 2010 to 2015, but from 2015-2020 wages only grew at 5.2% per year, much lower than the 9.6% increase in the average home price in the county. This continued in 2021 with 4.6% wage growth compared to a 26% increase in the average sale price. The rise in interest rates in the first half of 2022 further eroded affordability.

	Average Sale Price			
	2015	2020	2021	2022 [1]
<b>Chaffee County</b>	<b>\$307,215</b>	<b>\$486,815</b>	<b>\$612,805</b>	<b>\$688,564</b>
Buena Vista	\$289,190	\$369,485	\$542,914	\$546,424
Poncha Springs	\$254,876	\$407,612	\$520,744	\$570,180
Salida	\$318,464	\$436,301	\$527,390	\$662,471

	Annual Average Price Growth			
	2010-2015	2015-2020	2020-2021	2021-2022 [1]
<b>Chaffee County</b>	<b>1.3%</b>	<b>9.6%</b>	<b>26%</b>	<b>12%</b>
Buena Vista	0.9%	5.0%	47%	1%
Poncha Springs	1.2%	9.8%	28%	9%
Salida	1.6%	6.5%	21%	26%

[1] sales through May 10, 2022

Source: BLS QCEW; 2016 Chaffee County Housing Needs Assessment and Strategy; MLS, consultant team

# For Sale Market – Unit Type & Bedrooms

The majority of units sold between 2020 and 2022 (81%) have been single family homes. Multi-family homes comprise the smallest share (7%) of sales over this time period.

Less than one third of sales per year since 2020 have been two-bedroom units or smaller. Most homes sold have had three or more bedrooms.

## Chaffee County Homes Sold by Type

	# sold	Single Family	Townhome/ Condo	Multi-Family
2020	622	80%	12%	8%
2021	605	83%	10%	7%
2022	167	80%	16%	4%
Total 2020-2022 [1]	1,134	81%	12%	7%

## Number of Units Sold by Bedroom Size

	Studio/1	2	3	4+
2020	3%	24%	56%	16%
2021	7%	20%	55%	17%
2022 [1]	10%	20%	54%	16%

[1] sales through May 10, 2022  
Source: MLS

# Ownership Market - Prices Needed

AMI	Household Income (2-person household)	Max Affordable Price [1] (2-person household)	Owner Household Distribution	Listings [2] (June 1, 2022)
<30%	< \$19,740	< \$64,100	9%	0%
30.1-60%	\$19,741 to \$39,480	\$128,100	16%	0%
60.1-80%	\$39,481 to \$52,640	\$170,900	10%	0%
80.1-100%	\$52,641 to \$65,800	\$213,600	10%	0%
100.1-120%	\$65,801 to \$78,960	\$256,300	9%	0%
120.1-140%	\$78,961 to \$92,120	\$299,000	10%	0%
140.1-160%	\$92,121 to \$105,280	\$341,700	16%	0%
160.1-200%	\$105,281 to \$131,600	\$427,200	9%	0%
>200%	> \$131,600	> \$427,200	10%	100%
Total		-	100%	100% (100 listings)



No homes were listed for sale at the start of June 2022 at a price affordable to those making under \$132,000 per year.

The least expensive home was listed for \$509,000, which requires a household income of about \$157,000 (238% AMI) to afford.

[1] Max purchase price assumes 30-year mortgage at 6.75% interest with 5% down and 20% of the payment covering taxes, HOA, PMI and insurance.

[2] Active listings as of June 1, 2022

Source: CHFA; Ribbon Demographics, LLC; MLS; consultant team

# Housing Needed



# How many more homes by 2027?

This section quantifies the number of additional housing units needed through 2027 to house the local workforce, broken down into the following two categories.

- **Catch-Up Need** – the number of housing units needed now to address current deficiencies in housing based on employees needed to fill unfilled jobs.
- **Keep-Up Need** – the number of units needed to keep-up with future housing demand through 2027 based on job growth and jobs vacated by retiring employees.

Other market segments are not accounted for. This includes current waitlists for housing, housing needed for seasonal employees, overcrowding, or households that will be forced to leave due to housing conditions.

# Catch Up Need

Number of  
units needed  
today

435

The Colorado Demography Office estimates about 11,000 total jobs in the county, but many jobs are not currently filled. Based on information gathered from employer surveys and interviews in other Colorado and mountain west communities, the share of unfilled jobs in recent years ranges from about seven to fifteen percent. An eight percent rate was used for this analysis, which may be conservative. The number of housing units needed to house employees filling these jobs is 490, but 54 units were subtracted from this figure to account for Salida Ridge (low income housing tax credit project) and M&3<sup>rd</sup> under construction in Salida. This brings the adjusted total catch-up need to 435.

This is the number of units needed today to allow employers in the county to compete for workers. The labor market is tight and an adequate supply of housing affordable to workers is a competitive advantage as workers decide what job to take.

Unfilled Jobs	
Total jobs, Chaffee County (2021)	11,000
Unfilled jobs (8%)	880
Jobs per employee	1.08
Employees per households with a worker	1.66
<b>New housing units needed to house employees</b>	<b>490</b>

<b>New housing units needed to house employees</b>	<b>490</b>
Pending development adjustment	54
<b>Total Catch Up</b>	<b>435</b>

Note: figures rounded

# Catch Up Need Discussion

The 440 additional catch-up housing units are needed to create a more functional rental market and balanced for sale market.

## **Functional Rental Market**

The rental vacancy rate in Chaffee County is below 5% and a larger supply of rentals is needed to create a functional market. Issues stemming from a low vacancy rate include the following.

- Rents increase faster than wages/incomes
- Renters have difficulty moving to another rental when their circumstances change
- New employees moving to town struggle to find housing and may turn down jobs, which adversely impacts businesses and the economy
- Renters are more easily displaced when owners sell or rents increase beyond what can be paid
- Landlords have little incentive to make repairs and capital investments

## **Balanced For Sale Market**

As of June 1, 2022, there were only 100 homes listed for sale in Chaffee County. This represented about a 2 month supply of inventory relative to average monthly sales in 2021.

A general industry standard is that when the number of homes available for sale is below a 6-month supply, it is a seller's market – meaning that there are more buyers than homes available to purchase and prices rise.

# Keep Up Need

Homes Needed for Job Growth	
New Jobs (through 2027) [1]	570
Jobs per employee	1.08
Employees filling jobs	528
Employees per households with a worker	1.66
<b>New housing units needed to house employees</b>	<b>320</b>

Retirees	
# to retire (assumes 7% of 2021 total jobs)	770
Employees per households with a worker	1.66
<b>Housing units needed (assumes 25% of retirees leave county)</b>	<b>350</b>

<b>Total Keep Up</b>	<b>670</b>
----------------------	------------

Note: figures rounded

[1] Colorado Demography Office; accounts for 4 of 5 years of projected growth

## Number of units needed through 2027

670

670 new homes are needed to keep up with job growth and retirements.

### Job Growth

To keep up with projected job growth through 2027, about 320 new homes are needed in Chaffee County to house these workers. Because some of the unfilled jobs captured in the catch-up need may be included in job projections, the “new jobs” row only accounts for four years of growth rather than five to avoid the potential for double counting.

### Retirees

As current workers retire, new employees filling their jobs will need housing. The assumption used in this assessment is that 75% of retirees will remain in their homes. It also assumes that 7% of current workers will retire between now and 2027, a rate similar to that in other Colorado communities in the past year. About 350 new homes are needed to house employees replacing retirees.

# Chaffee County Need Summary

**New Housing  
Needed by  
2027**

**435**

**Catch Up Need**  
The number of housing units needed today, adjusted for pending development

**+**

**670**

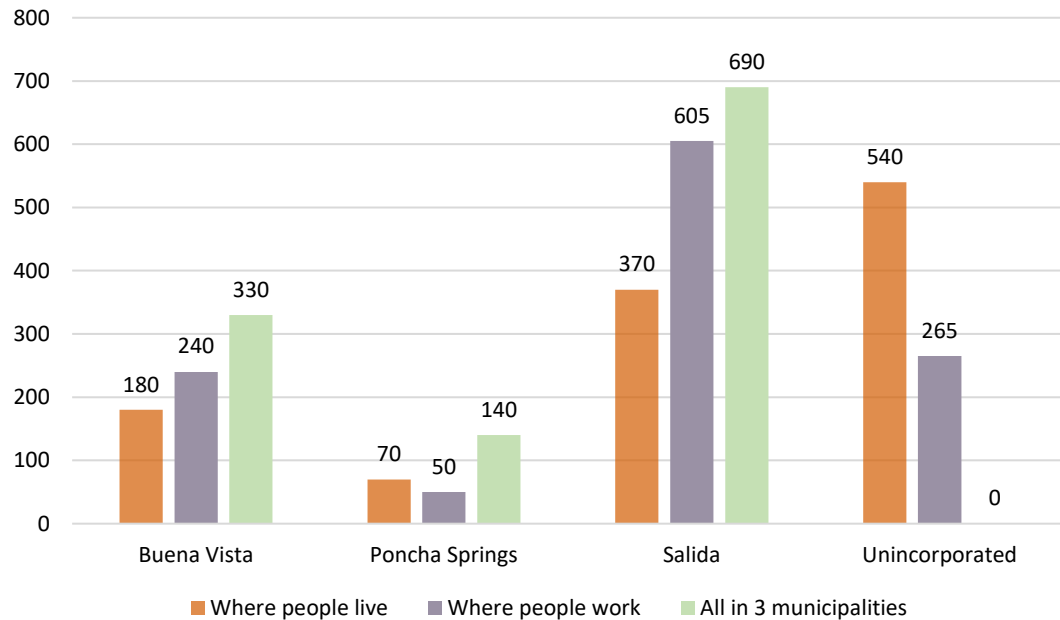
**Keep Up Need**  
The number of housing units needed through 2027 to address job growth and retirements

**=**

**1,105**

**Total Need**

# Housing Need by Location



Note: figures rounded

Source: Colorado Demography Office, ESRI, consultant team

This assessment looks at three methods of allocating need by geography. The location of where new housing is needed differs whether new homes are built where people currently live (household distribution) or where they work (jobs distribution). Focusing housing near jobs reduces commuting.

Allocating the number of new homes needed by 2027 prior to any pending development adjustment (1,160) by where people live and work shows large differences. Salida needs about 370 new homes based on its share of households, but many people commute in to Salida for work. Adding homes based on Salida's share of county jobs would require construction of 605 new homes to meet the need.

Where new housing is built is driven by many variables, including local policy. Policy decisions can facilitate or hinder new residential construction, and direct it to municipalities. The consultant team recommends focusing new workforce housing in the three municipalities to the extent practicable. These areas tend to have jobs, services, infrastructure that supports more efficient and affordable development patterns, and a safer wildland/urban interface. Allocating all housing needed by 2027 into the three municipalities (excluding new housing in the unincorporated county) would result in the need for about 690 new units in Salida, 330 in Buena Vista, and 140 in Poncha Springs.

Most communities set production goals that combine considerations including need, resources, and desired outcomes. Goals are often lower than the full need number.

# Housing Need by Tenure

The distribution of the need by tenure (own vs. rent) is dependent upon the desire of the community, policy set by the local and county jurisdictions, and project feasibility. The rate of homeownership in Chaffee County is very high, near 80%.

A tenure split focused on building more rentals, which are needed, is also shown in the table at right and used as the assumed split when allocating the need by income on the following pages.

Ultimately, a combination of local policy direction, available financing, and developer preference will determine the tenure split of what is built.

	<b>Current Conditions</b> 78% Own / 22% Rent	<b>Focus on Rentals</b> 40% Own / 60% Rent
Units needed through 2027	1,160	1,160
Ownership	905	465
Pending Development Adjustment (M&3 <sup>rd</sup> )	6	6
Adjusted Ownership Units Needed	900	460
Rental	255	695
Pending Development Adjustment	48	48
Adjusted Rentals Needed	205	645

Note: figures rounded  
Source: current condition tenure split from 2015-2019 ACS

# Rental Units Needed by AMI through 2027

## Total Region

The table below allocates the need for 695 total rental units (60% of the total need) by the estimated income distribution of renters in Chaffee County in 2022, and adjusts for pending development. About 380 (or over 60%) new rentals are needed at prices below \$1,300 per month.

	AMI								
	<30%	30.1-60%	60.1-80%	80.1-100%	100.1-120%	120.1-140%	140.1-160%	160.1-200%	>200%
Max. Income	\$19,740	\$39,480	\$52,640	\$65,800	\$78,960	\$92,120	\$105,280	\$131,600	> \$131,600
Max. Affordable Rent	\$494	\$987	\$1,316	\$1,645	\$1,974	\$2,303	\$2,632	\$3,290	> \$3,290
Renter Income Distribution	18%	31%	12%	10%	7%	6%	3%	4%	8%
Rental Units Needed by AMI [1]	125	220	85	70	50	45	20	30	50
Pending development	3	45	0	0	0	0	0	0	0
<b>Rental Units Needed After Pending Development is built</b>	<b>120</b>	<b>175</b>	<b>85</b>	<b>70</b>	<b>50</b>	<b>45</b>	<b>20</b>	<b>30</b>	<b>50</b>

[1] incomes at each AMI are reported for a 2-person household; figures rounded

# Ownership Units Needed by AMI through 2027

## Total Region

The table below allocates the 465 total ownership units needed (40% of the total need) by the estimated income distribution of homeowners in Chaffee County in 2022.

- 85 additional homes for sale priced from \$130,000 to \$215,000
- 170 additional homes for sale priced from \$215,000 to \$345,000

	AMI								
	<30%	30.1-60%	60.1-80%	80.1-100%	100.1-120%	120.1-140%	140.1-160%	160.1-200%	>200%
Max. Income	\$19,740	\$39,480	\$52,640	\$65,800	\$78,960	\$92,120	\$105,280	\$131,600	> \$131,600
Max. Affordable Purchase Price [1]	\$64,100	\$128,100	\$170,900	\$213,600	\$256,300	\$299,000	\$341,700	\$427,200	> \$427,200
Owner Income Distribution	9%	16%	10%	10%	9%	10%	16%	9%	10%
Ownership Units Needed by AMI	45	75	45	45	45	50	75	40	45
Pending development	0	0	2	4	0	0	0	0	0
<b>Ownership Units Needed After Pending Development is built</b>	<b>45</b>	<b>75</b>	<b>45</b>	<b>40</b>	<b>45</b>	<b>50</b>	<b>75</b>	<b>40</b>	<b>45</b>
For sale listings [2]	0	0	0	0	0	0	0	0	100

Note: incomes at each AMI are reported for a 2-person household; figures rounded

[1] Max purchase price assumes 30-year mortgage at 6.75% interest with 5% down and 20% of the payment covering taxes, HOA, PMI and insurance; [2] as of June 1, 2022

# Rental Units Needed by AMI through 2027

## Salida

The table below allocates 415 new rental units in Salida by the estimated income distribution of renters in Chaffee County in 2022. The 415 units needed assumes all housing is built in the three municipalities (see page 35) and 60% of it is for rent (see page 36). A small adjustment is made for the Salida Ridge development, which is pending. The majority of new rentals (~60%) should be priced below \$1,300 per month.

	AMI								
	<30%	30.1-60%	60.1-80%	80.1-100%	100.1-120%	120.1-140%	140.1-160%	160.1-200%	>200%
Max. Income	\$19,740	\$39,480	\$52,640	\$65,800	\$78,960	\$92,120	\$105,280	\$131,600	> \$131,600
Max. Affordable Rent	\$494	\$987	\$1,316	\$1,645	\$1,974	\$2,303	\$2,632	\$3,290	> \$3,290
Renter Income Distribution	18%	31%	12%	10%	7%	6%	3%	4%	8%
Rental Units Needed by AMI [1]	75	130	50	40	30	25	15	20	30
Pending development (Salida Ridge)	3	45	0	0	0	0	0	0	0
<b>Rental Units Needed After Pending Development is built</b>	<b>60</b>	<b>85</b>	<b>50</b>	<b>40</b>	<b>30</b>	<b>25</b>	<b>15</b>	<b>20</b>	<b>30</b>

[1] incomes at each AMI are reported for a 2-person household; figures rounded

# Ownership Units Needed by AMI through 2027

## Salida

The table below allocates 275 new for sale units in Salida by the estimated income distribution of homeowners in Chaffee County in 2022. This number of units assumes all housing is built in the three municipalities (see page 35) and 40% of it is for sale (see page 36). A small adjustment is made for the Chaffee Housing Trust M & 3<sup>rd</sup> project, which is scheduled to be available fall of 2022.

- 50 additional homes for sale priced from \$130,000 to \$215,000
- 100 additional homes for sale priced from \$215,000 to \$345,000

	AMI								
	<30%	30.1-60%	60.1-80%	80.1-100%	100.1-120%	120.1-140%	140.1-160%	160.1-200%	>200%
Max. Income	\$19,740	\$39,480	\$52,640	\$65,800	\$78,960	\$92,120	\$105,280	\$131,600	> \$131,600
Max. Affordable Purchase Price [1]	\$64,100	\$128,100	\$170,900	\$213,600	\$256,300	\$299,000	\$341,700	\$427,200	> \$427,200
Owner Income Distribution	9%	16%	10%	10%	9%	10%	16%	9%	10%
Ownership Units Needed by AMI	25	45	25	25	25	30	45	25	30
Pending development (M & 3 <sup>rd</sup> )	0	0	0	6	0	0	0	0	0
<b>Ownership Units Needed After Pending Development is Built</b>	<b>25</b>	<b>45</b>	<b>25</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>45</b>	<b>25</b>	<b>30</b>
For sale listings [2]	0	0	0	0	0	0	0	0	25

Note: incomes at each AMI are reported for a 2-person household; figures rounded

[1] Max purchase price assumes 30-year mortgage at 6.75% interest with 5% down and 20% of the payment covering taxes, HOA, PMI and insurance; [2] as of June 1, 2022

# Rental Units Needed by AMI through 2027

## Buena Vista

The table below allocates 200 new rental units in Buena Vista by the estimated income distribution of renters in Chaffee County in 2022. The 200 units needed assumes all housing is built in the three municipalities (see page 35) and 60% of it is for rent (see page 36). The majority of new rentals (~60%) should be priced below \$1,300 per month.

	AMI								
	<30%	30.1-60%	60.1-80%	80.1-100%	100.1-120%	120.1-140%	140.1-160%	160.1-200%	>200%
Max. Income	\$19,740	\$39,480	\$52,640	\$65,800	\$78,960	\$92,120	\$105,280	\$131,600	> \$131,600
Max. Affordable Rent	\$494	\$987	\$1,316	\$1,645	\$1,974	\$2,303	\$2,632	\$3,290	> \$3,290
Renter Income Distribution	18%	31%	12%	10%	7%	6%	3%	4%	8%
<b>Rental Units Needed by AMI [1]</b>	<b>35</b>	<b>65</b>	<b>25</b>	<b>20</b>	<b>15</b>	<b>15</b>	<b>5</b>	<b>5</b>	<b>15</b>

[1] incomes at each AMI are reported for a 2-person household; figures rounded

# Ownership Units Needed by AMI through 2027

## Buena Vista

The table below allocates 130 new for sale units in Buena Vista by the estimated income distribution of homeowners in Chaffee County in 2022. This number of units assumes all housing is built in the three municipalities (see page 35) and 40% of it is for sale (see page 36).

- 30 additional homes for sale priced from \$130,000 to \$215,000
- 45 additional homes for sale priced from \$215,000 to \$345,000

	AMI								
	<30%	30.1-60%	60.1-80%	80.1-100%	100.1-120%	120.1-140%	140.1-160%	160.1-200%	>200%
Max. Income	\$19,740	\$39,480	\$52,640	\$65,800	\$78,960	\$92,120	\$105,280	\$131,600	> \$131,600
Max. Affordable Purchase Price [1]	\$64,100	\$128,100	\$170,900	\$213,600	\$256,300	\$299,000	\$341,700	\$427,200	> \$427,200
Owner Income Distribution	9%	16%	10%	10%	9%	10%	16%	9%	10%
<b>Ownership Units Needed by AMI</b>	<b>10</b>	<b>20</b>	<b>15</b>	<b>15</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>10</b>	<b>15</b>
For sale listings [2]	0	0	0	0	0	0	0	0	16

Note: incomes at each AMI are reported for a 2-person household; figures rounded

[1] Max purchase price assumes 30-year mortgage at 6.75% interest with 5% down and 20% of the payment covering taxes, HOA, PMI and insurance

[2] as of June 1, 2022

# Rental Units Needed by AMI through 2027

## Poncha Springs

The table below allocates 85 new rental units in Poncha Springs by the estimated income distribution of renters in Chaffee County in 2022. The 85 units needed assumes all housing is built in the three municipalities (see page 35) and 60% of it is for rent (see page 36). The majority of new rentals (~60%) should be priced below \$1,300 per month.

	AMI								
	<30%	30.1-60%	60.1-80%	80.1-100%	100.1-120%	120.1-140%	140.1-160%	160.1-200%	>200%
Max. Income	\$19,740	\$39,480	\$52,640	\$65,800	\$78,960	\$92,120	\$105,280	\$131,600	> \$131,600
Max. Affordable Rent	\$494	\$987	\$1,316	\$1,645	\$1,974	\$2,303	\$2,632	\$3,290	> \$3,290
Renter Income Distribution	18%	31%	12%	10%	7%	6%	3%	4%	8%
<b>Rental Units Needed by AMI [1]</b>	<b>15</b>	<b>25</b>	<b>10</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

[1] incomes at each AMI are reported for a 2-person household; figures rounded

# Ownership Units Needed by AMI through 2027

## Poncha Springs

The table below allocates 55 new for sale units in Poncha Springs by the estimated income distribution of homeowners in Chaffee County in 2022. This number of units assumes all housing is built in the three municipalities (see page 35) and 40% of it is for sale (see page 36).

- 10 additional homes for sale priced from \$130,000 to \$215,000
- 20 additional homes for sale priced from \$215,000 to \$345,000

	AMI								
	<30%	30.1-60%	60.1-80%	80.1-100%	100.1-120%	120.1-140%	140.1-160%	160.1-200%	>200%
Max. Income	\$19,740	\$39,480	\$52,640	\$65,800	\$78,960	\$92,120	\$105,280	\$131,600	> \$131,600
Max. Affordable Purchase Price [1]	\$64,100	\$128,100	\$170,900	\$213,600	\$256,300	\$299,000	\$341,700	\$427,200	> \$427,200
Owner Income Distribution	9%	16%	10%	10%	9%	10%	16%	9%	10%
<b>Ownership Units Needed by AMI</b>	<b>5</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>5</b>	<b>5</b>
For sale listings [2]	0	0	0	0	0	0	0	0	14

Note: incomes at each AMI are reported for a 2-person household; figures rounded

[1] Max purchase price assumes 30-year mortgage at 6.75% interest with 5% down and 20% of the payment covering taxes, HOA, PMI and insurance

[2] as of June 1, 2022

# Housing Need by Bedroom Count

Over three quarters (77%) of households in Chaffee County are comprised of just one or two people. This includes single people living alone, couples without children, and roommates.

---

## Household Size Distribution, Chaffee County

1-person	28%
2-person	49%
3-person	11%
4+ persons	12%

---



Applying the following assumptions to the number of housing units needed, as adjusted for pending development (1,105), shows that all but about 130 units should be studio, one- and two-bedroom units. Not only are smaller units needed to better align the housing stock with the size of households, but they are needed to reduce the capital gap covered on subsequent pages. The assumptions below are generally aligned with the Colorado Housing and Finance Authority’s standard of 1.5 persons per bedroom.

- Studio/1-bedroom: assumes all 1-person households and half of 2- person households
- 2 Bedrooms: assumes half of 2-person households and all 3-person households
- 3 Bedrooms or more: assumes all households with 4+ people

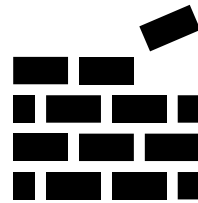
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## Housing Needed by Bedroom Count

	# of Units Needed	Share of Units Needed	Current Share of Homes
Housing Units Needed <i>(adjusted for pending development)</i>	1,105	1,105	---
Studio/1-bedroom	580	53%	11%
2-bedrooms	395	36%	32%
3+ bedrooms	130	12%	57%

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# Housing Production



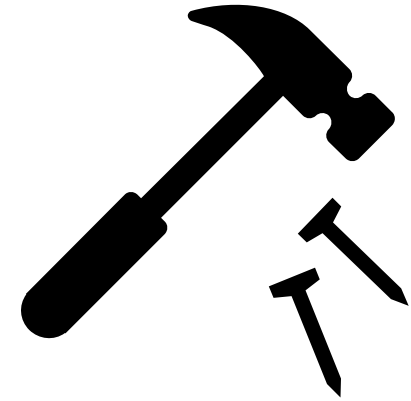
# Deed Restricted Housing Compared to 2016 Needs

The 2016 Housing Needs Assessment set a production goal of 10% of the total need identified, or about 27 units per year. This means that 162 new units should have been constructed since that assessment (6 years x 27 units per year = 162). It also recommended that the majority of new units be priced to be attainable for households with incomes under 60% AMI.

The recommendations in the 2016 report were met to a large degree.

- A total of 110 deed restricted units have been built since that assessment was completed.
- The majority of units built were priced to be affordable to households with incomes below 60% AMI.

Nonetheless, market pressures have reduced available inventory and prices have increased, creating greater need for deed restricted housing for the Chaffee County workforce. A higher rate of production is needed and recommended going forward.



# Recent Deed Restricted Sales

Recent sales of deed restricted homes underscore the benefits of this tool and the reason more restricted units are needed. They are selling for a much lower price than market rate housing for the same number of bedrooms, and prices are better aligned with local incomes (see page 28). Based on recent sales, the market is about two to three times more expensive.

Recent Deed Restricted Home Sales

Bedrooms	Size (square feet)	Deed Restricted Sale Price Range	Average Condo Market Sale Price 2022 [1]
1 bedroom condo (Salida)	415	\$149-\$150,000	\$432,000
2 bedroom condo (Salida)	786	\$180-\$182,000	\$547,833
2 bedroom townhome (Buena Vista)	1,152	\$205-\$207,000	\$406,125
3 bedroom condo (Salida)	900	\$210,000	\$529,375 [2]

[1] condo sales through May 10, 2022 in Salida and Buena Vista by corresponding bedroom size

[2] a market rate 3-bedroom single family home across the street from the recently sold deed restricted townhome

Source: Chaffee Housing Trust, MLS

# Rate of Construction

To meet the entire housing need identified (1,105), 221 additional units need to be built each year through 2027. Few communities seek to meet the full need. Rather, the consultant team recommends the region set a policy goal that combines market need, available resources, and desired outcomes.

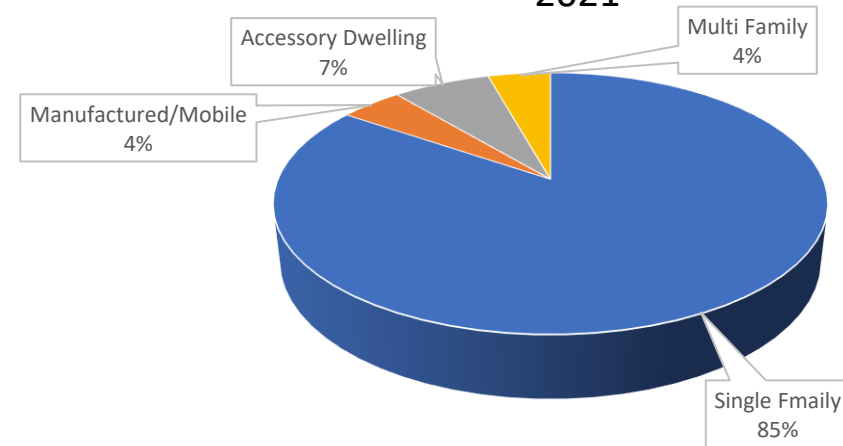
Since 2016, an average of 322 building permits have been issued each year across the county. This is a strong rate of production, however, there is a mismatch between what locals can afford and what is being built:

- 81% were single family homes
- 41% are in the unincorporated county, where housing tends to be farther from jobs, transportation, and other services, driving up the cost of living
- High cost of construction dictates that home prices and rents will likely be out of reach for most local workers. (See Capital Gap page 50 and 51.)

Residential Building Permits by Location: 2016 -2021

	Unincorporated County	Buena Vista	Poncha Springs	Salida	Total
Total since 2016	802	334	310	485	1,931
Annual Average	134	56	52	81	322
Market Rate	802	286	310	423	1,821
Deed Restricted	-	48	-	62	110
Deed Restricted % of total	0%	14%	0%	13%	6%

Residential Building Permits by Housing Type: 2016 - 2021



Source: Chaffee County Building Department, Salida, Buena Vista, interviews, CHFA

# Big Challenge: The Capital Gap

The cost of new construction has increased significantly in the last 24 months. In April 2022, new construction was estimated to cost between \$300 and \$325 per square foot inclusive of all costs. Using the low end of current construction prices, a two-person household earning \$65,800 per year (100% AMI) can only afford a home with 700 square feet.

- The market will continue to build for households earning 160% AMI and higher.
- Financial assistance and subsidies are needed to help cover the gap between what it costs to build and what local households can afford.
- Building housing that covers the capital gap is difficult and requires a large amount of time, money, and coordination among many entities.

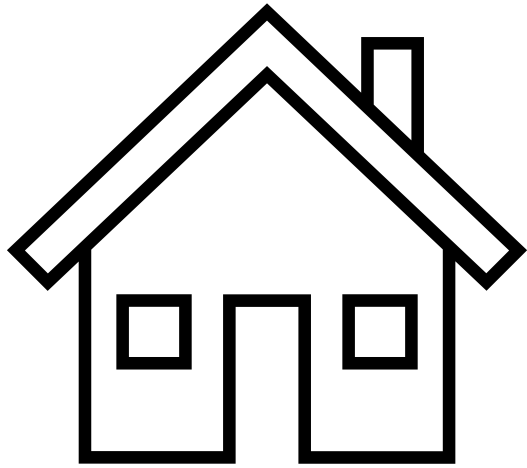
Home Size (square feet)	Cost to Construct at \$300 per square foot	Amount a 2-person household earning 100% AMI (\$65,800/year) can afford [1]	Capital Gap
600	\$180,000	\$213,600	\$33,600
700	\$210,000	\$213,600	\$3,600
800	\$240,000	\$213,600	(\$26,400)
1000	\$300,000	\$213,600	(\$86,400)
1200	\$360,000	\$213,600	(\$146,400)
1400	\$420,000	\$213,600	(\$206,400)
1600	\$480,000	\$213,600	(\$266,400)

The average size of homes sold in Chaffee County in 2020, 2021 and 2022 (through early June) was about 1,800 square feet.

[1] Max purchase price assumes 30-year mortgage at 6.75% interest with 5% down and 20% of the payment covering taxes, HOA, PMI and insurance  
Source: MLS, CHFA, consultant team

# Understanding the Capital Gap

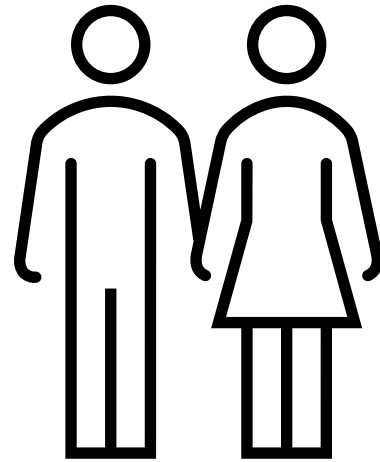
Single Family Home: 1,200 square feet



**\$360,000**

**What it costs to build**

@ \$300 per square foot



**\$215,000**

**Who we are trying to serve**

2-person household earning 100% AMI  
can afford



**\$145,000**  
Capital  
Gap

**Community  
investment  
required**

# Housing Initiatives

Across the County, there are numerous initiatives to support preserving and building new community housing. Most of the community housing development projects will require extensive funding support to overcome the capital gap illustrated on pages 50 and 51. Key development projects and promising initiatives include:

## Development Projects

- Salida
  - Jane's Place
  - Salida Ridge
  - River Ridge
  - M & 3rd
  - PUDs that include community housing (e.g., West End)
- Buena Vista
  - The Farm
  - Carbonate Street

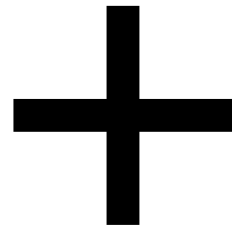
## Other Initiatives

- Chaffee County Permit Moratorium
- Bring Everyone Through the Crisis of Housing – community activists
- Exploration of dedicated local funding sources

## Land Use Code Updates

- Chaffee County Comprehensive Plan and Land Use Code Update (underway)
- Salida Land Use Code Update (underway)
- Inclusionary Zoning in Salida (existing)
- Buena Vista Code Audit – specific to making the approvals process better for community housing (underway)

Appendix



# Methodology

A variety of secondary and local sources of published information were used in the preparation of this report, including but not limited to:

- U.S. Census Bureau
  - 2010 Census, 2020 Census (PL94-171 only; full 2020 Census data not available)
  - American Community Survey data.
  - Note: some data used in the report is based on small sample sizes with relatively high margins of error. Data included is as reported by the U.S. Census Bureau.
- LEHD Origin-Destination Employment Statistics
- US Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW)
- State Demography Office, Colorado Department of Local Affairs
- Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW)
- Ribbon Demographics, LLC
- 2022 Area Median Income from the Department of Housing and Urban Development and Colorado Housing and Finance Authority
- Building permit data from Chaffee County

WILLIFORD, LLC

land use & affordable housing

URBANrural  
—continuum—