

Garfield County Housing Assessment

February 2006

Prepared for:
Garfield County

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INTRODUCTION.....	1
PURPOSE.....	1
KEY FINDINGS AND RECOMMENDATIONS.....	1
KEY FINDINGS	2
RECOMMENDATIONS.....	4
POPULATION AND DEMOGRAPHICS.....	7
GARFIELD COUNTY.....	7
COMMUNITY HIGHLIGHTS.....	13
POPULATION AND HOUSEHOLD PROJECTIONS.....	17
COUNTY POPULATION	17
BUILDING PERMITS.....	17
POPULATION GROWTH BY COMMUNITY.....	19
EMPLOYMENT AND COMMUTING	20
JOB PROJECTIONS.....	20
JOBS PER EMPLOYEE AND EMPLOYEES PER HOUSEHOLD	21
JOBS BY INDUSTRY.....	21
WAGES.....	22
EMPLOYMENT BY COMMUNITY.....	23
COMMUTING PATTERNS.....	24
EMPLOYEE PREFERENCES.....	26
HOUSING INVENTORY	31
OWNERSHIP OF UNITS.....	31
FOR SALE HOUSING TRENDS.....	33
MULTIPLE LISTING SERVICE	41
AFFORDABILITY BY AMI.....	43
DEED RESTRICTED HOUSING.....	44
EMPLOYER ASSISTED HOUSING.....	47
PLANNED AND PENDING PROJECTS.....	48
RENTAL HOUSING.....	51
RENTS.....	52
LOCATION.....	52
RENTAL MARKET CONDITIONS – GLENWOOD SPRINGS	53
VACANCY RATES – GLENWOOD SPRINGS	54
VACANCY RATES – GARFIELD COUNTY.....	56
PLANNED AND PENDING PROJECTS.....	57
LOCAL EMPLOYEE HOUSING DEMAND.....	58
IN-COMMUTERS.....	58
OVERCROWDED UNITS.....	59
NEW JOBS.....	60
TOTAL DEMAND.....	61
DEMAND BY AMI AND TENURE	61
LOCAL AND REGIONAL HOUSING REGULATIONS	62
GARFIELD COUNTY INCLUSIONARY ZONING PROGRAM.....	62
OTHER GARFIELD AREA PROGRAMS.....	64
EAGLE COUNTY AREA PROGRAMS.....	66
LEGAL CONSIDERATIONS	67
RENTAL UNITS – TELLURIDE DECISION	67
IMPACT FEES – CRS 29 20 104.5	69

Introduction

This phase of the project provides updated information that is needed to fully understand the affordable housing issues and needs in the region. The emphasis has been on updating the “Definition of Need” section of the 2000 study for the I-82 corridor area of the County (and the Eagle County portion of Basalt). New information is included on the I-70 region of the County, including the towns of New Castle, Silt, Rifle and Parachute.

This includes an evaluation of trends in housing prices, rents, vacancy rates and household incomes; understanding the existing housing inventory and availability in the context of resident housing needs; quantifying housing problems and issues, including cost-burdened households and overcrowded and substandard units; and evaluating jobs, wages and commuting patterns in the area.

Current housing needs have been defined along with 5 and 10-year projections based on expected changes in population and jobs, including jobs expected as a result of pending and potential commercial and residential development. An inventory of employee housing projects that have been constructed in the area since the 2000 study has also been included. Information used for this section of the report was obtained from readily available sources, including recently completed studies and supplemental public information (US Census, Bureau of Labor Statistics, local data, etc.), where needed.

Purpose

This study fulfills several purposes for Garfield County:

1. Definition of Need for housing in the county;
2. Review of Current Housing Policies with an assessment as to the success of these policies in addressing current needs;
3. Recommendations about strategies that would address housing needs in the area as well as strategies that could be considered to further the effectiveness of the current inclusionary zoning program.

Key Findings and Recommendations

Results from this study indicate that there is a wide variance in housing pricing throughout Garfield County, with communities west of Glenwood Springs offering relatively more affordably priced housing to purchase and rent than in the Glenwood Springs/Carbondale area. The communities of Rifle, Silt and New Castle, in particular, appear to be areas that are attracting many of the new local buyers. These areas typically offer a “better value,” meaning a larger home on property for less money than it would cost to live in Glenwood Springs or Carbondale. What is striking about this is that Glenwood Springs and Pitkin County generate most of the jobs for employed Garfield County residents (at a respective 41 percent and 30 percent of jobs) and households are willing to commute to afford a larger place to live. This trend will continue over time; however, about 40 percent of employees in the Carbondale/Glenwood Springs area of Garfield County indicated they would move closer to where they work if more suitable and affordable housing were available, indicating a preference to live nearer work if the market permitted.

The population of Garfield County is projected to increase from about 50,000 today to over 90,000 by 2015, making it clear that all of the Garfield County communities will experience increasing demand for housing in the future. Between 1999 and 2005, the median sale price of single family homes increased about 48 percent and condominiums increased about 22 percent, while average wages paid increased just under 18 percent. It is likely that housing costs throughout the area will continue to rise faster than wages and become less affordable for area residents and employees as future growth continues. Of the 809 units listed for sale in Garfield County on October 21, 2005, 43 percent are priced at or above \$500,000 and every community has homes for sale in these price ranges. The majority of the homes in this price range are in Carbondale and Glenwood Springs (94 percent); however, as supply becomes more scarce relative to demand in New Castle, Silt and Rifle, home prices are likely to continue climbing and these communities will not be affordable to the same households who are buying today.

Key Findings

1. Wages vs. Home Prices: Between 1990 and 2000, incomes in Garfield County as a whole generally kept pace with the increase in rents and mortgage payments when considered at the County level, but were significantly outpaced by the increase in home values. During this same period, the communities of Parachute and Carbondale showed a larger increase in rents and mortgages than household incomes; Glenwood Springs, New Castle and Silt incomes increased at similar rates as mortgages and rents; and household incomes in Rifle increased slower than rents, but faster than mortgages. In all communities, the rise in home values outpaced the increase in household incomes.

Between 1999 and 2005, wages in Garfield County, on average, increased about 18 percent, compared to a 48 percent rise in single family home purchase prices and a 22 percent rise in condominium purchase prices. Current listing prices of homes available for sale indicates that the pattern of sale prices outpacing rise in incomes will continue. Where affordability may have been an issue in the past and currently, it will be exacerbated by an increase in housing prices in relation to the types of existing jobs and jobs being brought to the area.

2. Second Homeowners: Currently, Garfield County is not experiencing tremendous impact from second homeowners. As of October 2005, residents of Garfield County occupied 88 percent of all homes in the area. This is a very high rate of local ownership for an area that is impacted by resorts and tourism. This rate varies by location, with slightly lower rates of local ownership in Carbondale (83 percent), Parachute/Battlement Mesa (83 percent) and Glenwood Springs (85 percent) than in the County as a whole. It is likely that as Garfield County is "discovered" there will be increasing interest from out of area buyers.

The data suggest that out-of-area buyers are more likely to own attached homes than County residents; however, single family homes are clearly the primary housing choice among both groups. Further, while about 45 percent of out-of-area buyers purchased homes priced over \$300,000 (compared to 30 percent of local purchasers), about 31 percent of out-of-area buyers purchased more modestly priced homes (under \$200,000). This competition will drive up the sales prices over time because of the limited supply of housing in the \$200,000 or less range.

3. Home Sale Prices: The median sales price of single-family homes have steadily increased each year since 1999 (48 percent overall), whereas median sales prices of condominiums have fluctuated over time (climbing about 22 percent overall since 1999). These fluctuations have more to do with the types of projects being introduced into the

market each year, rather than indicating that attached units are losing value in certain years over others.

4. Affordability by Area: Comparing affordable purchase prices of homes by Area Median Income in Garfield County to median single family home prices in different areas of the County provides some explanation as to why about 57 percent of the workforce in Garfield County lives west of Glenwood Springs, while about 49 percent of residents are employed in Glenwood Springs or Carbondale. A 3-person household earning 120 percent of the AMI would not be able to afford the median priced single family home sold in 2005 in Glenwood Springs or Carbondale. Affordability increases as one moves west in the County, where a 3-person household earning 80 percent of the AMI in Garfield County could potentially afford a median priced home in the Parachute/Battlement Mesa area.

This is important and points to a tiered housing program in the County based on the region of development. For example, in the Carbondale/Glenwood Springs area, households earning 120 percent or less of the AMI have difficulty affording homes; households earning less than 100 percent AMI will have difficulty in the New Castle and Silt area and households earning less than 80 percent of the AMI may need some assistance in the Rifle/Parachute areas. However, as home prices continue climbing in all areas, these AMI mitigation ranges will be subject to change and should be accordingly tracked.

5. Distribution of Households by Income: There is an uneven distribution of households by income throughout the County. Carbondale shows perhaps the most variation in incomes, with among the highest percentage of households earning 80 percent or more of the AMI (66 percent), along with a relatively high percentage of households earning 30 percent or less of the AMI (11 percent). Parachute has the lowest percentage of households earning above 80 percent of the AMI (28 percent) and a striking 35 percent of households earn in the moderate 50 to 80 percent AMI range.

Home values and rents generally follow the hierarchy of median incomes found in the communities, except for New Castle, which reported the highest median household income at the time of the Census, yet median home values were in the middle of the range.

6. Residential Growth: Residential growth in the area is also uneven, which is not unexpected given local policies and land availability. Rifle, New Castle and unincorporated Garfield County introduced the greatest number of new units into the area between the year 2000 and October 2005. Growth in Silt has been comparatively slow; however, this is largely attributed to a lack of infrastructure for new subdivisions. The infrastructure is now in place and growth is expected to increase significantly as a result.

Glenwood Springs has had among the slowest rate of growth; however, the Glenwood Meadows development will contribute significantly to new residential units being built.

Finally, as of 2005, about 11 percent of housing units in the County were in New Castle; however, between 2000 and 2005 about 17 percent new units built in the County were built in New Castle. Silt, Rifle and Parachute also captured a slightly higher percentage of new residential development in the County (46 percent) than their existing share of residential units (42 percent). This points to the accelerated growth rates in areas west of Glenwood Springs in recent years.

7. **Rental Units:** For the past several years rental housing in Garfield County has been soft; increased vacancies and reduced rents were observed. There has been very little new rental housing introduced into the market, with most being constructed in the 1970's. Currently though, vacancies are below 2 percent and rents are beginning to rise due to a lack of supply. Several new rental projects are planned or are under construction. Given current growth projections, these units should be easily absorbed into the market. Two of these developments will be mixed income projects, with a portion financed with Low Income Housing Tax Credits, which require that certain income restrictions are maintained, with the balance of units being provided at market.

8. **Local Employee Demand:** Existing demand from current Garfield County employees that commute into Garfield County for work is estimated to be for about 628 units – 375 in the Carbondale/Glenwood Springs area and 114 in areas west of Glenwood Springs. Projected job growth estimates in the County will result in demand for an additional 3,895 units by local employees by 2015, with about 73 percent of these units in the Carbondale/Glenwood Springs area. It is expected that the income and tenure distribution of future employees will be similar to the current mix of employee households, meaning that about 33 percent of new units provided would need to be rentals and about 53 percent of the ownership housing will need to be affordable for owner households earning less than 120 percent of the AMI.

Recommendations

1. Currently, Garfield County only imposes inclusionary zoning requirements on PUD's seeking to increase residential density through a change in zoning in the Glenwood Springs/Carbondale area (Comprehensive Plan Study Area 1). The program allows for homes to be acquired and/or built in other areas within Study Area 1 (off-site development), but does not accept payment in lieu.
 - a. It is recommended that Garfield County consider imposing an inclusionary zoning requirement on all new development, including subdivisions. Given the growth in non-residential development throughout the county and increasing home prices, additional housing that is affordably priced for entry and mid-level employees will continue to be in scarce supply. New homes that are produced under an inclusionary zoning requirement will ensure a continuing supply of more affordably priced homes for these employees. This, in turn, will help to stabilize the workforce. It would also be consistent with the inclusionary zoning practices in place in Carbondale and Glenwood Springs.
 - b. The County should accept proposals to provide units off-site, with a provision that they are of comparable quality to those being built within a specific development and located within an agreed upon radius to where a new development is being built. Off-site units could include newly constructed homes as well as existing houses that have been rehabilitated to a near new condition. As part of this provision, the County should also enter into agreements with incorporated communities to locate off-site units in or adjacent to incorporated communities where services are more readily available.
 - c. Payment-in-lieu should be considered, particularly since many projects are large lot/acreage that are not conducive to constructing affordable units. Payment-in-lieu requires that funds be used to increase the supply of affordably priced homes in the area. In this case, it would be anywhere in Garfield County or possibly within a

certain distance from where the project paying the cash is located. There are several mechanisms that could be used to calculate the value of an in-lieu fee, including:

- Using the average or median per foot sales price of homes that have sold in the area for the previous year and applying this to the average size of a deed restricted unit that had been built under the current program. The difference between the total cost to buy a home using the median sales price of all homes on a per square foot basis and the sales price of a deed restricted home would become the in lieu fee. For example, the median per square foot sales price of all homes sold in Glenwood Springs in 2005 was \$155. Assuming the average size of a deed restricted, two bedroom unit was 1,200 square feet results in a price of \$186,000. At 80 percent of the AMI, a three-person household could afford to purchase a home at a price of \$151,483. The in-lieu fee would be \$34,517 (or \$186,000 minus \$151,483), as this is the amount needed to bring the price down to a place where it would be affordable to a household at this income range.
 - Using the median price of similar style homes proposed in a development that were sold the previous year and the median sales price allowed under the inclusionary zoning program for a comparably sized unit. For example, the median sales price of a townhome sold in Carbondale in 2005 was \$287,800. A three-person household at 100% of the AMI might purchase a comparable unit and could afford to pay \$199,711. The cash-in-lieu would be \$88,089.
 - The key to the cash-in-lieu payment for the County is to provide an adjustment that reflects the difference in costs for each community/region. This could also mean adjusting the income thresholds from one area to another. For example, Parachute has more affordably priced homes and also households at lower incomes. To increase homeownership near this community, the income threshold might be decreased to 80 percent of AMI. In contrast, Carbondale and Glenwood Springs have higher housing prices and higher median incomes. To increase ownership in these areas, the upper income limit might be established at 120 percent of the AMI. The resulting fee in lieu for each income group would then be calculated based on the median price of homes in each respective area.
- d. The Roaring Fork Valley Housing Trust Fund (RFVHTF) has been established and its primary purpose is to increase the financial and development capacity needed to construct more affordably priced units. Payment-in-lieu funds could accrue to the Trust Fund and be allocated per its guidelines. To cover administrative costs incurred by both the county and the RFVHTF, the legislation adopting the payment in lieu would stipulate that up to 10 percent of the funds could be used for administration or the payment-in-lieu fee could be increased by 10 percent to cover the cost of administration. Care would need to be exercised so that sufficient funds were available to acquire and/or construct housing with these funds and that administrative costs are kept low to maximize the use of these funds in increasing the supply of affordably priced homes. This is the intended purpose of these dollars and it must be met, if cash-in-lieu is used.
- e. Several communities in the area impose inclusionary zoning or other affordable housing requirements. Each has slightly different guidelines for qualifying households to purchase homes produced as part of the program requirements. Agreement upon some key common guidelines would make program administration easier AND be less confusing for households looking to purchase a deed restricted unit, if possible.

2. New homes along the I-70 Corridor are less expensive than found “up-valley,” yet, these are also the communities that have the greatest potential for growth. About 40 percent of employees in Carbondale and Glenwood Springs would move to the area if affordable and suitable housing was available and 28 percent of New Castle/Rifle employees would move closer to their employment under the same circumstances. This suggests many employees in all communities are looking to live closer to work and that there may be an opportunity to have communities agree to some type of mitigation/zoning requirements that would increase the supply of housing within individual jurisdictions. Given this, Garfield County should consider taking a leadership role in working with these communities to establish complementary inclusionary zoning requirements.

3. Although Garfield County does not have a significant amount of non-residential development, consideration should be given to creating a commercial linkage fee that would generate income related to the demand for housing that is generated by new commercial development. This is recommended for several reasons:
 - a. Meeting housing demand generated as a result of non-residential growth does not fall solely to the residential builder. With this type of fee, non-residential developers are also contributing toward mitigating the impacts of new growth;
 - b. Other communities in the County may be more willing to consider a commercial linkage program if one is in place at the county level; and
 - c. Commercial linkage has been used successfully in other areas without an adverse impact on decisions being made by companies to locate in an area. In addition, many of the new businesses locating in Garfield County will be focused on retail and service related employment, which generally does not pay sufficient wages to cover the higher housing costs found in the area.

Population and Demographics

Information from the 2000 Census was reviewed for Garfield County as well as for each of the incorporated communities covered by this study. Census information provides a benchmark from which other information can be evaluated, in addition to providing insights as to community characteristics at the time of the Census.

Garfield County

For Garfield County, an evaluation of the Census information revealed the following:

- Seasonal/recreational use of homes was very low (less than 3 percent). More recent County Assessor information indicates that there are a growing number of second homeowners in the area; however, it is still a very small percentage of all occupied homes in the county.
- Roughly 27 percent of homes in the county are attached, with six percent of all units in triplex and duplex configuration. About 4 percent of the housing is in larger complexes of 20 or more units; however, this will change with the introduction of several new rental complexes in the County. Glenwood Meadows will have 120 units and White River in Rifle will add another 44 units. Both of these developments are mixed-income rentals, with a portion financed with Low Income Housing Tax Credits and the balance available as market rate units.
- Residential development increased significantly from 1970 to 1980, in keeping with the overall growth cycle of the state. Roughly 23 percent of homes were built during this time and an estimated 31 percent of homes have been built from 1990 to 2000.
- Turnover in the county was fairly high, with 27 percent of residents noting they had moved into their current residence in the 15 months preceding the 2000 Census.
- At the time of the Census, 65 percent of homes were owner occupied. About 16 percent of owner occupied homes were headed by persons age 65 or older. Owners have larger households (2.7 average household size) compared to renters (2.5 persons). Not surprisingly, most owner occupied homes in Garfield county were occupied by families, including couples with and without children and single adults. In contrast, renters tended to be couples and adults living alone.
- At the time of the Census, 14 percent of households were seniors (65+). Another 33 percent of households had someone age 45 to 64. This indicates that demand for senior housing will increase as family members look for places to locate elderly parents, as well as the possibility that households in this age bracket look for more maintenance-free living for themselves.
- The median income of owners in 1999 was 1.7 times more (\$55,410) than renters (\$32,819). Renters were also more likely to pay 30 percent or more of their income for housing (37 percent) than owners (26 percent); a function of the lower income of renters than owners in relation to housing prices. Cost burden is generally a growing problem, as the number of households paying more than 30 percent of their monthly income for housing increased 74 percent between 1990 to 2000.
- The median family income (as reported by HUD) increased 40 percent between 1999 and 2005. At the time of the Census, the median value of single family, owner occupied homes

was \$200,700. Analysis of Garfield County Assessor data shows that the median sales price of single family homes in Garfield County increased 45.9 percent between 1999 (\$185,000) and 2005 (\$270,000). Median contract rent was \$576 in 2000 and the Colorado State Vacancy Survey found the median rent in Glenwood Spring was \$645 in 2005, for an increase of 12 percent. Rents are recovering from the recent down turn in the market and the most recent vacancy survey reported occupancy rates of 98 percent, indicating a lack of supply in rental housing. This will become an increasing problem if growth projections for the area hold true.

- The percentage of households earning 30 percent or less of the AMI remained relatively stable from 1990 to 2000; however, there has been an increase in those earning 51 to 80 percent of the AMI and a decrease in households earning 80 percent or more in the area.

Population and Household Profile (2000)

Garfield County – Pop. 43,791

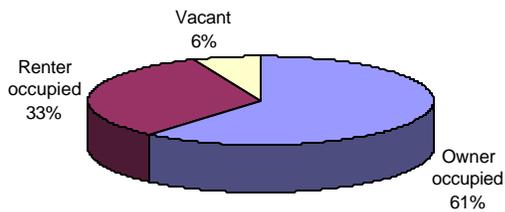
Housing Unit Estimates and Physical Characteristics

Use/Tenure

	#	%
Housing Units	17,336	100.0%
Occupied as primary home	16,229	93.6%
Owner occupied	10,576	65.2%
Renter occupied	5,653	34.8%
Vacant	1,107	6.4%
Seasonal/recreational use	484	2.8%

* Percent of occupied units, not total units.

Occupancy



Overcrowding/Occupants per Room

	#	%
1.00 or less	15,212	93.7%
1.01 to 1.50	535	3.3%
1.51 or more	482	3.0%
Overcrowded	1,017	6.3%

Kitchen and Plumbing Facilities

	#	%
Complete Kitchen	16,175	99.7%
Complete Plumbing	16,192	99.8%
Incomplete Kitchen	54	0.3%
Incomplete Plumbing	37	0.2%
Substandard Units	91	0.6%

Type of Heat

	#	%
Utility gas	11,618	71.6%
Bottled, tank, or LP gas	1,385	8.5%
Electricity	2,426	14.9%
Wood	494	3.0%
Other fuel/none	306	1.9%

Type of Structure

	#	%
Single-Family	9,732	56.1%
Multi-Family	4,672	26.9%
Mobile Homes	2,878	16.6%

Units in Structure

	#	%
1-unit, detached	9,732	56.1%
1-unit, attached	1,016	5.9%
2 units	585	3.4%
3 or 4 units	1,049	6.1%
5 to 9 units	686	4.0%
10 to 19 units	688	4.0%
20 or more units	648	3.7%
Mobile home	2,878	16.6%
Boat, RV, van, etc.	54	0.3%

Year Structure Built

	#	%
1999 to March 2000	817	4.7%
1995 to 1998	2,653	15.3%
1990 to 1994	1,867	10.8%
1980 to 1989	3,426	19.8%
1970 to 1979	3,941	22.7%
1960 to 1969	1,386	8.0%
1940 to 1959	1,553	9.0%
1939 or earlier	1,693	9.8%
Built since 1990	5,337	30.8%

Year Moved Into Current Residence

	#	%
1999 to March 2000	4,449	27.4%
1995 to 1998	5,767	35.5%
1990 to 1994	2,612	16.1%
1980 to 1989	2,055	12.7%
1970 - 1979	912	5.6%
1969 or earlier	434	2.7%

Household Demographics

Household Size

	Total	Owners	Renters
Avg. Persons/Unit	2.65	2.70	2.54

Persons Per Unit

	Owners		Renters	
	#	%	#	%
1-person	1,856	17.5%	1,848	32.7%
2-person	3,980	37.6%	1,503	26.6%
3-person	1,854	17.5%	879	15.5%
4-person	1,832	17.3%	729	12.9%
5-person	689	6.5%	419	7.4%
6-person	239	2.3%	175	3.1%
7+ person	126	1.2%	100	1.8%
Total	10,576	100.0%	5,653	100.0%

Bedrooms Per Housing Unit

	#	%
No bedroom	378	2.2%
1 bedroom	1,958	11.3%
2 bedrooms	4,920	28.4%
3 bedrooms	7,181	41.4%
4 bedrooms	2,186	12.6%
5 or more bedrooms	713	4.1%

Senior Households

Age of Householder	Owners	Renters	Total
65 to 74 years	1,042	277	1,319
75 to 84 years	547	243	790
85 years and over	138	84	222
Total	1,727	604	2,331
% of Households	16.3%	10.7%	14.4%

Households with Children

	#	%
Total Households	16,229	100.0%
With one or more persons <18	6,419	39.6%
Married-couple family	4,877	30.1%
Single parent family	1,463	9.0%
Nonfamily households	79	0.5%

Race/Ethnicity

	#	%
White	15,102	93.1%
Black or African Amer.	38	0.2%
Am. Indian/Alaska Native	119	0.7%
Asian	54	0.3%
Hawaiian/ Pacific Islander	8	0.0%
Some other race	693	4.3%
Two or more races	215	1.3%
Hispanic or Latino	1,747	10.8%

Household Type

	Owners	Renters	Total	%
Total	10,576	5,653	16,229	100.0%
Family households	8,137	3,149	11,286	69.5%
Married-couple	7,101	2,239	9,340	57.6%
Male householder/ no wife	367	314	681	4.2%
Female householder/ no husband	669	596	1,265	7.8%
Nonfamily households	2,439	2,504	4,943	30.5%
Male householder	1,246	1,436	2,682	16.5%
Living alone	897	1,027	1,924	11.9%
Not living alone	349	409	758	4.7%
Female householder	1,193	1,068	2,261	13.9%
Living alone	959	821	1,780	11.0%
Not living alone	234	247	481	3.0%

Age Distribution

Age of Householder	Owners	Renters	Total	%
15 to 24 years	234	720	954	5.9%
25 to 34 years	1,444	1,658	3,102	19.1%
35 to 44 years	2,831	1,353	4,184	25.8%
45 to 54 years	2,843	928	3,771	23.2%
55 to 64 years	1,497	390	1,887	11.6%
65 to 74 years	1,042	277	1,319	8.1%
75 to 84 years	547	243	790	4.9%
85 years and over	138	84	222	1.4%

Income, Housing Costs and Affordability*1999 Median Incomes*

Median in 1999	
Household Income	\$47,016
Owner Households	\$55,410
Renter Households	\$32,819
Family Income	\$53,840
Per Capita Income	\$21,341

2005 Median Family Income – Garfield County (HUD)

	50%	80%	100%
1 person	\$22,100	\$35,400	\$44,200
2 person	\$25,300	\$40,450	\$50,600
3 person	\$28,450	\$45,500	\$56,900
4 person	\$31,600	\$50,550	\$63,200
5 person	\$34,150	\$54,600	\$68,300
6 person	\$36,650	\$58,650	\$73,300

Change - Median Family Income, 1999–2005 (HUD)

1999	2005	% Change
\$45,100	\$63,200	40.1%

Income Distribution

	Owners	Renters	Total	%
Less than \$5,000	130	200	330	2.0%
\$5,000 to \$9,999	170	444	614	3.8%
\$10,000 to \$14,999	234	529	763	4.7%
\$15,000 to \$19,999	361	305	666	4.1%
\$20,000 to \$24,999	541	572	1113	6.9%
\$25,000 to \$34,999	1093	1001	2094	12.9%
\$35,000 to \$49,999	2058	1103	3161	19.5%
\$50,000 to \$74,999	2890	933	3823	23.6%
\$75,000 to \$99,999	1626	350	1976	12.2%
\$100,000 - \$149,999	970	141	1111	6.8%
\$150,000 or more	499	79	578	3.6%

Percent of Income Spent on Housing

	Owners	Renters	Total
<15%	2,140	900	3,040
15 to 19%	1,104	820	1,924
20 to 24%	1,031	744	1,775
25 to 29%	801	669	1,470
30 to 34%	460	477	937
35+%	1,336	1,521	2,857
Not computed	27	259	286
% Cost Burdened	26.0%	37.1%	30.9%
# Cost Burdened	1,796	1,998	3,794

Median Housing Prices/Costs

2000	
Value – Owner Occupied (SF)	\$200,700
Value – Owner Occupied (all)	\$185,300
Mortgage	\$1,221
Gross Rent	\$657
Contract Rent	\$576

Value of Owner-Occupied Units

	Single Fam #	Single Fam %	All Units #	All Units %
Less than \$50,000	24	0.3%	1,118	10.6%
\$50,000 to \$99,999	399	5.8%	1,086	10.3%
\$100,000 to \$149,999	1,323	19.2%	1,641	15.5%
\$150,000 to \$199,999	1,686	24.4%	2,042	19.3%
\$200,000 to \$299,999	1,992	28.9%	2,434	23.0%
\$300,000 to \$499,999	1,090	15.8%	1,557	14.7%
\$500,000 to \$999,999	331	4.8%	535	5.1%
\$1,000,000 or more	54	0.8%	159	1.5%

Mortgage Amount

	SF #	SF %
Less than \$300	11	0.2%
\$300 to \$499	116	1.7%
\$500 to \$699	297	4.3%
\$700 to \$999	1,180	17.1%
\$1,000 to \$1,499	2,217	32.1%
\$1,500 to \$1,999	969	14.0%
\$2,000 or more	598	8.7%
With a mortgage	5,388	78.1%
Not mortgaged	1,511	21.9%

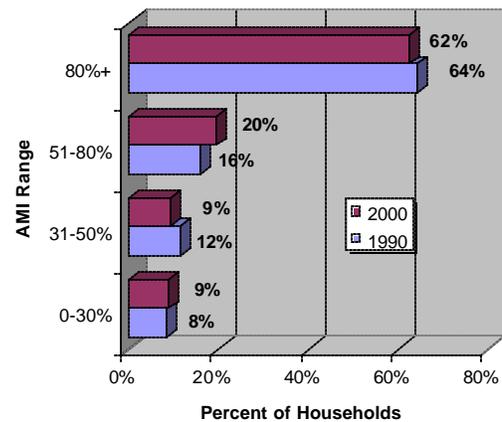
Gross Rent

	#	%
Less than \$200	176	3.3%
\$200 to \$299	125	2.3%
\$300 to \$499	798	14.8%
\$500 to \$749	2,263	42.0%
\$750 to \$999	986	18.3%
\$1,000 to \$1,499	708	13.1%
\$1,500 or more	166	3.1%
No cash rent	168	3.1%

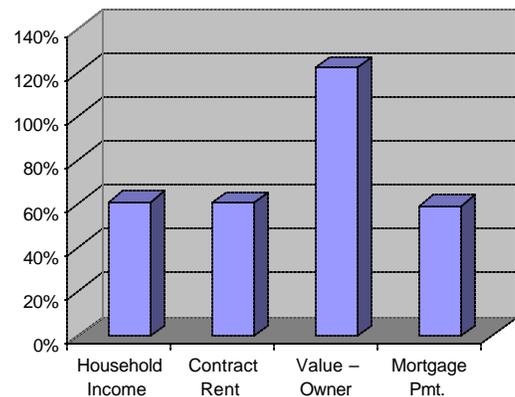
Trends and Comparisons

	1990	2000	% Change
Population	29,974	43,791	46.1%
Housing Units & Households			
# Housing Units	12,517	17,336	38.5%
# Occupied Housing Units	11,266	16,229	44.1%
Recreational/Occasional	422	484	14.7%
Total Vacant	1,251	1,107	-11.5%
Homeownership Rate	57.9%	65.2%	12.6%
Household Size			
Renters	2.38	2.54	6.7%
Owners	2.76	2.70	-2.2%
Overcrowded Units	365	1,017	178.6%
Affordability			
Cost Burdened Households #	2,175	3,794	74.4%
Cost Burdened Households %	25.5%	30.9%	21.1%
Average Incomes			
Household Income	\$29,176	\$47,016	61.1%
Family Income	\$32,377	\$53,840	66.3%
Per Capita Income	\$13,086	\$21,341	63.1%
Average Housing Costs			
Contract Rent	\$359	\$576	60.4%
Value – Owner Occupied	\$90,400	\$200,700	122.0%
Mortgage Pmt.	\$766	\$1,221	59.4%

Households by AMI: 1990 & 2000



% Increase, 1990-2000



Comparison to State of Colorado

	State of Colorado	Garfield County
Owner Occupied Units	67.3%	65.2%
Renter Occupied Units	32.7%	34.8%
Value – Owner Occupied (SF)	\$160,100	\$200,700
Mortgage, Median (SF)	\$1,197	\$1,221
Contract Rent, Median	\$611	\$576
Household Income	\$47,203	\$47,016
Family Income	\$55,883	\$53,840
Change in Household Income, 1990 - 2000	56.6%	61.1%
% Cost Burdened	29.3%	30.9%
Residential Growth Rate, 1990 - 2000	22.4%	38.5%

Community Highlights

A comparison of the communities was prepared using the 2000 Census. This provides a comparison on housing characteristics and demographic information. Notable differences among the communities include:

- Parachute and Carbondale have the highest percentages of multi-family units in the County (55 percent and 45 percent respectively). New Castle is predominately single family homes (82 percent), followed by unincorporated Garfield County (62 percent) and Silt (60 percent). Interestingly, unincorporated Garfield County has a high percentage of mobile homes (24 percent) followed by Silt (22 percent). It is likely that this is overestimated; however, as there has been a trend where existing mobile homes have been replaced with modular housing, particularly in Silt. Modular housing affixed to permanent foundations is considered single family, although the 2000 Census may not have reported modular homes as single-family units.
- Growth in Glenwood Springs appears to have slowed considerably since 1979 when compared to other areas. New Castle, in particular, added 46 percent of its housing units since 1995 and Parachute had the least number of new homes during this period (6 percent). While it appears that growth in Silt slowed from 1995 to 2000, this may have been more of a function of lack of infrastructure being built at that time. Silt is experiencing greater growth at this time because infrastructure has been built. There is not a clear pattern of up-valley/down valley development; each area appears to have different growth patterns in different years.
- Turnover is high in all areas, but particularly in New Castle, where 75 percent of residents reported moving into their home within 5 years prior to the Census. Glenwood Springs reported 57 percent of households moving into their homes during this time, which was the lowest among all the communities.
- Carbondale has the largest household size (2.89 persons) and renters in particular are significantly larger than other communities (3.23) that may be attributed to the tax credit project and mobile homes rented in the area to larger families.
- Silt had one of the higher percentages of cost burdened households (33 percent), second only to Carbondale. This is interesting given the fact that the median and average incomes in Silt were on par with Rifle, yet home values were lower. Although Silt had lower median and average home values than Rifle or New Castle, the average and median mortgages and contract rents were lower than Rifle and higher than New Castle.
- Glenwood Springs has more single and two-person households than other areas (64 percent of households) and among the highest percentage of units with four bedrooms (15 percent). New Castle has the highest percentage of three or more person households (53 percent) and 71 percent of the homes have three or more bedrooms.
- New Castle is clearly oriented toward families. It has the highest percentage of households with children, the fewest households headed by seniors and the most single family homes (82 percent of all units). It had a 192 percent increase in population from 1990 to 2000, although it was still a small community (1,984 households in 2000). It also

has a higher percentage of households earning 80 percent or more of the AMI than other communities.

- Carbondale has had the second highest rate of growth from 1990 to 2000 (73 percent increase) and also the highest percentage of Hispanic/Latino persons (32 percent). Median household incomes are higher than other Garfield County Communities, with the exception of New Castle. Carbondale also has the highest median home value (\$237,700) and highest median contract rent. This is a more affluent community, with 66 percent of households earning 80 percent or more of the AMI, yet it also has the highest percentage of cost burdened households (37 percent).
- At the time of the Census, there was little new growth in housing in Rifle. It had one of the lower median incomes and median home values and median rent paid when compared to other areas. It fell about mid-range in the percentage of households earning 80 percent or more of the AMI and reported 30 percent of households were cost burdened. It is also a community that has a significant percentage of family households (69 percent), with 14 percent consisting of single parents.
- Parachute had the lowest median income and home value of all communities and one of the higher percentage of cost burdened households (27 percent). It also had the greatest percentage of very low income households (19 percent) and the lowest contract rent. Most homes in Parachute are attached or mobile homes and 52 percent of units were built from 1980 to 1989. They also have the highest percentage of seniors (26 percent).

Garfield County Housing Assessment 2006

Population and Housing Units		Garfield County Total	Carbondale	Glenwood Springs	New Castle	Parachute	Rifle	Silt	Unincorporated Garfield County
Population	1990	29,974	3,004	6,561	679	658	4,636	1,095	13,341
	2000	43,791	5,196	7,736	1,984	1,006	6,784	1,740	19,345
	% change	46%	73%	18%	192%	53%	46%	59%	45%
Ethnicity (2000)	White alone	81%	66%	84%	87%	75%	82%	84%	83%
	Hispanic/Latino	17%	32%	13%	12%	20%	16%	14%	15%
	Other	2%	2%	3%	1%	5%	2%	2%	2%
Housing units	1990	12,517	1,119	2,882	277	405	1,984	481	5,369
	2000	17,336	1,821	3,353	731	415	2,586	668	7,762
	% change	38%	63%	16%	164%	2%	30%	39%	45%
Occupied Housing Units (2000)	Number (#)	16,229	1,744	3,216	705	381	2,493	648	7,042
	Percent (%)	94%	96%	96%	96%	92%	96%	97%	91%
	Owner Occ %	65%	59%	56%	76%	38%	58%	75%	73%
	Renter occ %	35%	41%	44%	24%	62%	42%	25%	27%
Vacant Housing Units (2000)	Number (#)	1,107	77	137	26	34	93	20	720
	Percent (%)	6%	4%	4%	4%	8%	4%	3%	9%
For Seasonal/ recr/ occasional use (%)	Number (#)	484	21	66	7	1	5	2	382
	Percent (%)	3%	1%	2%	1%	0%	0%	0%	5%
Household Income, Housing Value/Rent/Mortgage, Housing Problems									
Household income	Median	\$47,016	\$52,429	\$43,934	\$55,000	\$31,208	\$42,734	\$44,632	-
	Average	\$56,703	\$56,655	\$54,968	\$60,562	\$37,425	\$48,062	\$47,756	\$62,091
Home Value (single family only)	Median	\$200,700	\$237,700	\$235,800	\$179,100	\$98,600	\$144,600	\$140,000	-
	Average	\$244,413	\$252,226	\$270,268	\$180,058	\$115,920	\$150,959	\$147,177	\$295,838
Home Value (all residences)	Median	\$185,300	\$226,200	\$217,000	\$176,400	\$88,800	\$129,400	\$130,500	-
	Average	\$229,262	\$252,541	\$244,748	\$175,165	\$97,410	\$125,381	\$132,765	\$269,445
Mortgage	Median	\$1,221	\$1,347	\$1,374	\$1,217	\$791	\$986	\$1,097	-
	Average	\$1,331	\$1,344	\$1,458	\$1,263	\$853	\$1,031	\$1,126	\$1,468
Contract Rent	Median	\$576	\$810	\$641	\$694	\$494	\$524	\$542	-
	Average	\$627	\$833	\$676	\$740	\$484	\$509	\$544	\$577
Households by AMI (2000)	<30%	9%	11%	10%	7%	19%	11%	14%	5%
	30 to 50%	9%	9%	8%	8%	19%	9%	10%	10%
	50.1 to 80%	20%	14%	20%	15%	35%	24%	18%	19%
	80.1% or more	62%	66%	61%	70%	28%	56%	59%	66%
Housing problems (2000)	Overcrowded units (#)	1,017	231	164	38	27	162	34	361
	Overcrowded units (%)	6%	13%	5%	5%	7%	6%	5%	5%
	Substandard units (#)	91	34	10	0	2	22	0	23
	Substandard units (%)	1%	2%	0%	0%	1%	1%	0%	0%
	Cost-burdened (30%+ for housing) (#)	3,794	560	851	186	88	634	165	1,310
McCormick and Associates, Inc. and BRC Associates, Inc. (%)		31%	37%	31%	29%	27%	30%	33%	30%

Housing and Household Characteristics		Garfield County	Carbondale	Glenwood Springs	New Castle	Parachute	Rifle	Silt	Unincorporated
Type of structure (2000)	Single family	56%	47%	48%	82%	29%	51%	60%	62%
	Multi-family	27%	45%	44%	11%	55%	34%	18%	13%
	Mobile homes	17%	8%	8%	7%	16%	14%	22%	24%
	Other	0%	0%	0%	0%	0%	1%	0%	0%
Year Structure Built	1995 to March 2000	20%	24%	10%	46%	6%	15%	25%	23%
	1990 to 1994	11%	14%	7%	17%	4%	6%	7%	13%
	1980 to 1989	20%	14%	14%	6%	52%	25%	15%	22%
	1970 to 1979	23%	30%	25%	6%	13%	24%	26%	22%
	1969 or earlier	27%	18%	43%	25%	26%	30%	27%	20%
Year Moved Into Residence	1995 to March 2000	63%	69%	57%	75%	67%	68%	61%	61%
	1990 to 1994	16%	13%	17%	15%	16%	15%	15%	17%
	1980 to 1989	13%	10%	14%	7%	11%	12%	13%	14%
	1970 to 1979	6%	5%	7%	2%	4%	4%	9%	6%
	1969 or earlier	3%	2%	6%	1%	2%	2%	2%	2%
Average Persons Per Unit	Total	2.65	2.89	2.37	2.81	2.64	2.68	2.69	2.68
	Owner households	2.70	2.65	2.52	2.88	2.22	2.81	2.84	2.73
	Renter households	2.54	3.23	2.19	2.62	2.89	2.50	2.21	2.54
Persons per unit	1-person	23%	20%	30%	17%	33%	26%	24%	19%
	2-persons	34%	29%	34%	30%	22%	28%	30%	38%
	3-persons	17%	19%	16%	22%	15%	17%	18%	16%
	4-persons	16%	17%	12%	21%	16%	18%	17%	16%
	5+ persons	11%	14%	8%	10%	13%	11%	11%	11%
Bedrooms per unit	None	2%	2%	3%	0%	0%	2%	1%	2%
	1-bedroom	11%	10%	17%	8%	11%	13%	13%	9%
	2-bedrooms	28%	29%	31%	21%	43%	31%	23%	26%
	3-bedrooms	41%	49%	34%	57%	40%	40%	51%	41%
	4+ bedrooms	17%	9%	15%	14%	6%	14%	12%	21%
Senior Headed Households (age 65+)		14%	7%	16%	6%	18%	14%	11%	17%
Household Type	Married couple with children	30%	32%	23%	41%	26%	33%	34%	31%
	Married couple w/out children	28%	20%	24%	24%	16%	22%	24%	34%
	Single parent	12%	15%	12%	12%	19%	14%	11%	10%
	Living alone	23%	20%	30%	17%	33%	26%	24%	19%
	Other non-family	8%	13%	10%	7%	6%	6%	6%	6%

Source: 2000 US Census; CHAS special tabulations (AMI)

Population and Household Projections

County Population

The Department of Local Affairs projects that the population in Garfield County will increase by about 80 percent between 2005 and 2015, or 6 percent per year on average. This will add approximately 40,000 persons and an estimated 14,700 households and about 16,400 housing units¹ to the area over the next ten years.

Garfield County Population and Households: 2000 to 2015				
	2000	2005	2010	2015
Population	44,787	50,288	72,563	90,290
Population in households (Census)	43,918	49,313	71,156	88,539
Household size (Census, DOLA)	2.65	2.66	2.66	2.66
Households	16,573	18,539	26,750	33,285
Percent occupied (census and assessor)	93.6%	90.0%	90.0%	90.0%
Housing units	17,704	20,598	29,723	36,984

Source: Department of Local Affairs; 2000 US Census; 2005 Garfield County Assessor data; RRC Associates, Inc.

Building Permits

Residential building permit data was acquired from Garfield County and each community to understand residential construction activity since the 2000 Census. This information was cross-referenced with the County Assessor data to understand the number of units that have been constructed during that time.

- Building permit activity (as related to the construction of new units) shows increased activity in Parachute since 2000.
- Rifle shows the most activity of any other community, resulting in the largest number of building permits issued over the past five years.
- Silt has generally declined in activity since 2001, with a recent surge in building permits this year (2005). Similar patterns are seen in the unincorporated County and Carbondale.
- Only Glenwood Springs shows a continuous decline in building permit activity since 2001.
- Building permit information for New Castle was not received. However, based on construction activity as determined from County Assessor data, New Castle was relatively active in 2001 and 2002, with a leveling of activity in 2003 and 2004. However, more units have been constructed in New Castle since 2003 than in

¹ Households were estimated by assuming (1) 98 percent of residents reside in households (DOLA, 2000), (2) the average household size will remain consistent with that reported by DOLA in 2003 and (3) residents will occupy about 90 percent of housing units (based on the 2000 US Census and 2005 Garfield County Assessor data). The US Census reports housing units were 93.6% occupied in 2000; property ownership as determined from Garfield County Assessor data indicate 88% of residentially improved properties are owned by residents of Garfield County. However, the assessor data excludes rental units

Carbondale or Glenwood Springs. Only Rifle has surpassed New Castle in the number of units produced during this time.

Building Permit Activity: 2000 through Sept. 2005

Year of Permit	Unincorporated County	Carbondale	Glenwood Springs	New Castle*	Silt	Rifle	Parachute	TOTAL
2000	256	89	81	60	58	85	4	633
2001	220	21	87	95	64	111	13	611
2002	210	47	77	86	31	87	13	551
2003	170	23	39	53	26	85	11	407
2004	208	25	34	64	34	136	10	511
2005 (thru Sept)	186	42	25	nd	57	84	15	409
TOTAL	1,250	247	343	358	270	588	66	3,122

Source: Garfield County and community building department records

*No data (nd) received for New Castle. Data for New Castle reports actual units constructed since 2000 based on County Assessor data.

About 82 percent of all building permits over the past five years in Garfield County were for single family homes. Single family home permits vary from 54 percent of permits in Glenwood Springs, up to 88 percent in Parachute and 96 percent in the County.

**Building Permits by Type of Unit:
2000 thru mid-to-late Sept. 2005**

	Single Family	Multi-Family	TOTAL
GARFIELD COUNTY	82%	18%	3,122
Carbondale	78%	22%	247
Glenwood Springs	54%	46%	343
New Castle*	68%	32%	358
Silt	81%	19%	270
Rifle	80%	20%	588
Parachute	88%	12%	66
Unincorporated	96%	4%	1,250

Source: Garfield County and community building department records

*Data for New Castle reports actual units constructed in 2000 thru 2004 based on County Assessor data.

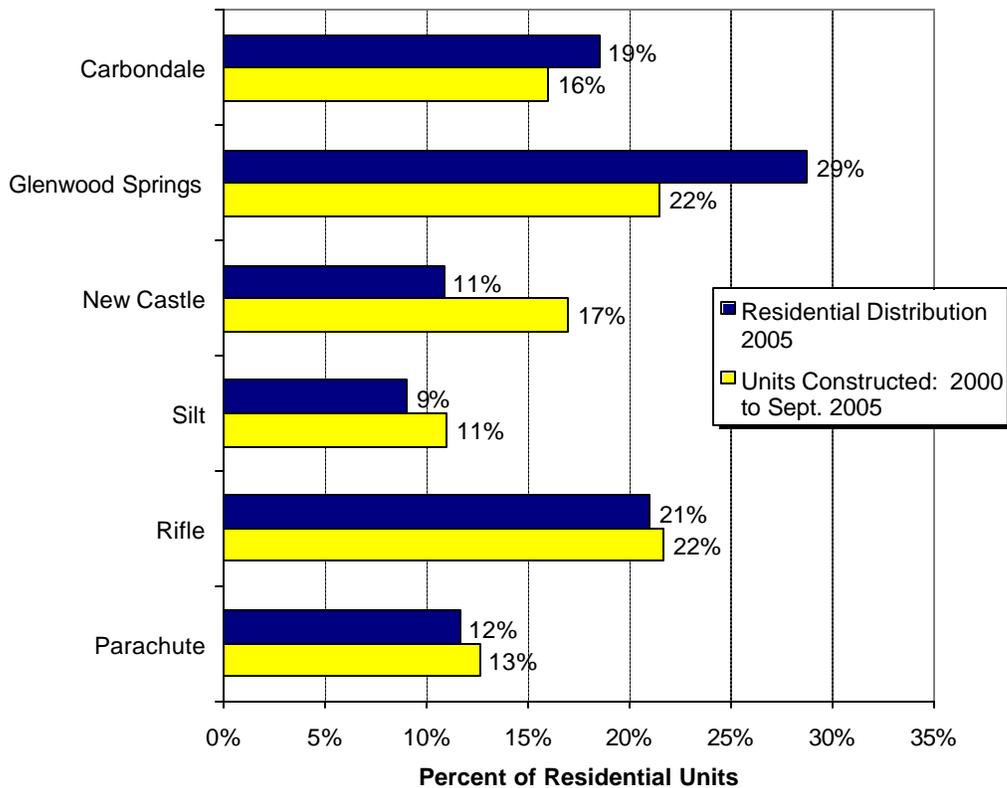
Comparing construction activity between 2000 and 2005 to the distribution of residential units (including apartments) throughout the County, it is apparent that construction activity has been disproportionately higher in the west County (particularly New Castle and Silt) compared to the current distribution of units in the County. The following graph shows the distribution of existing and newly built units by tax area in the county – this graph allocates units in the neighboring unincorporated area to each respective town. As shown:

- About 29 percent of residential units in the County are in the Glenwood Springs area; however, only 22 percent of the recent construction activity (2000 through September 2005) has occurred in Glenwood Springs. Carbondale also shows a

relatively slower growth rate (16 percent) compared to the present distribution of units in the area (19 percent).

- Conversely, only 11 percent of existing units in the County are in the New Castle area; however 17 percent of the construction activity between 2000 and September 2005 has occurred in this area. Silt, and to some extent, Rifle and Parachute, also show slightly faster growth rates compared to their current distribution of units in the County.

Distribution of Housing Units (2005) Compared to Recent Construction Activity (2000 to Sept. 2005) by Tax Area



Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

Population Growth by Community

Based on information from the Department of Local Affairs, between 2000 and 2004 the communities of New Castle, Parachute, Rifle and Silt grew at faster rates than the County as a whole, whereas Glenwood Springs and Carbondale had slightly slower growth rates. The accelerated growth in the western county is evidenced by the fact that 26 percent of the County’s population resided in New Castle, Parachute, Rifle and Silt in 2000 compared to 29 percent by 2004.

Population by Community: 2000 and 2004

Population	Carbondale	Glenwood Springs	New Castle	Parachute	Rifle	Silt	Uninc.	Total
2000	5,196	7,736	1,984	1,006	6,784	1,740	19,345	43,791
2004	5,767	8,517	2,949	1,338	7,760	2,184	20,810	49,325
% change	11.0%	10.1%	48.6%	33.0%	14.4%	25.5%	7.6%	12.6%
Yearly growth rate	2.6%	2.4%	10.4%	7.4%	3.4%	5.8%	1.8%	3.0%

Source: Department of Local Affairs

It is expected that the areas of New Castle, Parachute, Rifle and Silt will continue to grow at faster rates than the County as a whole, at least in the near term, given several factors, including the recent increased commercial construction and job activity in the west County and the expected increased demand for housing in the western communities of Garfield County as more workers and residents move to the area and search for moderately priced homes. Projected population growth for each community is beyond the scope of this study; however, the Garfield County Energy Advisory Board is currently overseeing a Socioeconomic Impact Study that will explore in detail future projected populations by community as they relate to expected growth in the County. This project is expected to be completed in mid-2006.

Employment and Commuting***Job Projections***

The Department of Local Affairs projects that total jobs in Garfield County will increase by 31 percent between 2005 and 2015, adding about 8,740 jobs. This equates to an increase of 7,600 employees needed to fill these jobs, assuming a multiple job holding rate of 1.15.² Estimates of out-commuting further indicate that about 6,280 of the 7,600 new employees will reside in Garfield County (83 percent of new employees), with 1,320 commuting into Garfield County from other areas (17 percent of new employees).

Jobs and Workforce Projections: 2000 to 2015

	2000	2005	2010	2015
Total Garfield County jobs	26,091	28,260	34,000	37,000
Jobs held by residents	26,896	30,337	44,109	53,016
Multiple job holding rate	1.15	1.15	1.15	1.15
Residents holding jobs	23,386	26,380	38,356	46,101
Residents commuting out	-6,000	-6,704	-14,236	-20,143
Remaining local employees	17,386	19,676	24,120	25,958
Employees needed to fill jobs*	22,686	24,574	29,565	32,174
Workers commuting in	5,300	4,898	5,446	6,217

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

*Assumes a 1.15 multiple job holding rate.

² The 2004 Travel Patterns employee survey estimates that employees in Garfield County hold about 1.12 jobs on average in the summer, 1.17 in the winter, and 1.15 in each of the spring and fall seasons, which is largely in agreement with Department of Local Affairs estimates.

Jobs Per Employee and Employees Per Household

The 2004 Travel Patterns employee survey asked employees how many jobs they hold during the different seasons (summer, winter, fall and spring) and how many adults (age 18 and over) in their household are employed. These responses can be used to translate the number of jobs and employees expected in the County over time into households demanded by those workers.

- The number of jobs held per employee varies between 1.13 per west County area employee to 1.17 per Carbondale and Glenwood Springs area employee, with an average number of jobs held per employee in the County of 1.16, which is very similar to the Department of Local Affairs estimate of 1.15 jobs per employee.
- The number of employees per household averages about 1.95 in the County (includes households with at least one employee in the household), varying between 1.89 in the New Castle/Silt area and 2.0 for employees living in Carbondale.

**Average Jobs Per Employee and Employees Per Household
by Place of Employment: 2004**

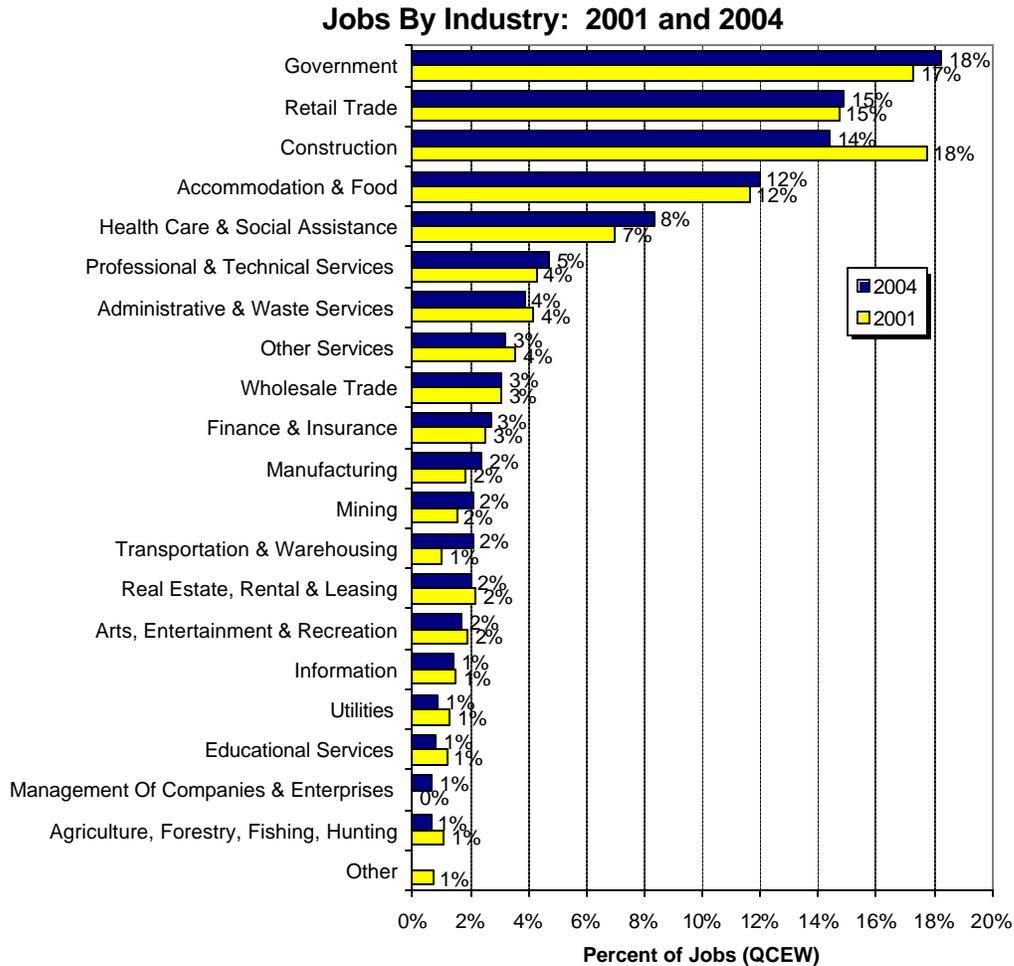
	Overall	Carbondale	Glenwood Springs	New Castle/Silt	Rifle/Parachute
Jobs per employee	1.16	1.17	1.17	1.13	1.13
Employees per household	1.95	2.00	1.93	1.89	1.90

Source: 2004 Travel Patterns Employee Survey

Jobs by Industry

The Quarterly Census of Employment and Wages (QCEW) reports there were 20,803 jobs in Garfield County in 2004, which is generally about 75 percent to 80 percent of actual (when compared to job estimates from DOLA). This data includes workers covered by unemployment insurance and, therefore, does not generally include self proprietors and many agricultural laborers. However, QCEW provides useful estimates for the types of industries that supply jobs in a region. In 2004, government supplied the largest percentage of jobs in Garfield County (18 percent), followed by retail trade (15 percent), construction (14 percent) and accommodation and food services (12 percent). Changes since 2001 indicate that construction declined from 18 percent of jobs in 2001 to 14 percent in 2004, resulting in a loss of about 500 construction jobs during this period. Other industries show slight increases in their percentage capture of employment during this period, including government, health care and social assistance and transportation and warehousing. Overall, QCEW reported employment increased by about 1,000 jobs between 2001 and 2004. Although mining comprises only 2 percent of jobs in 2004, it is expected that this industry will see significant growth in Garfield

County over the next ten-plus years, primarily related to natural gas drilling and exploration.³



Source: Quarterly Census of Employment and Wages (QCEW), Colorado Department of Labor and Employment

Wages

The QCEW also reports average wages paid by industry. In 1999, the average wage earned by Garfield County workers was 27,584, increasing 17.8 percent to \$32,545 by 2004. The highest average wages are earned by utility workers (\$58,342), followed by finance and insurance (\$48,073), mining (\$47,701) and manufacturing (\$45,023), which together comprise only about 8 percent of employment in the County. Of the more prevalent jobs in the County, construction (14 percent of jobs), health care and social assistance (8 percent of jobs) and government (18 percent of jobs) pay slightly higher than average wages, ranging between about \$33,741 to \$38,626 per year. Both retail trade (15 percent of jobs) and accommodation and food services (12 percent of jobs) pay significantly lower wages, at a respective \$27,011 and \$14,240 per year.

³ The white paper “Oil and Gas Employment and Population Impacts” dated 9/13/2005 available from the Garfield County Planning Department details expected growth in the gas mining industry.

Average Wage by Industry: 2004

	Jobs	Average Wage
TOTAL	20,803	\$32,545
Utilities	0.9%	\$58,342
Finance & Insurance	2.7%	\$48,073
Mining	2.1%	\$47,701
Manufacturing	2.4%	\$45,023
Professional & Technical Services	4.7%	\$43,539
Management Of Companies & Enterprises	0.7%	\$41,067
Wholesale Trade	3.1%	\$40,662
Information	1.4%	\$40,659
Health Care & Social Assistance	8.3%	\$38,626
Construction	14.4%	\$38,362
Transportation & Warehousing	2.1%	\$34,251
Government	18.3%	\$33,741
Administrative & Waste Services	3.8%	\$29,489
Real Estate, Rental & Leasing	2.0%	\$28,472
Retail Trade	14.9%	\$27,011
Educational Services	0.8%	\$26,778
Agriculture, Forestry, Fishing, Hunting	0.6%	\$26,505
Other Services	3.2%	\$25,269
Arts, Entertainment & Recreation	1.7%	\$16,943
Accommodation & Food	12.0%	\$14,240
	100.0%	

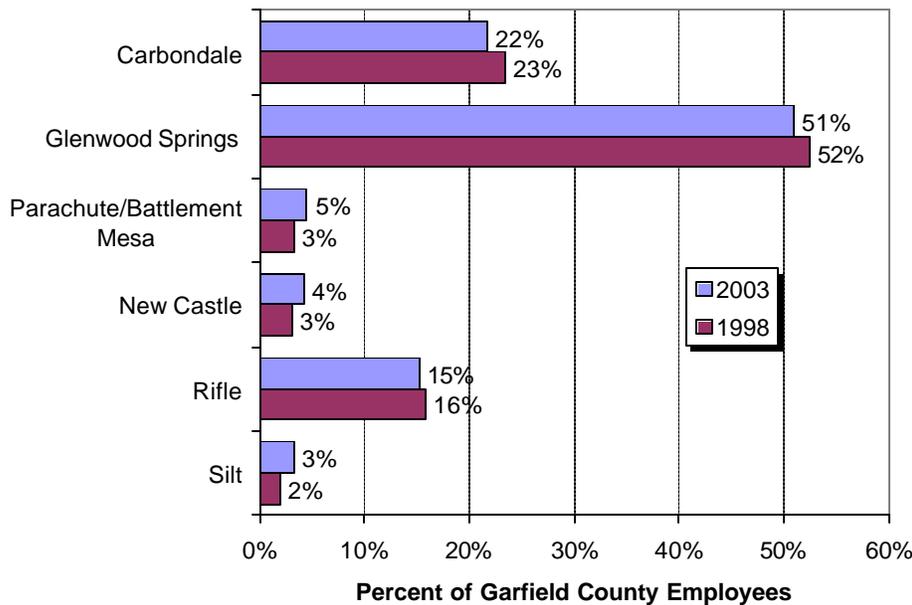
Source: Quarterly Census of Employment and Wages (QCEW), Colorado Department of Labor and Employment; Sorted in descending order of average wage paid.

Employment By Community

Business Patterns data from the US Census provides estimates for the percentage of employees in Garfield County that are employed in different zip codes in the County. County Business Patterns covers most of the region's economic activity. The series excludes data on self-employed individuals, employees of private households, railroad employees, agricultural production employees, and most government employees, but is useful for identifying the economic activity of small areas and analyzing economic changes over time.

The data show that there has been little change in the distribution of employees in Garfield County between 1998 and 2003. Areas in the west County (Silt, New Castle and Parachute) have increased their share of employees slightly during this time, indicating a higher rate of growth in employment in these areas than in other parts of the County. As of 2003, about 50 percent of Garfield County employees were employed in the Glenwood Springs area (zip code 81601), 22 percent in Carbondale (zip code 81623) 16 percent in Rifle (zip code 81650) and the remaining 11 percent in Parachute/Battlement Mesa, Silt, New Castle area.

Distribution of Employees by Zip Code Region: 2003



Source: Zip Code Business Patterns, US Census.

Applying year 2003 ratios to DOLA job projections in Garfield County, it is estimated that there were about 17,865 employees working in the Carbondale/Glenwood Springs area and 6,709 in the Parachute, New Castle, Rifle, Silt region in 2005.

Employees By Garfield County Region: 2005 (est)

	2005	% of Total
Garfield County	24,574	100%
Carbondale/ Glenwood Springs	17,865	73%
Parachute, New Castle, Rifle, Silt	6,709	27%

Source: DOLA; US Census; RRC Associates, Inc.

Commuting Patterns

The 2004 Travel Patterns Employee survey also evaluated where Garfield County residents work and where workers live. This information is useful in understanding employee and resident commute and living patterns.

Where workers live:

As shown below, the largest percentage of workers in Garfield County live in Rifle (26.7 percent) and Glenwood Springs (25.4 percent). Only about 4.6 percent of Garfield County workers live outside of the County (primarily Eagle and Pitkin Counties). Living patterns change somewhat depending on where workers are employed in Garfield County:

- About 53 percent of workers employed in Carbondale and Glenwood Springs live in or nearest to these towns, 16.5 percent live in Rifle, 15.3 percent in New Castle, 7.4 percent in Silt and 2.0 percent in Parachute. About 5.5 percent live outside of Garfield County.
- Of workers employed west of Glenwood Springs (in New Castle, Silt, Rifle, Parachute areas), only 9.4 percent live in Carbondale and Glenwood Springs and 3.0 percent live outside of Garfield County. About 87.6 percent of workers in the west county live in the area, with 46.3 percent residing in Rifle and 24.9 percent in Parachute.

Where Garfield County Workers Live: 2004

Place of Residence	Place of Work		
	<i>Garfield County overall</i>	<i>Carbondale, Glenwood Springs</i>	<i>New Castle, Silt, Rifle, Parachute</i>
Rifle	26.7%	16.5%	46.3%
Glenwood Springs	25.4%	35.6%	5.6%
Carbondale	12.8%	17.6%	3.9%
New Castle	11.5%	15.3%	8.9%
Parachute	11.1%	2.0%	24.9%
Silt	7.6%	7.4%	7.4%
Outside of Garfield County	4.9%	5.5%	3.0%
Total workers (2005)	24,574	17,864	6,708

Source: 2004 Travel Patterns Employee Survey

Where residents work:

Residents in Garfield County are most likely to be employed in Glenwood Springs (41.0 percent) or outside of Garfield County (37.1 percent) – 30 percent of which are employed in Pitkin County, 2 percent in Eagle County and another 4 percent in other areas. This indicates workers in Garfield County are competing with workers in neighboring counties for housing.

Employment patterns change somewhat depending on where workers are living in Garfield County:

- Workers living in the Carbondale/Glenwood Springs area are most likely to be employed in Glenwood Springs (43.1 percent) or areas outside of Garfield County (57.2 percent). Another 12.7 percent are employed in Carbondale and 6.8 percent are employed in other areas of the County.
- Workers living west of Glenwood Springs (New Castle, Silt, Rifle, Parachute) are most likely to be employed in Glenwood Springs (38.7 percent), outside of Garfield County (34.2 percent), Rifle (24.4 percent) and Parachute (21.2 percent). In total, 63.1 percent of employees residing in the east County are also employed in this area.

Where Garfield County Residents Work: 2004

Place of Work	Place of Residence		
	Garfield County overall	Carbondale/ Glenwood Springs	New Castle/ Silt/ Rifle/ Parachute
Glenwood Springs	41.0%	43.1%	38.7%
Rifle	12.3%	2.0%	24.4%
Parachute	10.5%	0.9%	21.1%
Carbondale	8.4%	12.7%	6.1%
New Castle	4.6%	2.2%	9.3%
Silt	3.8%	1.7%	8.3%
Outside of Garfield County	37.1%	57.2%	34.2%
Total	117.8%	119.8%	142.1%

Source: 2004 Travel Patterns Employee Survey

NOTE: Percentages add to over 100% due to employees working in multiple locations.

Employee Preferences

The 2004 Travel Patterns employee survey asked respondents a series of questions regarding their housing preferences. Among these included two questions of particular interest: *“Would you consider moving nearer your place of employment if housing were available that you could afford to buy (or rent if that is your preference)?”* and *“Are you searching for work closer to your place of residence?”* Responses to whether households would consider moving closer to work provide a measure of potential demand for affordable housing by employees; responses to whether households are looking for work nearer their place of residence indicate the potential for communities to lose employees as a result of employee residence locations. Responses to both questions indicate the potential for altering current employment, commuting and residency patterns.

As shown in the following table, about 40 percent of respondents that work in the Carbondale/Glenwood Springs area would consider moving nearer their place of employment provided housing was available. A lower 28 percent of workers in the New Castle/Silt/Rifle/Parachute area indicated they would be willing to move closer to work. Of those that would not move, a similar 74 percent of workers in both areas stated that they prefer to live in their present community and another 25 to 27 percent stated their current residence is closer to work for others in their home.

A lower percentage of employees indicated they were searching for work in their current place of residence. This includes 9 percent of Carbondale/Glenwood Springs employees and 11 percent of New Castle, Silt, Rifle and Parachute employees. Responses to this question indicate the potential for employee turnover in these communities. In other words, 9 percent of the estimated 17,864 employees in the Carbondale/Glenwood Springs area would consider leaving their current job for employment closer to home, or 1,600 employees. Likewise, about 740 employees in the New Castle, Silt, Rifle and Parachute area would consider leaving their current job for employment closer to home.

**Potential Changes in Work and Residence Location
By Place of Work Of Respondent: 2004**

	Place of Work	
	Carbondale/ Glenwood	New Castle/ Silt/ Rifle/ Parachute
Would consider moving nearer employment if housing was available/affordable		
Yes	40%	28%
No - Why not?	60%	72%
I prefer to live in my present community	74%	74%
Current residence is closer to work for others in home	27%	25%
I enjoy commuting	7%	8%
Other	18%	26%
Looking for a job nearer residence	9%	11%

Source: 2004 Travel Patterns employee survey

The following table compares some standard demographic characteristics of all employees in the Carbondale/Glenwood area and the New Castle, Silt, Rifle and Parachute area to those of employees that stated they would consider moving to their place of employment, or that they were looking for a job nearer their current residence. Some of the primary observations include:

- Employees that are less established in their communities and jobs are more likely to be open to changing their residence location or their job location. Between 58 to 62 percent of respondents that would either move or change jobs have lived in their current residence less than three years, whereas only 38 to 42 percent of total employees have lived in their current residence less than three years. Also, 63 percent of Carbondale/Glenwood employees and 73 percent of New Castle, Silt, Rifle and Parachute employees that would change jobs to be nearer their place of residence have been employed at their current job for less than three years, whereas only 43 to 45 percent of all employees in these areas have been at their current job for less than three years.
- Household type and tenure are also factors in employee willingness to change. Persons living alone and with unrelated roommates are more open to change jobs or place of residence than more stable family households. Also, renters are more likely to be open to moving their residence or job than owners.
- Child responsibility is a factor in the desire for employees to find a job nearer their place of residence. About one-third of employees searching for a job nearer their place of residence are responsible for transporting their child to/from school or a school bus stop. This compares to only 18 to 28 percent of all employees with school transport responsibilities. Childcare is a less driving issue, where 16 to 19 percent of those looking for another job transport child(ren) to/from childcare, as compared to between 8 and 16 percent of all employees. The desire to keep children in their current school program may be one reason these households may prefer to find a more local job rather than move to their current place of employment.

**Characteristics of Employees by Preference for Changes in Work or
Residence Location: 2004**

	Place of Work of Respondent					
	All workers		Would move closer to work		Looking for a job nearer residence	
	Carbondale / Glenwood	New Castle/ Silt/ Rifle/ Parachute	Carbondale / Glenwood	New Castle/ Silt/ Rifle/ Parachute	Carbondale / Glenwood	New Castle/ Silt/ Rifle/ Parachute
Live in or nearest to:						
Aspen	0%	1%	1%	-	-	7%
Snowmass Village	1%	1%	2%	-	3%	8%
Basalt	2%	1%	2%	-	-	-
El Jebel	2%	-	2%	-	4%	-
Carbondale	18%	4%	19%	9%	42%	16%
Glenwood Springs	36%	6%	19%	6%	14%	8%
New Castle	15%	9%	21%	4%	9%	4%
Silt	7%	7%	9%	5%	12%	4%
Rifle	17%	46%	21%	55%	13%	50%
Parachute	2%	25%	4%	20%	2%	3%
Gypsum	0%	1%	-	-	-	-
Transport Children:						
To/from school/ bus	18%	28%	10%	48%	32%	35%
To/from child care	8%	16%	6%	17%	16%	19%
Tenure						
Own	68%	62%	50%	37%	51%	42%
Rent	30%	32%	48%	51%	49%	58%
Other	2%	5%	2%	12%	0%	0%
Average Household size	2.7	2.8	2.8	2.7	3.1	3.3
Persons under 16 (Avg)	0.5	0.6	0.6	0.5	0.5	0.4

Characteristics of Employees by Preference for Changes in Work or Residence Location (continued)

	Place of Work of Respondent					
	All workers		Would move closer to work		Looking for a job nearer residence	
	Carbondale / Glenwood	New Castle/ Silt/ Rifle/ Parachute	Carbondale / Glenwood	New Castle/ Silt/ Rifle/ Parachute	Carbondale / Glenwood	New Castle/ Silt/ Rifle/ Parachute
Household type						
Live alone	11%	14%	15%	16%	2%	4%
Single parent with children	6%	11%	5%	1%	3%	-
Couple	36%	26%	30%	32%	38%	32%
Couple with children	35%	39%	30%	32%	31%	30%
Unrelated roommates	8%	3%	10%	14%	16%	28%
Other	4%	8%	10%	5%	10%	6%
How long have you lived in your current home?						
Less than 1 year	18%	16%	30%	28%	36%	30%
1 up to 3 years	24%	22%	31%	30%	26%	29%
3 up to 5 years	13%	14%	12%	10%	7%	11%
5 up to 10 years	18%	20%	11%	13%	16%	23%
10 years or more	28%	29%	17%	19%	15%	7%
How long have you worked for your current employer?						
Less than 1 year	16%	16%	18%	33%	12%	46%
1 up to 3 years	27%	29%	35%	24%	41%	27%
3 up to 5 years	15%	12%	18%	12%	22%	15%
5 up to 10 years	17%	20%	12%	25%	11%	8%
10 years or more	24%	22%	16%	5%	14%	4%

Source: 2004 Travel Patterns employee survey

Finally, household expenses and incomes show some differences among employees willing to change their residence or job location and all employees. However, these differences may be related to the household types that show a preference for change. For example, renters, single person households and households with unrelated roommates and households that are newer to the area and less established in their jobs generally have lower incomes than more established households (owners, families, longer job tenure, etc.). Understanding the mix of incomes of employees willing to consider moving their residence or job is an important component in understanding what housing programs would best serve their needs.

As shown below, over 20 percent of employees in Carbondale/Glenwood Springs and New Castle, Silt, Rifle and Parachute that are looking for a job nearer their residence earn less than 30 percent AMI. This compares to between 6 and 9 percent of all employee households. These households generally have fewer options available for relocation than more affluent households. Households that would move to be closer to work that are employed in the Carbondale/Glenwood area are only slightly less affluent than all employees on average in the area; whereas those employed in the New Castle, Silt, Rifle and Parachute area that would move closer to work are generally slightly more affluent than workers on average in the area.

**Household Costs and Income By Preference for Changes in Work or Residence
Location: 2004**

	Place of Work of Respondent					
	All workers		Would move closer to work		Looking for a job nearer residence	
	Carbondale / Glenwood	New Castle/ Silt/ Rifle/ Parachute	Carbondale / Glenwood	New Castle/ Silt/ Rifle/ Parachute	Carbondale / Glenwood	New Castle/ Silt/ Rifle/ Parachute
Monthly rent/mortgage (median)	\$999	\$810	\$800	\$820	\$800	\$781
Monthly income (median)	\$4,500	\$4,000	\$4,000	\$4,228	\$3,889	\$3,449
Percent of Household Income Paid Toward Rent/Mortgage						
Less than 30%	73%	66%	70%	79%	63%	69%
30% or more	27%	34%	30%	21%	37%	31%
AMI Range						
30% or less AMI	6%	9%	9%	8%	21%	24%
30.1% - 60% AMI	15%	23%	21%	15%	13%	8%
60.1% - 80%	11%	11%	12%	13%	17%	23%
80.1 to 120%	28%	31%	29%	32%	27%	21%
OVER 120% AMI	40%	26%	29%	32%	22%	24%

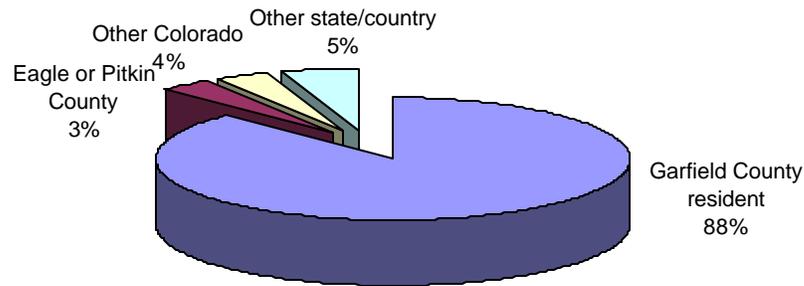
Source: 2004 Travel Patterns employee survey

Housing Inventory

Ownership of Units

Garfield County has a high percentage of homes that are owned by residents of the county, with only 11 percent of homes owned by households outside of the immediate area. This suggests that the influx second home owners is not as great in Garfield County as other resort areas; however, it is likely that as other resort areas increase in price, the desirability of Garfield County will also increase.

Ownership of Properties By Place of Residence: 2005



Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

With the exception of Parachute/Battlement Mesa, the percentage of homes occupied by Garfield County residents increase along the I-70 Corridor, with 17 percent of homes in Carbondale and 15 percent in Glenwood Springs being owned by out-of-County residents. The high percentage of other Colorado owners in Parachute/Battlement Mesa may be more a reflection of the cyclical nature of the gas and shale industry's employment pattern in the past 10 years than a high incidence of second home owners in the area. It is acknowledged that Battlement Mesa does attract a significant number of retired persons who may own a home in the area as a part-time residence.

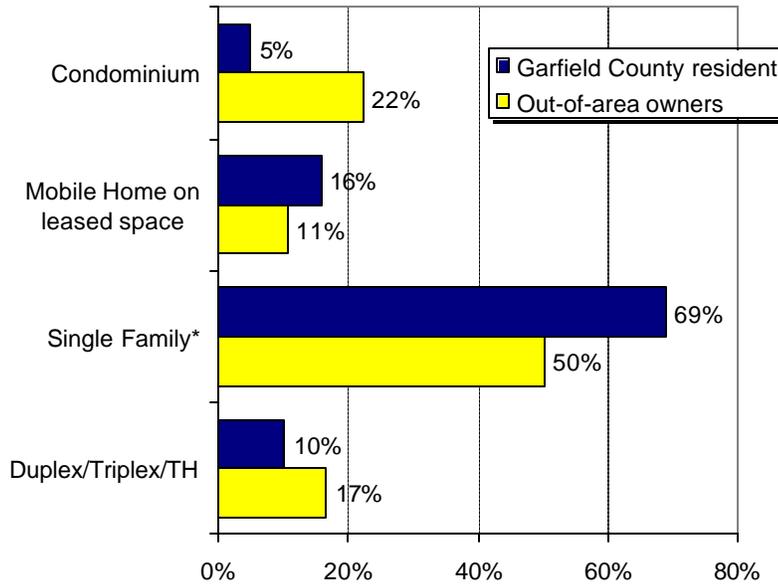
Ownership of Properties By Place of Residence: 2005

	Carbondale	Glenwood Springs	New Castle	Silt	Rifle	Parachute/ Battlement Mesa	Unincorporated	Total
Garfield County resident	83%	85%	91%	93%	91%	83%	87%	88%
Eagle or Pitkin County	8%	4%	3%	3%	2%	2%	3%	3%
Other Colorado	2%	5%	3%	2%	2%	12%	4%	4%
Other state/country	7%	6%	2%	2%	5%	4%	6%	5%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%

Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

Out of area owners are more likely to own attached homes than county residents; however, single family homes are clearly the primary housing choice. This has clear implications for how demand in the area for specific housing types will be affected by both local and out of area buyers and owners.

Ownership of Units by Type of Property: 2005



*Single Family homes include mobile and manufactured housing on owned land.

Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

The percentage of homes purchased by Garfield County residents generally increased between 1999 and 2004 (86 percent in 1999 to 89 percent in 2004). However, sales through September 2005 show a clear increase in the percentage of homes purchased by out-of-Garfield County owners who do not use the home as their primary residence.

Year Purchased by Residency of Owner: 1999 – September 2005

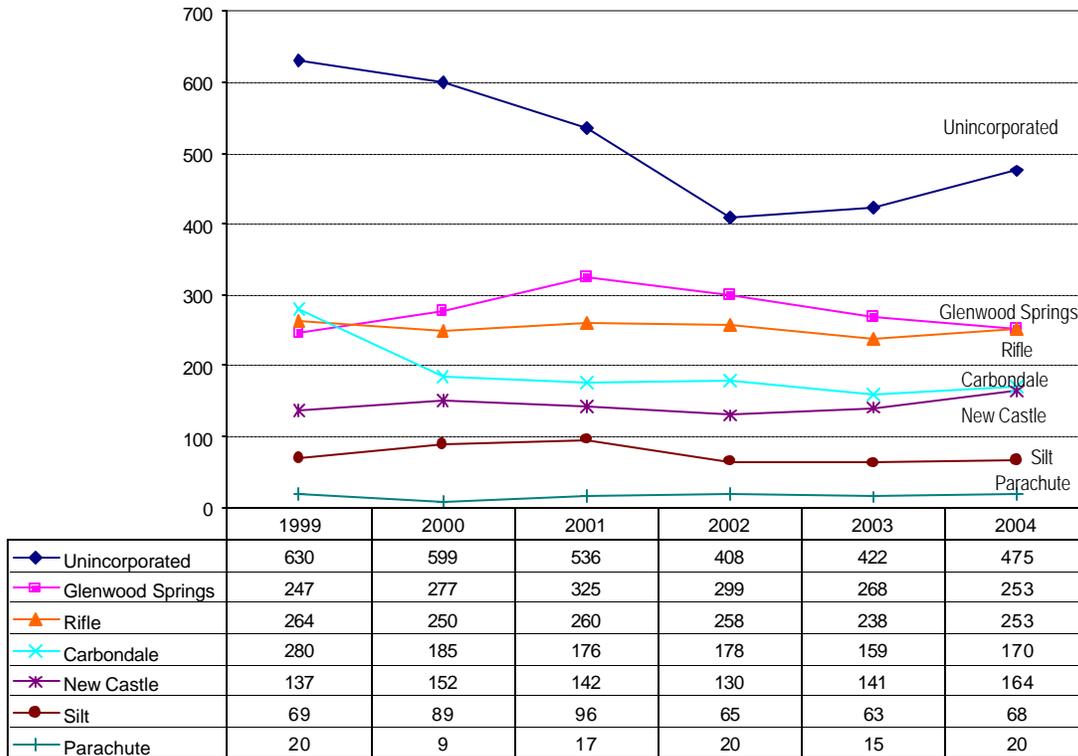
	Garfield County resident	Eagle or Pitkin County	Other Colorado	Other state/country	TOTAL
1999	85.7%	5.0%	2.2%	7.2%	100%
2000	86.6%	3.6%	3.9%	6.0%	100%
2001	84.6%	5.9%	2.6%	6.9%	100%
2002	86.4%	5.2%	3.6%	4.8%	100%
2003	88.9%	2.8%	3.3%	4.9%	100%
2004	89.4%	3.4%	3.0%	4.2%	100%
2005	83.6%	5.9%	5.1%	5.4%	100%

Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

For Sale Housing Trends

There was a drop in the number of residential sales in all communities in Garfield County from 2001 to 2002. What is interesting; however, is that unincorporated Garfield County has had the steepest increase in residential sales from 2003 to 2004. In comparison, Glenwood Springs has had a steady decline during this period. All other areas have shown steady increases in the number of residential sales.

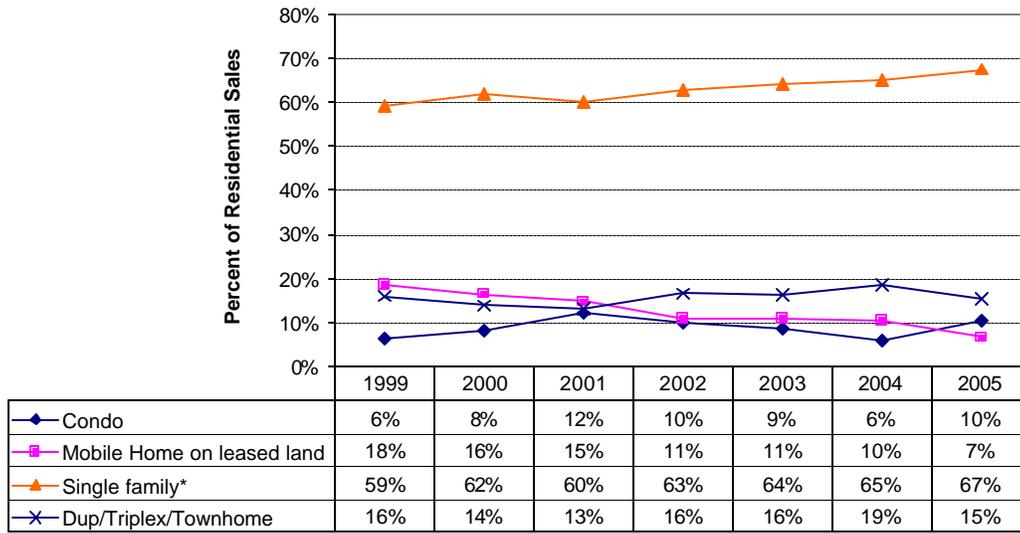
Total Number of Residential Sales: 1999 through September 2005



Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

Single family homes (including mobile/manufactured homes on owned land) have shown a slight increase as a percentage of all residential sales since 2001, with sales of mobile homes on leased property declining during this period. After 2001, sales of duplex/triplex/townhome units surpassed sales of condominium units as a percentage of total sales. The percentage of condominium sales declined slightly between 2001 and 2004, with a slight rebound seen in 2005.

Residential Sales by Type of Unit: 1999 through September 2005

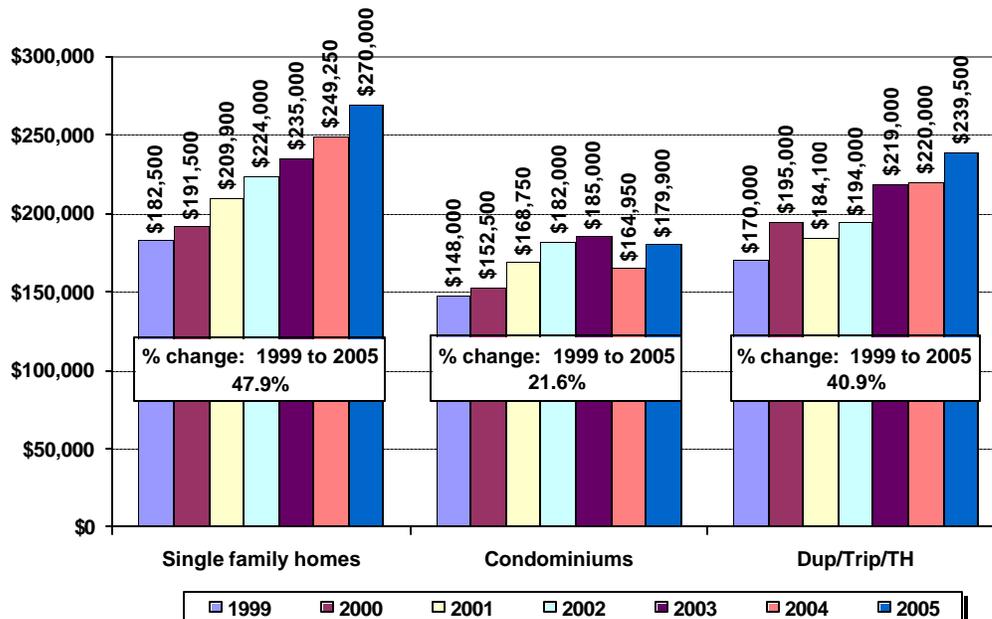


*Single Family homes include mobile and manufactured housing on owned land.

Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

Single family homes have enjoyed a steady increase in pricing the past six years; the median sales price of these homes increased 48 percent. In comparison, condominiums have had fluctuating median prices with an overall increase of 22 percent during the same period. Duplex/triplex/townhome unit prices track more similarly to single family homes, showing a 41 percent increase in median sales price since 1999.

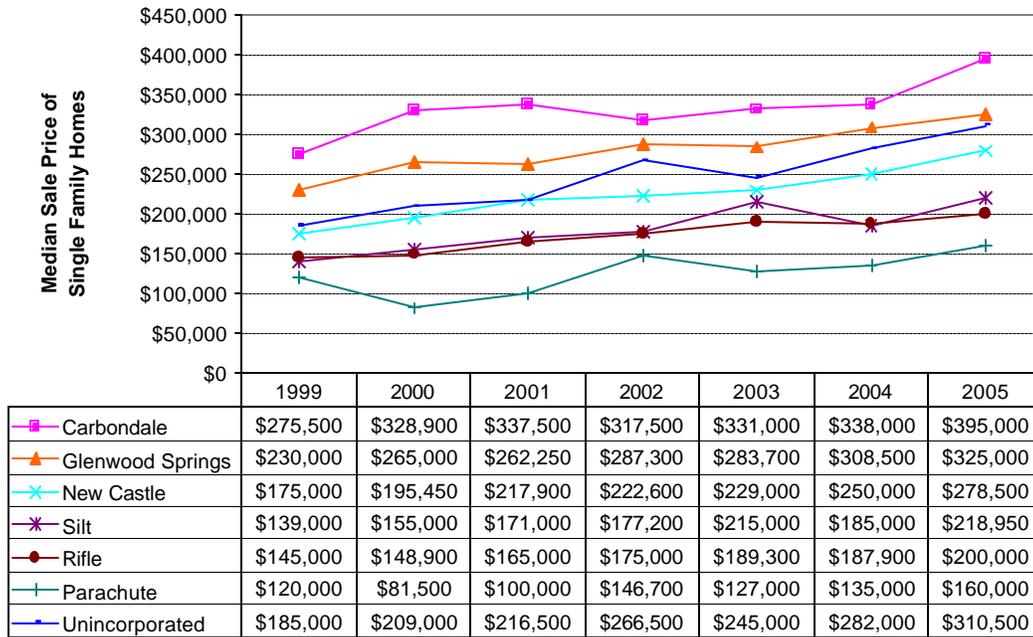
Median Sale Price of Single Family Homes and Condominiums: 1999 through September 2005



Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

The pattern of the increase in median sale prices of single family homes is relatively consistent throughout Garfield County, with prices rising and falling at similar times in each area. Median sale prices do vary from place to place, and prices are generally lower in the western County. Median prices for single family homes in unincorporated Garfield County are in the mid-range of all median sale prices for the entire County, with the highest median prices found in Carbondale and Glenwood Springs.

**Median Sale Price of Single Family Homes* By Town:
1999 through September 2005**



*Single Family homes include mobile and manufactured homes on owned land.
Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

The unincorporated county experienced the largest percentage increase in single family home prices between 1999 and 2005, at 67.8 percent. New Castle and Silt followed second at a respective 59.1 percent and 57.5 percent increase. Remaining areas experienced slower rates of appreciation than the County on average, with prices increasing about 43.4 percent in Carbondale, 41.3 percent in Glenwood Springs, 37.9 percent in Rifle and 33.3 percent in Parachute/Battlement Mesa.

**Percent Change in Median Single Family Home*
Prices by Community: 1999 to 2005**

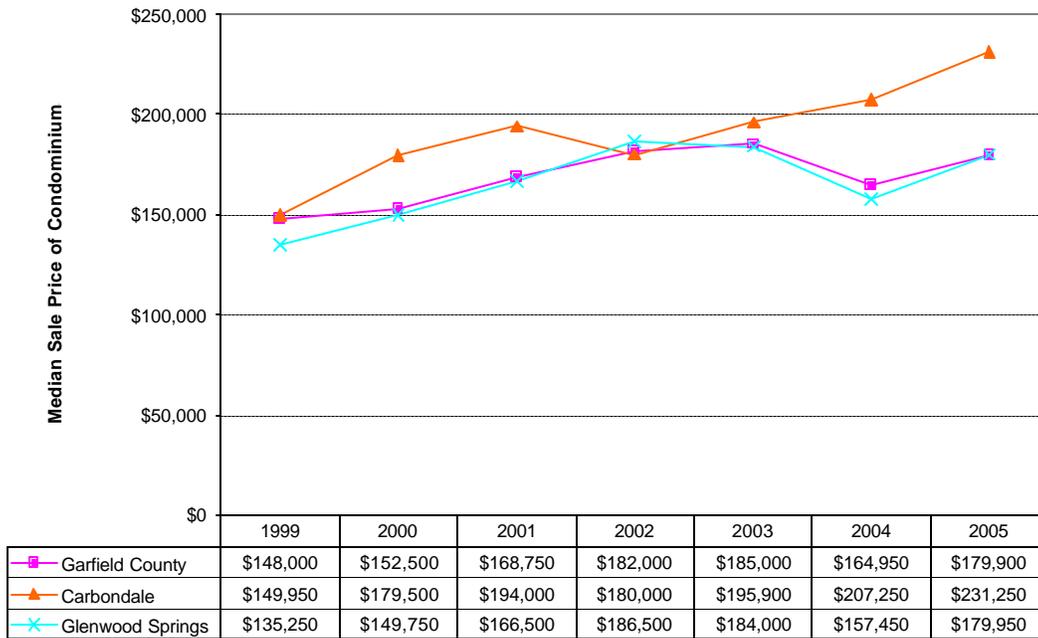
Garfield County	Carbondale	Glenwood Springs	New Castle	Silt	Rifle	Parachute/ Battlement Mesa	Unincorporated
47.9%	43.4%	41.3%	59.1%	57.5%	37.9%	33.3%	67.8%

*Single Family homes include mobile and manufactured homes on owned land.

Prices for condominiums have a distinctly different pattern from single family homes. Median sales in Carbondale rose when other condominiums fell in price. As condo values increased in other Garfield County areas, median sales fell for Carbondale. It is likely that the changes in median sales prices from area to area and over time are more

a factor of new projects being introduced into the market than of an overall downturn in the value of condos in Garfield County. There is relatively little supply of condominiums in the area and most have been introduced into the market the past five years. Given the relative newness of this product type in Garfield County sales prices are more likely to be influenced by new developments than sales of existing condominiums.

**Median Sale Price of Condominiums By Town:
1999 through September 2005**



Source: 2005 Garfield County Assessor data; RRC Associates, Inc.
Insufficient number of cases for Rifle, Parachute/Battlement Mesa, New Castle, Silt and the Unincorporated County

Again, sales of duplex/triplex/townhome units follow single family home trends more similarly than condominium units. Prices of these attached products have generally increased since 1999 in each community.

**Median Sale Price of Duplex/Triplex/Townhomes By Town:
1999 through September 2005**



Source: 2005 Garfield County Assessor data; RRC Associates, Inc.
Insufficient number of cases for Parachute/Battlement Mesa, Silt and the Unincorporated County

Gains in the median sale price per square foot for housing units in total in Garfield County (excluding mobile homes on leased land) show that largest percentage gain in the New Castle area (52.1 percent), Carbondale (42.9 percent), Silt (42.1 percent) and the other areas at just over 40 percent, with an overall increase in the County of 37.4 percent. This table includes units on unincorporated land neighboring each community area.

Median Sale Price per Square Foot: Single Family, Condominium and Duplex/Triplex/Townhome Units Combined

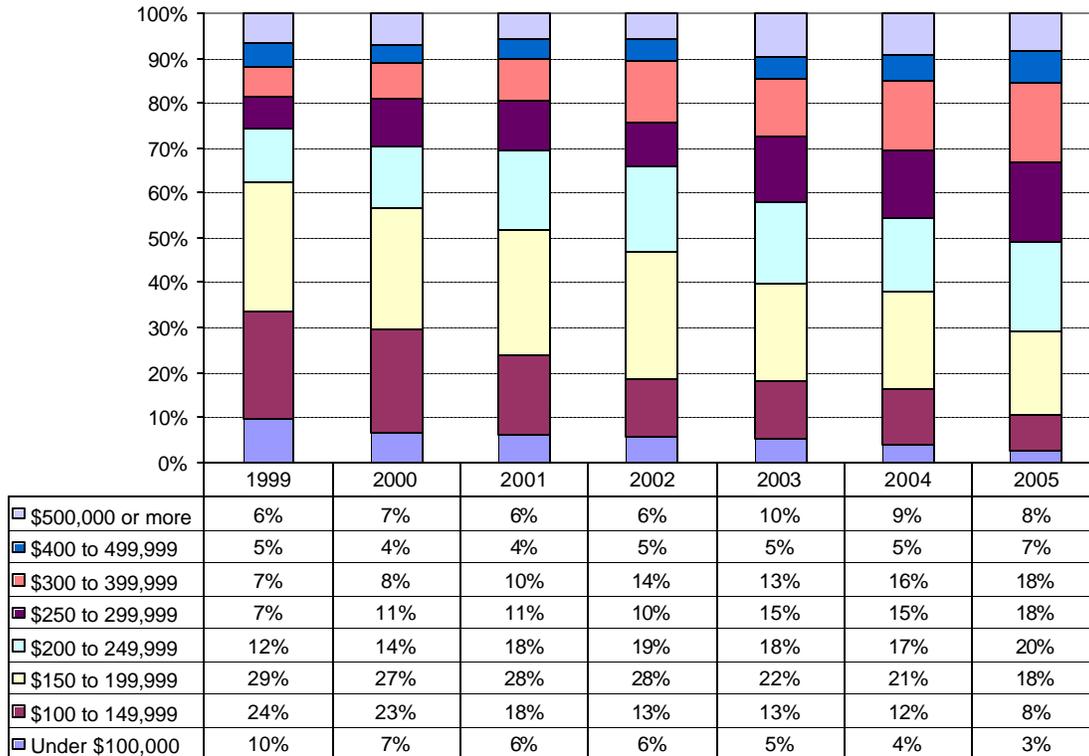
	Carbondale	Glenwood Springs	New Castle	Silt	Rifle	Parachute/ Battlement Mesa	Total
1999	\$146	\$123	\$104	\$102	\$93	\$83	\$113
2000	\$162	\$141	\$119	\$110	\$102	\$92	\$121
2001	\$183	\$156	\$133	\$117	\$101	\$98	\$129
2002	\$187	\$164	\$143	\$120	\$110	\$99	\$135
2003	\$194	\$161	\$140	\$127	\$120	\$103	\$143
2004	\$200	\$166	\$145	\$131	\$115	\$105	\$144
2005	\$208	\$174	\$158	\$145	\$131	\$117	\$155
% change	42.9%	40.9%	52.1%	42.1%	40.8%	40.5%	37.4%

Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

The following chart shows the number of single family, condominium and duplex/triplex/townhome units sold at different price points over the past six years. It shows the general increase in the sale price of homes, on average, in the County. The

percentage of units sold that are priced between \$250,000 and \$399,999 has shown the largest increase during this period, comprising 14 percent of units sold in 1999 and 36 percent in 2005 (through September). Correspondingly, units priced under \$200,000 have declined as a percentage of sales, from 63 percent in 1999 to only 29 percent in 2005 (through September).

Price Distribution of Single Family*, Condominium and Duplex/Triplex/Townhome Units Sold: 1999 through September 2005



*Single Family homes include mobile and manufactured homes on owned land.
 Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

Not surprisingly, the price distribution of units varies by location in the County. Of units sold between 2003 and September 2005, Parachute/Battlement Mesa and Rifle have the most affordable mix of units, with most sales in Parachute/Battlement Mesa occurring under \$250,000 and sales in Rifle occurring under \$350,000. Prices generally increase east of these areas, with the most expensive mix of properties sold being located in Carbondale.

Price Distribution of Single Family*, Condominium and Duplex/Triplex/Townhome Units Sold Between January 2003 and September 2005 by Property Location

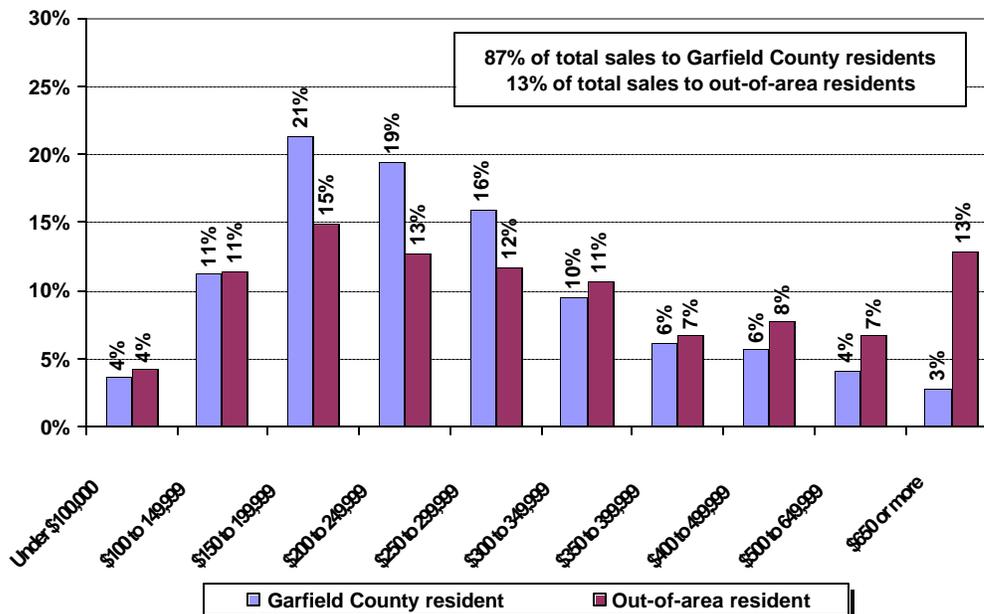
	Carbondale	Glenwood Springs	New Castle	Silt	Rifle	Parachute/ Battlement Mesa	Unincorporated	TOTAL
Under \$100,000	0%	4%	5%	6%	6%	22%	3%	4%
\$100 to 149,999	2%	5%	4%	11%	21%	44%	14%	11%
\$150 to 199,999	8%	14%	23%	36%	37%	31%	16%	21%
\$200 to 249,999	19%	17%	27%	31%	22%	2%	11%	18%
\$250 to 299,999	24%	22%	22%	11%	8%	0%	11%	16%
\$300 to 349,999	13%	17%	7%	3%	3%	0%	10%	10%
\$350 to 399,999	8%	10%	5%	1%	0%	0%	8%	6%
\$400 to 499,999	8%	5%	4%	0%	0%	0%	10%	6%
\$500 to 649,999	10%	3%	2%	0%	0%	0%	8%	4%
\$650 or more	8%	3%	0%	0%	4%	0%	9%	5%
TOTAL %	100%	100%	100%	100%	100%	100%	100%	100%
TOTAL #	442	656	443	177	664	45	1,000	3,427

*Single family units include mobile and manufactured homes on owned land.

Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

Of homes sold to out of area residents, 20 percent were priced at \$500,000 or more. About 26 percent were valued at \$100,000 to \$200,000; generally a price range affordable to entry-level buyers. In comparison, one-third of all homes purchased by local residents were in the \$100,000 to \$200,000 price range and 7 percent were priced at \$500,000 or above. This suggests that, over time, home values will be impacted by the greater purchasing power of out-of-County residents as outside interest in the County increases.

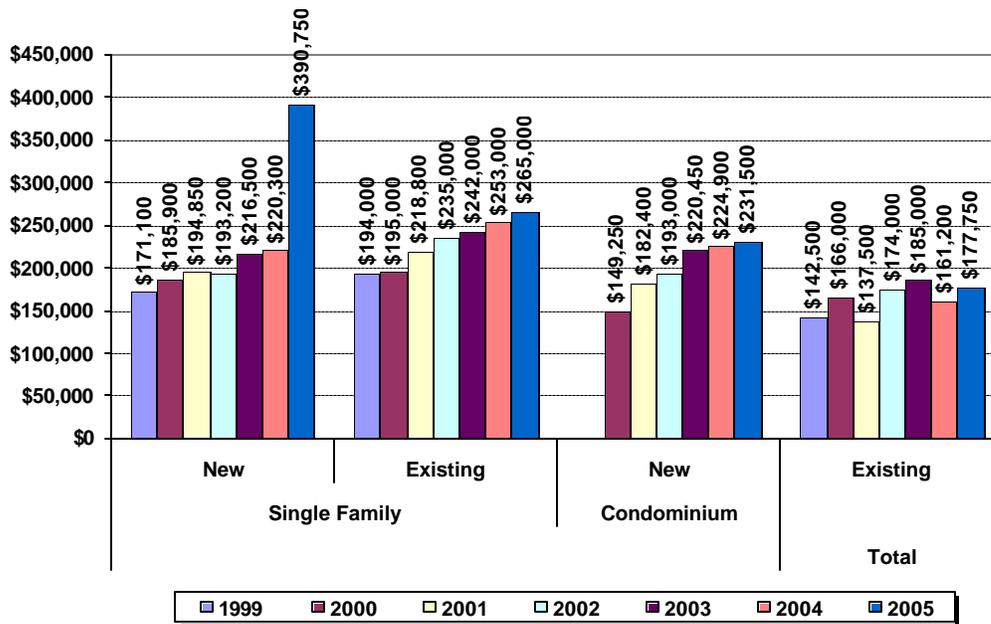
Price Distribution of Units Sold Between January 2003 and September 2005 by Purchaser's Place of Residence



Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

Examining home prices for new versus existing units provides insights about how new housing types “fit” with existing units. “New” unit sales are defined as those sales that occurred within 2 years prior to construction of the residence and within one year after construction. Of interest is that, in Garfield County, the median price of new single-family home sales for each year, except 2005, was lower than the median sale price of existing homes. This implies that new single family homes constructed are generally *more* affordable to residents than existing properties. Condominiums fluctuate more in price over time, somewhat reflective of available products on the market given their more limited availability in the County. For the most part, however, new condominium units generally sell for more than existing units for any given year (2000 and 2004 being exceptions).

**Median Sale Price of New and Existing Units Sold:
1999 through September 2005**



Source: 2005 Garfield County Assessor data; RRC Associates, Inc.
*Insufficient data for new condominiums in 1999.

Closer evaluation of single family home prices shows that most areas in the County are producing new units that are more expensive than existing units in the communities. For example, the median sale price of *new* single family homes sold in Carbondale between 2003 and September 2005 is about 75 percent higher than the median sale price of existing units. This price difference has generally been increasing since 1999. The communities of New Castle, Silt, Rifle, and Parachute/Battlement Mesa also show higher new home prices than existing. This indicates that new homes in these areas will generally be less affordable to local residents than existing homes. Only Glenwood Springs and the unincorporated County exhibit new home prices lower than that for existing home prices; however the volume of these sales is sufficient to bring the median for new homes in the County as a whole below existing homes. This is also a reflection of the large variation in home prices throughout the County, where the lower priced homes in the west portion of the County effectively counter-balance the higher priced homes in Carbondale and Glenwood Springs to give the impression of overall County affordability.

**Median Sales Prices of New and Existing Single Family Homes
(Includes median of all sales between 2003 and September 2005)**

Community	New	Existing	% Price Difference of New over Existing Units
Carbondale	\$605,000	\$346,250	74.7%
Glenwood Springs	\$297,850	\$310,000	-3.9%
New Castle	\$290,800	\$244,000	19.2%
Silt	\$223,900	\$197,000	13.7%
Rifle	\$210,300	\$185,000	13.7%
Parachute/Battlement Mesa	\$145,000	\$135,000	7.4%
Unincorporated	\$178,000	\$292,000	-39.0%
TOTAL	\$227,500	\$254,000	-10.4%

Source: 2005 Garfield County Assessor data; RRC Associates, Inc.

Multiple Listing Service

The Multiple Listing Service (MLS), as of October 21, 2005, lists 66 condominium units and 743 residential units (single-family, mobile homes, townhomes and dup/triplexes) in Garfield County, distributed as follows:

- Carbondale offers the largest number of units, comprising about 42 percent of the total units for sale. However, over 55 percent of these are priced at \$650,000 or more.
- Glenwood Springs has about 22 percent of all units that are for sale. About 14 total units are priced under \$100,000 (8 percent), 21 units between \$100,000 and \$350,000 (12 percent) and the remainder priced over \$350,000. A progressively larger number of units are offered in each price range over \$350,000, with 28 percent priced over \$650,000.
- The Parachute/Battlement Mesa area offers the largest percentage of affordably priced units, with 41 of the 64 units priced below \$200,000 (or 64 percent of units).
- About 60 percent of the units in Silt (67 total) are priced between \$150,000 and \$250,000, which are relatively affordable for many Garfield County households⁴.
- Units are slightly more expensive in Rifle than in Silt, with just under one-half of the units in Rifle priced between \$200,000 and \$300,000 (49 percent). Only about 24 percent are priced over \$300,000.

⁴ A 3-person household earning 100% AMI in Garfield County in 2005 (\$56,900) could afford a home priced at about \$213,000 given 5% down, 6.5% interest rate on a 30-year loan and 10% of monthly payment for taxes, insurance and PMI.

- New Castle offers only 36 total units. About 31 percent are priced between \$150,000 and \$200,000, with the remaining units covering the full range of prices.

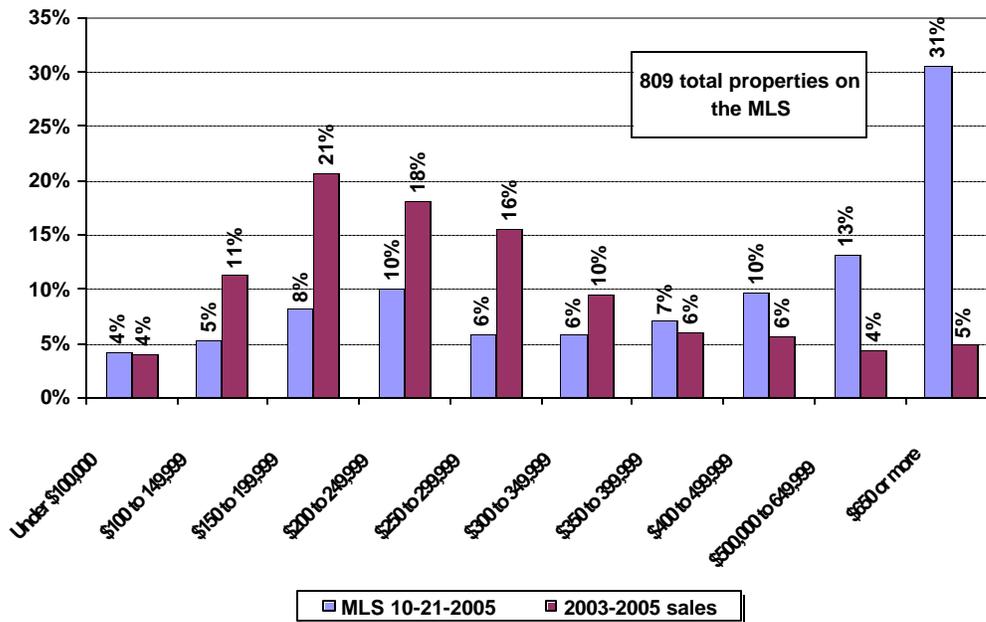
Garfield County MLS Listings (10/21/2005) By Community

	Rifle	Carbondale	Glenwood Springs	New Castle	Parachute/ Battlement Mesa	Silt	TOTAL
< \$100K	5	1	14	3	11	0	34
\$100-149K	9	5	2	0	21	6	43
\$150-199K	8	7	3	11	9	28	66
\$200-249K	21	15	3	2	1	39	81
\$250-299K	19	11	5	4	5	4	48
\$300-349K	7	15	8	4	4	9	47
\$350-399K	4	14	23	0	6	10	57
\$400-499K	3	26	33	4	3	10	79
\$500-649K	2	56	37	5	4	3	107
\$650K+	4	189	49	3	0	2	247
TOTAL #	82	339	177	36	64	111	809
TOTAL %	10.1%	41.9%	21.9%	4.4%	7.9%	13.7%	100.0%

Source: MLS

The following graph compares the distribution of property sale prices between 2003 and 2005 to that of the MLS listings. This shows that current MLS listings fall into the higher price ranges (54 percent over \$400,000), whereas recently sold properties are more likely to be priced under \$350,000 (80 percent). The more expensive listings are largely out of reach for the majority of Garfield County households based on area median incomes. A household would generally need to earn over \$105,000 per year to afford a home priced over \$400,000 (depending on the level of household equity, debt-to-income ratios, etc).

Price Distribution of MLS Listings (10/21/2005) vs. Single Family, Condominium and Duplex/Triplex/Townhome Units Sold Between January 2003 through September 2005



Source: MLS; 2005 Garfield County Assessor data; RRC Associates, Inc.

Affordability by AMI

The following table shows the range of housing prices that households in Garfield County could afford to purchase at different Area Median Income (AMI) ranges. This reflects the above chart, showing that homes priced between about \$150,000 to \$300,000 would be affordable to the majority of 80 to 120 percent AMI households in Garfield County.

Affordable Purchase Price By AMI*: 2005

AMI Income	1-person	2-person	3-person	4-person	5-person
80% AMI	\$35,400	\$40,450	\$45,500	\$50,550	\$54,600
100% AMI	\$44,200	\$50,600	\$56,900	\$63,200	\$68,300
120% AMI	\$53,040	\$60,720	\$68,280	\$75,840	\$81,960
Affordable Purchase Price					
80% AMI	\$117,857	\$134,670	\$151,483	\$168,296	\$181,780
100% AMI	\$147,155	\$168,463	\$189,437	\$210,412	\$227,391
120% AMI	\$176,586	\$202,155	\$227,325	\$252,494	\$272,869

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

*Assumes 5% down; 6.5% 30-year loan; 20% of monthly payment for insurance, taxes, PMI, HOA.

Comparing affordable purchase prices by AMI in Garfield County to median single family home prices in different areas of the County provides some explanation as to why 56.9 percent of the workforce in Garfield County lives west of Glenwood Springs, while 49.4

percent of residents are employed in Glenwood Springs or Carbondale. As shown below, a 4-person household earning 120 percent of the AMI would not be able to afford the median priced single family home sold in 2005 in Glenwood Springs or Carbondale. Affordability increases as one moves west in the County, where a 3-person household earning 80 percent of the AMI in Garfield County could potentially afford a median priced home in the Parachute/Battlement Mesa area.

Median Sales Price of Single Family Homes* (2005)

Garfield County	Carbondale	Glenwood Springs	New Castle	Silt	Rifle	Parachute/Battlement Mesa
\$270,000	\$395,000	\$325,000	\$278,500	\$218,950	\$200,000	\$160,000

*Single family homes include mobile/manufactured homes on owned (not leased) land.

Source: Garfield County Assessor data; RRC Associates, Inc.

Deed Restricted Housing

Several of the local governments, including Garfield County, have programs which have produced deed-restricted, for-sale housing. This section of the report provides information about these units.

Carbondale:

Mountain Regional Housing Corporation (MRHC) currently oversees 60 deed restricted units at Thompson Corner, located in Carbondale. Of these, 35 have been resold since being placed into service in 1998. Owners are allowed to get credit for certain capital improvements (basements, patios, decks, some landscaping) up to 20 percent of the initial purchase price, plus the appreciation. Thompson Corner units are both single family and duplex style homes. Clearly, sales and resale prices are well below market for comparable product in the Carbondale area.

Carbondale: Thompson Corner – Resale History

	Resale Date	Original Sale	Resale Price	Original Price	Style of Home	% increase
1	2/24/05	7/28/1998	\$189,095	\$148,883	2b/2b single family	27.0%
2	5/4/05	2/5/1999	\$149,375	\$125,600	2b/2b 1/2 duplex	18.9%
3	12/6/04	7/21/1998	\$157,799	\$125,640	2b/duplex	25.6%
4	9/7/2004	10/30/1998	\$111,530	\$91,855	1b/1/b duplex	21.4%
5	7/8/2004	12/9/2002	\$168,413	\$160,700	2B/2b duplex	4.8%
6	7/7/2004	2/26/1999	\$170,990	\$129,500	2B2B duplex	32.0%
7	5/27/2004	2/24/2000	\$196,141	\$163,800	2b/2b single family	19.7%
8	4/6/2004	1/28/1999	\$148,234	\$110,000	2B/2b duplex	34.8%
9	3/29/04	2/26/1999	\$170,990	\$129,500	2b/2b 1/2 duplex	32.0%
10	11/19/03	11/6/1998	\$174,960	\$148,000	2b/2b single family	18.2%
11	7/15/03	6/14/2002	\$216,028	\$203,827	3b/2b single family	6.0%
12	5/22/03	2/10/1999	\$199,565	\$167,100	3b/2b single family	19.4%
13	4/15/03	9/21/1998	\$142,816	\$118,200	2b/2b 1/2 duplex	20.8%
14	12/19/02	12/29/1998	\$192,715	\$159,900	2b/2b single family	20.5%
15	12/9/02	8/20/1998	\$160,851	\$130,434	2b/2b 1/2 duplex	23.3%

Carbondale: Thompson Corner – Resale History (continued)

	Resale Date	Original Sale	Resale Price	Original Price	Style of Home	% increase
16	12/9/02	11/18/1998	\$199,412	\$160,245	3b/3b single family	24.4%
17	11/15/02	7/28/1998	\$169,842	\$148,883	2b/2b single family	14.1%
18	10/23/02	5/13/1999	\$160,538	\$128,629	2b/2b 1/2 duplex	24.8%
19	9/30/02	5/15/2002	\$152,147	\$150,194	2b/2b 1/2 duplex	1.3%
20	4/18/02	7/31/1998	\$154,576	\$136,800	2b/1b single family	13.0%
21	6/19/02	10/19/1998	\$150,156	\$128,629	2b/2b 1/2 duplex	16.7%
22	5/28/02	6/19/1998	\$148,397	\$126,060	2b/2b 1/2 duplex	17.7%
23	5/15/02	1/18/2000	\$150,194	\$126,120	2b/2b 1/2 duplex	19.1%
24	5/15/02	7/2/1999	\$177,671	\$154,000	2b/2b single family	15.4%
25	12/28/01	7/20/1999	\$207,965	\$189,900	2b/1b single family	9.5%
26	9/21/01	6/19/2002	\$151,115	\$150,156	2b/2b 1/2 duplex	0.6%
27	7/20/01	6/26/1998	\$155,415	\$139,600	3b/2b single family	11.3%
28	7/9/01	10/30/1998	\$98,931	\$91,435	1b/1b 1/2 duplex	8.2%
29	6/13/01	4/28/1998	\$203,827	\$185,145	3b/2b single family	10.1%
30	3/9/01	9/16/1998	\$136,417	\$126,060	2b/2b 1/2 duplex	8.2%
31	5/31/00	7/9/1998	\$137,282	\$130,434	2b/2b 1/2 duplex	5.3%
32	2/24/00	11/17/1998	\$163,750	\$156,717	2b/2b single family	4.5%
33	2/14/00	8/28/1998	\$135,834	\$130,014	2b/2b 1/2 duplex	4.5%
34	1/18/00	7/30/1998	\$126,120	\$121,550	2b/2b 1/2 duplex	3.8%
35	11/17/98	7/24/1998	\$156,717	\$154,020	2b/2b single family	1.8%

MRHC also has one unit at Village Lane Townhomes, Crystal Village PUD. This unit sold for \$245,000 in June 2005.

Basalt:

The Town of Basalt has a total of 15 deed restricted units. These include eight units at Riverside, one at Southside and six at Valley Pines. These have a deed restriction limiting the appreciation at 3 to 5 percent simple interest annually. Of the 15 deed restricted units, eight have been sold within the past two years at prices ranging from a low of \$127,550 to a high of \$259,000.

Town of Basalt Restricted Housing Unit Sales

Complex & Unit	Appreciation Cap	Date Initial Purchase	Initial Price	Date Next Purchase	Resale Price	BR
1 Riverside	5% simple annual	4/2001	\$150,922	11/2004	\$167,000	1BR
2 Riverside	5% simple annual	5/2001	\$218,187	11/2005	\$259,000	2BR
3 Riverside	5% simple annual	6/2001	\$211,753			2BR
4 Riverside	5% simple annual	5/2001	\$168,183	9/2001	\$172,218	1BR
5 Riverside	5% simple annual	3/2001	\$160,501	3/2005	\$177,500	1BR
6 Riverside	5% simple annual	5/2001	\$232,093			2BR
7 Riverside	5% simple annual	4/2001	\$229,476	4/2005	\$239,500	2BR
8 Riverside	5% simple annual	5/2001	\$174,614	9/2005	\$215,500	1BR
9 Southside	3% simple	8/2000	\$103,750			1BR

Town of Basalt Restricted Housing Unit Sales (continued)

Complex & Unit	Appreciation Cap	Date Initial Purchase	Initial Price	Date Next Purchase	Resale Price	BR
10 Valley Pines	3% simple annual	12/2003	\$120,900			1BR
11 Valley Pines	3% simple annual	12/2003	\$120,900			1BR
12 Valley Pines	3% simple annual	12/2003	\$120,900			1BR
13 Valley Pines	3% simple annual	12/2003	\$120,900	9/2005	\$127,741	1BR
14 Valley Pines	3% simple annual	9/2003	\$120,900	10/2005	\$129,097	1BR
15 Valley Pines	3% simple annual	10/2003	\$120,900	10/2005	\$127,550	1BR
16 Valley Pines	3% simple annual		\$120,900			1BR
17 Valley Pines	3% simple annual		\$120,900			1BR

Garfield County:

The Garfield County Housing Authority administers the units produced under the County's inclusionary zoning program. They reported 24 homes have been sold at this time. These are units that were built to satisfy the inclusionary zoning requirements at Blue Creek Ranch located near Carbondale; Midland Point, also near Carbondale; and Valley View Condos. The homes at Blue Creek are all two- and three-bedroom, single-family homes that sold for a low of \$199,094 to \$243,051. Midland Point had one single family home with three bedrooms and the remaining were two bedroom duplexes. All of the condominiums at Valley View were two-bedrooms. There have been four re-sales and prices appear to be well-below market for comparable product.

Garfield County Restricted Housing Unit Sales

Blue Creek Carbondale	Type	Sq. ft	BR/Bath	Sale Price
Unit #40	SF		3 br/2 bath	\$240,255
#41	SF	1,088	2 br/1.5 bath	\$199,094
#42	SF		2 br	\$206,187
#43	SF	1,223	3 br/2 bath	\$237,507
#44	SF	877	2 br/1 bath	\$203,829
#45	SF	1,240	3 br/2 bath	\$240,255
#46	SF		3 br/2 bath	\$243,051
#47	CORE			\$225,791
#48	CORE			

Garfield County Restricted Housing Unit Sales (continued)				
Midland Pt. Carbondale	Type	Sq. ft	BR/Bath	Sale Price
Unit A-4	SF		3 br/2 bath	\$151,150
A-4	re-sale			\$168,639
A-1 A	Duplex		2 br/2 bath	\$129,170
A-1 B	Duplex		2 br/2 bath	\$129,170
A-2 A	Duplex		2 br/2 bath	\$129,170
A-2 B	Duplex		2 br/2 bath	\$129,170
A-2 B	Duplex (re-sale)			\$141,148
A-3 A	Duplex		2 br/2 bath	\$129,170
A-3 A	Duplex (re-sale)			\$137,690
A-3 B	Duplex		2 br/2 bath	\$129,170
Valley View				
Unit A-7	Attached Condos		2 br/ 1 bath	\$84,000
A-16	Attached Condos		2 br/ 1 bath	\$84,000
A-16	Attached Condos (re-sale)		2 br/ 1 bath	\$88,467
B	Attached Condos		2 br/ 1 bath	\$84,000

Other recent projects will result in additional affordable units, including:

- Iron Bridge (Rose Ranch) located south of Glenwood), which will increase from 11 to 20 affordable units;
- Spring Valley Ranch located south of Glenwood, which will add about 75 affordable units, but is not expected to come on-line in the near future (5 years or so);
- Sanders Ranch located south of Glenwood, which will include 104 apartments with 24 meeting specific affordability requirements, potentially within 2 years; and
- Recent review of a 25 apartment unit complex in the City of Glenwood, where 5 units will meet specific affordability requirements.

Employer Assisted Housing

Two employers were identified that provide housing for employees in the area:

1. The Grand River Hospital District master leases three to five units in Parachute for staff members that need to respond to emergencies and/or staff who are locating to the area for work and need a temporary place to stay until they locate permanent housing; and
2. Holy Cross has a tiered program to assist employees, which includes:
 - a. A master lease of apartments close to Aspen, and in Eagle and Edwards for emergency on call staff to rent at below market rates. These are for staff who need to be within a 30 minute response time to Aspen and Vail.

- b. A housing allowance of \$416 for emergency staff who want to buy and must respond to emergencies in Aspen or Vail. This is a pre-tax program.
 - c. Offer mortgage assistance to all employees. This assistance varies depending on where an employee needs to work and whether or not they are emergency/on-call staff and the community to which they must respond. For example, employees who respond to Aspen or Vail receive more assistance than those responding to Glenwood Springs or Carbondale. They use a formula that computes what an employee could afford and then provide a second loan that buys down the cost to the level of affordability. This loan is repaid to Holy Cross at the time the unit is sold and is based on a shared appreciation formula. It was noted that few employees use this program as they may have preferences on where to live (such as Rifle) where a buy-down is not needed or they are uncertain about the involvement of Holy Cross in their personal financial decisions.
3. At one time Gould Construction purchased a motel to provide housing for its employees, but has since sold it.

Planned and Pending Projects

This section summarizes recent, current and pending commercial and residential development throughout Garfield County. The unincorporated county has predominately residential development, with recent activity being most active in the area east and south of Glenwood Springs (Comprehensive Plan Study Area I). Rifle, Glenwood Springs and Parachute show the most active recent commercial development activity (since 2001). The largest commercial investment in Silt since 2001 was by Valley View Medical. Pending commercial developments are also prominent in Carbondale and Rifle, with some continued activity in the other towns. Residential development activity is strong in most communities, particularly west of Glenwood Springs.

Unincorporated Garfield County:

- Less than 0.5 percent of the land in unincorporated Garfield County is zoned for commercial uses. Commercial development is encouraged within the towns.
- Most of the residential activity occurs in Study Area I as defined in the Comprehensive Plan (essentially the area from Glenwood Springs east to Eagle County and south to Pitkin County). Most of the larger recent residential subdivisions have occurred in this area, including Blue Creek Ranch (49 single family units), Calicott Ranch (27 lots pending, final plat not yet approved), and Hunt Ranch. Most of the development in Study Area I is priced for the higher-end market (i.e., second homeowners), in large part due to the higher cost of land and development costs.
- Other pending developments include Spring Valley Ranch, which was recently re-approved for 577 lots, including 75 affordable units, and Lake Springs Ranch, which has been approved for some time, but has yet to see any activity.
- Residential sale prices tend to decrease as one moves west of Glenwood Springs. A couple recent developments in the New Castle and Silt area may result in 100's of units.

Carbondale:

- A new site plan has been submitted for the Market Place property, which is presently proposed for about 252,000 square feet of commercial space. This property will be key in Carbondale's commercial growth, where approvals are expected in the next year with new commercial following close behind.
- Recent residential developments include Cleveland Place (11 single family and 20 duplex units) and Keator Grove (36 single family and 16 multifamily (4 quadriplex) units). Cleveland Place is currently being built and it includes two Habitat homes and 2 resident-occupied deed restricted units, with no appreciation cap on the latter. Keator Grove will have 8 to 16 category affordable units (80 percent AMI and below) and the rest will be a hybrid resident occupied deed restriction (5 percent appreciation cap and the owner must live in the unit).
- Since 2001, Carbondale has gained 4 affordable units from development of some smaller projects.

Glenwood Springs:

- Glenwood Meadows was a large commercial/mixed-use project approved in 2001 that is presently under development. There will be 490,000 square feet of commercial space upon build out and up to 475 residential units. They are presently before City Council seeking final approval for a 120 unit apartment complex.
- Expected proposals are largely comprised of individual, smaller commercial buildings or townhouse development of no more than 17 units. Additional phases of Glenwood Meadows may also submit within the next year.

Silt:

- Pre-application conferences have occurred with potential residential developers for the Rew property (approximately 130 units), Raley property (approximately 135 units) and Larson property (approximately 164 units), although no formal applications have been submitted.

Rifle:

- Between 2002 and 2003 a commercial subdivision approval resulted in the development of a Wal-Mart, La Quinta, Grease Monkey, a liquor store, Radio Shack, Starbucks (completed at the end of 2003), Butcher Block, and a number of empty units, plus one existing vacant commercial parcel.
- Under current development is a gas station at Wal-Mart and an annexation is in process for a motel to be located down the street from Wal-Mart
- Promontory – started in 2004; for the most part, sold- and built-out completely; avg size 1,400-1,700 sq.ft. Total of 95 SF units and 72 MF units (most priced under \$250,000);
- North Pastures – started in 2004; for the most part, sold- and built-out completely; avg size 1,400-1,700 sq.ft. Total of 29 SF units (most priced under \$250,000);
- Pioneer Mesa – started in 2004, most done in 2005, ¾ sold out. Stick-built (avg size 1,400-1,700 sq.ft.) and manufactured homes. Total of 112 SF units;
- Rifle Creek Estates – north of Rifle, prelim phase of applications. Nothing built and no infrastructure yet;
- Proposed residential subdivision consisting of 34.51 acres. The zoning proposed is Medium Density (MDR) for the lower area and Lower Density (LDR) for the upper area. There are about 8 acres for MDR with potentially up to 12 units per acre, depending on the topography and sewer service. The upper LDR area is expected to have about 29 lots.

- Willow Ranch (currently called Little Star Ranch) – preliminary phase of a proposed townhome development located north of Rifle. Proposed are 60 residential units (30 duplex units on 9.14 acres).

Parachute:

- The most significant recent commercial development was Columbine Commercial Development, completed in 2001. This project totals 153,517 square feet and includes a hardware store, liquor store, office complex, service station, gas station, fast food restaurant and a pre-existing car wash.
- Current proposals include Spring Lake Estates, with over 51 acres of developable land to include a hotel, Family Dollar store and mixed other commercial and multi-family residential; Riverside Subdivision with Phase 1 (9 lots) completed, Phase 2 (23 lots) to commence development and Phase 3 (30 to 32 lots) expected within the next year and Glen Meadows/Apple Meadows (17 residential lots). Parachute Park (over 50 acres) is designated as industry/commercial/residential in the Master Plan and discussions have been occurring for several years, with no formal result.

Rental Housing

A phone survey of 1,657 apartments in Garfield County found that 75 percent of apartments were free market. Another 9 percent were income restricted and targeted to families and 17 percent were income and age restricted.

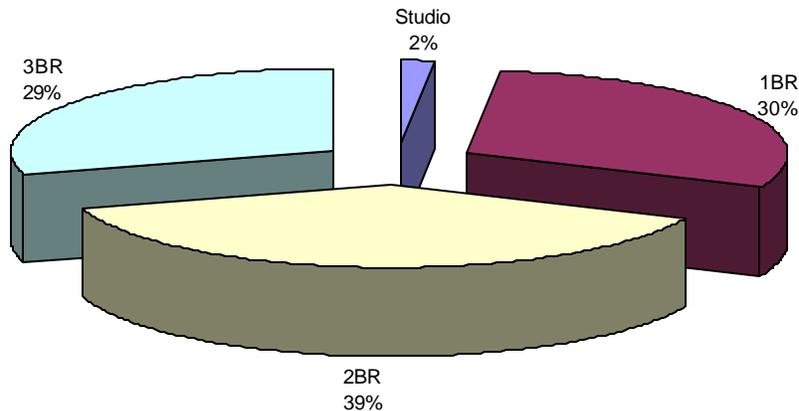
Free-Market, Income Restricted and Senior Apartments

	Studio	1BR	2BR	3BR	TOTAL	% of TOTAL
Free Market	28	213	577	419 ⁵	1237	74.7%
Income Restricted		18	57	69	144	8.7%
Senior		264	12	0	276	16.7%
TOTAL	28	495	646	488	1657	100.0%

Source: McCormick and Associates, Inc. Interviews

Most of the rental housing in the County are larger units – 68 percent consist of two and three-bedrooms, with two-bedrooms comprising over one-third of all the apartments in the County. What is significant is that over half of the one-bedrooms (264) are income and age restricted housing for seniors. When senior housing is excluded from the bedroom mix, 16 percent of all rental units are one-bedrooms.

Bedroom Mix – Garfield County



⁵ This includes Battlement Mesa Modular's which have a combination of two and three-bedrooms, but were included in the three-bedroom count because of their size and type. A breakdown among two and three-bedrooms was not available.

Rents

Among Market Rate units, there is a wide range of rents. Income restricted properties do not have as much of a range in rents. On average, the rent for an income restricted property is roughly 4 percent less than market rate rents for three-bedroom units. When compared to one-bedrooms, income restricted rents are about 14 percent less than market and two-bedrooms are about 19 percent less.

Rent Ranges and Averages- Garfield County

	Studio	1 Bdrm	2 Bdrm/1 Ba	2 Bdrm/2 Ba	3 Bdrm
Free Market - Range	\$630	\$480- \$895	\$494- \$1,050	\$515- \$1,050	\$710- \$1,350
Average	\$630	\$697	\$668	*	\$714
Income Restricted - Range		\$472- \$540	\$565	\$425- \$640	\$645- \$730
Average		\$510	\$565	\$669	\$685
% Income Restricted Below Market		14.2%	18.9%		4.1%

Source: McCormick and Associates, Inc. Interviews

Location

About 40 percent of rental units are located in Battlement Mesa (668). Property managers reported waiting lists for all of these units. This is attributed to the increase in jobs related to the revival of the mining industry in the area. Glenwood Springs has about 22 percent of rentals followed by Rifle with 16 percent.

Although Battlement Mesa has the largest percentage of rental units, they do not have any income restricted housing. Carbondale and Glenwood Springs have two income restricted developments with about the same number of units. Archdiocesan Housing runs both projects. Glenwood Springs has the highest number of senior housing developments, followed by Rifle.

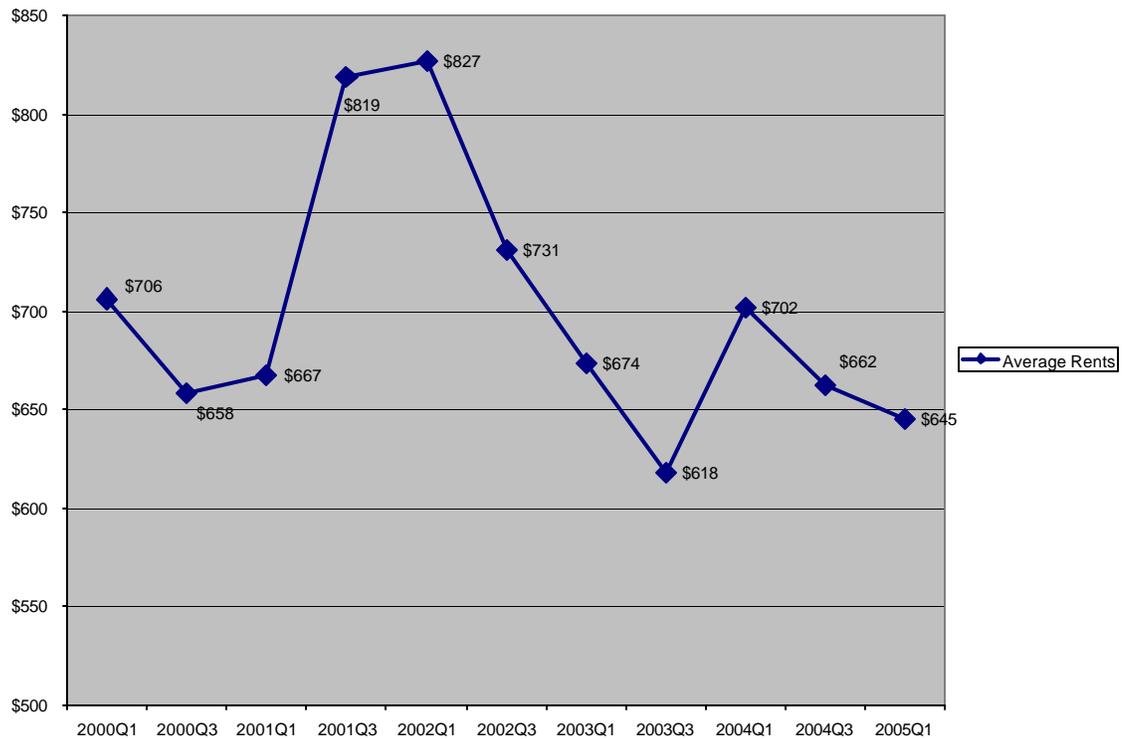
Rental Housing Locations

	Free Market	Income Restricted	Senior	TOTAL	% of Total
Carbondale	56	60	48	164	9.8%
Glenwood Springs	195	54	118	367	21.8%
Newcastle	14			14	0.8%
Rifle	137	30	98	265	15.8%
Battlement Mesa	668			668	39.7%
Parachute	192		12	204	12.1%
TOTAL	1262	144	276	1682	100.0%

Rental Market Conditions – Glenwood Springs

Information provided by the Vacancy Survey published by the Colorado State Division of Housing⁶ focuses solely on Glenwood Springs; however, it does provide some insights regarding market conditions in Garfield County. There have been major fluctuations in the average rents in the Glenwood Springs market, with average rents for the third quarter of 2004 lower than the previous quarter, yet higher than in 2003. Average rents in Glenwood Springs have been falling since 2002. They rebounded in the first quarter of 2004, although not to the highest-level noted in the third quarter of 2003.

Average Rents – Glenwood Springs



Source: Colorado Division of Housing/Vacancy Survey

Information on median rents for Glenwood Springs was only available for four quarters. The median rents dropped steadily from the first quarter of 2004 to the first quarter of 2005. Median and average rents for the last four quarters are very close, indicating that there is not a significant range found in rents in Glenwood Springs.

⁶ The vacancy survey conducted by the Colorado State Division of Housing only includes Glenwood Springs.

Median Rents – Glenwood Springs

Quarter	Median Rent
2003Q3	\$614.97
2004Q1	\$661.42
2004Q3	\$648.43
2005Q1	\$624.44

When average rents are examined by bedroom configuration it appears as though average rents dropped in all categories following a fairly significant increase from the second quarter of 2003 to the first quarter of 2004. This indicates continuing adjustments in pricing in the market area, which is a result of a softer market for the previous quarters. The overall average rent decreased from the third quarter of 2004 to the first quarter of 2005; however, this overall average decrease was affected by a significant decrease in average rents for two-bedroom/two bath units. This decrease in average rents for this unit type is affected by the low response rate for the number of units in this category (18) in comparison to response rates for this unit type noted in previous quarters previous years (for example, 45 in the third quarter of 2004).

Average Rents by Bedroom Configuration – Glenwood Springs

	Q1 2000	Q3 2000	Q1 2001	Q3 2001	Q1 2002	Q3 2002	Q1 2003	Q2 2003	Q1 2004	Q3 2004	Q1 2005
Efficiency	\$392	\$608	\$520	\$613	\$0	\$463	\$463	\$462	\$551	\$487	\$525
1BR	\$692	\$580	\$585	\$683	\$695	\$647	\$593	\$624	\$672	\$610	\$615
2BR/1BA	\$711	\$686	\$762	\$859	\$814	\$746	\$692	\$613	\$731	\$690	\$671
2BR/2BA	\$481	\$618	\$697	\$1,141	\$1,113	\$826	\$751	\$571	\$745	\$638	\$538
3BR	\$641	\$706	\$594	\$588	\$593	\$689	\$693	\$668	\$722	\$723	\$745
Overall	\$706	\$658	\$667	\$818	\$827	\$731	\$674	\$617	\$701	\$661	\$645

Source: Colorado Division of Housing Vacancy Survey

The fluctuations and drop in average and median rents in Glenwood Springs reflects the overall downturn in the economy resulting in a general softening of the rental market that the entire State of Colorado has been experiencing for the past four years. The dropping of rents in the second quarter of each year and increases in the first quarter are also common in areas that have seasonally based tourist economy's, such as ski season when more people come to the area to work in seasonal jobs.

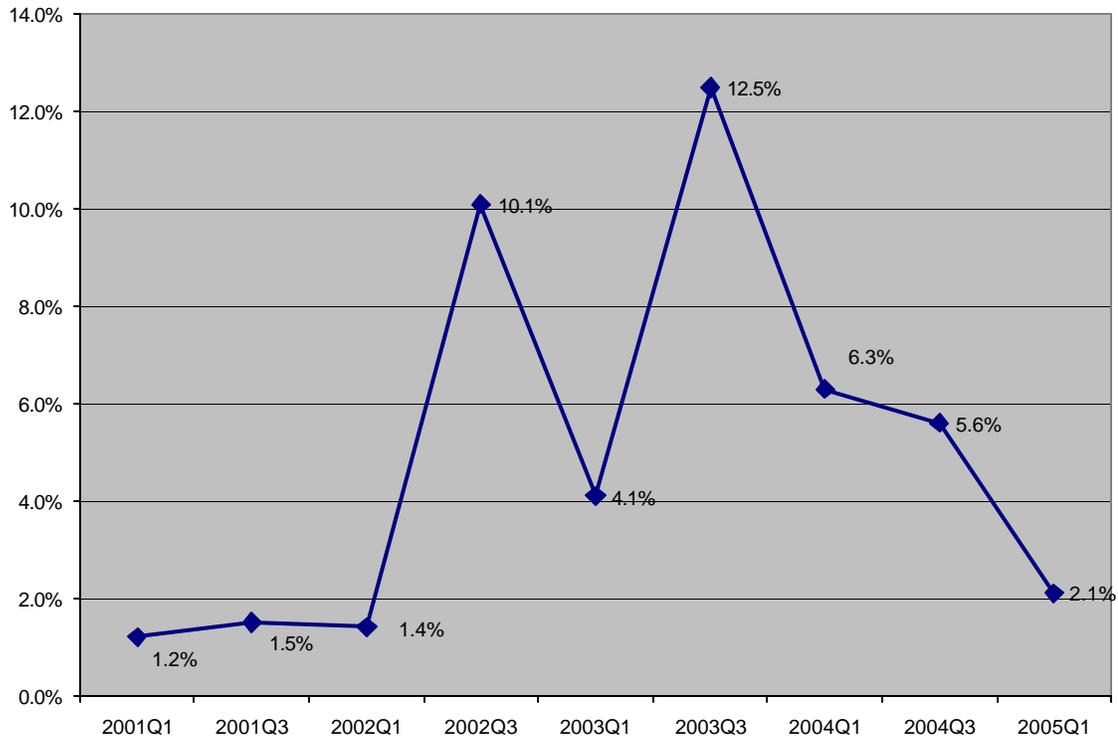
In 2001 growth in ES202 jobs slowed and declined in 2002. In 2003, job growth was 1 percent and grew another 4 percent in the first quarter of 2004. Trends in vacancy rates follow job growth trends, with a significant decline in vacancies beginning in the first quarter of 2004. The softened rental market found in previous quarters accounts for a reduction in rents and it is expected that rents will rise again as the rental market tightens. It is important to note; however, that use of concessions was not found in the primary and secondary market area.

Vacancy Rates – Glenwood Springs

Vacancy rates for Glenwood Springs have traditionally been quite low; however, as was found throughout the state, vacancy rates increased in 2002 to 2003 as a result of a slower economy. Rates were highest in the third quarter of 2003 (12.5 percent). It is

fairly typical of resort areas to have higher vacancies during the third quarter; however, there was a reduction in third quarter vacancies in 2004 that continued to decline in the first quarter of 2005. With three consecutive quarters of lower vacancy rates indications are that the rental market is stabilizing and the economy in the area is improving. With a continued decline in vacancy rates, indications are that demand is exceeding supply in Glenwood Springs.

Vacancy Rate Trends – Glenwood Springs



Vacancy rates were examined by rent, although it is difficult to fully assess vacancies at different rent levels due to the limited number of units reporting in any given rent range. Using available information, no clear pattern emerges; some of the lower priced units have high vacancies and higher priced units have lower vacancies. The fluctuation in vacancies by rent is more likely a reflection of the age and condition of units than the rents being charged.

**Vacancy Rates by Rent – 1st Quarter 2005
Glenwood Springs**

Rental Range	Vacant Units	Total Units	Vacancy Rate
\$401 to \$425	0	2	0.0%
\$426 to \$450	0	5	0.0%
\$476 to \$500	1	6	16.7%
\$501 to \$525	0	15	0.0%
\$526 to \$550	1	32	3.1%
\$551 to \$575	0	8	0.0%
\$576 to \$600	0	61	0.0%
\$601 to \$625	2	16	12.5%
\$626 to \$650	0	6	0.0%
\$651 to \$675	1	51	2.0%
\$676 to \$700	0	13	0.0%
\$701 to \$725	0	35	0.0%
\$726 to \$750	0	2	0.0%
\$801 to \$825	0	6	0.0%
\$826 to \$850	0	7	0.0%
\$851 to \$875	0	9	0.0%
\$876 to \$900	0	3	0.0%
\$901 to \$925	0	4	0.0%
\$976 to \$1000	0	6	0.0%
\$1201 to 1225	1	1	100.0%
TOTALS	6	288	2.1%

Vacancy rates for the first quarter of 2005 were lowest for one-bedroom units and highest for two-bedroom/two bath units followed by three-bedrooms. Higher vacancies in two-bedroom/two bath units are more likely to reflect the small sample size for this product type and current conditions. When all two-bedrooms are combined (102 units), the vacancy rate for this product type is 1.9 percent. The consistently low vacancy rates in all product types suggest that demand for rental housing is exceeding supply.

Vacancy by Bedroom – 1st Quarter 2005

	Vacant	Number	Rate
1 BR	2	117	1.7%
2BR/1BA	1	84	1.2%
2BR/2BA	1	18	5.6%
3BR	2	53	3.8%
OVERALL	6	288	2.1%

Vacancy Rates – Garfield County

A survey of 22 apartment properties in Garfield County in September 2005 found 11 vacancies in the 1,656 units covered in the interviews for an overall vacancy rate of 0.7 percent. This includes 10 units that are vacant at Shuibui West, which is converting from

rental to owner occupied housing. Many property managers, particularly in Battlement Mesa, reported waiting lists. In addition, anecdotal information obtained through key informant interviews in Rifle indicates that motels are being used by year round employees as no rental housing is available.

Planned and Pending Projects

White River Village

White River Village is a new tax credit project that is being introduced into the Garfield County market. It will be located in Rifle and have a mix of two- and three-bedroom units priced at 40 to 50 percent with five units rented at 60 percent of the AMI. It is expected to come on line in the fall of 2005 to early 2006. The following chart shows the number of units by rent, bedroom configuration and size that was provided by the developer May 7, 2005.

White River Village – Tax Credit

Bedrooms	Number	Size	% AMI	Rents
2BR/1BA	12	920	40%	\$490
2BR/1BA	9	920	50%	\$ 626
3BR/2BA	4	1,075	40%	\$560
3BR/2BA	4	1,075	50%	\$717
Total/Average	29	855	48%	\$567

Since its tax credit application was submitted, White River Village has added a market rate apartment component. In addition to the 29 tax credit units, they will offer 15 market rate apartments. They will have 15 two-bedroom and four three-bedroom units.

Glenwood Meadows

Glenwood Meadows LLC is proposing to develop a 120-unit, mixed income rental property as part of a larger development project in Glenwood Springs. Of the 120 units, two-thirds will be financed using low income housing tax credits. Those units will target households earning 40 to 60 percent of the area median income. Of the tax credit units, at least 37 will have vouchers attached.

Of the 120 proposed units, 45 percent will consist of one-bedroom units that are 646 square feet in size. Another 32 percent will be two-bedroom/two-bath units of 887 square feet and 34 percent of the project will consist of three-bedroom units.

Proposed Mix and Rent Ranges

Bedroom Configuration	# of Units	Rent Ranges
1BR	54	\$394-\$800
2BR/2BA	44	\$467-\$975
3BR/2BA	22	\$532-\$1,125
Total	120	

As proposed the development will have variety in the income mix. First, the Garfield County Housing Authority is planning to assign 18 Section 8 vouchers to this development. These vouchers will be released from the 23rd Street project, a Project Based Section 8 development that is not renewing its contract. Most of the units are targeted to households at 60 percent of the AMI (33 percent) and 30 percent will be at market. Overall, 70 percent of the development will carry income restrictions.

Income Targets and Bedroom Mix

	40%	60%	Market	Vouchers	TOTAL
1BR	13	18	17	6	54
2BR	11	15	12	6	44
3BR	3	6	7	6	22
TOTAL	27	39	36	18	120
% of Total	22%	33%	30%	15%	100%

Local Employee Housing Demand

This section estimates the total number of units that would need to be created through local housing programs to serve employees in Garfield County. The demand for additional employee housing is estimated using a combination of factors – in-commuting, overcrowding and new jobs. Current demand for housing by existing employees in Garfield County was estimated from a combination of in-commuters that would prefer to live in Garfield County if given the opportunity and overcrowded units. Future demand is estimated from the projected creation of new jobs in the County in 2010 and 2015. This section focuses on demand for housing units from Garfield County employees only given that housing programs implemented by the County would focus on this population.⁷

In-Commuters

A combination of information from the Department of Local Affairs (total workers) and the 2004 Travel Patterns employee survey was used to determine how many current employees that do not live in Garfield County would move to Garfield County to be closer to work if they could find adequate/affordable housing. About 36 percent of workers employed in Garfield County indicated they would consider moving closer to work if housing were available that they could afford. About 4.9 percent of these employees presently live outside of Garfield County. Given a total of 24,574 workers in Garfield County in 2005, this means that about 441 workers would consider moving closer to their place of work that presently do not reside in Garfield County. Given an average of 1.95 employees per household, this equate to a demand for 227 housing units from the in-commuting workforce. Based on the 2004 survey, all of these units would be demanded by workers in the Carbondale/Glenwood Springs area.⁸

⁷ It is recognized that there is substantial demand for housing in Garfield County from employees that work in neighboring counties; however, local housing programs will not be targeted to serve this out-commuting population – rather units built by the market will continue to house this population.

⁸ It is recognized that some workers living west of Glenwood Springs, for example, but working in the Carbondale/Glenwood Springs area would also like to move closer to work. However, these employees do

Demand From In-Commuting Households (2005)

	Garfield County	Carbondale/ Glenwood Springs	New Castle/ Silt/ Parachute/ Rifle
Total Workers (2005)	24,574	17,864	6,708
Workers that would move closer to work:	36.4%	39.5%	28.1%
Total #	8,940	7,058	1,883
Percentage of workers that would move closer to work that are incommuting from outside Garfield County only	4.9%	6.3%	0.0%
Total #	441	441	0
Employees per unit	1.95	1.94	1.90
Total Housing Unit demand	227	227	0

Sources: DOLA; 2004 Employee Survey; RRC Associates, Inc.

Overcrowded Units

A portion of the employees who hold jobs in the County live in overcrowded conditions. Employees who are not willing to tolerate living in overcrowded conditions, particularly as they grow older, often leave their jobs and the community creating problems for employers including high rates of turnover, unqualified employees and unfilled positions. Additional units are needed in order to address overcrowding.

Overcrowding is slightly more prevalent in the Carbondale/Glenwood Springs area than in the west County (New Castle, Silt, Parachute, Rifle area). As of the 2000 US Census, about 6.3 percent of households were overcrowded in Garfield County. This equates to about 1,162 households in 2005, assuming this percentage has remained constant. It has been assumed that demand for additional units to alleviate overcrowding is equal to one-third of the units that are overcrowded. Therefore, it is estimated that employees living in overcrowded units currently demand about 387 more units in Garfield County, with 148 in the Carbondale/Glenwood Springs area and 114 in the west County.

not create net-new demand in the County for housing units – they presently reside in the County and, if they changed their residence, would free-up an existing residence for other Garfield County employees. In-commuters, however, create net-new demand for units in the County.

Demand From Overcrowded Households (2005)

	Garfield County	Carbondale/ Glenwood Springs	New Castle/ Silt/ Parachute/ Rifle
Households (DOLA 2005)	18,539	5,570	5,527
Overcrowded units % (2000 US Census)	6.3%	8.0%	6.2%
	1,162	444	341
Unit demand (1/3 of units)	387*	148	114

*difference between County totals and region totals due to unincorporated County area.

New Jobs

New employees demand new housing units. Based on job growth estimated by the Department of Local Affairs, Garfield County will demand 4,991 more employees between 2005 and 2010 to fill available jobs. With an average of 1.95 employees per employee household, this equates to about 2,558 housing units, 1,866 of which would be demanded by employees in the Carbondale/Glenwood Springs area and 717 by employees in the west County. Between 2010 and 2015, an additional 1,337 units will be needed.

Demand From New Jobs (2005 through 2015)

	Garfield County	Carbondale/ Glenwood Springs	New Castle/ Silt/ Parachute/ Rifle
Jobs: 2005	28,260	20,545	7,715
2010	34,000	24,718	9,282
2015	37,000	26,899	10,101
Multiple job holding:	1.15 jobs per employee (DOLA)		
Employees: 2005	24,574	17,865	6,709
2010	29,565	21,494	8,071
2015	32,174	23,391	8,783
New employees by 2010	4,991	3,629	1,363
Employees per household	1.95	1.94	1.90
Housing demand generated	2,558	1,866	717
New employees between 2010 and 2015	2,609	1,897	712
Employees per household	1.95	1.94	1.90
Housing demand generated:	1,337	976	375

* Uses DOLA estimates for the County; assumes regions have the same ratio of County employment in 2005 thru 2015 as in 2003 (73 percent in Carbondale/Glenwood Springs; 27 percent in New Castle/Silt/Parachute/Rifle)

Total Demand

In summary, a total of 628 units are currently demanded by Garfield County households, with an additional 2,558 needed by 2010 and another 1,337 between 2010 and 2015.

Total Current and Future Demand

	Garfield County	Carbondale/ Glenwood Springs	New Castle/ Silt/ Parachute/ Rifle
Current units in demand (2005): in-commuters and overcrowding	628	375	114
Additional Units demanded by employees added between 2005 to 2010	2,558	1,866	717
Additional Units demanded by employees added between 2010 to 2015	1,337	976	375

*any difference between County totals and region totals is due to the unincorporated County area.

Demand by AMI and Tenure

It has been assumed that employees filling new jobs that will be created by 2015 will have the same income distribution and similar renter and ownership patterns as existing employees for purposes of this analysis. This provides a guideline for estimating the mix of housing prices and tenure type that will be demanded by this population.

- About 33 percent of workers households rent their homes, which is assumed to continue through 2015. This percentage varies from about 32 percent of units in the Carbondale/Glenwood Springs area to 38 percent in the New Castle/Silt/Rifle/ Parachute area of Garfield County. It is estimated that between about 70 and 80 percent of renters will earn less than 100 percent of the AMI.
- About 67 percent of workers own their homes. About 53 percent of ownership units in the County will need to be affordable to households earning less than 120 percent of the AMI. In comparison, only about one-third of the housing units listed on the MLS (10/21/2005) are currently affordable to these households. This varies by County region, where 49 percent of units in the Carbondale/Glenwood Springs area and 67 percent of units in the west County would need to be affordable to 120 percent or less AMI households (compared to about 13 percent and 59 percent of current MLS listings, respectively).

Estimated AMI Distribution of New Employee Households by Tenure (2005 to 2015)

	Garfield County				Carbondale/ Glenwood Springs				New Castle/Silt/ Rifle/Parachute			
	Own		Rent		Own		Rent		Own		Rent	
	#	%	#	%	#	%	#	%	#	%	#	%
30% or less AMI	89	3%	152	12%	59	3%	98	11%	40	6%	58	14%
30.1% - 50% AMI	134	5%	186	14%	113	6%	79	9%	28	4%	82	20%
50.1% - 60% AMI	94	4%	234	18%	45	2%	197	21%	46	7%	92	22%
60.1% - 80%	260	10%	147	11%	192	10%	126	14%	88	13%	35	8%
80.1 to 100%	432	17%	215	17%	298	15%	146	16%	139	21%	60	15%
100.1 to 120%	373	14%	160	12%	239	12%	140	15%	112	16%	25	6%
OVER 120% AMI	1,213	47%	206	16%	997	51%	134	15%	225	33%	61	15%
TOTAL	2,595	100%	1,300	100%	1,943	100%	919	100%	679	100%	413	100%

AMI distribution source: 2004 Employee Survey; RRC Associates, Inc.

It should be noted that future job growth and commercial development will primarily be related to retail and service industries, with mining jobs associated with natural gas drilling and exploration expected to increase in the near future. Mining employment is currently expected to peak by 2010 and decline somewhat through 2015.⁹ Future study phases of the impacts of the mining industry on Garfield County will provide additional information (that is beyond the scope of this study) on the housing needs of this population given any unique transitory and temporary employment positions with this industry. These findings will also need to be considered when looking at future housing demand in the area.

Local and Regional Housing Regulations

This section of the report provides an overview of existing programs in Garfield and Eagle County that have some form of affordable housing requirements. This provides a comparison of programs to Garfield County and raises some questions regarding location of housing designated to meet area goals as well as alternatives that could be considered to meet the requirements of the Garfield County Inclusionary Zoning Program.

Garfield County Inclusionary Zoning Program

The Garfield County Inclusionary zoning requirement is linked to properties that are seeking rezoning and being developed using a Planned Unit Development (PUD). In High Density Residential zones, where a PUD amendment is seeking an increase in density, at least 10 percent of all units must meet the affordable housing requirement. For rezone proposals in other zones, at least 10 percent of the original density and 20

⁹ The white paper "Oil and Gas Employment and Population Impacts" dated 9/13/2005 available from the Garfield County Planning Department details expected growth in the gas mining industry.

percent of the additional density gained from the rezone must meet the affordable housing requirement. The code allows the County to consider off-site development of units if they are able to show that the alternative location meets the affordable housing requirements and that they will be built in Study Area 1. There is not a provision for cash-in-lieu. Requirements specify ownership units to be developed and priced, on average, for 80 percent AMI households.

	Garfield County
PROGRAM TERMINOLOGY	Affordable Housing
PROGRAM TYPE:	
Linkage (job gen.)	
<i>Commercial</i>	
<i>Residential</i>	
Percent of new residential dev. (inclusionary)	Linked to rezones: 10% of original density for lands zoned High Density Residential (HDR); 10% of density permitted in original zone and 20% of additional density acquired from non-HDR rezone.
Income group focus (%AMI)	owner: must average 80% AMI affordability (mix of 60-80% and 81-120%); renter: none
Zoning District	
Other	
OPTIONS:	
Build on-site	x
Build off-site	x (built in specified Study Area I)
Land dedication	
Fee-in-lieu	
Deed restrict existing units	
Other / Notes	
MANDATORY?	Yes
INCENTIVES:	
Bonus density	
Fees waived	
Other	
DEED RESTR:	Permanent
Notes	Has "Affordable Housing Guidelines"

Other Garfield Area Programs

Within Garfield County, two other jurisdictions have some form of inclusionary zoning requirement. Both Glenwood Springs and Carbondale have a 15 percent requirement that is imposed on new residential development. In addition, both of these communities allow for off-site as well as cash-in-lieu to be paid to meet the affordable housing mitigation requirements. New Castle does not have any mandated housing programs, but allows and encourages Accessory Dwelling Units as a means to increase the supply of affordably priced units in the area

The Glenwood Springs program has several incentives that allow developers to lower the mitigation requirement. This includes a reduction in the number of units produced for market rate units that are 1,000 square feet or less and for market rate units that are voluntarily deed restricted, located close to a transit stop or located in mixed-use developments. A 1 percent reduction is also offered for each market rate unit that is priced to be affordable to households earning 120 percent or less of the AMI. Payment-in-lieu is accepted and payment is required whenever the computation for an affordable unit results in a fraction of a unit. For example, a 35-unit development would have to provide 5.25 units. Five would be built and the developer would pay a cash-in-lieu fee equivalent to 0.25 units. Carbondale's program is very similar to Glenwood Springs.

Finally, New Castle does not have a formal requirement for creating affordable housing, but allows and encourages accessory dwelling units (ADUs) to be constructed, with the stated purpose to "provide increased affordable housing opportunities."

	Glenwood Springs (2002)	Carbondale (2003)	New Castle (2003)
PROGRAM TERMINOLOGY	Community Housing; Affordable Housing; Employee Dwelling Unit	Community Housing; Affordable Housing; Employee Dwelling Unit	No program; permits ADUs with the stated purpose to "provide increased affordable housing opportunities"
PROGRAM TYPE:			
Linkage (job gen.)			
Commercial			
<i>Residential</i>			
Percent of new residential dev. (inclusionary)	15% of residential lots; 15% of MF units; may be reduced down to 10% if certain criteria are met	15%	
Income group focus (% AMI)	Average 80% AMI; serve 60% to 120% (ownership)	65% to 150% (ownership)	None
Other	Community housing required if applying for a special use permit for a building over 40' in height		
OPTIONS:			
Build on-site	x	x	x (built in association with primary SF dwelling)
Build off-site	x (within City)	x (within Town UGB)	
Land dedication			
Fee-in-lieu	x (required for fractions of units)	x (required for fractions of units; optional otherwise)	
Deed restrict existing units	x (within City)	x (within Town UGB)	
Other			
MANDATORY?	Yes – for all residential development	Yes – for all residential development	No
INCENTIVES:			
Bonus density	x		
Fees waived	x (full or partial)	x (exemptions specified for developments providing cmtly units)	
Other	Potential setback reduction		
DEED RESTR:			None
Notes	Exemptions: community hsg and EDUs; SF and 2-family dwelling on a single pre-existing lot; vested approvals. HOA due limitations for cmtly hsg. Has "Community Housing Guidelines"	Exemptions: community hsg and EDUs; SF thru 4-family dwelling on a single pre-existing lot; vested approvals. HOA due limitations for cmtly hsg. Has "Community Housing Guidelines"	

*No housing regulations found for Rifle, Parachute, and Silt.

Eagle County Area Programs

Basalt has an active affordable housing program that includes affordable housing mitigation requirements on both residential and non-residential development. Non-residential developments pay a fee of \$0.50 per square foot and also require that 20 percent of the demand generated for housing by new full time employees be mitigated. The mitigation for new employees only applies to developments of 1,000 or more square feet. Their residential requirements include a 20 percent inclusionary requirement on 20 percent of all new units, plus 15 percent of new bedrooms if the development will have five or more units. They also have a replacement housing requirement. Eagle County is evaluating different forms of employee housing mitigation requirements that would be imposed on both residential and non-residential development.

	Basalt (2003)	Eagle County (2005 proposed/pending)
PROGRAM TERMINOLOGY	Affordable Housing; Employee Dwelling Unit	Local Resident Housing
PROGRAM TYPE:		
Linkage (job gen.)		
<i>Commercial</i>	fee of \$0.50 per sf of development (all) + <i>maximum</i> of 20% of FTE to be housed (developments over 1,000 sf only) (SF requirements TBD by Town and developer)	20% on-site; 25% off-site
<i>Residential</i>		
Percent of new residential dev. (inclusionary)	20% of units and 15% of bedrooms if >= 5 units (SF requirements TBD by Town and developer)	20% (4 units or more) on-site; 25% off-site
Income group focus (%AMI)	Lower and median incomes	Inclusionary = 80-100% AMI; Linkage = 60-80% AMI
Other	Redevelopment provision (replacement of units in Town affordable to households earning <= \$50,000 in 1999)	
OPTIONS:		
Build on-site	x	x
Build off-site	x	x
Land dedication	x	
Fee-in-lieu	x (including for fraction of unit required)	x (30% mitigation rate)
Deed restrict existing units	x	
Other	All housing provided to be within Urban Growth Boundaries	Transfer of Local Resident Housing Unit credits through multi-developer agreement
MANDATORY?	Yes	Not yet adopted/implemented
INCENTIVES:		
Bonus density		
Fees waived	Yes – for aff. Hsg units	
Other		
DEED RESTR:	Permanent (? Affordable Housing Guidelines not found)	Permanent
Notes	Has "Affordable Housing Guidelines"	Has "Local Resident Housing Guidelines"

Legal Considerations

The Regional Affordable Housing Initiatives Study completed in January 2000 by RRC Associates, Inc., and Healthy Mountain Communities outlines many of the legal issues governing various housing programs and opportunities in Colorado. A couple changes since 2000 deserve some elaboration, including: the year 2000 Colorado Supreme Court opinion on *Town of Telluride v. Lot Thirty-four Venture, LLC, 3 P.3d (Colo. 2000)* regarding rent controls on privately held properties and the County Impact Fees language in Colorado Revised Statutes (CRS) 29 20 104.5.

Rental Units – Telluride Decision

The 2000 Colorado Supreme Court opinion on *Town of Telluride v. Lot Thirty-four Venture, LLC, 3 P.3d (Colo. 2000)* found that, by suppressing rents below their fair market value, Telluride's affordable housing requirements met the definition of rent control in Colorado Revised Statute §38-12-301, which states:

Control of rents by counties and municipalities prohibited. The general assembly finds and declares that the imposition of rent control on private residential housing units is a matter of statewide concern; therefore, no county or municipality may enact any ordinance or resolution which would control rents on private residential property. This section is not intended to impair the right of any state agency, county, or municipality to manage and control any property in which it has an interest through a housing authority or similar agency.

The court also found that the statute preempted Telluride's home-rule authority given that rent control requirements concern issues of both local and statewide concern. These findings essentially prohibit any county or municipality from enacting measures that would control rents on private residential property.

As a result of this decision, communities have been cautious in requiring the construction of rental units as a part of their affordable housing strategy. A few communities, including the Town of Aspen and the City of Boulder, require that the city hold at least partial interest in the property, permitting rent controls to occur. This is based on the understanding that §38-12-301, C.R.S., does not prohibit rent control by the municipality (or county) as long as the municipality (or county) has at least partial interest through a housing authority or other agency. For example, the City of Aspen requires that 1/10 of 1 percent of the property be granted to the Aspen/Pitkin Housing Authority. The City of Boulder amended the definition of "Permanently affordable unit" in its Inclusionary Zoning ordinance after the Telluride decision, as follows:

Chapter 9-6.5 Inclusionary Zoning

9-6.5-3 Definitions: "Permanently affordable unit" means a dwelling unit that is pledged to remain affordable forever to households earning no more than the HUD low income limit for the Boulder Primary Metropolitan Statistical Area, or, for a development with two or more permanently affordable units, the average cost of such units to be at such low income limit, with no single unit exceeding ten percentage points more than the HUD low income limit, and

- (a) *The unit is owner occupied;*
- (b) *Is owned or managed by the Housing Authority of the City of Boulder or its agents; or*
- (c) *Is a rental unit in which the city has an interest through the Housing Authority of the City of Boulder or a similar agency that is consistent with Section 38-12-301, C.R.S.*

The following section of the City of Boulder Municipal Code further explains the manner in which developers can meet affordable rental requirements:

9-6.5-8 Affordable Housing Requirements For Rental Projects.

(a) Manner of Compliance: *For developments containing rental units, permanently affordable unit obligations for such units shall be met in the following manner:*

(1) On-Site or Off-Site Units Permitted: *All permanently affordable unit obligations of rental housing projects may be met through on-site units, off-site units, or by any combination of on-site and off-site units, which satisfy such permanently affordable unit obligation. Off-site units shall be equivalent in size and quality of on-site units that otherwise would be required by this chapter.*

(2) Conversion of Rental Developments to Ownership Units: *A rental housing project that is not owned by the Housing Authority of the City of Boulder or its agents or in which the city does not have an interest through the Housing Authority of the City of Boulder or a similar agency consistent with Section 38-12-301, C.R.S., that chooses to fulfill its permanently affordable unit obligations off-site shall enter into a covenant or agreement with the city. The covenant or other agreement shall be in a form acceptable to the city manager and shall insure that the number of permanently affordable units that would have been provided if the project was an ownership development with off-site units used to meet the total inclusionary zoning requirements will be provided in the event that the proposed rental development converts to an ownership development within five years of the final unit in the development receiving a certificate of occupancy. Such covenant or agreement shall provide for the appropriate adjustment to the inclusionary zoning requirements of this chapter.*

(3) Variance to Permanently Affordable Housing Requirement for Rental Projects: *The city manager may enter into agreements with the developers of rental housing projects such that permanently affordable unit obligations are satisfied in ways other than those listed in this chapter upon a finding by the city manager that such alternative means of compliance would result in additional benefits to the city which would further the objectives of this chapter.*

Other communities, such as Mount Crested Butte have taken a different approach, keeping the language in their code flexible and non-specific with regard to the provision of rental or ownership units. Mount Crested Butte's inclusionary zoning requirement targets households earning between 80 and 120 percent of the AMI, which are primarily ownership housing income ranges. Their linkage program targets households earning less than 80 percent AMI and requires a fee be paid to the Housing Authority to be used to produce units, purchase units or purchase partial interest in units, which could then target restricted rental units. Another option includes requiring that occupancy of units be deed restricted for households earning targeted income ranges, thereby placing the restriction on the income of the occupant rather than direct rent controls.

Based on the approaches taken by several Colorado communities with respect to affordable rental housing, we feel that the Garfield County ordinance can provide for the opportunity to develop rental units as a means of meeting local requirements. However, we also suggest that County staff work with County legal staff to ensure that any proposed requirements are evaluated in light of the Telluride decision. We feel that by making refinements based on the most current thinking regarding the Colorado Supreme Court's decision, Garfield County can establish mitigation requirements that meet the needs of the community and will withstand any legal scrutiny.

Impact Fees – CRS 29 20 104.5¹⁰

The Impact Fee Statute (Senate Bill 15) was passed in 2001. This statute was intended to clarify authority for municipalities and counties to impose impact fees on new development. Senate Bill 15 provides that a local government “may impose an impact fee or other similar development charge to fund expenditures by such local government on capital facilities needed to serve new development.” The language of the Bill is stated below:

Colorado Revised Statutes 29 20 104.5:

(1) Pursuant to the authority granted in section 29-20-104 (1) (g) and as a condition of issuance of a development permit, a local government may impose an impact fee or other similar development charge to fund expenditures by such local government on capital facilities needed to serve new development. No impact fee or other similar development charge shall be imposed except pursuant to a schedule that is:

(a) Legislatively adopted;

(b) Generally applicable to a broad class of property; and

(c) Intended to defray the projected impacts on capital facilities caused by proposed development.

¹⁰ Sources: “Paying for Growth: Impact fees under Senate Bill 15.” Colorado Municipal League, 2002.

White, Carolynne. “A Municipal Perspective on Senate Bill 15: Impact Fees”, vol. 31, no. 5, The Colorado Lawyer, May 2002.

Prior to Senate Bill 15, home rule municipalities had the authority to impose impact fees, with limited authority for statutory cities and counties. Home rule municipalities may continue to take the position that this authority is unnecessary in light of their Article XX powers.

The statute states that fees are to be used to fund government expenditures on “capital facilities need to serve new development.” This statute defines “capital facilities” as:

(4) As used in this section, the term "capital facility" means any improvement or facility that:

(a) Is directly related to any service that a local government is authorized to provide;

(b) Has an estimated useful life of five years or longer; and

(c) Is required by the charter or general policy of a local government pursuant to a resolution or ordinance.

Review of Senate Bill 15 by the Colorado Municipal League states that the most common fees are levied for water, sewer, transportation, storm drainage, parks and recreation or open space, but that some communities also have fees for affordable housing¹¹, among other governmental services. As long as a local government is authorized to provide housing as a service and affordable housing is required by the charter or general policy of a local government pursuant to a resolution or ordinance, housing should be considered a capital facility, as defined above. County land use planning and zoning statutes and, more specifically, the County Housing Authority Act (CRS Title 29, Article 4, Part 5) arguably give the County such authority, although local opinions may vary as to the extent of that authority.

Some final comments regarding impact fees include:

- The impact fee is not an exaction and, therefore, does not have to meet the Nollan/Dolan “rational nexus” rule, rather it only needs to be “reasonably related to the overall cost of the service.” The impact fee must be directly related to the cumulative impacts of development in the community, not to a particular development proposal.
- Impact fees need to be set at levels “no greater than necessary to defray such impacts directly related to proposed development. No impact fee or other similar development charge shall be imposed to remedy any deficiency in capital facilities that exists without regard to the proposed development.” There is no requirement that the value of the improvements to each property exactly match the amount contributed by each property.
- Because an impact fee is not a tax, no public vote is required to establish an impact fee.
- Colorado statutes require that impact fees be accounted for separately; tax revenues may be co-mingled with other funds.

¹¹ Summit County is presently working on an impact fee ordinance to address employee housing impacts of development; San Miguel County had an employee housing mitigation support study completed in 2002, focusing on impact fees for housing.

- Because the schedule for an impact fee must be legislatively adopted, it will be necessary to act by ordinance.

It should be noted that, aside from impact fees, counties have discretionary authority to impose conditions on land use approvals, including the provision of land and/or monetary payment. However, discretionary fees (exactions) are subject to the Nollan/Dolan “rational nexus” rule. The rational nexus study performed for Garfield County as part of the current research demonstrates the relationship between the need for affordable housing and the number of employees generated per square foot of both residential and commercial development and, therefore, meets this more stringent requirement. As a result, the county could require the developer, as a condition of approval, to mitigate the impact on employee housing through discretionary fees in the event that “impact fees” for employee housing were determined to be inappropriate.¹²

¹² Barbara M. Green of Sullivan/Green/Seavy L.L.C. - legal authority discussion in “Employee Housing Mitigation Support Study” prepared for San Miguel County by RPI Consulting.