Region 10

MIND THE GAP

Evaluating Workforce Housing in Colorado's Region 10

ACKNOWLEDGEMENTS

Special recognition of all who participated in the development of this report, and who gave their time and energy to ensure that diverse perspectives across Region 10 were represented in the key findings.

REGION 10

Michelle Haynes, *Executive Director*
Trish Thibodo, *Deputy Director*

Consultant Team

Dynamic Planning + Science
Ethan Mobley, *Project Manager*
Clare Peabody, *Data Lead*
Raini Ott, *Community Outreach*
Brian Greer, *Graphic Design*
Alex Krebs, *Cartographer*

Triple Point Consulting
Jeff Moffett, *IMPLAN Lead*

Urban Rural Continuum
Andrew Coburn, *Housing Demand*

Castlewood Capital
Michael Leahey, *Financial Strategy*

Stakeholder Interviewees

Shay Coburn, *Community Development Manager, Former City of Delta Community Development Department*

John Cattles, *Assistant County Manager (Sustainability and Operations), Gunnison County*

Ute Jantz, *Executive Director, and Victoria Miller, Housing Operations Manager, Delta Housing Authority*

Erin Ganser, *Director of Housing, Town of Crested Butte*

Paul Major, *Manager, Paradox Community Trust (non-profit)/Rural Homes (LLC)*

Ann Morgenthaler, *Deputy City Manager, City of Montrose*

Susan Barrientos, *Executive Director, Montrose County Housing Authority*

Lily Oswald, *Community Development Coordinator/Director, City of Ouray*

Lauren Koelliker, *Executive Director, Valley Housing Fund*

Preston Neill, *Town Manager, Town of Ridgway*

Mike Bordogna, *County Manager, and James Van Hooser, Assistant County Manager, San Miguel County*

Elisa Rodriguez, *Community Advocate, Hispanic Affairs Project*

Cathie Pagano, *Assistant County Manager for Community and Economic Development, Gunnison County*

Andrea Sokolowski, *Executive Director, Home Trust of Ouray County*

John Renfrow, *Renfrow Realty*

Tara Hardy, *Public Health Director, Silver Thread Public Health District*

Erica Madison, *Business Development Manager, Impact Development Fund*

Kristie Borchers, *County Commissioner, Hinsdale County*

Michelle Pierce, *Planning Commissioner/consultant/former Town Manager, Town of Lake City*

Matt Miles, *Leadership Circle LLC.*

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SECTION 1. INTRODUCTION

1.1 MOTIVATION & STUDY AREA

In the spring of 2022, the Region 10 League for Economic Assistance and Planning (Region 10), a 501C3 non-profit that is supported by local and county governments, received grant funding to conduct a regional housing "meta-analysis" across the six counties it serves on Colorado's Western Slope (Figure 1-1). While several counties and municipalities in the region have conducted independent Housing Needs Assessments (HNAs) in recent years, this report is unique in its attempt to synthesize workforce housing needs at the regional level, and identifies financial strategies to reduce the capital gap necessary for rural development.

Figure 1-1: Overview Map of Region 10 Counties

Source: Consultant Team

Furthermore, recognizing Region 10's role as a resource and an advisory body for local economic development, the scope of this report is focused on workforce housing needs and solutions to support local employers and employees. The HNAs which have emerged from Region 10 communities and counties in recent years provide evidence of a widespread deficit of affordable workforce housing. This report seeks to evaluate present and future county-level housing needs and strategies in the context of a highly regionalized workforce.

It is our hope that the findings and recommendations contained herein will serve communities in Region 10 by providing a better understanding of the scale of housing needs and by identifying opportunities to support a vibrant and diverse workforce through regional collaboration and housing development partnerships.

1.2 REPORT OBJECTIVES

The objectives of this report are sorted into the following sections:

- **Section 2:** Gain perspectives from stakeholders representing diverse geographies and community characteristics from around the region;
- **Section 3:** Explore trends in relevant housing and demographic data and estimate current and future workforce housing needs;
- **Section 4:** Assess the regional economic impacts of future workforce housing development; and
- **Section 5:** Identify solutions and opportunities for Region 10 to support local jurisdictions in accelerating regional workforce housing development.

Throughout this report, demographic data and analysis results will be presented at the individual county level as well as summarized at the regional level.

1.3 KEY FINDINGS

The following section provides a regional summary of pervasive "gaps" that contribute to Region 10's workforce housing shortage. These key findings will be discussed in greater detail throughout the remaining sections of this report.

THE PRODUCTION GAP

Current rates of housing production do not meet workforce demand.

The Production Gap refers to a deficit in regional workforce housing production necessary to meet current and future demand. The two components of housing demand commonly measured by Housing Needs Assessments are **catch-up need**, which identifies an existing unit deficit, and **keep-up need**, which estimates future housing unit demand.

Due to this report's specific emphasis on workforce housing production, catch-up need is estimated using observed job vacancy rates for the State of Colorado, and keep-up need is estimated using job growth projections from the Colorado State Demography Office. A full methodology and description of data sources used in this analysis is provided in Section 3 of this report.

Overall, this report conservatively estimates 6,600 units of housing needed over the next ten years (2023 to 2032) to fulfill combined catch-up (current) and keep-up (forecasted) workforce housing demand, based on job vacancies and growth. To place these estimates into perspective, from 2011 to 2022 the average annual rate of job growth was twice the rate of total housing unit growth, even accounting for the effects of the pandemic (Figure 1-2). In other words, housing supply has not kept pace with demand.

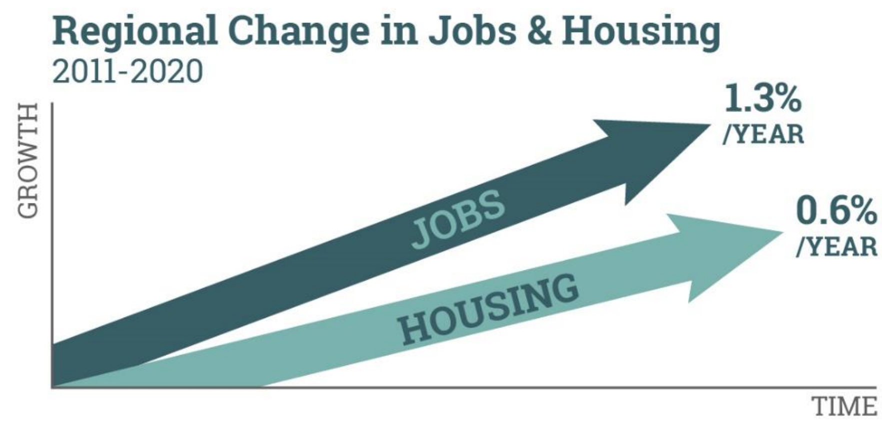


Figure 1-2: Change in Jobs and Housing, 2011-2020

Source: Colorado State Demography Office, Consultant Team

While construction rates have increased in recent years for some counties, most notably Montrose and Gunnison, other areas' historic annual rates of housing growth are significantly below what is needed to keep up with projected demand estimates.

THE AFFORDABILITY GAP

Home prices are rising faster than wages.

Section 3.2.4 will demonstrate that home prices are increasing faster than wages across all counties (see Figure 1-3), with anywhere from 139% (Delta) to 382% (San Miguel) of area median income (AMI) required to afford the median sales price of a 1,400-square-foot single-family home.

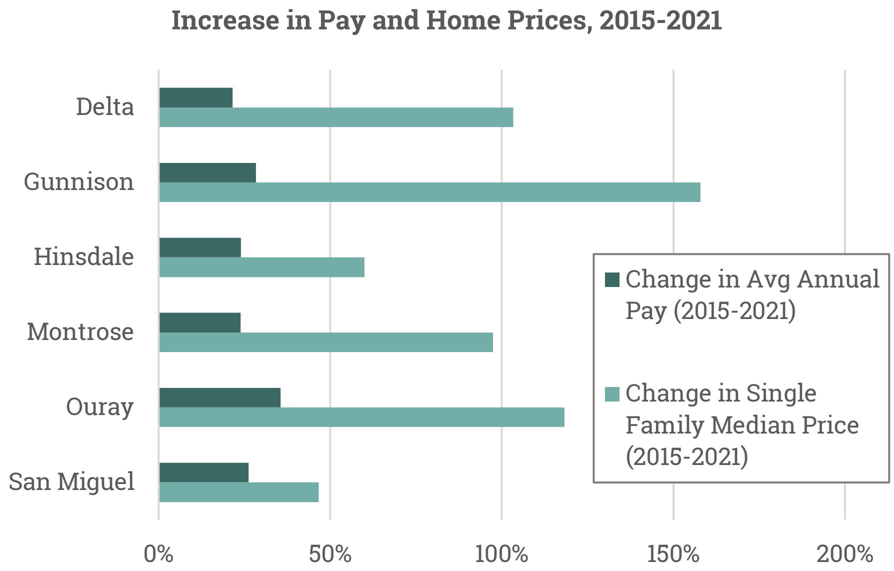


Figure 1-3: Change in Annual Income and Single-Family Home Prices, 2019-2021

Source: BLS QCEW, Colorado Association of Realtors

As home ownership becomes increasingly inaccessible to working families in the region, the supply of rental housing these families can afford is also limited.

Finally, in the last decade, residential construction costs have risen disproportionately to other inflation metrics, such as the Consumer Price Index (CPI). To keep up with overall demand and remain affordable for the local workforce, future residential construction will need to include a higher proportional share of rental, modular, and multi-family housing than in previous years.

THE CONSTRUCTION LABOR GAP

Construction employment must double to build needed housing.

Section 4 of this Report utilizes a formal modeling approach (IMPLAN) to estimate the regional economic impacts of constructing the estimated housing need from Section 3. Outputs include total impacts on employment and labor income, tax revenue, and direct annual output. Using this approach, we estimate the need to double existing construction labor to build the combined catch-up and keep-up housing that is needed over the next ten years.

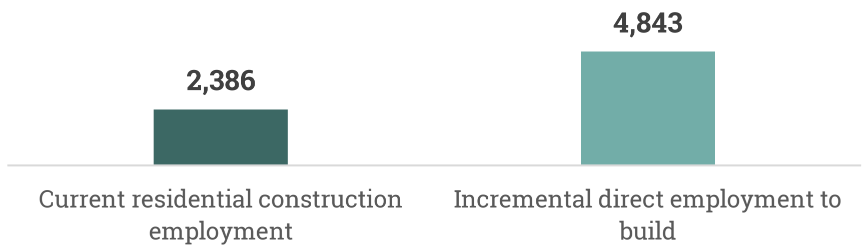


Figure 1-4: Impacts of Housing Build to Regional Construction Employment

Source: IMPLAN, Consultant Team

THE CAPITAL GAP

Public-private partnerships are needed to serve the "missing middle."

Traditional developers have historically ignored Colorado's Western Slope due to its rural population, high building cost, and presence of natural hazards. With an estimated cost of $3.8 billion (including land) to build Region 10's forecasted housing need by 2032, Section 5 of this report discusses public-private partnerships which offer an opportunity to share risk and fill the capital gap to finance the "missing middle" – that is, housing which serves families and individuals making anywhere from 60% to 140% of AMI (Figure 1-5).

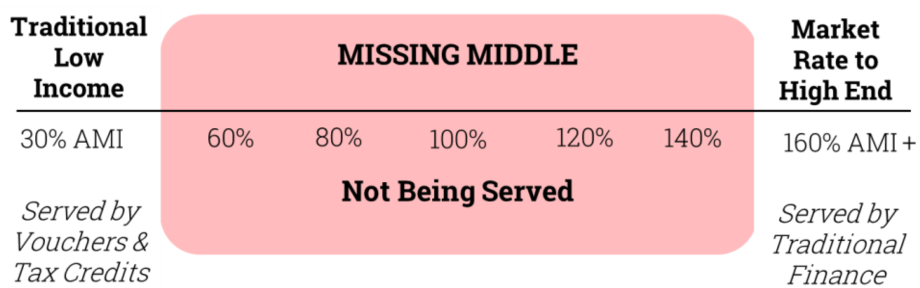


Figure 1-5: Illustration of the "Missing Middle"

Source: Consultant Team

Capital (including debt, equity, and subsidies) has historically been scarce in rural Colorado. Our conservative $3.8 billion estimate for ten-year workforce housing demand represents just 0.02% of the entire residential market in Colorado; although, post-pandemic, new sources of federal and state funding have become available for housing projects in smaller markets. Despite the challenging interest rate environment, new state and federal funding opportunities offer exciting opportunities to accelerate workforce housing development.

SECTION 2. STAKEHOLDER INTERVIEWS

2.1 INTRODUCTION

The Consultant Team conducted a series of one-hour virtual interviews with a variety of housing development stakeholders including private developers, city and county staff and officials, and non-profit organizations. Each county in R10 was represented by at least two interviewees, with a total of 20 interviews conducted. See Figure 2-1 for a summary of agencies by type and location. A full description of survey methods and results is provided in 0 to this document.

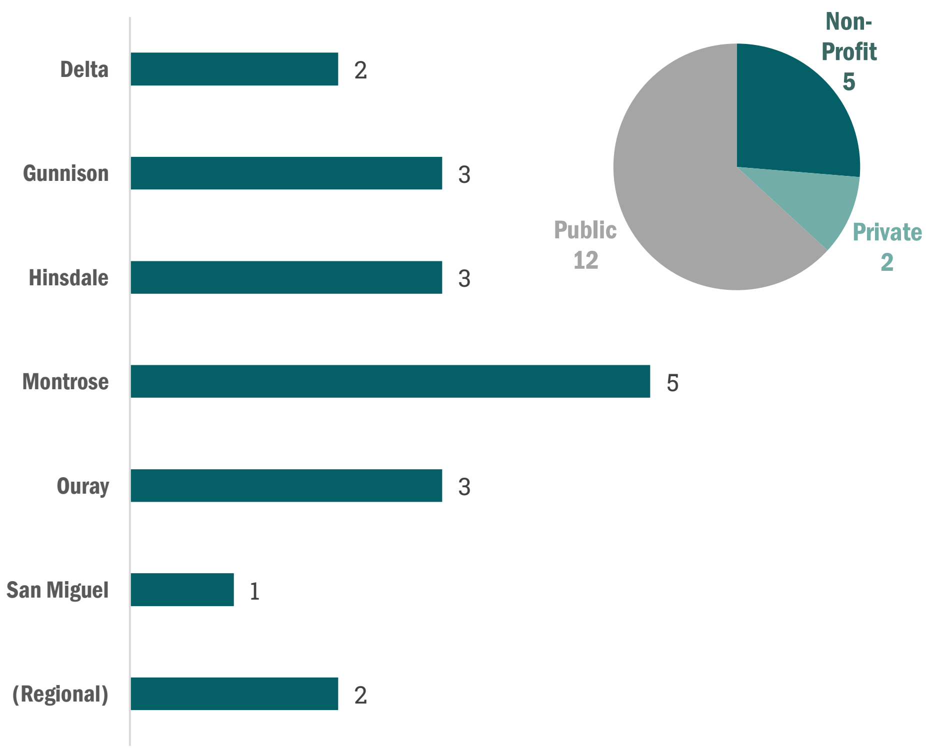


Figure 2-1: Agencies Interviewed by Type and County

Source: Consultant Team

Interviewed stakeholders represent organizations involved on the frontlines of housing development. There were three primary objectives for stakeholder engagement:

1. **Understand challenges** facing communities in the region in expanding housing stock that is affordable, desirable, and addresses specific local needs.
2. **Identify opportunities** to reduce or eliminate barriers without compromising community values, and to strengthen existing programs or policies that are working to address housing needs in communities and the region.
3. **Identify potential solutions** to address challenges and build a variety of housing for a range of income levels (i.e., develop a toolbox).

2.2 RESULTS SUMMARY

This section provides a summary of overarching challenges, strengths, and needs identified within Region 10 communities, as well as opportunities for Region 10 to provide assistance and support in closing the housing gap. Detailed results, including county-level interview summaries, are provided in 0.

CHALLENGES

There is an overall lack of housing in Region 10, making it difficult to attract or retain permanent workers and families, as well as seasonal workers. This includes a shortage of starter homes and limited long-term rental housing. Compounding the problem, there is, and has been for years, little interest in developing "missing middle" housing serving 60 to 140% AMI.

Builders throughout the region are more likely to invest in developing housing with higher profit margins, especially due to extremely high construction costs resulting from the COVID-19 pandemic, inflation, and other market factors affecting global supply chains. Lag times of multiple years between contracts and actual start of construction were reported by numerous interviewees, primarily caused by labor shortages across the construction industry. Another common factor affecting profitability of constructing new workforce housing in the region is high infrastructure costs to expand utility service areas or capacities, the costs for which have changed dramatically in recent years. Most of the low-hanging fruit, in terms of available and easily developable land, has been picked, and the leftover vacant land available comes with higher costs associated with connection to basic services, in addition to construction itself.

A lack of accessible funding to support workforce housing projects was also a top concern of those interviewed since most available funding is earmarked for low income (serving < 60% AMI) housing development. In Region 10, the primary need is located in the upper end of missing middle, among households earning between 80% and 130% of AMI. In this way especially, ski towns and other rural resort communities do not fit typical models and struggle to find or access funding that meets their needs. Resort communities also struggle to balance seasonal population extremes, making it difficult to maintain workers and essential services year-round.

In addition, multiple areas in the region have experienced persistent negative community perceptions toward new housing development, especially at higher densities, creating barriers for both low-income and workforce housing construction. A lack of long-range, strategic planning in some counties, and more particularly from a coordinated regional perspective, was also cited as a challenge in holistically addressing housing needs.

STRENGTHS

Most, but not all, interviewees commented on progress in changing public perceptions of affordable housing and a community-wide recognition of the need to house teachers, nurses, firefighters, and other lower-paid essential workers and professionals. In addition, many communities have benefitted greatly from supportive elected and appointed decision-makers paving the way for new housing development.

NEEDS

Undoubtedly, a primary need across Region 10 is funding for housing development, but more specifically, the need is for tailored funding sources that are responsive to individual AMIs at the local level. There is also a great need for staff and technical resources dedicated to addressing housing issues, especially regarding public engagement efforts and researching, applying for, and managing funding sources.

Multiple interviewees commented on the need for more readily available and current data on housing needs and market trends in a rapidly changing environment, since assessing and understanding current and projected needs is key to accessing funding and using it effectively. Reliable and appropriately formatted data is necessary to promote change; however, data is only valuable when decision-makers know how to interpret and utilize it in ways that further community goals and address pressing needs like housing.

Across the region, there is a need for more education of elected and appointed officials and community members to make well-informed decisions regarding workforce housing. Access to and an understanding of current and reliable data coupled with basic knowledge about the challenges and potential solutions to the problem is paramount to enacting needed progress. There are persistent negative perceptions of what affordable housing is and looks like that need to be addressed through soft-handed educational approaches. Concerted and ongoing efforts to engage and educate local communities is needed. Such public outreach can be difficult to implement due to limited staff expertise or capacity, which should be considered when developing strategic and annual work plans, and also during budget season.

Many individual communities have made great strides in long-range and strategic planning; however, these efforts have mostly been undertaken in silos without much, if any, consideration for extra-territorial pressures and impacts. Recognizing how decisions in one area affect another is important to effectively and efficiently resolving the current housing crisis and preventing relapses in the future. In this regard, there is an immense need for collaborative long-range, strategic planning among multiple jurisdictions to look at housing from an interconnected and regional perspective.

With labor shortages and high costs of materials across the region, a local source for manufactured housing is seen as another urgent need by many. Especially in alpine areas where the construction season is very short, constructing modular homes in a factory setting is an efficient use of both time and resources. In addition, preserving mobile home parks as existing affordable housing stock is a challenge facing multiple communities across Region 10. Recognizing the social and economic contributions of these small-scale communities, engaging with them, increasing protections for them, and providing opportunities for transition into higher-quality housing will be increasingly important in helping residents thrive and meeting housing needs both locally and regionally.

SECTION 3. ASSESSING WORKFORCE HOUSING NEEDS

3.1 INTRODUCTION

This section seeks to evaluate regional workforce housing supply and demand in the context of demographic and employment trends. Section 3.2, Regional Demographic Profile, explores patterns and trends in data relevant to housing, including population, households, employment, commuting, and characteristics of existing housing supply. Section 3.3, Estimating Housing Demand, estimates current (catch-up) and future (keep-up) workforce housing demand through 2032.

3.1.1 DATA SOURCES

This report utilizes or is informed by the most current available data from the following sources:

- Bureau of Labor Statistics (BLS)
- U.S. Census American Community Survey (ACS)
- Colorado Housing and Finance Authority
- Colorado Association of Realtors
- Colorado State Demography Office (SDO)
- U.S. Census Longitudinal Employer–Household Dynamics (LEHD)
- Zillow active rental listings
- Interviews with local real estate agents and developers

3.2 REGIONAL DEMOGRAPHIC PROFILE

This section describes how Region 10 has changed demographically since 2010, setting the context for the housing needs analysis which follows. Regional trends may obscure variability between and within counties; whenever possible, county-level data is presented alongside regional summaries. Error metrics are not shown in this report, and it is important to use caution when interpreting national data sources (such as the Census), especially for rural geographies.

3.2.1 POPULATION AND HOUSEHOLDS

POPULATION

As of 2020, the Colorado State Demography Office estimated a population of 104,657 for Region 10, just 1.8% of the statewide population. The population distribution by county has stayed relatively stable since 2010, with the largest population centers being Montrose (40.9%) and Delta (29.8%) counties (Figure 3-1).

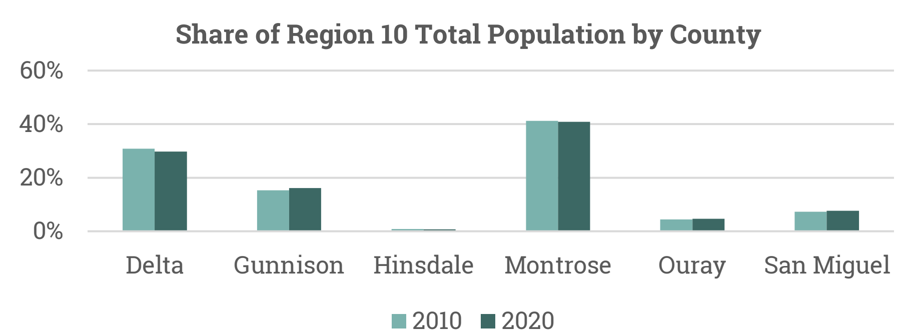


Figure 3-1: Change in Population Distribution by County, 2010-2020

Source: Colorado State Demography Office

From 2010 to 2020, Region 10's permanent resident population increased by about 4,600 people, or 4.6%. This increase in population was driven primarily by a 10.7% increase in Gunnison and 3.9% in Montrose counties, which represents about 1,600 additional residents in each county. Ouray and San Miguel counties experienced similar growth rates as Gunnison County. Despite being the second-largest population and employment center, Delta County's population grew by less than 1%. Only Hinsdale County saw a population decline; although, with a permanent resident population of less than 800 individuals, this did not significantly impact the regional total.

Table 3-1: Population by County and Region, 2010 and 2020

	Permanent Resident Population			
	2010	2020	# Change	% Total Change
Delta	30,889	31,160	271	0.9%
Gunnison	15,309	16,944	1,635	10.7%
Hinsdale	843	795	-48	-5.7%
Montrose	41,188	42,810	1,622	3.9%
Ouray	4,446	4,880	434	9.8%
San Miguel	7,356	8,068	712	9.7%
Region 10 Total	**100,031**	**104,657**	**4,626**	**4.6%**

Source: Colorado State Demography Office

NET MIGRATION AND NATURAL INCREASE

Population and household trends do not reveal the entire story of demographic changes in Region 10 since 2010. In any given year, population change can be broken down into two components: **net migration**, or the difference between the number of individuals moving to and leaving from an area during a given year; and **natural increase**, or the difference between births and deaths during a given year (Figure 3-2).

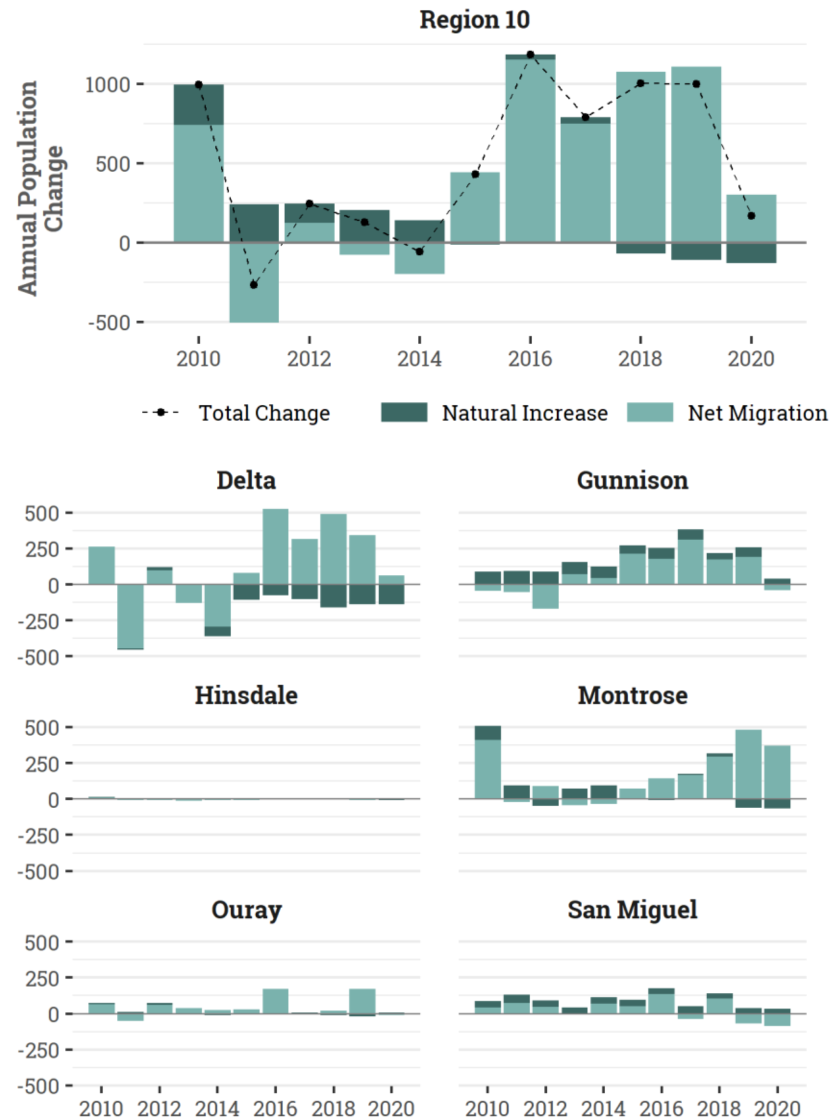


Figure 3-2: Components of Population Change, 2010-2020

Source: Colorado State Demography Office

Net migration in Region 10 has far surpassed the rate of natural increase since 2014, meaning that any observed population growth is explained by migration into the region. Several counties are also experiencing natural decline (where deaths exceed births), signifying an aging population. Taken together, these trends have important implications for workforce housing. Net migration will likely account for the majority of the region's new workforce in coming decades.

AGING AND SENIORS

The extent of aging varies by county, but Region 10's primary population and employment centers (Delta and Montrose) have seen large increases in seniors (ages 65+) as a proportion of total population. Only Gunnison and San Miguel counties experienced a net increase in the number of youth under 18 years of age (Figure 3-3).

Region-wide, the overall share of total household with at least one senior grew from 25.7% in 2010 to 36.5% in 2020 (Table 3-2). An aging population will create new demand for replacement workers, accessible housing options, and care services.

Table 3-2: Change in Senior Households, 2010-2020

	% of Total Households with 65+		
	2010	**2020**	**%-Point Change**
Delta	32.1%	42.8%	10.7%
Gunnison	13.9%	22.5%	8.6%
Hinsdale	26.0%	40.5%	14.5%
Montrose	28.7%	39.3%	10.5%
Ouray	25.1%	40.1%	15.0%
San Miguel	10.6%	25.2%	14.6%
Region 10 Total	**25.7%**	**36.5%**	**10.8%**

Source: Colorado State Demography Office

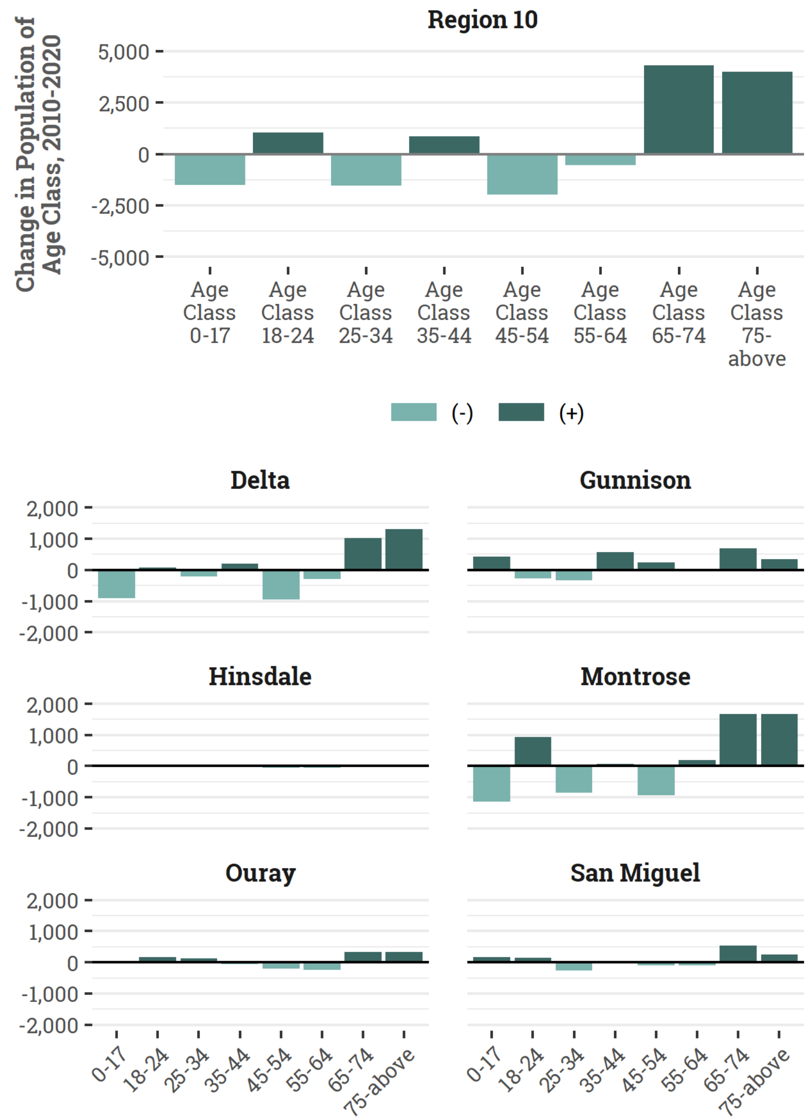


Figure 3-3: Change in Population by Age Class, 2010-2020

Source: Colorado State Demography Office

HOUSEHOLDS

From 2010 to 2020, total households grew at a faster rate than population across the region, suggesting a shift towards smaller household size. This was true for all counties except Gunnison and San Miguel. In San Miguel County, the population growth rate from 2010 to 2020 was twice that of total household growth.

Table 3-3: Households by County and Region, 2010 and 2020

	Total Households			
	2010	2020	# Change	% Change
Delta	12,679	13,059	380	3.0%
Gunnison	6,511	7,136	625	9.6%
Hinsdale	362	379	17	4.7%
Montrose	16,451	17,563	1,112	6.8%
Ouray	2,026	2,302	276	13.6%
San Miguel	3,451	3,598	147	4.3%
Region 10 Total	**41,480**	**44,037**	**2,557**	**6.2%**

Source: Colorado State Demography Office

Average household size decreased slightly for all counties except Gunnison and San Miguel, which were also the only two counties to experience an increase in overall youth (under 18) population since 2010. Senior households are often smaller and may increase demand for smaller (1-2 bedroom) homes.

Region 10's tenure split, or the share of households who own versus rent, did not change much from 2010 to 2020; however, the share of households that rent increased in multiple counties, especially in Hinsdale, Ouray, and San Miguel counties. The only exception was Gunnison County, where the share of renter-occupied households decreased since 2010 (35%, down from 41% in 2010).

Table 3-4: Mean Household Size, 2010-2020

	Average Household Size			
	2010	2020	# Change	% Change
Delta	2.38	2.33	-0.05	-2.1%
Gunnison	2.22	2.23	0.01	0.4%
Hinsdale	2.17	2.10	-0.07	-3.3%
Montrose	2.47	2.40	-0.07	-2.9%
Ouray	2.19	2.12	-0.07	-3.3%
San Miguel	2.13	2.24	0.11	4.9%
Region 10 Average	**2.36**	**2.32**	**-0.04**	**-1.6%**

Source: Colorado State Demography Office

Table 3-5: Tenure Split by County, 2010 and 2020

	% Owner-Occupied	% Renter-Occupied	% Owner-Occupied	% Renter-Occupied
	2010		2020	
Delta	74.3%	25.7%	73.2%	26.8%
Gunnison	59.1%	40.9%	65.4%	34.6%
Hinsdale	83.5%	16.5%	79.0%	21.0%
Montrose	74.6%	25.4%	73.9%	26.1%
Ouray	74.3%	25.7%	71.7%	28.3%
San Miguel	64.3%	35.7%	60.0%	40.0%
Region 10 Average	**71.3%**	**28.7%**	**71.1%**	**28.9%**

Source: ACS 5-Year Estimates

Census ACS 5-year estimates from 2016-2020 show differences between the size distribution of owner- and renter-occupied households. Single-person households were more prevalent among renters, whereas two-person households were more prevalent among owners. (See Figure 3-4)

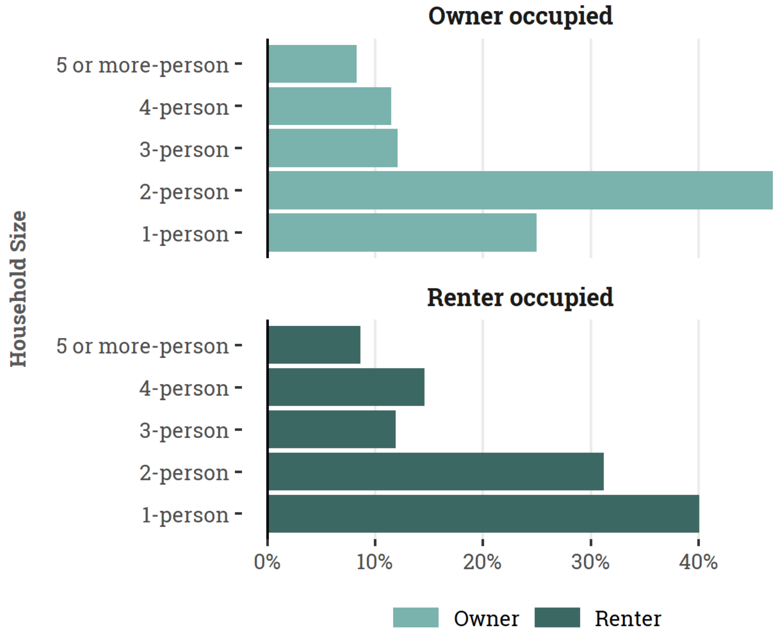


Figure 3-4: Household Size Distribution by Tenure, 2020

Source: ACS 5-year Estimates, 2016-2020

3.2.2 EMPLOYMENT AND EARNINGS

TOTAL JOBS

From 2011 to 2019, Region 10 experienced a period of continuous economic growth at an average of 1.3% per year. Following the onset of the COVID-19 pandemic, total jobs declined 8% before rebounding in 2021 to pre-pandemic levels, up 1.8% from 2020 (Figure 3-5).

Public administration and local government were the top employment sectors in the region in 2020, followed by retail trade, construction, accommodation/food services, and health care.

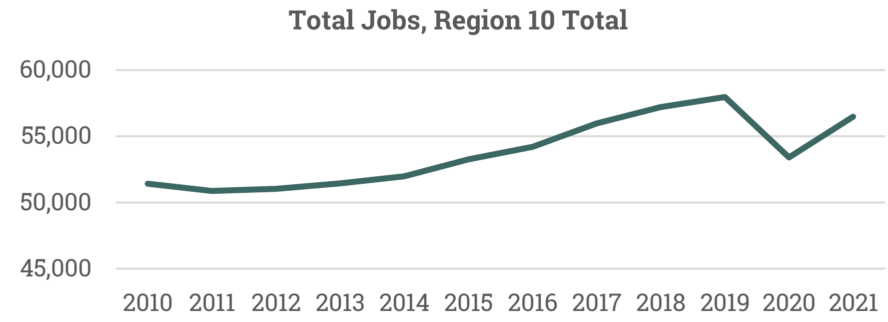


Figure 3-5: Total Jobs, 2010-2021

Source: Colorado State Demography Office

A nearly 6% increase in total regional employment over a ten-year period obscures significant variation among counties (Table 3-6). Delta, Gunnison, and Montrose counties, the most populous and largest employment centers in the region, experienced total employment growth of approximately 5% from 2010 to 2020. San Miguel and Ouray counties with smaller employment figures grew at a significantly faster pace, 10% and 15% respectively. Employment in Hinsdale County declined 17%, tracking a population decline over the same period.

Table 3-6: Total Regional Employment by County, 2010-2020

	Total Employment			
	2010	2020	# Change	% Change
Delta	14,550	15,182	632	4.3%
Gunnison	11,779	12,418	639	5.4%
Hinsdale	462	383	-79	-17.1%
Montrose	21,985	23,195	1,210	5.5%
Ouray	2,713	3,117	404	14.9%
San Miguel	6,508	7,127	619	9.5%
Region 10 Total	**57,997**	**61,422**	**3,425**	**5.9%**

Source: Colorado State Demography Office

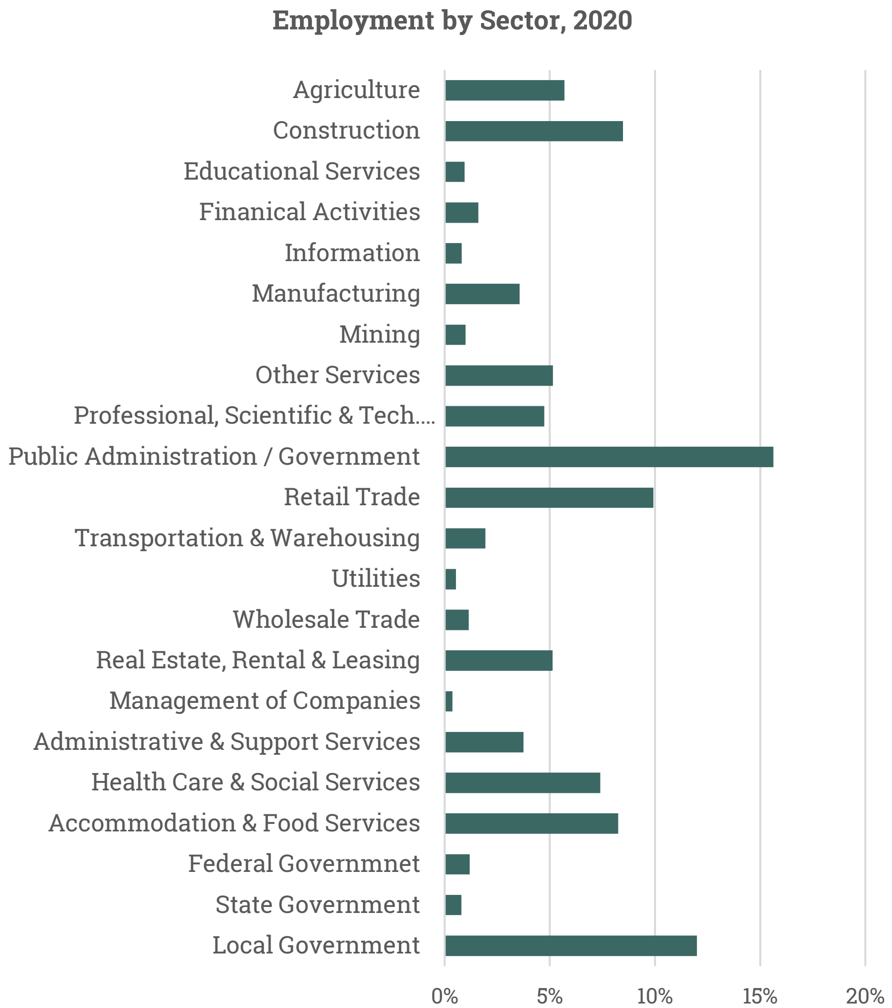


Figure 3-6: Regional Distribution of Employment by Sector, 2020

Source: Colorado State Demography Office

WAGES AND HOUSEHOLD INCOME

Wages increased for workers across all Region 10 counties from 2015 to 2021. This increase was highest for Gunnison and Ouray Counties, which saw a 28% and 36% increase in wages over the same 7-year period, respectively. (See Table 3-7)

Table 3-7: Average Annual Pay, 2015-2021

	Average Annual Pay			
	2015	2021	% Total Increase	Avg. Annual % Increase
Delta	$33,155	$40,312	21.6%	3.3%
Gunnison	$35,021	$44,958	28.4%	4.3%
Hinsdale	$28,114	$34,843	23.9%	3.7%
Montrose	$36,699	$45,478	23.9%	3.7%
Ouray	$35,635	$48,293	35.5%	5.3%
San Miguel	$40,549	$51,182	26.2%	4.1%

Source: BLS Quarterly Census of Employment and Wages (QCEW)

Separating the region's household income distribution by tenure reveals large differences between renters and homeowners. Over 30% of renting households make less than $25,000 annually (Figure 3-7).

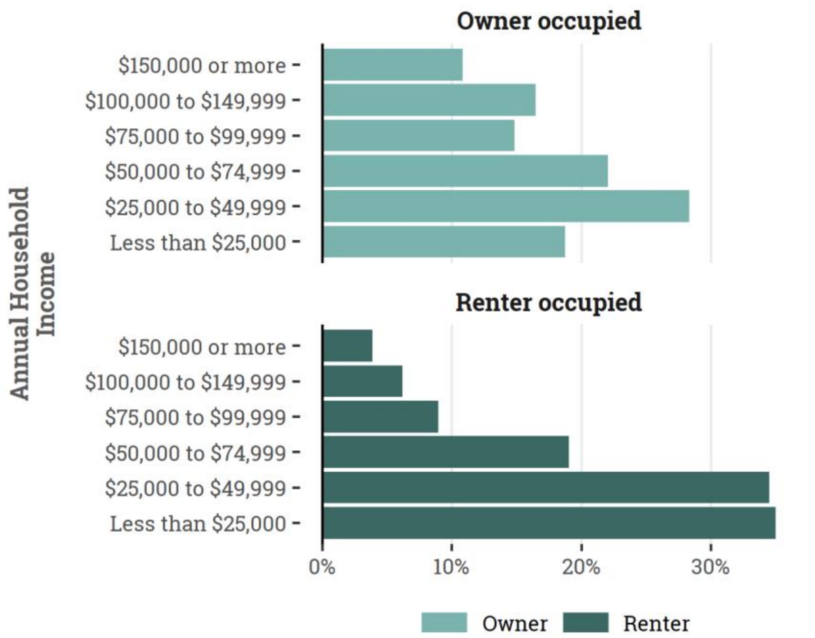


Figure 3-7: Annual Household Income Distribution by Tenure, 2020

Source: ACS 5-Year Estimates, 2016-2020

CHFA 2022 INCOME LIMITS

ACS estimates provide the basis for income limits defined by the U.S. Department of Housing and Urban Development (HUD) to determine eligibility for federal and state housing assistance programs, such as Public Housing, Section 8 Housing Choice Voucher, and Multi-family Loan and Low-Income Housing Tax Credits. For example, the Colorado Housing and Finance Authority (CHFA) establishes income limits for FY-2022 at thresholds ranging from 20% to 120% of AMI. These estimates are based on 2019 ACS data and adjusted for inflation using cumulative changes in the Consumer Price Index (CPI) from the Bureau of Labor Statistics from 2019 forward. HUD income limits use median family income, rather than household income, and separate AMI thresholds by household size ranging from one- to eight-person households. FY-2022 income thresholds for Region 10 counties are provided in Appendix C to this document.

3.2.3 COMMUTING

Commuting has increased in many areas of Region 10 since 2010 (Table 3-8). Overall, Montrose County's labor force is the most "local", as measured by Census LEHD inflow/outflow job counts; the proportion of the county's total jobs held by county residents has increased since 2010. Ouray and San Miguel showed large increases in residents traveling from out-of-county to get to work, suggesting commuting is increasing to these areas as more workers are excluded from the housing market. Future housing studies in this region can and should explore LEHD data at smaller geographies to get a sense of commute flows at the level of census tracts.

Table 3-8: Persons Residing in County of Employment as a % of Total County Labor Force, 2010-2019

	% of County Jobs Held by Residents Living/Working in Same County		
	2010	2022	%-point Change
Delta	67.9%	63.6%	-4.28%
Gunnison	73.0%	66.1%	-6.85%
Hinsdale	72.5%	64.2%	-8.22%
Montrose	65.0%	67.7%	2.69%
Ouray	59.6%	48.3%	-11.37%
San Miguel	64.6%	49.3%	-15.29%

Source: Census LEHD

3.2.4 HOUSING INVENTORY

HOUSING INVENTORY

Housing supply increased by 6% region-wide from 2010 to 2020, averaging 350 new units annually (Table 3-9). A closer look at total housing unit counts from the SDO reveals an increase in rates of housing production around 2016, especially for Delta, Gunnison, and Montrose counties (Figure 3-8). Single-family detached homes account for 68% of Region 10's housing stock; the remaining units are distributed relatively evenly between multi-family buildings and mobile/manufactured homes (Table 3-10).

Table 3-9: Total Housing Units by County, 2010-2020

	Total Housing Units			
	2010	2020	# Change	% Change
Delta	14,575	14,792	217	1.5%
Gunnison	11,431	12,208	777	6.4%
Hinsdale	1,274	1,330	56	4.2%
Montrose	17,198	19,025	1,827	9.6%
Ouray	3,088	3,330	242	7.3%
San Miguel	6,165	6,563	398	6.1%
Region 10 Total	**53,731**	**57,248**	**3,517**	**6.1%**

Source: Colorado State Demography Office

Table 3-10: Distribution of Housing Units by Building Type, 2020

	Single (detached)	Single (attached)	Multi (apartments, condos)	Mobile and Manufactured	Boat, RV, Van, etc.
% R10 Total Housing Units	**68.2%**	**2.8%**	**15.9%**	**12.9%**	**0.2%**

Source: ACS 5-Year Estimates, 2020

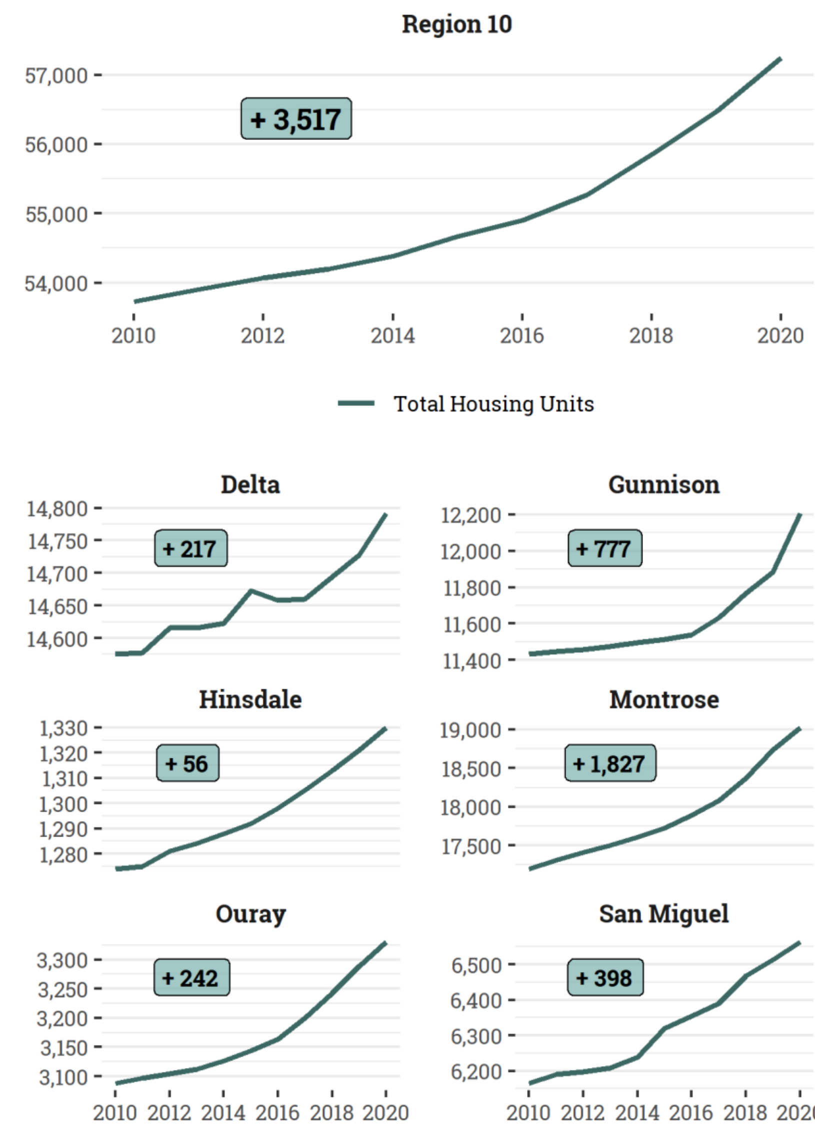


Figure 3-8: Annual Change in Housing Units, 2010-2020

Note: Axes are scaled independently to emphasize year-over-year change.

Source: Colorado State Demography Office

The distribution of buildings' ages can provide clues as to longer-term development patterns in the region. A rapid growth period took place beginning in the 1970s, and housing production remained strong until the early 2000s. Despite the increase in construction rates since 2010, just 4% of the region's total housing supply was built or significantly upgraded after 2010.

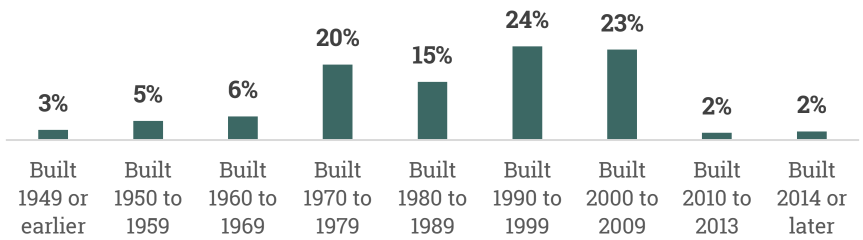


Figure 3-9: Distribution of Housing Units by Year Structure Built, 2020

Source: ACS 5-Year Estimates, 2020

Occupancy rates vary significantly both across the region and within individual counties. Montrose and Delta counties have the highest residential occupancy levels, while Hinsdale County has the lowest rate at 28%. Occupancy rates have mostly remained stable over the last ten years, but notable changes include a 3.4 percentage-point decline in occupancy in Montrose County and a 3.5 point increase in Ouray County (Table 3-11).

As shown in Figure 3-10, recreational or seasonal use accounted for 67% of vacancies across the region in 2020. Future surveys should provide more detailed occupancy information, such as the prevalence of short-term rental units.

Table 3-11: Residential Occupancy Rate, 2010-2020

	Occupancy Rate (%)		
	2010	**2020**	**%-point Change**
Delta	87.0%	88.3%	1.3%
Gunnison	57.0%	58.5%	1.5%
Hinsdale	28.4%	28.5%	0.1%
Montrose	95.7%	92.3%	-3.4%
Ouray	65.6%	69.1%	3.5%
San Miguel	56.0%	54.8%	-1.2%
Region 10 Total	**77.2%**	**76.9%**	**-0.3%**

Source: Colorado State Demography Office

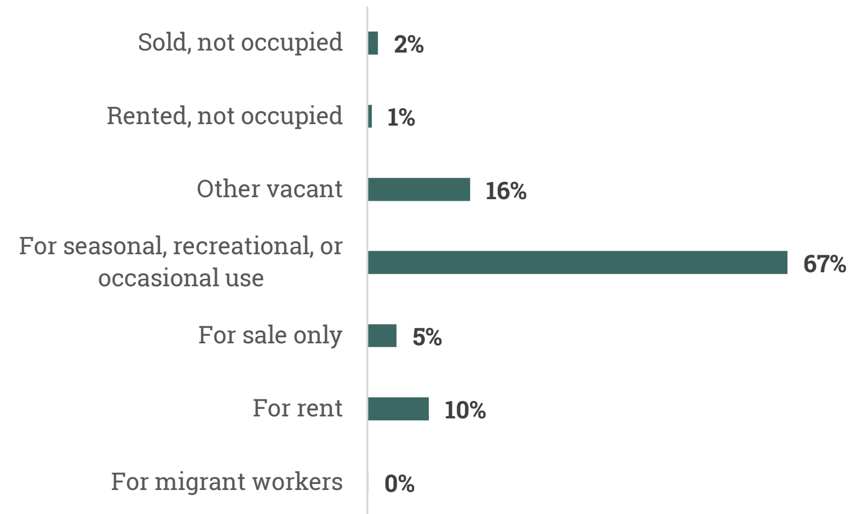


Figure 3-10: Distribution of Vacant Housing Units by Reason for Vacancy, 2020

Source: ACS 5-Year Estimates, 2020

HOME SALES PRICE AND RENTAL COSTS

Home prices in Region 10 have rapidly increased since 2015, effectively excluding much of the region's local workforce from market-rate housing. Over the seven-year period, single-family home prices more than doubled for nearly all in Region 10, with the exception of San Miguel County where there was high price volatility. (Table 3-12) As of 2022, only Delta and Montrose counties have median sales prices of any unit type below $500,000 – which is still well above the maximum "affordable" purchase price for 100% AMI, shown in Table 3-16.

Table 3-12: Median Sales Price 2015-2022, Single-Family

	Median Sale Price: Single-Family			
	2015	2022	% Total Increase	Average Annual % Increase
Delta	$160,000	$383,000	139.4%	13.4%
Gunnison	$308,500	$738,000	139.2%	14.2%
Hinsdale	$250,000	$524,750	109.9%	13.7%
Montrose	$195,000	$411,000	110.8%	11.5%
Ouray	$332,250	$850,000	155.8%	14.8%
San Miguel	$1,125,000	$1,125,000	0.0%	10.2%

Source: Colorado Association of Realtors

Table 3-13: Median Sale Price 2015-2022, Townhouse/Condominium

	Median Sale Price: Townhouse / Condo			
	2015	2022	% Total Increase	Average Annual % Increase
Delta	$128,500	$226,500	76.3%	9.2%
Gunnison	$215,000	$615,000	186.0%	17.1%
Hinsdale	--	--	--	77.8%
Montrose	$136,500	$324,500	137.7%	13.7%
Ouray	$245,000	$583,333	138.1%	14.3%
San Miguel	$735,000	$1,552,500	111.2%	17.6%

Source: Colorado Association of Realtors

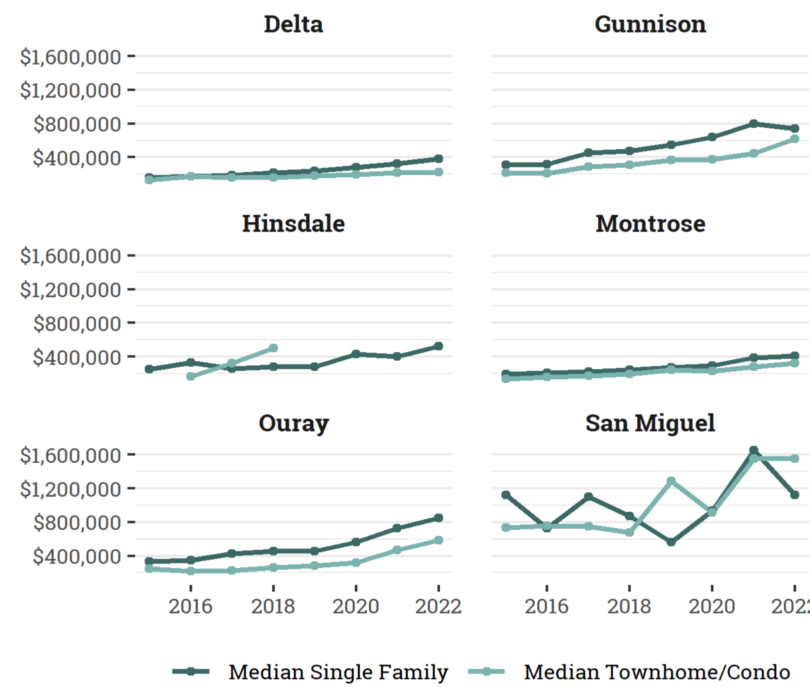


Figure 3-11: Median Sales Price by County, 2015-2022

Source: Colorado Association of Realtors

Historical rental data can be more difficult to procure due to the distributed nature of rental listings. The Census ACS 5-year estimates from 2016-2020 reveal a regional average increase in median gross rent of 20%, relative to the 2010 estimates (See Table 3-14). Delta and Hinsdale counties also experienced the largest increases in households designated as rent-burdened during this period. CHFA guidelines for affordable rental housing state that households paying more than 30% of annual gross income on rent are considered housing cost-burdened. ACS 5-year estimates from 2020 show over half of all renting households in Delta County were housing cost-burdened, up from 38% in 2010.

Table 3-14: Median Gross Rent, in Dollars and % of Total Households Paying >30% of Income on Rent (Rent-Burdened), 2010 and 2020

	Median Gross Rent	% Rent-Burdened	Median Gross Rent	% Rent-Burdened
	2010		**2020**	
Delta	$715	38.0%	$837	53.1%
Gunnison	$799	43.6%	$998	45.8%
Hinsdale	$640	9.5%	$815	35.4%
Montrose	$788	43.1%	$980	44.1%
Ouray	$1,153	44.7%	$1,305	44.5%
San Miguel	$973	51.1%	$1,146	42.5%

Source: ACS 5-Year Estimates

Limited rental data is available after 2020, but it can be assumed that considerable changes have taken place in the market for housing rentals since the onset of the COVID-19 pandemic, which saw an influx of remote workers to the Western Slope region. Previous studies have documented the increase of part-time homeowners as well as short- and mid-term accommodations in San Miguel and neighboring counties. (Northwest Colorado Council of Governments, 2021)

A point-in-time survey of active Zillow rental listings collected in January of 2023 showed an overall low availability of rentals, with just 27 units listed for the entire region, and zero listings located in Hinsdale and San Miguel counties. Mean listing price was $2,039 per month, significantly higher than the median gross rent estimated for the 2020 ACS (Table 3-15).

Table 3-15: Survey of Zillow Rental Listings, January 2023

	# Rental Listings	Average SF	Average Price
Delta	8	1,884	$1,771
Gunnison	2	1,750	$3,200
Hinsdale	0	--	--
Montrose	15	1,350	$1,882
Ouray	4	2,038	$2,583
San Miguel	0	--	--
Region 10 Average	**27**	**1,619**	**$2,039**

Source: Zillow, Consultant Team

THE AFFORDABILITY GAP

Compared to what is designated as "affordable" by CHFA for a three-person household, observed rents and purchase price are out of reach for families making 100% AMI. Table 3-16 shows the estimated purchase price range for three-person households making 100% of AMI for each county in Region 10. As shown in Figure 3-12, the median single-family home sales price in 2022 was more than double this estimated affordable range in Gunnison, Ouray, and San Miguel counties.

Table 3-16: "Affordable" Rent and Purchase Price, Three-Person Household

	100% AMI (3 person HH)	Max "Affordable" Purchase Price [1]	Max "Affordable" Gross Rent [2]	Median Single Family Price, 2022
Delta	$74,000	$270,000	$1,850	$383,000
Gunnison	$79,700	$270,000	$1,992	$738,000
Hinsdale	$74,000	$270,000	$1,850	$524,750
Montrose	$74,000	$295,000	$1,850	$411,000
Ouray	$79,800	$295,000	$1,995	$850,000
San Miguel	$86,100	$322,000	$2,152	$1,125,000

Note: [1] assumes an interest rate of 6.5%, 15% to taxes, insurance, HOA fees, and 10% down payment; [2] assumes 30% of pre-tax monthly income dedicated to housing costs.

Source: CHFA 2022 Income Limits, Consultant Team

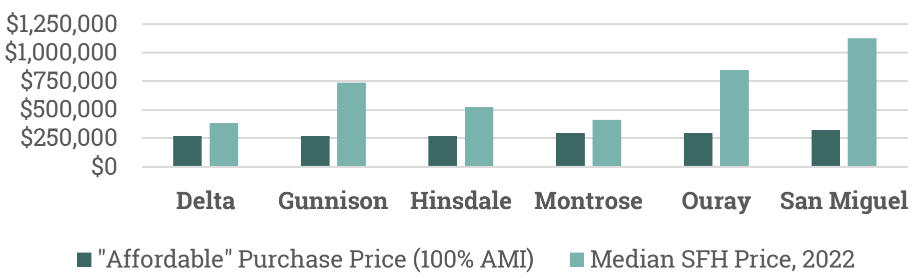


Figure 3-12: "Affordable" vs. Observed Median Purchase Price, 2022

Source: Consultant Team, Colorado Association of Realtors

3.3 ESTIMATING HOUSING DEMAND

The two components of housing demand commonly measured by Housing Needs Assessments are **catch-up** need, which describes an existing unit deficit, and **keep-up** need, which describes *forecasted* growth in housing unit demand.

Due to this report's specific emphasis on workforce housing production, catch-up need is estimated using observed statewide job vacancy rates and keep-up need is estimated using county-level job growth projections from the Colorado State Demography Office. The housing demand estimates provided using this methodology are conservative and do not account for the following components of housing demand which would positively impact results:

- Net **migration of retirees** relocating to area;
- Increased demand for **senior apartments** and **assisted living facilities** among an aging local population;
- Full extent of **remote workforce growth**, which is not accounted for in historical (training) data from the SDO job growth projections;
- Demand for **replacement workers** as more seniors leave the workforce; and
- Additional supply needed to create a more **functional and balanced** housing market. (rental housing units needed today

to increase vacancy rates and crease a more balanced rental market; for-sale housing needed today to increase the months of inventory and create a more balanced for sale market)

This section, therefore, highlights the scale of workforce housing demand over the next decade at a county and regional level and compares these results to rates of historical housing production. Impacts to the regional economy and workforce from future workforce housing production are explored in Section 4 of this report.

3.3.1 METHODOLOGY

The methodology for estimating catch-up and keep-up housing need draws upon the different inputs shown in Figure 3-13.

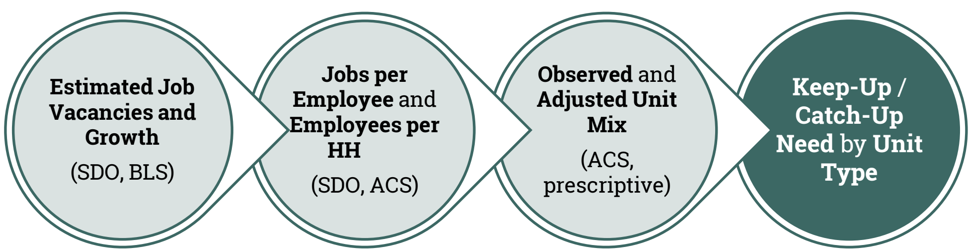


Figure 3-13: Diagram of Housing Demand Estimate Methodology and Data Sources

Source: Consultant Team

Catch-up need refers to the number of housing units required to close the gap between housing demand and what is currently supplied by the market. Due to this report's specific emphasis on workforce housing, catch-up demand was estimated using job vacancy data from the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey (JOLTS) through 2022. A job openings rate of 7% was assumed for all counties in Region 10. This rate is reflective of persistent elevated job openings rates exceeding 7% statewide since 2021. This rate aligns with or is lower than those identified in housing needs assessments for other Colorado communities in recent years. Estimated job vacancies were then calculated by multiplying SDO total job estimates for each county by a base vacancy rate of 7%.

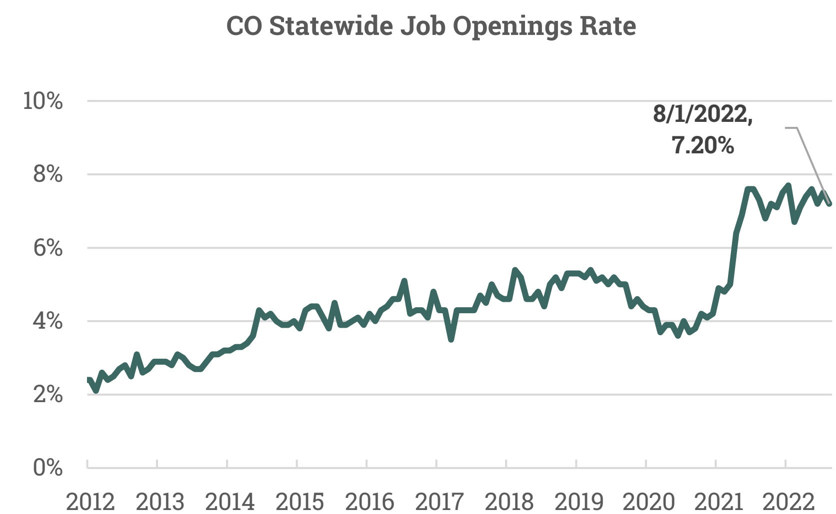


Figure 3-14: Colorado Statewide Job Openings Rate, 2012-2022

Source: BLS JOLTS

Keep-up need refers to the number of housing units required to be built by a future date to meet projected demand based on growth projections. Workforce keep-up through 2032 is estimated using total jobs forecast from the State Demography Office (Table 3-17).

Table 3-17: Estimated Job Vacancies and Growth

	Total Jobs, 2022	Estimated Job Vacancies (assuming 7% openings rate)	Projected Job Growth, 2022 - 2032
Delta	13,925	975	1,521
Gunnison	11,984	839	1,555
Hinsdale	401	28	43
Montrose	21,891	1,532	3,070
Ouray	3,167	222	267
San Miguel	7,696	539	1,333
Region 10 Total	**59,065**	**4,135**	**7,788**

Source: Colorado State Demography Office (1-year Labor Force Supply and Demand Estimates)

To convert job openings and growth into households, data from the State Demography Office as well as the U.S. Census was used to convert total jobs into housing units through the two intermediate ratios of 1) jobs per employee and 2) employees per household (HH) work a worker (Table 3-18).

Table 3-18: Conversion Factors used to Estimate Unit Demand Based on Jobs

	Jobs per Employee	Employees per HH w/ ≥1 Worker
Delta	1.07	1.60
Gunnison	1.11	1.90
Hinsdale	1.12	1.56
Montrose	1.07	1.62
Ouray	1.09	1.66
San Miguel	1.15	1.68
Region 10 Average	**1.08**	**1.67**

Source: Colorado State Demography Office, ACS 5-Year Estimates 2020

Finally, total unit demand was divided among three building types: single-family, multi-family, and manufactured/mobile home. To create a building type "mix," the observed distribution of housing units by building type was examined at the regional level using 2020 ACS 5-year estimates. The final adjusted mix accounted for a prescriptively higher proportion of multi-family housing and manufactured/mobile homes relative to single-family homes, compared to observed data from 2020.

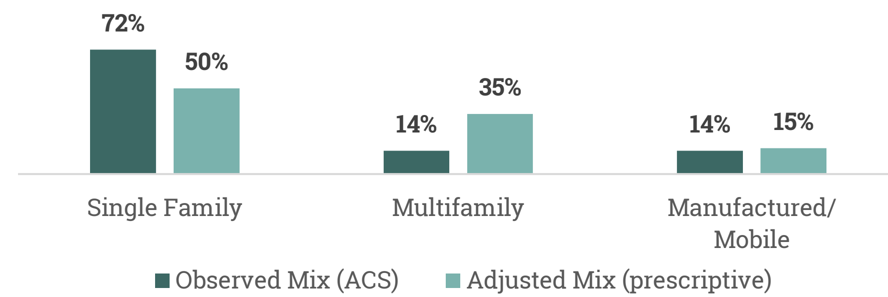


Figure 3-15: Observed and Adjusted Unit Mix by Building Type

Source: ACS 5-Year Estimates 2020, Consultant Team

3.3.2 RESULTS

This report conservatively estimates **6,600 housing units** needed to meet workforce housing demand by 2032. divided between 2,300 units to meet current catch-up need and 4,300 units to meet keep-up need over the next decade (Table 3-19). Table 3-20 shows total units separated by building type according to a prescriptive mix which adjusts for a higher proportion of multi-family development.

Table 3-19: Catch-Up and Keep-Up Workforce Housing Need Through 2032

	Catch-Up Need (based on 7% openings rate)	Keep-Up Need (based on job growth projections)	Total Units Needed, 2022-2032
Delta	571	891	1,465
Gunnison	397	736	1,135
Hinsdale	16	24	40
Montrose	886	1,775	2,660
Ouray	123	148	270
San Miguel	279	691	970
Region 10 Total	**2,287**	**4,308**	**6,595**

Source: Consultant Team

Table 3-20: Total Need through 2032 by Building Type

	Total Need – Single-Family	Total Need – Multi-Family	Total Need – Manufactured / Mobile Home
Delta	733	513	220
Gunnison	568	397	170
Hinsdale	20	14	6
Montrose	1,330	931	399
Ouray	135	95	41
San Miguel	485	340	146
Region 10 Total	**3,298**	**2,308**	**989**

Source: Consultant Team

THE PRODUCTION GAP

Building Region 10's workforce housing need will require major innovation to remain affordable while serving the needs of the region's growing workforce over the next decade. Recent residential construction (shown in Figure 3-16) primarily represents market-rate single-family homes, which are largely inaccessible even to families and households making 100% of AMI.

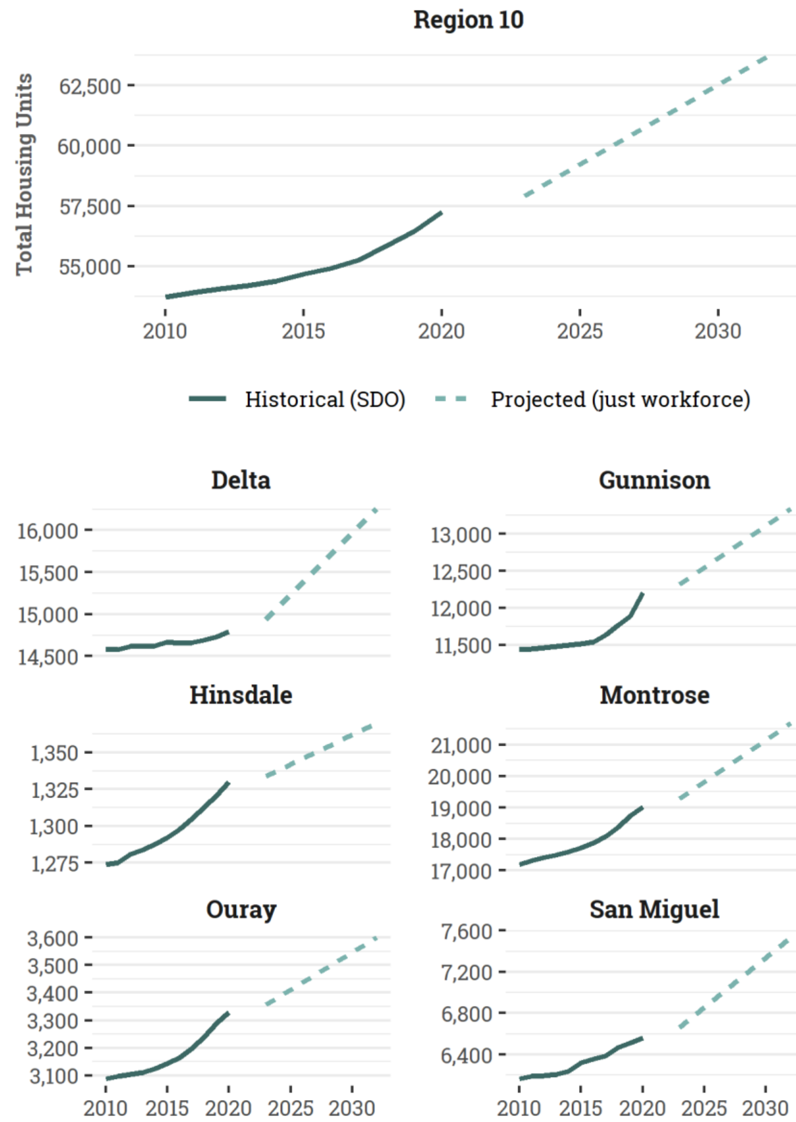


Figure 3-16: Historical and Projected Growth in Housing Units, 2010-2032

Source: Colorado State Demography Office, Consultant Team

SECTION 4. REGIONAL ECONOMIC IMPACTS

4.1 INTRODUCTION

Estimating the economic impacts resulting from constructing Region 10's workforce housing needs over the ten-year period, from 2023 to 2032, can assist in determining the feasibility of and barriers to new construction. As described in Section 3 of this report, the number of units needed is a function of current job openings (catch-up) and future job growth (keep-up). However, quantifying unit demand is only the first step to addressing the region's housing needs. Knowledge of multiplier impacts can inform policies designed to support economic development, while mitigating potential negative impacts.

This assessment uses an Input-Output (I-O) modeling approach from IMPLAN to quantify **direct impacts** resulting from the construction of housing, as well as the **indirect** (supply chain spending) and **induced impacts** (labor income spending). Model outputs include labor income, intermediate expenses, tax revenues, and total economic output added. Most importantly, estimates of new jobs required to construct the region's housing needs will be provided and compared to the existing workforce.

Understanding the impacts of a development project of this scale can drastically improve planning efforts for all stakeholders. Some questions that this assessment will seek to address include:

- How many new jobs in each occupation will be required to build the new workforce housing units, and how does this compare to the size of the region's current workforce?
- What is a realistic number of years to build the units given labor constraints?
- How much incremental tax revenue will accrue to state, county, and local governments as a result of construction?
- How will the region's tax base increase?
- What industries will be most impacted, and by how much?

4.2 METHODS

Input-Output (I-O) modeling is based on the foundational concept that all industries, households, and governments in the economy are connected through buy-sell relationships; therefore, a given economic activity supports a ripple of additional economic activity throughout the economy. IMPLAN incorporates all available economic data for each county in the country to provide realistic estimates of these "ripple" effects resulting from increased economic activity, from supply chain spending, such as the purchase of fuel and lumber, to labor income spending, such as grocery and retail consumption. See 0 for a more detailed description of IMPLAN's methodology.

Estimating the direct, indirect, and induced impacts of future activities within a regional economy is extremely complicated. IMPLAN averages labor compensation, production value, and other metrics for 546 different sectors of the economy by region. For example, this study models the construction of thousands of new housing units using data from three industry sectors. Actual future economic impacts depend on specific operating plans and may evolve over time as the result of technological innovation and alternating management strategies. Actual impacts also depend on final project specifications and approvals.

4.2.1 IMPLAN MODEL SETUP & ASSUMPTIONS

Developing an IMPLAN model for housing construction requires identifying representative industry sectors, selecting which years the impacts would occur, and specifying a region of impact.

The three industries that pertain to new residential construction are:

- Construction of new single-family residential structures (sector 57);
- Construction of new multi-family residential structures (sector 58); and
- Construction of other new residential structures, including costs of installing mobile homes (sector 59).

The final model allocates construction cost evenly over the next ten years. Because IMPLAN is a linear model, this assumption allows us to multiply impacts from the first year by a factor of 10 to give estimates of total impacts. Further, by only modeling a single year, we are able to design the model using IMPLAN's multi-regional input-output (MRIO) analysis to capture economic interactions among the six counties in Region 10.

These IMPLAN models have been set up using the 2019 data year. Although data from 2020 and 2021 is available, the subsidies, deferments, and other anomalies that characterize the data representing the pandemic years is less representative than we anticipate in the future.

Land sales are considered asset transfers, whereby one person receives money while the other receives tangible property. Thus, the land sale itself has no value in IMPLAN and the sale of the land has very little impact on the economy. As a result, land acquisition costs are not included in the total construction cost or investment modeled with IMPLAN. In keeping with our conservative approach, real estate and legal fees are also not included. Similarly, the costs of mobile homes purchases are not included in the model since economic impacts associated with their production are accrued in the region where they are manufactured; however, the costs of site preparation and installation are accounted for.

Costs estimated were gathered in 2022 dollars and inflated to 2023 dollars using a rate of 10%. All results are presented in 2023 dollars, alleviating the need to make additional assumptions about future inflation rates.

4.2.2 IMPLAN MODEL INPUTS

Table 4-1 shows the annualized building costs, in 2023 dollars, broken down by county and type of housing. Annualized cost estimates are based on building cost estimates for each Region 10 county, which are described in additional detail in Section B.2. Cost estimates were developed to serve as IMPLAN model inputs and to provide a starting point for evaluating economic impacts, rather than serving as a price tag for any specific individual development project or product.

Table 4-1: Estimated Annualized Costs to Construct Region 10 Workforce Housing Needs (2023 Dollars)

County	Total Cost Single Family	Total Cost Multifamily	Total Cost – Manufactured/ Mobile	Total Cost – All Types
Delta	$31,021,375	$11,985,531	$829,842	$43,836,748
Gunnison	$30,588,250	$11,700,006	$771,498	$43,059,754
Hinsdale	$847,000	$327,250	$27,189	$1,201,439
Montrose	$56,325,500	$21,762,125	$1,506,744	$79,594,369
Ouray	$7,276,500	$2,783,261	$175,881	$10,235,642
San Miguel	$44,814,000	$17,141,355	$659,342	$62,614,697
Region 10	**$170,872,625**	**$65,699,528**	**$3,970,496**	**$240,542,649**

Source: Consultant Team

4.3 RESULTS

4.3.1 EMPLOYMENT & THE CONSTRUCTION LABOR GAP

As of 2019, there were a total of 2,424 jobs in the three residential construction sectors. The direct number of employees required to build the incremental workforce housing needed, in addition to existing jobs as of 2019, is 2,384 annually. This increased level of economic activity will indirectly employ an additional 375 jobs and induce another 514 jobs on an annual basis. Thus, the total annual employment impact is 3,273 jobs, representing almost a 5% increase in the total employment of Region 10, which was 66,530 in 2019.

Table 4-2: Annual Employment Impact, Region Total

Impact Type	Annual Jobs
Direct	2,384
Indirect	375
Induced	514
Total	**3,273**

Source: Consultant Team

More housing units are clearly needed to accommodate growing populations and expanding economies. However, this analysis shows that sourcing the labor required to build the units needed may be more difficult than finding the funding. The need to house the labor required, should it be available, further complicates the challenge.

The takeaway from this analysis is that innovative and creative solutions to solving Region 10's housing shortage will be necessary. Strategies that supply units requiring less labor to build, skewing more units towards multi-family and modular building types, and trending toward smaller unit sizes are examples of likely transitions that will be required.

OCCUPATION DETAIL

Table 4-3 shows a breakdown of employment by occupation detail for the top 25 occupation categories in terms of number employed on an annual basis. Not surprisingly, the construction trades are at the top of the list, with food service workers and other non-construction occupations receiving indirect and induced impacts. Based on the model, a total of 718 occupations would experience at least some impacts.

Region 10's existing residential construction workforce will need to double in size to build this configuration of housing, at an average rate of 144 new jobs per year

Table 4-3: Annual Regional Employment Impact for Top 25 Occupation Categories

Occupation	Employment	Employee Compensation	Hours Worked
Construction Laborers	144	$5,906,877	268,277
Carpenters	104	$5,354,599	199,188
Electricians	87	$5,070,008	179,557
First-Line Supervisors of Construction Workers	80	$5,500,075	176,850
Retail Salespersons	78	$2,505,535	113,002
Plumbers, Pipefitters, and Steamfitters	61	$3,528,310	122,646
Office Clerks, General	55	$1,842,629	87,662
Operating Engineers and Equipment Operators	44	$2,463,149	94,510
Heating, AC, and Refrigeration Mechanics and Installers	42	$2,069,194	84,405
Construction Managers	40	$4,039,671	89,627

Occupation	Employment	Employee Compensation	Hours Worked
General and Operations Managers	40	$4,762,307	90,821
Cashiers	34	$822,418	39,948
Painters, Construction and Maintenance	32	$1,348,624	58,187
Cement Masons and Concrete Finishers	30	$1,424,145	59,141
Administrative Assistants, Except Legal, Medical, and Executive	30	$1,120,059	51,718
Heavy and Tractor-Trailer Truck Drivers	28	$1,337,342	59,528
Bookkeeping, Accounting, and Auditing Clerks	25	$1,127,408	44,181
Laborers and Freight, Stock, and Material Movers, Hand	24	$889,565	39,983
Stockers and Order Fillers	24	$771,630	35,890
Fast Food and Counter Workers	22	$473,624	22,846
Cost Estimators	21	$1,528,069	44,212
Roofers	21	$927,566	38,617
Customer Service Representatives	20	$774,664	33,660
Sales Reps of Services, except Advertising, Insurance, and Travel	20	$1,292,351	40,725
Waiters and Waitresses	17	$413,500	20,627
Total Employment Impacts	**1,817**	**$80,432,162**	**$14,555,938**

Source: Consultant Team

4.3.2 ECONOMIC IMPACTS

Table 4-4 shows the annual economic impacts that would result from building Region 10's workforce housing need. IMPLAN calculates estimates of economic impacts based on the estimated cost to build (shown in Table 4-4) and the underlying model data. The $240 million in direct total impact is the total cost, otherwise considered the amount of investment required. Indirect and induced spending generate an additional $129 million in economic activity each year, bringing the total annual impact to $370 million. Table 4-5 shows cumulative impacts over the ten-year construction period reaches almost $3.7 billion. Of the total impacts, 45% is earned by laborers and 42% is spent on the purchase of intermediate supplies and materials, with the balance spent on taxes (TOPI) and returns to capital (OPI).

Table 4-4: Annual Regional Economic Impact Summary

Impact Type	Labor Income	Intermediate	OPI/TOPI	Total Annual Output
1 – Direct	$134,168,296	$93,463,546	$12,910,807	$240,542,649
2 – Indirect	$15,708,514	$28,393,448	$12,639,634	$56,741,596
3 – Induced	$18,274,991	$32,794,818	$21,312,853	$72,382,662
Region Total	**$168,151,801**	**$154,651,812**	**$46,863,295**	**$369,666,907**

Source: Consultant Team

Table 4-5: Cumulative Regional Economic Impact Summary

Impact Type	Labor Income	Intermediate	OPI/TOPI	Total 10-yr Output
1 – Direct	$1,341,683,000	$934,635,000	$129,108,000	$2,405,426,000
2 – Indirect	$157,085,000	$283,934,000	$126,396,000	$567,416,000
3 – Induced	$182,750,000	$327,948,000	$213,129,000	$723,827,000
Region Total	**$1,681,518,000**	**$1,546,518,000**	**$468,633,000**	**$3,696,669,000**

Source: Consultant Team

4.3.3 ANNUAL TAX REVENUE IMPACTS

The IMPLAN tax impact report captures all tax revenue in Region 10 across all levels of government for the specific industries and institutions affected by an event. On an annual basis, constructing the regional workforce housing need will generate $7.4 million for local governments and special districts (Table 4-6).

Table 4-6: Annual Regional Tax Revenue Impacts

Taxation Category	1 – Direct	2 – Indirect	3 - Induced	Region Total
Sub-County	$416,000	$958,000	$1,019,000	$2,393,000
Special Districts	$491,000	$1,151,000	$1,149,000	$2,791,000
County	$373,000	$947,000	$923,000	$2,243,000
State	$3,899,000	$2,061,000	$2,080,000	$8,039,000
Federal	$24,272,000	$3,751,000	$4,404,000	$32,427,000
Total	**$29,450,000**	**$8,868,000**	**$9,576,000**	**$47,893,000**

Source: Consultant Team

4.4 CONCLUSIONS

The modeled impacts resulting from the housing build are especially consequential when placed into context with observed levels of employment and economic output for 2019. In total, the employment required to build the region's workforce housing need would double its current residential construction workforce (see Table 4-7 and Figure 4-1)

Table 4-7: Change in Residential Construction Employment by County

	Residential Construction Employment		
	Observed Total (2019)	Total 10-yr Direct Impact	% Increase
Delta	455	516	113%
Gunnison	510	438	86%
Hinsdale	21	15	71%
Montrose	981	832	85%
Ouray	151	98	65%
San Miguel	307	485	158%
Region 10	**2,425**	**2,384**	**98%**

Source: Consultant Team

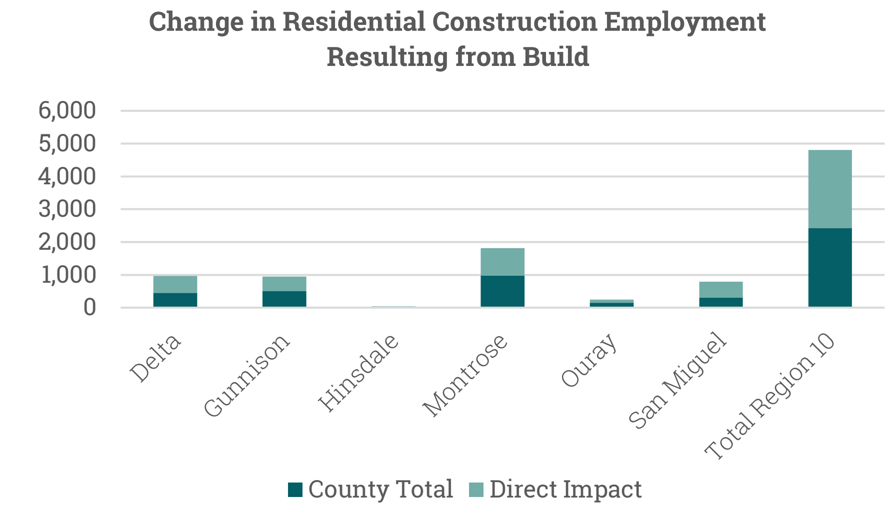


Figure 4-1: Existing vs. Direct Impacts to Residential Construction Employment by County

Source: Consultant Team

The regional increase in total construction output is 75%. San Miguel County would experience the greatest impacts and percent increases while Hinsdale County would experience the least (see Table 4-8 and Figure 4-2).

Table 4-8: Change in Total Construction Output by County (2023 dollars)

	Residential Construction Output		
	Observed Total (2019)	Total 10-yr Direct Impact	% Increase
Delta	$53,421,416	$43,836,748	82%
Gunnison	$67,875,455	$43,059,754	63%
Hinsdale	$2,465,131	$1,201,439	49%
Montrose	$127,539,594	$79,594,369	62%
Ouray	$20,999,971	$10,235,642	49%
San Miguel	$50,412,502	$62,614,697	124%
Region 10	**$322,714,070**	**$240,542,649**	**75%**

Source: Consultant Team

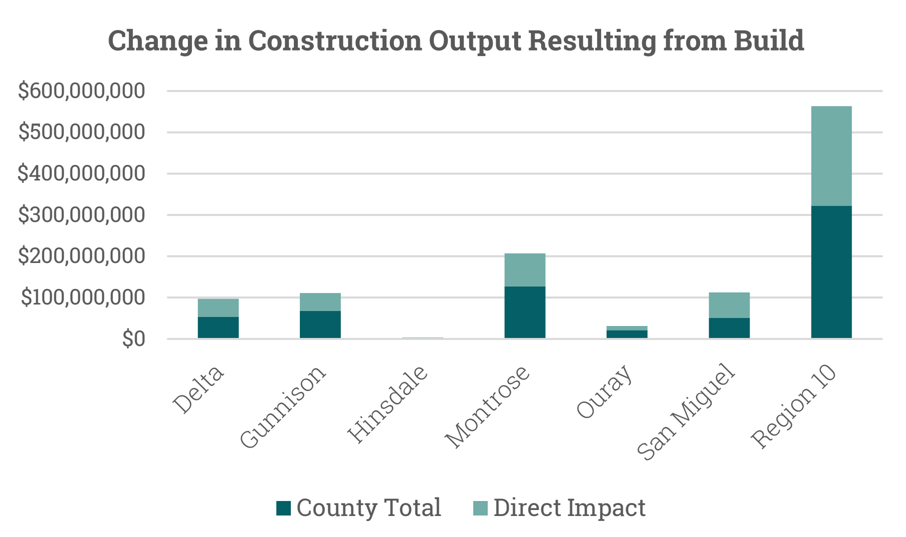


Figure 4-2: Existing vs. Direct Impacts to Construction Output by County

Source: Consultant Team

Modeling the economic impacts of the projected workforce housing need through 2032 allows local officials and policymakers to consider alternative approaches to addressing the housing production gap. In addition, IMPLAN provides estimates of a variety of environmental impacts which can also be considered in the process of developing polices to address the housing shortage. Adjusting for smaller unit sizes, greater proportions of multi-family and mobile/manufactured homes, and alternative off-site construction methods may have lower labor requirements and be more attainable for the region. The model inputs used for this report are a starting point.

Further, the IMPLAN model of Region 10's housing development can simulate more regional approaches to addressing the problem by developing housing in counties with a comparative advantage and increasing inter-regional transit. Alternative phasing schedules can also be simulated.

In conclusion, the labor requirements, and economic impacts of residential construction at this scale are massive for Region 10. These estimates give the "workforce housing need" scale and context, thereby properly informing decision makers as they attempt to alleviate the region's workforce housing shortage.

SECTION 5. SOLUTIONS AND RECOMENDATIONS

5.1 INTRODUCTION

Large scale housing developers have historically ignored Colorado's Western Slope due to its rural population, high building cost, and hazardous terrain. With an estimated cost of $3.8 billion (including land) to build the estimated workforce housing need by 2032, increasing the availability of capital to serve the "missing middle" will require collaboration and resources from both the public and private sectors.

Figure 5-1 illustrates the concept of the "missing middle" category of households making anywhere between 60% to 120% area median income (AMI) and up to 140% of AMI and beyond in resort areas. Orientating development towards these middle-income workforce households is difficult, as these households are unable to afford the ever-increasing cost of market-rate home ownership and rents, yet receive no relief from tax credits and vouchers such as those that assist Low-Income Housing Tax Credit (LIHTC) housing development targeted for households earning below 60% AMI.

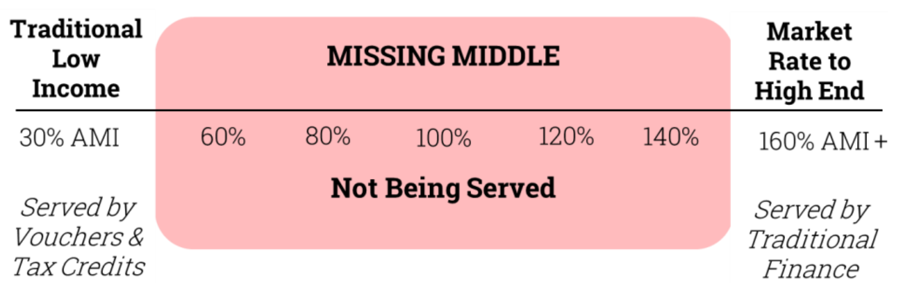


Figure 5-1: Illustration of the "Missing Middle"

The gaps in production, affordability, and skilled labor discussed throughout this report all contribute to a vicious cycle that exacerbates the problems of the Western Slope's missing middle housing market.

5.1.1 MARKET TYPES

Although housing needs are present across Region 10, there are differences among communities and there are localized conditions that should be considered in addressing housing affordability and production gaps. The generalizations in Table 5-1 provide consideration of market types and combinations of conditions and market characteristics agencies within Region 10 may encounter (CHFA, 2021).

In rural markets, development of affordable housing (rental or purchase options) for workforce housing is generally between 60% and 120% AMI; it may be up to 140% AMI in resort markets. Three-person households at 100% AMI in Region 10 range from roughly $74,000 to $86,000 in yearly earnings depending on the county of residency (see Table 3-16 in Section 3 for more information). According to CHFA's Gap Map 2021 Dashboard, among renters statewide, 44% of households earning 61% to 100% of AMI are housing cost-burdened, and 5% of households earning 100% or more of AMI are housing cost-burdened. In Region 10, 44% of all rental households are rent-burdened. On average, a Colorado household would need to earn 121% of AMI to afford to purchase the median-priced for-sale home in the region.

Table 5-1: Market Types

Market Types	Locations	Typical Market Characteristics
Resort	Areas that have ski resorts and/ or prominence of secondary/ vacation homes – generally in the mountains	▪ Smaller communities are often in proximity to recreational opportunities. ▪ Municipalities may have more resources, relative to their size, to invest in increasing housing affordability due to the presence of greater second-home investor tax base, tourism, and commerce in the community. ▪ Often have limited land available for development. ▪ Previously undeveloped sites may lack existing connections to utility systems, imposing additional development costs. ▪ High land values and affordability challenges at income levels up to 200% of AMI due to a housing market focused on serving more affluent buyers. ▪ Distance to contractors and construction materials results in high development and housing costs. ▪ Often offer good job access due to the tourism economy, but the lack of affordable housing forces many workers to absorb longer commute times and increased transportation costs. ▪ Lack housing available for long-term rentals, given the seasonal cycles of the tourism economy. ▪ Higher profit margins for high-end homes decrease the profit incentive to develop affordable housing. ▪ Exposure to harsh winter weather may reduce life span of housing stock. ▪ Limited supply of affordable rental housing may also lead to overcrowding. ▪ Challenges related to water and tap fees in some areas. ▪ Lack of affordable housing impacts employers seeking to attract/retain employees.
Rural	Areas that are not urban but do not have the same emphasis on resorts and second homes as resort communities	▪ Land availability is likely to be less of an issue compared to urban and resort markets, although infrastructure such as water and other utilities might not be in place. ▪ Likely to have less complex land use regulations and building codes compared to urban areas. ▪ Housing developments tend to be on a smaller scale, which can reduce savings from larger economies of scale and make key financing programs less suitable. ▪ Distance to contractors and construction materials may result in higher construction costs. ▪ Lack of affordable housing impacts employers seeking to attract/retain employees. ▪ Challenges related to water and tap fees in some areas. ▪ Exposure to harsh winter weather may reduce life span of housing stock. ▪ May have less discretionary resources or staff capacity to incentivize affordable housing development.

Source: Adapted from CHFA's 2021 Colorado Affordable Housing Developer's Guide

5.1.2 EQUITY AND DEBT

The guiding principle in real estate finance is that the cost of a project, or the "use of funds", must equal the financing for the project, or the "source of funds." Use of funds tend to fall into five categories:

- Site acquisition (purchasing, leasing);
- Construction or rehabilitation, including a contingency allowance;
- Soft costs (entitlements, appraisals, marketing, surveys, taxes, insurance, and fees for architectural, engineering, legal, accounting, and other services);
- Development fees and developer's overhead and profit; and
- Financing fees (construction period interest, loan fees, closing costs).

There are generally three categories of funds to cover these costs:

- **Debt -** This is borrowed money, generally paid back with interest. Some debt sources may have more flexible rates and terms than others. Some dept is soft or deferred, meaning that it gets paid back only if the project's cash flow permits or at the time of sale. It may be forgiven entirely if the development continues to serve income-eligible people for an extended period of time.
- **Equity -** This is cash financing that is not paid back with interest but is viewed as an investment with an expected, though not guaranteed, return. Equity for affordable rental housing generally comes from the developer and the sale of tax credits. In affordable ownership developments, equity comes from the developer.
- **Subsidies or Grants -** These are funds to fill the gap between total development costs and what can be financed with debt or equity. This is usually required for affordable housing projects because of the limited rents or sale prices that low- and moderate-income households can afford. Subsides or grants are usually provided by governmental entities.

Other types of financing and funding that are usually not reflected in the development cost but are vital to an affordable housing development are predevelopment funding and rental assistance to help cover gaps and ensure units are affordable.

ESTIMATED DEBT, EQUITY, & SUBSIDIES

To build the 6,600 catch-up and keep-up workforce housing units described in Section 3 (see Section 3.3.2), it is estimated that $3.7 billion (including land) is needed to achieve this goal. Of that $3.7 billion, an estimated $2.5 billion of debt (approximately 65%) is needed from banks and private lenders and the remaining categories ($1.3 billion) would come in the form of state subsidies, land equity, and equity capital. See Figure 5-2 for individual estimated amounts of equity and capital needed to build workforce housing in Region 10.

While the $3.7 billion price tag may seem high at first glance, it represents less than 0.05% of the total housing market in Colorado. In larger, more urban real estate markets, the capital markets for debt and equity make it relatively easy to develop new housing stock. Although urban stock suffers from the same affordability issues as rural markets, there are four key "bottlenecks" that make smaller markets and rural development even more challenging.

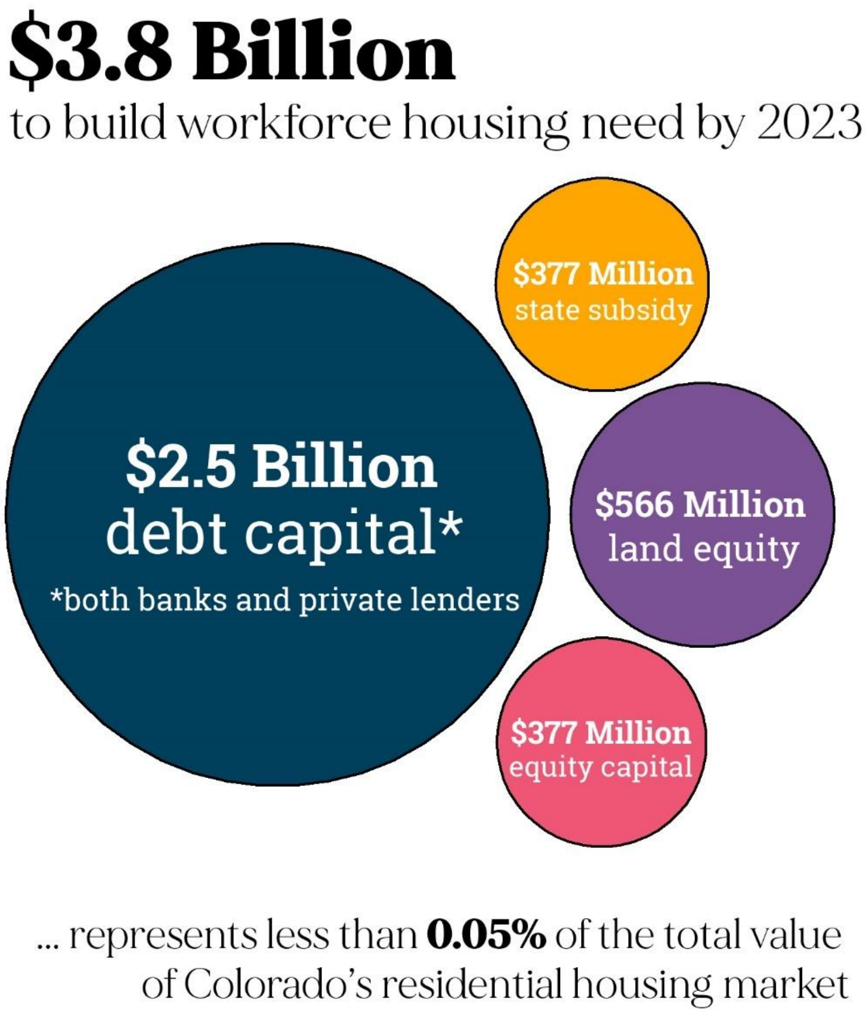


Figure 5-2: Sources of Equity and Capital to Build Estimated Workforce Housing Need by 2023

Source: Consultant Team

5.2 BOTTLENECKS & SOLUTIONS

The complexity, timescale, and dependence of the development process can be unpredictable and complicated. The lack of proper capital, development expertise, skilled labor, and construction innovation can all lead to production bottlenecks. A summary of possible bottlenecks and solutions can be found in this section.

BOTTLENECK NO. 1: NEW SOURCES OF CAPITAL

Lenders traditionally maximize their risk to a project at 65% of the total costs or uses of funds. In rural Colorado, there is a shortage of lenders who can provide even this percentage, making the 10-year housing goal difficult to attain.

SOLUTION: NEW AVAILABILITY OF CAPITAL

Post-pandemic, an unprecedented volume of capital is available for housing projects in smaller markets. Despite the challenging national interest rate environment, new opportunities exist to apply state funding sources toward affordable housing projects. This section will explore strategies and policy tools which can be used to address Region 10's capital gap, including new availability of capital from the State of Colorado.

As previously discussed, there are two main sources of capital developers rely on: debt and equity. Both provide the necessary funding needed to keep a developer or housing non-profit afloat, but there are major differences between the two and, while both types of financing have their benefits, each also comes with a cost.

DEBT CAPITAL RESOURCES

Debt capital is the capital that a developer raises by taking out a loan. It is a loan made to a developer and is normally repaid at some future date. Debt capital differs from equity or shared capital because subscribers (or agencies) to debt capital do not become part-owners of the developer's business but are merely creditors. Larger debt capital arrangements are often disbursed over time and are contingent on certain regular reports. If a developer were building a large housing complex, for example, they might take on corporate debt that covered construction costs. In that instance, the developer's debt capital provider would probably disburse part of the capital in the first period of construction and wait to see tangible progress before providing any additional funds. Debt capital resources and products for housing in Colorado include:

- USDA Rural Development Water Loan and Grant Program/ Community Facility
- Metropolitan District Infrastructure Bonds
- Bank and Private Loans
- Social Impact Lenders
- CHFA Mezzanine Financing
- PACE Financing
- HUD / Agency Perm Financing
- Colorado Division of Housing (DOH) Housing Loan Fund (new)
- Missing Middle Authority Bonds (new)
- Prop 123 Funding (new)

EQUITY CAPITAL RESOURCES

Because equity capital typically comes from funds invested by public agencies, the cost is slightly more complex. Equity funds do not require a developer to take on debt which means there is no debt to be repaid, but there is some degree of return on investment expected based on performance of the project in general. Equity capital resources and products for housing in Colorado include:

- Existing Land Value
- Public-Private Partnership with Housing Authority
- DOH Traditional Grants
- USDA / DOH Down Payment Assistance
- Social Impact Investors
- Qualified Opportunity Zone Equity

NEW AVAILABILITY OF CAPITAL IN COLORADO

During the 2022 Colorado legislature session, lawmakers tackled a multitude of housing issues. Affordable housing was a priority across political parties and all areas of the state, particularly as the COVID-19 pandemic illuminated and exacerbated many Coloradans' struggles to afford stable housing.

In 2021, the legislature set aside hundreds of millions of dollars in federal American Rescue Plan Act (ARPA) funds for affordable housing and established the Affordable Housing Transformational Task Force and an advisory subpanel. The task force was charged with considering investment and related policy opportunities particularly to serve communities and households hardest hit by the pandemic; recommendations were issued in a January 2022 report. In 2022, the legislature passed five bills in direct response to the Task Force's funding recommendations, allocating a total of $428 million in federal and state funds.

House Bill (HB) 1304 created two grant programs. The first will be administered by Colorado DOH and directs $138 million to local governments and non-profit entities for a wide range of activities to increase housing affordability and stability. The second grant program, called "Strong Communities," will be administered through the Colorado Department of Local Affairs' (DOLA) Division of Local Government and provide $40 million for local governments' infill and infrastructure upgrades while incentivizing sustainable land use practices. Funds in both grants must be obligated by the end of 2024 and spent by the end of 2026.

A $150 million revolving loan fund established through Senate Bill (SB) 159 provides low-interest capital for affordable housing production and preservation; land banking; acquiring and converting existing properties to transitional or long-term housing; permanent supportive housing; and other uses to increase affordable housing. The loan fund is intended to last in perpetuity, administered by some combination of DOH, CHFA, and qualified third-party entities.

In addition, HB 1282 establishes a $40 million program through the Colorado Office of Economic Development to incentivize the production of modular and other types of manufactured homes, and SB 146 directs $25 million to CHFA's existing Middle Income Access Program to finance rental units affordable to households earning between 80% and 120% of their local area median income. In addition, SB 160 provides $35 million for loan and grant funds to support mobile homeowners' efforts to purchase their parks and ensure the long-term affordability of resident-owned communities.

Finally, HB 1356 establishes a $35 million grant program through DOLA to support capacity building for small, community-based non-profit organizations. This funding could provide a much needed boost to many community-led groups, effectively keeping their neighbors housed by helping them navigate available resources despite being stretched thin themselves by the pandemic. These funds must also be allocated by the end of 2024 and used by grantees before the end of 2026.

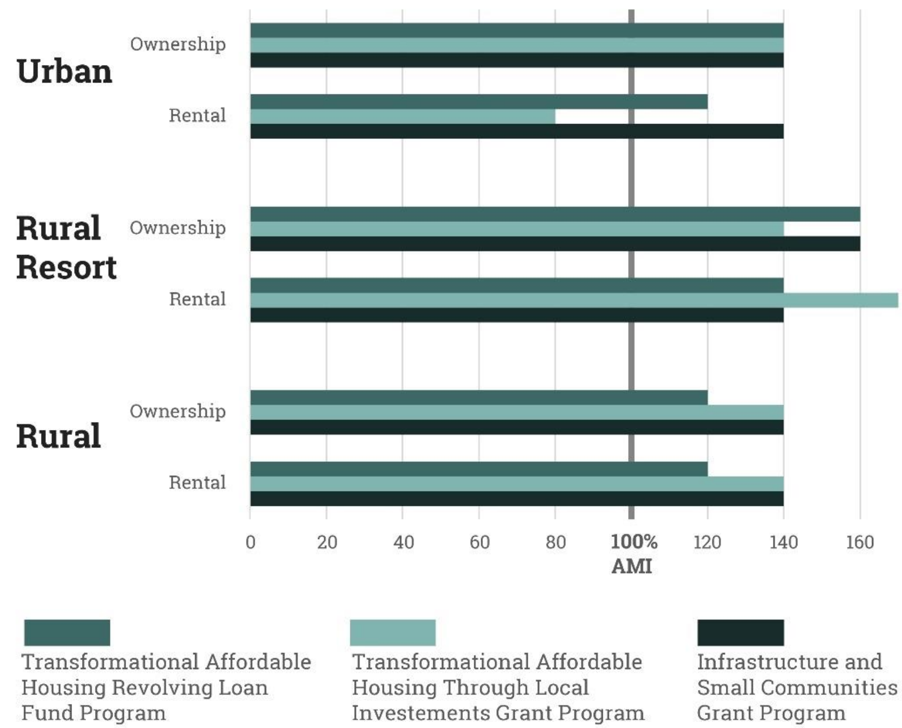


Figure 5-3: AMI Thresholds for Grant and Loan Programs

Source: Consultant Team

BOTTLENECK NO. 2: LACK OF DEVELOPMENT EXPERTISE

Traditional development, centered in larger urban areas, once ignored even Denver before the last decade's population boom. The Western Slope and other rural markets have lacked specific development expertise, as developers tend to follow the money.

SOLUTION: SPECIAL LIMITTED PARTNERSHIPS

Many affordable housing projects involve more planning and entail greater risks than similar market-rate projects due to the layers of financing required and the complexities of public-private partnerships. Creating and preserving affordable housing requires many different stakeholders to work together in order to provide the various incentives and benefits needed on all sides. An emerging group of developers is utilizing public-private partnerships[1] and special limited partnerships[2] to share risk and return with the public sector in Colorado. Figure 5-1 provides a diagram of how special limited partnerships can enable a team of experts and leverage resources to augment this development. A special limited partnership consists of the partners and consultants working to complete a single development.

Developing affordable housing often means combining resources and experience from multiple organizations, such as land trusts and local housing authorities. In some cases, a partner may play a direct role in the development process by informing decisions, completing tasks, and bringing unique experience or capacity to the process. In others, a partner may contribute a resource, such as land, to enable greater affordability, but not be directly involved in the development.

Figure 5-4: Public-Private Partnerships

Source: Consultant Team

[1] Public-private partnerships involve collaboration between a government agency and a private-sector company that can be used to finance, build, and operate projects, such as housing projects.

[2] A special limited partnership (SLP) is composed of at least one general partner ("GP") and one or several limited partner(s) (LPs). A partner may be a GP and an LP at the same time.

COMMUNITY LAND TRUSTS

Community land trusts (CLTs) are non-profit organizations governed by boards of residents and public representatives that act as stewards of land for various purposes, including affordable housing. Land is bought and maintained by the non-profit organization which then sells homes that sit on the land to occupants, splitting the ownership of the land value and the home value so that occupants pay less for homeownership. Non-profit stewards hold land in a trust in perpetuity in order to preserve affordability even when market rates rise sharply, permanently preventing developers from purchasing land for expensive units. Cities and counties can support CLTs by providing financing, property tax exemptions, and technical assistance. There are hundreds of CLTs across the country, which have a record of empowering households, especially low-income families of color, to build wealth. Table 5-2 lists active CLTs and the areas they currently serve.

Table 5-2: Community Land Trusts (CLTs) and Areas Served

CLT Organization	Areas Served
Colorado Community Land Trust	Statewide Denver Metro Region
Elevation Community Land Trust	Statewide Denver Metro Region
Trust for Community Housing	San Miguel County Telluride Region
Home Trust of Ouray County	Ouray County

Source: Consultant Team

LOCAL HOUSING AUTHORITIES

Local housing authorities bring unique financial tools to a partnership with their access to federal funding programs and tax-exempt status. They may also administer local housing programs, such as vouchers, that could be relevant to development.

Across the country, housing authorities are the agencies responsible for locally administering and maintaining the HUD Section 8 Housing Choice Voucher (HCV) Program (formally the Federal Housing Choice Vouchers Program). Section 8 HCV is the federal government's major program for assisting very low-income families, elderly persons, and persons with disabilities to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are free to choose any housing that meets the program requirements, including single-family homes; they are not limited to units in subsidized housing projects.

Local housing authorities often provide additional supportive or subsidized housing programs, and they typically have the powers to acquire, construct, and operate property for the purpose of providing safe and affordable housing to those in need. Included in these powers is the authority to lease, rehabilitate, and sell property. Housing authorities often have land or existing housing stock that may need to be rehabilitated or redeveloped; however, they may lack the capacity to take on such development themselves. Table 5-3 lists active housing authorities in Region 10 and the programs they provide.

Table 5-3: Housing Authorities and Programs in Region 10

Housing Authority	Programs Offered
Gunnison Valley Regional	Section 8 HCV
Montrose County	Section 8 HCV Veteran Affairs Supportive Housing (VASH)
San Miguel Regional	Section 8 HCV
Delta	Section 8 HCV Public Housing

Source: Consultant Team

BOTTLENECK NO. 3: LACK OF CONSTRUCTION INNOVATION

There is no doubt that modular, off-site, prefabricated housing construction saves both time and money in certain environments such as Colorado's alpine terrain. The issue is availability and accessibility of supply to meet demand and the quality of new entrants to the market.

SOLUTION: LOCALIZED MODULAR / PREFABRICATION ON THE WESTERN SLOPE

There are currently very few prefabricated housing manufacturers in Colorado — a tiny but growing segment of the construction business. The idea of building parts of structures in factories has been around for decades, but it has drawn new focus during the recent labor crunch and housing shortage.

Using prefabrication, meaning conducting construction operations off-site and then moving building components to a permanent site, can reduce a developing entities' overall construction timeline since an off-site location may allow for more efficient production and easier access to skilled labor, materials, or equipment. However, prefabricated construction may also introduce the potential for delays, particularly during the transportation process or during the permitting process since local regulations are often not designed specifically for prefabricated construction. This is especially true if local officials do not have as much experience reviewing similar projects. Lenders may also have difficulty funding modular construction since it is not considered part of their collateral until the building components reach the site. The U.S. government-sponsored enterprise known as the Federal National Mortgage Association (FNMA), or more commonly referred to as Fannie Mae, provides more information on considerations related to prefabricated or modular construction here.

As mentioned before, HB 1282 establishes a $40 million program through the Colorado Office of Economic Development to incentivize the production of modular and other types of manufactured homes. The bipartisan bill offers grants for "innovative" housing manufacturers. The hope is to not just build affordable housing but to boost the overall housing supply.

Citing a need for housing in the short term, HB 1282 provides incentives for businesses creating "manufactured" housing. In this bill "manufactured" is not defined as homes built pursuant to requirements set forth by HUD. Instead, the bill defines "innovative housing" to include prefabricated panelized construction, 3D-printed housing, kit homes installed on a permanent foundation, or tiny homes installed on a permanent foundation.

If components of a modular home are built at a local factory situated nearby the construction site, developers have the convenience of both logistical and cost efficiencies, cutting down project time and contributing to a smaller carbon footprint. A strategy that would address housing supply, construction cost, job creation, and even the jobs-housing mismatch, would be to locate modular housing factories directly in Region 10. This strategy would provide developers with more certainty in the building environment, and a set of local fabrication facilities could bring efficiency, reliability, and timely delivery of housing in the region.

BOTTLENECK NO. 4: LACK OF SKILLED LABOR

The supply of rural skilled labor has waned with generational and economic shifts, and there is not enough existing labor available to build the homes Region 10 needs. The construction industry will need to attract nearly 2,384 additional workers on top of the normal pace of hiring in 2022 to meet the demand for workforce housing, and the industry desperately needs qualified, skilled craft professionals and tradespeople in Region 10.

It has become common knowledge that today's construction industry is falling short in attracting and retaining a workforce that matches the demand of the current economic environment. There appears to be a distinct lack of human capital in the construction industry as a whole, spanning from field labor all the way up to management.

Construction is a resilient industry that has overcome many challenges throughout the years and will surely overcome the current workforce shortage. Building a strong, sustainable pipeline of quality construction professionals that can meet the diverse and imminent needs of the industry is of great importance and will pay dividends to the industry and the marketplace at large.

SOLUTION: THE TALENT PIPELINE

Solving the labor bottleneck through a specialized, highly skilled workforce may be the biggest challenge of them all. Generations of skilled rural laborers have faced declining populations, declining prospects, and the impacts of the other three bottlenecks; consequently, many veteran and new professionals have come to realize there is, seemingly, no future in the construction trades.

However, what we see is a vast demand for skilled trades to meet the gap in housing. Crucially, these roles must be "re-skilled" to meet the specific demands of off-site construction, which requires less time and fewer resources including during on-site placement, and to learn related but different skills, such as "setting and stitching" modular units. Local groups already actively involved in this re-skilling (such as trade schools like the Technical College of the Rockies), workforce development non-profits, and economic development agencies, will help communities plan ahead to meet the coming demand. Ideally, this will fuel a job-creating and virtuous cycle of homes, jobs, and stimulus for rural economies.

CONSTRUCTION TECHNOLOGY

Embracing new construction technology is a business imperative. It can advance work efficiency in the field and keep the workforce in Region 10 relevant. Technology can also make construction a more attractive career for younger generations and more satisfying for the more experienced worker, too.

Advances in automation, prefabrication, and modular building mentioned before can help protect workers by actually removing them from the hazards of construction where it is feasible to have a machine perform portions of work. Building information modeling and lean construction processes can help better organize, schedule, and forecast issues before they become significant problems resulting from fast-track work, which is inherently riskier.

The learning curve is high, and it is important to understand that innovative technological advances take time to adopt and integrate, both educationally and culturally. It may take more human capital before it takes less, but the benefits will ultimately outweigh the challenges. Technology brings better productivity and safety with the added bonuses of attracting and empowering younger generations; consequently, these advances also provide opportunities to learn from them.

DIVERSITY

We need to reach into the untapped pool of talented individuals who perhaps never considered a career in construction and show them how fun, rewarding, and unique the industry is. A shortage of skilled workers and managers in construction is not merely a numbers problem; it's a perception problem. How do we make a career in construction attractive to everyone? Are we inclusive as an industry?

For example, the proportion of female construction professionals has, historically, been very low. Women currently make up around 12% of construction industry professionals, the highest share on record, and this number is only set to rise with more construction and engineering jobs. (U.S. Bureau of Labor Statistics, 2020) However, the majority of women in the industry still occupy office jobs related to sales or administration, making up approximately 70% of these roles in 2020, and female worker numbers have been slow to increase in field-related jobs like on-site construction where labor shortages have been most severe. (*Id.*)

Misconceptions about gender-specific roles are gradually diminishing with a growing number of women choosing a career in construction and engineering. Efforts to remove barriers and attract women to skilled labor jobs must include their participation in management, the hiring process, and developing changes to daily operations, such as team assignments and ordering personal protective equipment fit for female body types. Construction needs women because the industry is facing a skills shortage and because women bring a wide range of skills that benefit employers and enrich the construction industry alike.

APPRENTICESHIPS

For students graduating from high school or those looking for a change in careers, there is a long list of reasons to contemplate a skilled construction trade, including apprenticeship programs, the ability to "earn while you learn," and the opportunity for a long-term, stable, and rewarding career.

Apprenticeship and educational programs are typically hosted by individual construction companies, or through construction associations such as Associated Builders and Contractors (ABC) or the Associated General Contractors of America (AGC). Companies may have an entirely internal program or they may partner with local association chapters or community colleges. Many companies tailor their programs to fit their current and future workforce needs.

Although the length of these programs can vary depending on the craft and the previous experience of the apprentice, the standard apprenticeship program is about four years in duration, the same length as a four-year bachelor's degree program. Not unlike receiving a degree, apprenticeships can also lead to industry-recognized credentials and certifications that represent skills and knowledge progression.

5.3 PATHWAYS FORWARD FOR REGION 10

Out of the numerous gaps, challenges, needs, strengths, bottlenecks, and potential solutions provided in this report, there are a few clear opportunities specific to Region 10's role in developing workforce housing that rise to the top. This section explores pathways forward to a future that more holistically and inclusively addresses the current housing crisis on Colorado's Western Slope.

INFORMATION HUB ROLE

Financing for workforce housing is dependent on having accurate and timely data. Although multiple communities in Region 10 have recently conducted HNAs, several of the local and regional agency representatives interviewed for this report commented on how quickly the data becomes obsolete. In such a rapidly changing environment, the useful lifespan of HNAs is limited, and current and accurate data for decision-making is key.

Another common theme among interview responses was limited staff resources or expertise to devote to addressing housing needs. There were numerous examples provided of policies and programs that are working, both within the region and in other areas of the state, but nothing is one size fits all. Each area or individual community has unique challenges that require customized solutions. To leverage limited time and assets for the greatest benefit, there is a need to centralize information, inventory available resources, and increase coordination for the most efficient and effective use of those resources.

Based on research and feedback from interviewees across the six counties, there is a desire and need for Region 10 to fill a role as an information hub with a "one-stop-shop" housing data and development assistance website. This opportunity could include coordinated data collection, format management, and redistribution for projected growth and resulting housing needs. In addition, such a website could be a hub for information about funding opportunities and other housing resources. With limited staff time and expertise in most communities, having a single website that hosts current data as well as summaries of organizations working on solutions, helpful tips on funding sources, and regulatory ideas aimed at meeting housing needs as a region would an invaluable effort multiplier.

EDUCATIONAL & ADVISORY ROLE

A second significant finding of this report and from interviews is the need and desire for Region 10 to act in an educational and advisory role to inform local jurisdictions in ways that could benefit communities and to spur housing development. There is a need to engage and educate elected officials and their appointed decision-makers, such as planning commissioners, and members of the public. By creating educational opportunities and offering outreach resources, Region 10 has an opportunity to support needed changes in public perception, data utilization, regulatory strategies, construction practices, and more to address the region's housing challenges. In addition, Region 10 could serve in an advisory role by providing studies, data, and technical information that can be used to guide communities toward effective solutions. There were several specific examples provided by persons interviewed for this report of potential projects or programs that could be conducted in this capacity.

Specific Region 10-led assistance to help communities utilize dormant community assets in ways that simultaneously address housing needs while increasing tax revenue and economic activity was requested. For example, Region 10 could spearhead an economic study of converting publicly-owned vacant or underutilized in-fill sites to housing developments by heavily incentivizing or subsidizing their purchase by a private or non-profit developer. The assumption is that, by disposing of the public asset in a targeted way, it could create new tax revenue and encourage residents to live, work, and play in economic centers, keeping dollars in the community.

Another interviewee highlighted the need for a program that provides guidance on community engagement and education methods aimed at addressing perceptions of affordable and workforce housing. A region-wide reframing of what housing affordable to the missing middle looks like and who benefits from it is sorely needed, potentially including branding and an outreach campaign.

Among interviewees who serve the Hispanic community, there is also a need for more financial education, including housing and homebuyer education, to achieve long-term housing stability. Housing Resources of Wester Colorado is one example of an existing resource in the region. Creating a multifaceted program or attracting and better utilizing an existing program, such as Intercambio or those offered by some local school districts, may also serve to address both the needs of this specific population and the widespread need to change outside perceptions of lower-income, linguistically isolated, and socially vulnerable persons.

Region 10 could also provide education and training on apprenticeship programs for employers. As part of this training program, the region could provide resources to start and register an apprenticeship program and assist employers in exploring the apprenticeship model as a workforce retention and training strategy. Successful apprenticeships require collaboration among partners such as businesses, workforce intermediaries (industry associations or labor organizations), educational institutions, and other key community organizations like Region 10. The U.S. Department of Labor has a toolkit with helpful steps and resources to start and register an apprenticeship program, from exploring the model to launching a program.

COLLABORATION FACILITATOR ROLE

The problem of workforce housing is complex and widespread; it is truly a regional issue that will require many collaborative plans and actions among multiple jurisdictions, agencies, and sectors to address efficiently and effectively. A major role that Region 10 has the opportunity to play in advancing housing development efforts is as a facilitator. Bringing expertise and resources together to collaborate would reap benefits beyond individual jurisdictional boundaries. Such facilitation may involve making connections among entities facing similar challenges; working to minimize competition for available resources; bringing diverse entities to the table to be part of the solution; creating opportunities and hosting a neutral space for dialogue; and helping local and regional entities problem solve together.

A few examples of activities Region 10 might take on under this role were provided by persons interviewed as part of this report. One idea was to create and host a network of housing industry experts, potentially including local government officials, non-profit representatives, community liaisons, and experienced private developers. Including private developers would ensure their perspectives are accounted for and would be a means to obtain real-time and on-the-ground information about construction costs, labor challenges, and regulatory hurdles they face. To develop workforce housing in cost-effective ways using resources efficiently, a corps of retired housing developers looking to give back in their communities could provide invaluable expertise.

In partnership with the Technical College of the Rockies (TRC) and Habitat for Humanity, Region 10 could possibly play a facilitator role in coordinating future workforce training and apprenticeship programs in the construction industry, including modular construction. TCR recently received funding through DOLA's Rural Economic Development Initiative (REDI) for TCR's Delta-Montrose Building Homes and Skilled Workforce program. The program will offer new construction trades certification courses as well as opportunities for students to receive hands-on experience at Habitat for Humanity affordable housing build sites. This program addresses both the skilled labor bottlenecks in construction trades and the gap in workforce housing. As an extension of this partnership, Region 10 could also play a facilitator role with regional employers to incentivize hiring new talent through TCR's programs.

CONCLUSION

The three potential roles and other opportunities for Region 10 to lend assistance in resolving the workforce housing shortage presented herein could be the difference between timely resolution and a languishing regional economy, but there is no silver bullet. The complexity and scale of the problem means that no one entity, approach, or pathway will do. Region 10 holds a unique perspective and position that enables it to identify contributing issues and provide targeted support, which will prove invaluable to the interconnected communities with which it collaborates as we embark, together, on the journey to a future where housing is attainable for all.

APPENDIX A. STAKEHOLDER INTERVIEW RESULTS

A.1. INTERVIEW LIST

The Consultant Team conducted a series of one-hour virtual interviews with a variety of housing development stakeholders including private developers, city and county staff and officials, and non-profit organizations. Each county in R10 was represented by at least two interviewees, with a total of 20 interviews conducted. See Table A-1 for a list of interviewees.

A.2. REGIONAL RESULTS SUMMARY

This section provides a summary of overarching challenges, strengths, and needs within Region 10 communities, including most or all of the six counties. County-specific results are summarized in Section A.3.

CHALLENGES

There is an overall lack of housing in Region 10, making it difficult to attract or retain permanent workers and families, as well as seasonal workers in many areas. This includes a shortage of starter homes and limited long-term rental housing, especially safe and healthy housing at affordable prices. In addition, many communities are facing aging populations with few senior housing options, particularly those that incorporate on-site care, as well as limited housing for persons with disabilities. Compounding the problem, there is, and has been for years, little interest in "missing middle" housing development.

Builders throughout the region are more likely to invest in developing housing with higher profit margins, especially due to extremely high construction costs resulting from the COVID-19 pandemic, inflation, and other market factors affecting global supply chains. Lag times of

Table A-1: List of Agencies Interviewed

Name of Agency	Type	Geographic Area
Crested Butte, Town of	Public	Gunnison
Delta County Housing Authority	Public	Delta
Delta, City of	Public	Delta
Gunnison County	Public	Gunnison
Hinsdale County	Public	Hinsdale
Hispanic Affairs Project	Non-Profit	Montrose
Home Trust of Ouray County	Non-Profit	Ouray
Impact Development Fund	Non-Profit	Regional
Lake City, Town of	Public	Hinsdale
Leadership Circle, LLC	Private	Montrose
Montrose County Housing Authority	Public	Montrose
Montrose, City of	Public	Montrose
Ouray, City of	Public	Ouray
Renfrow Realty	Private	Montrose
Ridgway, Town of	Public	Ouray
Rural Homes	Non-Profit	Regional
San Miguel County	Public	San Miguel
Silver Thread Public Health District	Public	Hinsdale
Valley Housing Fund	Non-Profit	Gunnison

multiple years between contracts and actual start of construction were reported by numerous interviewees, primarily caused by labor shortages across the construction industry. Another common factor affecting profitability of constructing new workforce housing in the region is high infrastructure costs to expand utility service areas or capacities. Although the costs of denser, more vertical construction, like for apartment buildings, has generally remained the same when adjusted for inflation, infrastructure costs have changed dramatically. Most of the low-hanging fruit, in terms of available and easily developable land, has been picked. Across the region, the leftover vacant land available comes with higher costs associated with connection to basic services, in addition to construction itself.

A lack of accessible funding to support workforce housing projects was also a top concern since most available funding is allocated for low-income and public housing development. In Region 10, funding needs for housing trend toward the high end of missing middle, between 60 and 140% of area median income (AMI). In this way especially, ski towns and other rural resort communities do not fit typical models and struggle to find or access funding that fits their needs. Resort communities also struggle to balance seasonal population extremes, making it difficult to maintain workers and essential services year-round.

In addition, multiple areas in the region have experienced persistent negative community perceptions towards new housing development, especially at higher densities, creating barriers for both low-income and workforce dwelling unit construction. A lack of long-range, strategic planning in some counties, and more particularly from a coordinated regional perspective, was also cited as a challenge in holistically addressing housing needs.

STRENGTHS

Most, but not all, interviewees from around the region commented on progress in changing public perceptions of affordable housing and community-wide recognition of the need to house teachers, nurses, firefighters, and other typically lower-paid essential workers and professionals. In addition, many communities have benefitted greatly from supportive elected officials and appointed decision-makers paving the way for new housing development that is more responsive to unique needs.

NEEDS

Undoubtedly, a primary need across Region 10 is funding for housing development, but more specifically, the need is for tailored funding sources that are responsive to individual AMIs at the local level. There is also a great need for staff and technical resources dedicated to addressing housing issues, especially in regard to public engagement efforts and researching, applying for, and managing funding for housing development.

Multiple interviewees commented on the need for more readily available and current data on housing needs and market trends in a rapidly changing environment, since assessing and understanding current and projected future housing needs is key to accessing funding and utilizing it effectively. Reliable and appropriately formatted data is necessary to promote change; however, data is only valuable when decision-makers know how to interpret and utilize it in ways that further community goals and address pressing needs like housing.

All around, there is a need for more education of community members and elected officials. In order to make the best decisions for their constituents, which are often the most difficult and contentious decisions, elected officials and their appointed decision-makers need to be well-informed on the topics at hand. Having public buy-in under an umbrella of reliable data, good understanding of that data, and basic knowledge about the challenges and potential solutions to a particular problem is paramount to enacting needed change in the politically volatile environments of today. On the flip side of the same coin, members of the public typically react poorly toward issues that are not widely or well-understood, and there are persistent negative perceptions of what affordable housing is and looks like that need to be addressed through soft-handed educational approaches. In this way, concerted efforts to engage and educate a community can pay off in spades, but effective public outreach is often beyond the expertise or capacity of available staff.

Many individual communities have made great strides in long-range and strategic planning; however, these efforts have mostly been undertaken in silos without much, if any, consideration for extra-territorial pressures and impacts. Recognizing how decisions in one area affect another is important to effectively and efficiently resolving the current housing crisis and preventing relapses in the future. In this regard, there is an immense need for coordinated and collaborative long-range, strategic planning among multiple jurisdictions to look at housing from an interconnected and regional perspective.

With labor shortages and high costs of materials across the region, a local source for manufactured housing is seen as another urgent need by many. Especially in alpine areas where the construction season is very short, constructing homes modularly in a factory setting is an efficient use of both time and resources.

Maintaining mobile home parks as existing affordable housing stock is a challenge facing multiple communities across Region 10. These small-scale communities often host some of the most vulnerable populations, like low-income seniors, female-headed households with children, those who are linguistically isolated, and undocumented persons. Although recent changes in state law have helped, there is a widespread panic among residents that they will be priced out and forced to migrate elsewhere as parks come under new ownership. Recognizing the social and economic contributions of these communities, engaging with them, increasing protections for them, and providing opportunities for transition into higher-quality housing will be increasingly important in helping residents thrive and meeting housing needs both locally and regionally.

CHALLENGES

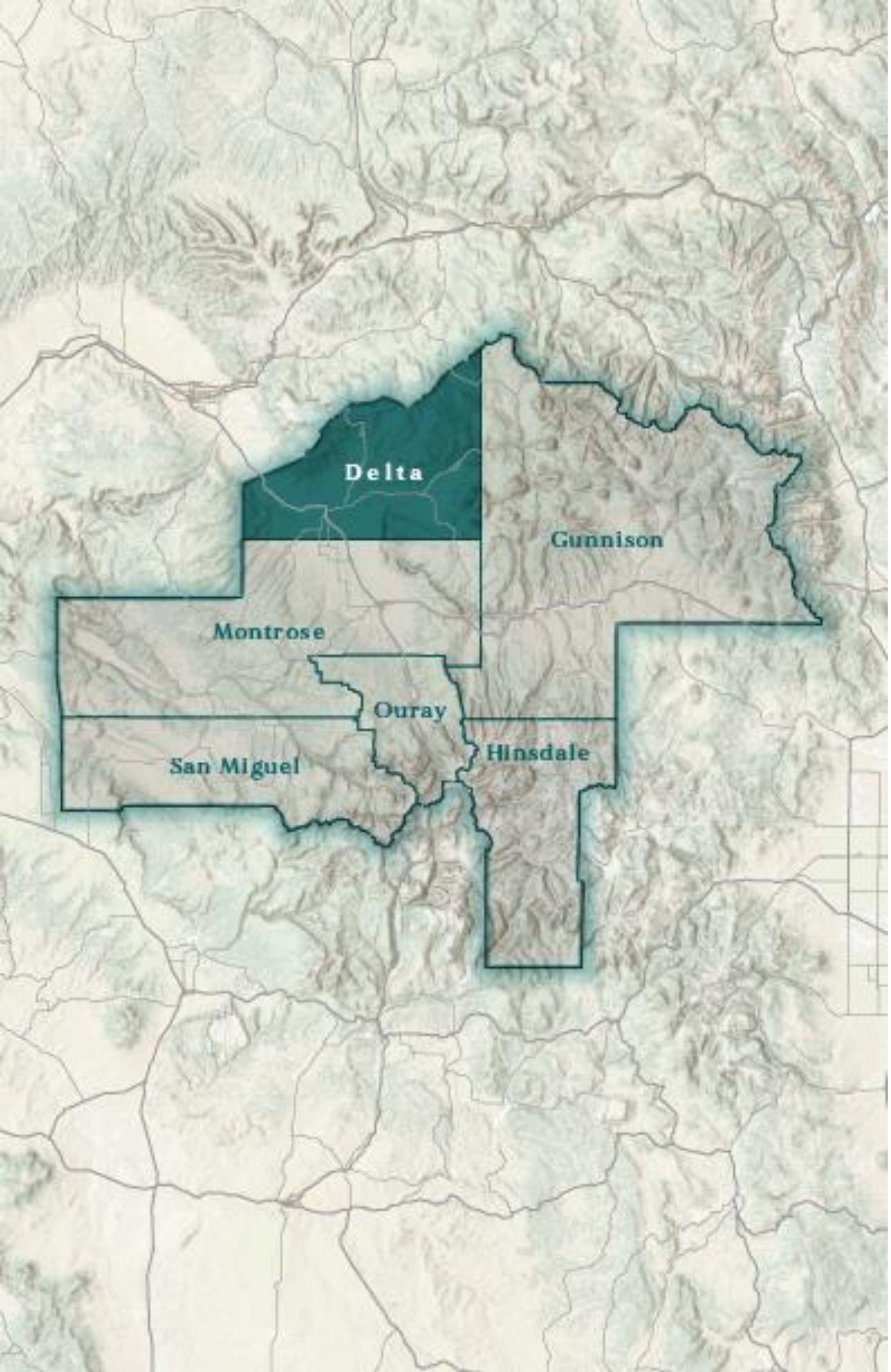
- shortage of starter homes
- limited long-term rental housing
- few senior housing options
- limited housing for persons with disabilities
- little interest in "missing middle"
- high construction costs
- labor shortages
- high infrastructure costs
- lack of accessible funding
- seasonal population extremes
- negative community perceptions towards new housing development
- lack of long-range, strategic planning

STRENGTHS

- changing public perceptions
- supportive elected officials

NEEDS

- tailored funding sources
- staff and technical resources
- readily available and current data
- more education of community members and elected officials
- coordinated and collaborative long-range, strategic planning
- manufactured housing
- mobile home parks as existing affordable housing



A.3. COUNTY-SPECIFIC RESULTS

This section provides a summary of challenges, strengths, and needs that are unique to specific counties or communities located in Region 10. It is important to note that several contributing agencies work in or represent multiple jurisdictions and areas within the region.

A.3.1. DELTA COUNTY SUMMARY

Interviewees representing Delta County included perspectives from seven agencies, including two public, two private, and three non-profit. The following challenges, strengths, and needs are unique to Delta.

CHALLENGES

The challenges that are somewhat unique to Delta County and its communities that were highlighted by interviewees include an overall lack of staff or technical resources, negative community perceptions of "affordable" housing and governmental assistance, and reduced local spending due to housing costs. Stemming from the lack of resources, interviewees cited onerous regulatory requirements and a lack of accessible information on land use requirements, permit processes, and other entitlements as barriers to housing development, though there is progress being made on multiple fronts in this regard. Additionally, the distance between housing and employment and a lack of reliable public transportation are seen as challenges in this county.

Perhaps one of the more unique challenges is the condition of existing housing stock in Delta County. Especially within the city, the housing that is available and affordable to service workers and other lower-wage professionals is generally much older and in need of significant repairs.

STRENGTHS

There is county-wide recognition of how important an issue housing is. In coordination with the Delta Housing Authority, the willpower of elected officials at both the county and City of Delta and sharing strengths through their proactive participation in a joint housing options workgroup are major assets. In addition, the county recently established zoning districts and adopted updated land use regulations, and the city is currently undertaking a housing needs assessment, incentive policy update, and land use code update to implement a newly adopted comprehensive plan.

Another notable strength in Delta County is the availability of developable land, with a significant area being relatively flat and in close proximity to services.

NEEDS

To address negative perceptions of affordable housing among community members, there is a need for more public outreach and education, especially in regard to acceptance of a variety of housing types beyond traditional, stick-built single-family homes on large lots. However, effective outreach, along with efforts to remove regulatory barriers and increase accessibility of information, will require staff augmentation and technical resources beyond the current capacities of the county and its communities.

Other primary needs noted by some interviewees is help researching funding sources and other assistance programs available and accessing the most current data on housing trends to guide decision-making. There is a desire for a "one-stop-shop" website with housing resources and data to increase utility of existing staff time and reduce duplicative efforts.

CHALLENGES

- lack of staff or technical resources, negative community perceptions
- reduced local spending
- onerous regulatory requirements
- lack of accessible information
- lack of reliable public transportation
- condition of existing housing stock

STRENGTHS

- willpower of elected officials
- sharing strengths
- availability of developable land

NEEDS

- public outreach and education
- staff augmentation and technical resources
- "one-stop-shop" website

A.3.2. GUNNISON COUNTY SUMMARY

Interviewees representing Gunnison County included perspectives from six agencies, including three public and three non-profit. The following challenges, strengths, and needs are unique to Gunnison.

CHALLENGES

Though not entirely unique to Gunnison County, the main challenges cited by interviewees were the lack of starter homes to attract and retain young professionals and their families and a severe shortage of workforce housing, especially in proximity to employment for service workers in the county's resort areas.

As the already extreme median home price continues to grow, there is, and has been, little interest in "missing middle" housing development from local builders, who can reap more profit from constructing vacation homes for wealthy customers. In rural resort communities where households earning over 130% AMI struggle to find homes, such as in the Town of Crested Butte, there is a gap in accessible funding to support much needed workforce housing projects. Most state and federal funding is currently allocated for low-income and public housing development that serves households earning less than 80% AMI. In addition, half of interviewees cited negative community perceptions of affordable housing and a reluctance to accept increased housing density as contributing factors.

STRENGTHS

There is recognition in the county and City of Gunnison, and other jurisdictions, that the need for more workforce housing is acute, and that the complexity of the problem requires better long-range and strategic planning. In that regard, there is willpower among elected officials to face the problem and find solutions. The city is currently undertaking an update to their comprehensive plan along with a joint city-county three-mile plan which will encourage a variety of residential and commercial uses, housing densities, and lot sizes along two high-demand corridors. The Town of Crested Butte also recently adopted a new comprehensive plan.

NEEDS

Although recently there have been great strides in strategic planning mostly at the jurisdictional level, intergovernmental long-range planning is seen as a primary need to resolve the complex, regional issue of housing holistically. For Gunnison County, in particular, interviewees commented on the need for regulatory updates, including the adopting of zoning, to remove barriers and incentivize more dense development where appropriate. There is also a need for greater utilization of land banking to directly develop land or to develop through public-private partnerships. Addressing all three of these needs will require more staff and technical resources than are currently available. In addition, to gain buy-in from members of the public and to help elected officials make difficult decisions on contentious topics, there is a need for more public outreach and education of both groups.

CHALLENGES

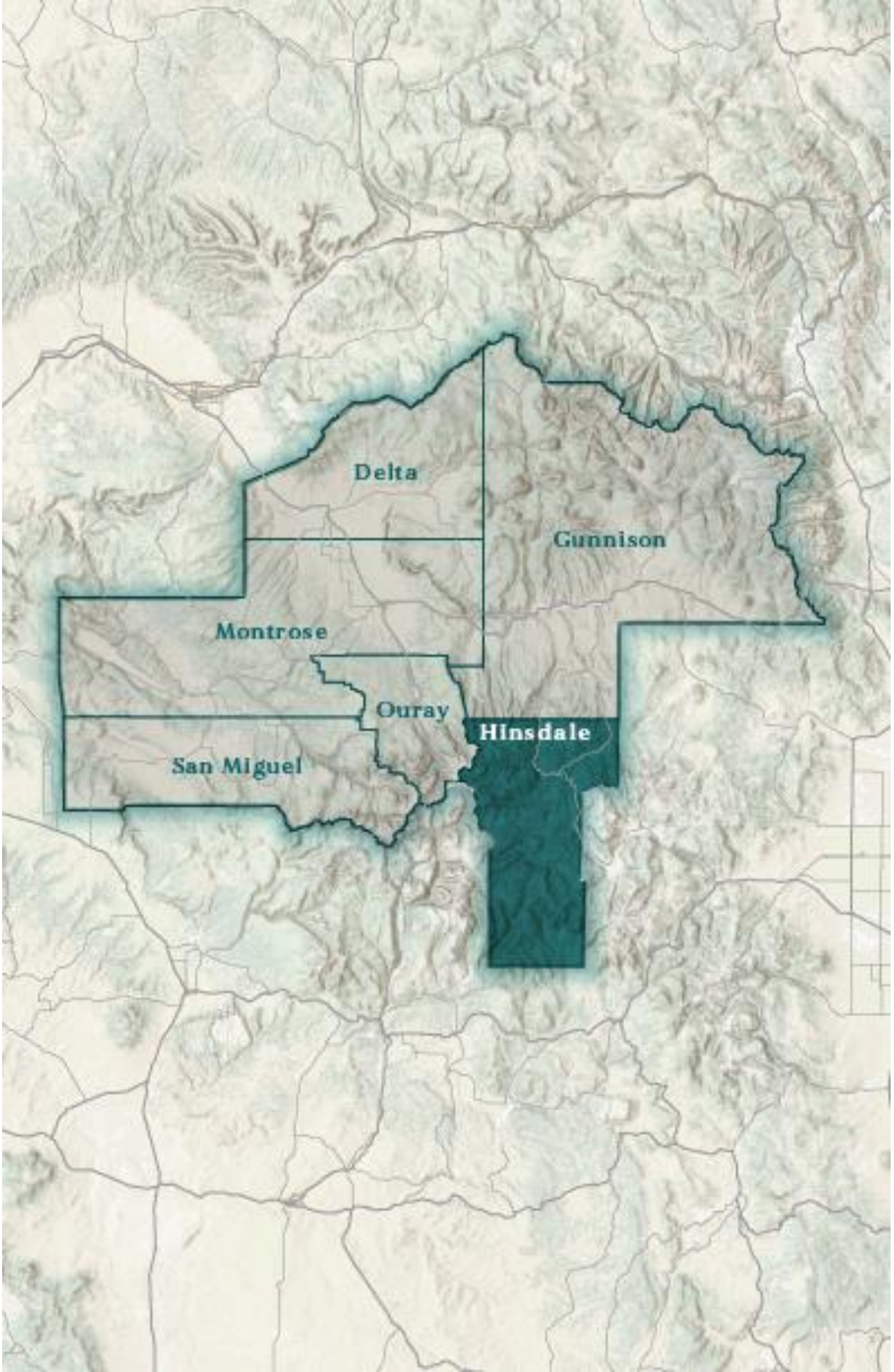
- lack of starter homes
- a severe shortage of workforce housing
- proximity to employment
- extreme median home price
- gap in accessible funding
- negative community perceptions

STRENGTHS

- long-range and strategic planning
- willpower among elected officials

NEEDS

- intergovernmental long-range planning
- regulatory updates
- land banking
- staff and technical resources
- public outreach and education



A.3.3. HINSDALE COUNTY SUMMARY

Interviewees representing Hinsdale County included perspectives from five agencies, including three public and two non-profit. The following challenges, strengths, and needs are unique to Hinsdale.

CHALLENGES

The small scale of Hinsdale County is one of its most unique challenges. Although a smaller scale housing problem means that the number of units necessary to catch up with community need seems more manageable, the county's capacity to address the issues is also scaled down. Similar to many other communities in Region 10, the seasonality of the population, and thus the local economy, creates additional challenges.

The overall lack of housing in the county may partially be caused by an ongoing transition of existing stock to short-term rentals that serve visitors. However, one of the most significant barriers to new housing is a lack of developable land since over 96% of the county's land area is publicly owned and the remaining private land is severely constrained topographically or otherwise. Another challenge facing Hinsdale is limited access to internet and other services, although ongoing infrastructure improvements in the Town of Lake City are addressing capacity issues for sewage disposal.

Historically, the county has also dealt with higher construction and labor costs due to limited local supply of materials and trade workers and added transportation costs to bring resources from surrounding, competing areas.

STRENGTHS

The current attitude across the county is "all hands on deck" with a real sense of urgency among both Hinsdale County and the Town of Lake City elected and appointed officials to find and implement potential solutions. The 2006 joint community plan between the county and town provides a starting point for discussion. There is also a focus on how to better balance the housing needs of visitors (e.g., short-term rentals) with those of the workforce.

NEEDS

Hinsdale County, and the Town of Lake City, recognize a need to update land use and development regulations in ways that support housing construction and innovatively address community challenges; however, both also need staff augmentation and technical assistance for such an undertaking.

Coordination with public land-holding agencies, such as the Federal Bureau of Land Management, may be key to accessing additional land area for housing development through creative arrangements or agreements. Western Colorado University's all-student volunteer team with Colorado Search and Rescue (CSAR) is an example that brings together multiple needs during a time of increasing emergency call volume. The team is made up of young adults, a population that struggles to find housing and is well-suited to assisting with backcountry search and rescue operations. In exchange for the team's service, housing is provided through CSAR.

Although distance between housing and employment was not a top concern for Hinsdale despite the county's relative remoteness, there may also be a need to assist some residents with transportation to access specialty services, such as advanced medical care.

CHALLENGES

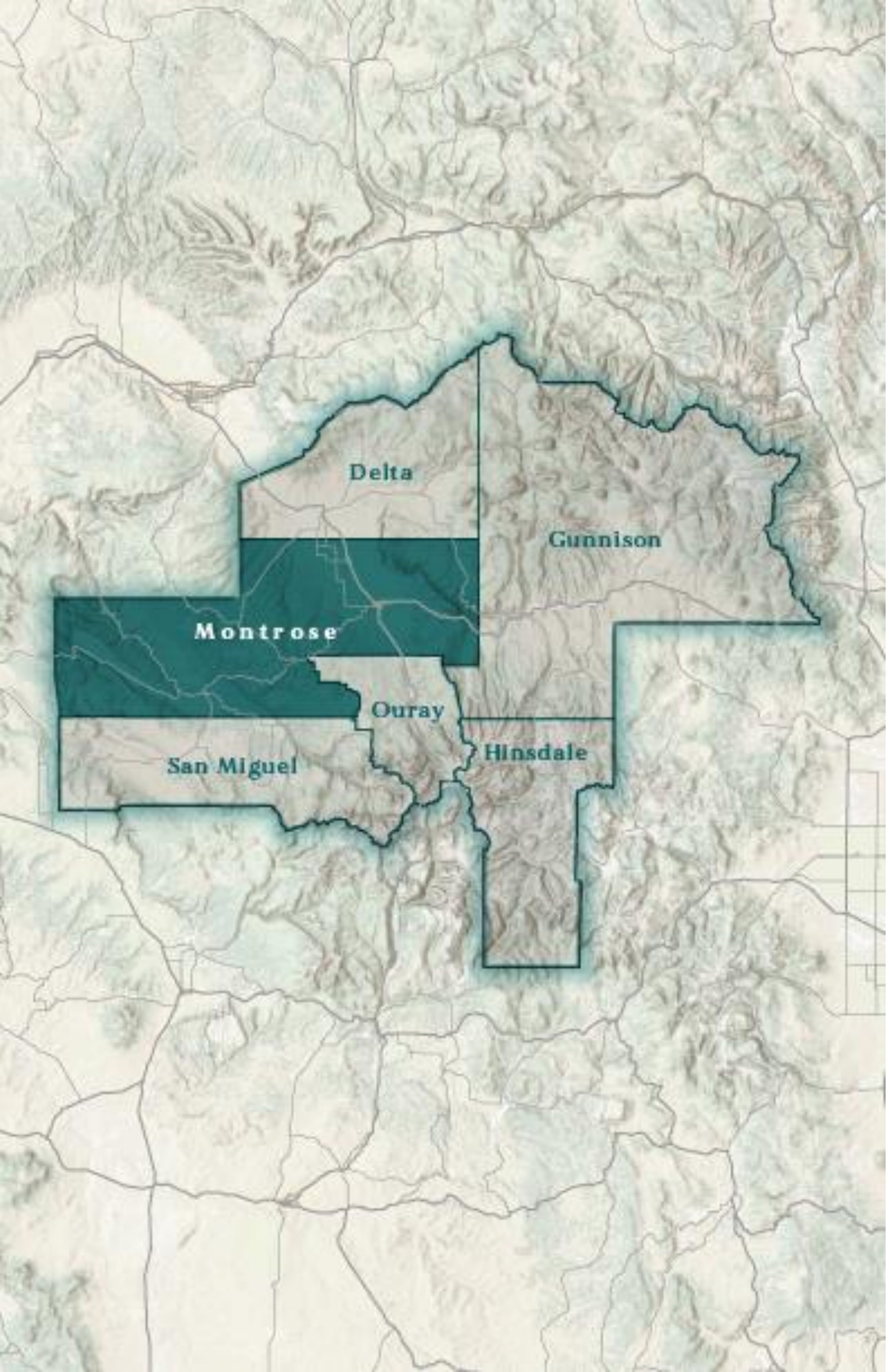
- small scale
- seasonality of the population
- short-term rentals
- lack of developable land
- limited internet service

STRENGTHS

- all hands on deck attitude
- past planning efforts provide starting point for collaboration between agencies

NEEDS

- update land use and development regulations
- staff augmentation and technical assistance
- coordination with public land-holding agencies
- support for transportation to access medical care and other services for residents of remote areas



A.3.4. MONTROSE COUNTY SUMMARY

Interviewees representing Montrose County included perspectives from seven agencies, including one public, two private, and four non-profit. The following challenges, strengths, and needs are unique to Montrose.

CHALLENGES

Although not entirely unique to Montrose County, one of the primary challenges cited by interviewees was negative community perceptions of “affordable” housing. The primary stigma of lowered property values associated with subsidized housing development. Interviewees perceived little willpower from local elected officials to address housing issues, apparently constrained by these negative perceptions held by vocal constituents. Public officials are also reluctant to use resources or regulatory approaches to intervening in what is viewed as a problem with private sector solutions.

In Montrose County, there is a sizeable and economically vital Latinx population that includes undocumented persons vulnerable to abuses from fear of being reported, leading many to stay in unhealthy or unsafe housing situations. In general, there is a lack of lower-income housing in the county and the waitlist for US Department of Housing and Urban Development (HUD) vouchers is over two years. More specifically, there is not enough supportive housing for persons at risk of becoming homeless. Transportation network deficiencies and the distance between housing and employment opportunities are seen as another challenge for the county.

STRENGTHS

One of the main strengths in Montrose County is the availability of developable land, with a significant area being relatively flat and in close proximity to services.

In addition, the City of Montrose is making moves in a positive direction with a recently completed comprehensive plan update, regulatory revisions in process, and new housing needs assessment underway. Elected city officials understand the problem broadly and provide some support for long-term planning efforts and current development, including recently facilitating rehabilitation of three mobile home parks. A main strength for the city is accessibility of information for the public with an easily navigable code and knowledgeable staff to help guide developers through the requirements and regulatory processes.

NEEDS

In addition to needing workforce housing, Montrose County has a need for more low-income housing, especially paired with supportive services for persons at risk of becoming homeless. Further, there is a need for more equitable and healthy housing that is accessible to the most vulnerable populations, such as seniors, undocumented persons, and persons with disabilities.

To address negative community perceptions of affordable housing, the county and its individual communities will, together, need to undertake concerted efforts to educate decision-makers and engage and inform the public. A robust and effective outreach program will necessitate staff and technical resources beyond current capacities, but the buy-in and trust of both groups is parament to meeting housing needs through county-wide long-range, strategic planning and innovative regulatory strategies.

CHALLENGES

- negative community perceptions
- little willpower from elected officials
- unhealthy or unsafe housing
- not enough supportive housing
- distance between housing and employment

STRENGTHS

- availability of developable land
- accessibility of information

NEEDS

- low-income housing
- equitable and healthy housing
- educate decision-makers
- engage and inform the public
- staff and technical resources
- long-range, strategic planning

A.3.5. OURAY COUNTY SUMMARY

Interviewees representing Ouray County included perspectives from seven agencies, including two public and five non-profit. The following challenges, strengths, and needs are unique to Ouray.

CHALLENGES

The primary challenge facing Ouray County and its communities is the lack of developable land, resulting in high land, infrastructure, and construction costs. Compounding the issue, there is very little flexibility in future development options due to geologic and topographic constraints and limited infrastructure capacity. In the City of Ouray, there has been a forced moratorium on new water and sewer taps until needed improvements to these systems are completed. In addition, the city and the Town of Ridgway are seen as having onerous regulatory requirements, beyond what is necessary to protect community safety and welfare.

The distance between housing and employment, along with a lack of reliable public transportation, and a lack of long-range, strategic planning are other challenges cited by interviewees. Although there is a five-year strategic housing plan that was completed in 2018 for the county, City of Ouray, and Town of Ridgway, the advisory committee overseeing it is now defunct and the plan does not get much attention or use.

Several interviewees also commented on negative community perceptions as a contributing factor to the county's housing challenges. To a lesser extent, reduced local spending among lower-income households is a challenge in the county; however, high-income household spending is intact.

STRENGTHS

The main strengths in Ouray County are a willingness for intergovernmental collaboration among its communities and a county-wide push to employ new regulatory strategies, which are apparent in recent efforts. The City of Ouray and Town of Ridgway have both adopted several of the innovative affordable housing strategies established through House Bill (HB) 21-1271, such as allowing multi-family uses in traditionally single-family zones. The city and Ouray County have also adopted limitations for short-term rentals, and the city has additionally adopted a short-term rental excise tax with 50% of revenue going toward affordable housing programs.

NEEDS

As with most other communities in Region 10, there is a great need for staff and technical resources in Ouray County to better facilitate housing development. One interviewee also commented on the need for a housing authority to help fill the gap in staffing and expertise and, more specifically, to oversee deed restrictions. Also, because of the reliance on current data to obtain grant funding, there is a significant need for more and better data on housing trends and otherwise, especially as it relates to small-scale population estimates. In addition, funding partnerships are needed to help meet minimum cost-sharing commitments and open doors to more financial support.

CHALLENGES

- lack of developable land
- onerous regulatory requirements
- distance between housing and employment
- lack of long-range, strategic planning
- negative community perceptions
- reduced local spending among lower-income households

STRENGTHS

- willingness for intergovernmental collaboration
- new regulatory strategies

NEEDS

- staff and technical resources
- more and better data
- funding partnerships

A.3.6. SAN MIGUEL COUNTY SUMMARY

Interviewees representing San Miguel County included perspectives from four agencies, including one public and three non-profit. The following challenges, strengths, and needs are unique to San Miguel.

CHALLENGES

A major barrier to construction of new housing in San Miguel County is a lack of developable land due primarily to topographical constraints and hazard risks (e.g., landslide). In addition, there is limited water and other public infrastructure to support new development. Although not the sole factors affecting high construction costs, land and water limitations contribute to a county-wide average of $600 per square foot and costs frequently exceed $1,000 per square foot in the Town of Telluride. As home to this mountain resort community, San Miguel's workers earning 200% AMI still struggle to purchase permanent housing in proximity to employment centers, challenging the definition of middle-income. With so many households vying for such a limited supply of homes, the mental wellbeing of county residents is also cited as a top concern. (McMillan, 2016)

STRENGTHS

Strong efforts towards intergovernmental collaboration between the county and Town of Telluride have led to advances in employee and affordable housing development. These efforts include land banking and advanced regulatory strategies such as the creation of a new zoning district, expedited development review processes for affordable housing projects, and increased mitigation fees for free-market housing to address increased demand for workers.

NEEDS

Unsurprisingly, the most pressing need in San Miguel County to address the shortage of affordable and workforce housing is accessible funding and credit. A revolving loan program that provides mortgages at more affordable rates for households over 80% AMI was one idea offered by an interviewee.

CHALLENGES

- lack of developable land
- limited water
- resort community
- mental wellbeing

STRENGTHS

- intergovernmental collaboration
- land banking
- advanced regulatory strategies

NEEDS

- accessible funding and credit

A.4. INTERVIEW QUESTIONS

QUESTIONS 1, 2, 3, & 4

Respondents requested to provide; 1. Name and title, 2. name of the agency you represent, 3. type of agency, 4. geographic area(s) your agency works in or represents:

The distributions of the types of agencies interviewed and the areas within R10 represented are provided in Figure A-1. Agencies interviewed represent a range of geographic areas, from individual jurisdictions to regional, with some also operating statewide.

A list of agencies interviewed is provided in Table A-1, which represents organizations that agreed to an interview and does not include all that were initially contacted. In addition, to protect the anonymity of those individuals who were interviewed and provided valuable comments on the reality of housing needs and challenges in the region, only the agency names and types are provided in this report.

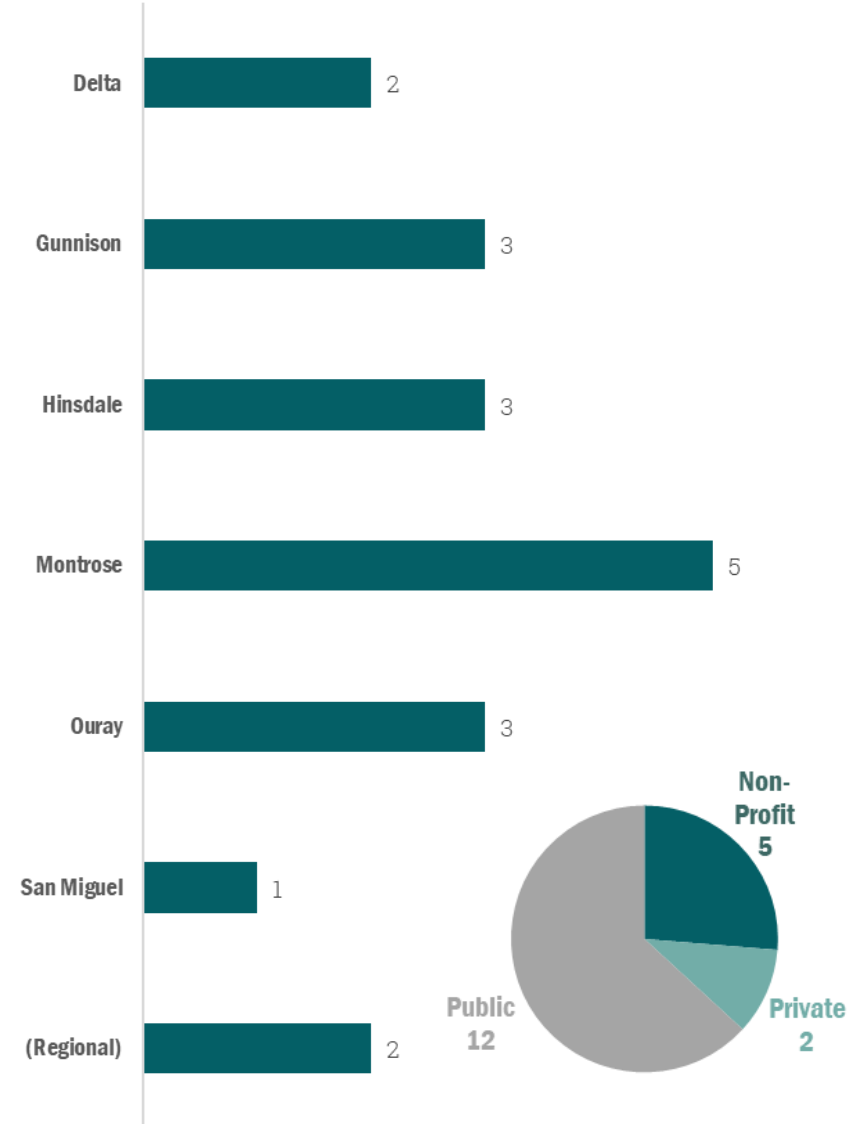


Figure A-1: Summary of Interview Respondents

QUESTION 5

When you think about affordable housing challenges in your community, what concerns you the most?

Most interviewees view limited workforce housing (90%), limited rental housing (80%), and the inability to attract or retain workers (70%) as the most critical housing challenges facing their communities. Half of interviewees also said lack of starter homes (60%), inability to attract or retain families (60%), distance between housing and employment (55%), and limited housing for persons with disabilities (50%) are significant concerns. Limited housing for seniors was also reported by 40% of interviewees as a concern. An overview of results is provided in Figure A-2.

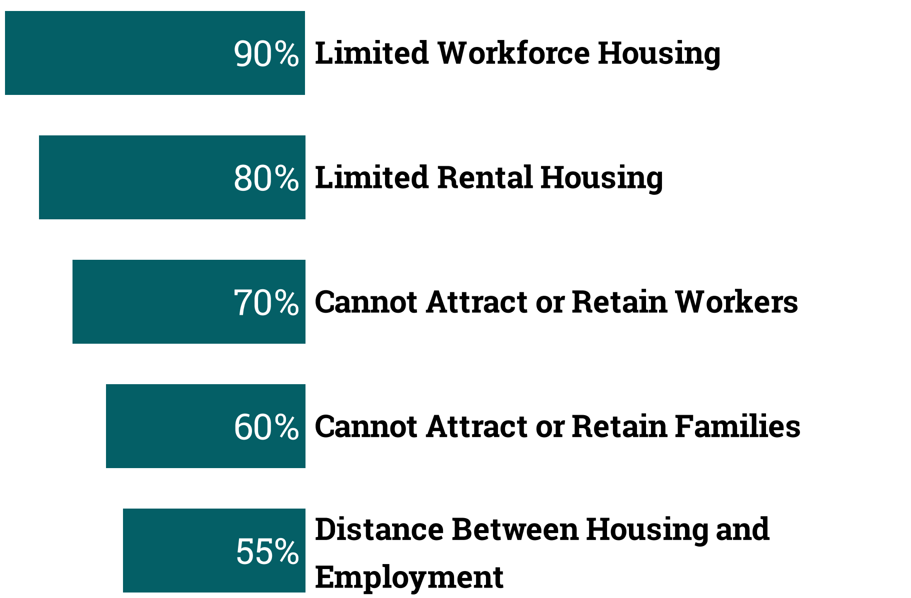


Figure A-2: Question 5, Top Five Results

Results in "Other" Category

- Lack of affordable housing for low-income families and people at risk of homelessness
- Context of land and lack of flexible future development options – remaining lots are expensive to develop (e.g., engineering)
- Losing young families and professionals
- Amount of stress workers feel around housing security, costs, and their future
- Willingness of members of the public to have affordable housing next door and acceptance of density as a solution
- Reduced local spending from lower-income households, specifically
- Challenges in entitlement needs that hinder development (e.g., competing for dollars, difficultly accessing information)
- Making sure affordable housing (rental and for-sale) is also healthy and safe

QUESTION 6

In your opinion, what are the greatest barriers to addressing housing needs in your community?

Interviewees view the top three barriers to addressing housing needs in their communities as high construction or land costs (95%), high infrastructure costs or limited capacity (75%), and community perceptions of affordable housing (70%). Other significant barriers reported were lack of accessible funding (45%), lack of interest in developing "missing middle" housing (45%), lack of long-range or strategic planning (45%), and lack of staff or technical resources (35%). An overview of results is provided in Figure A- 3.

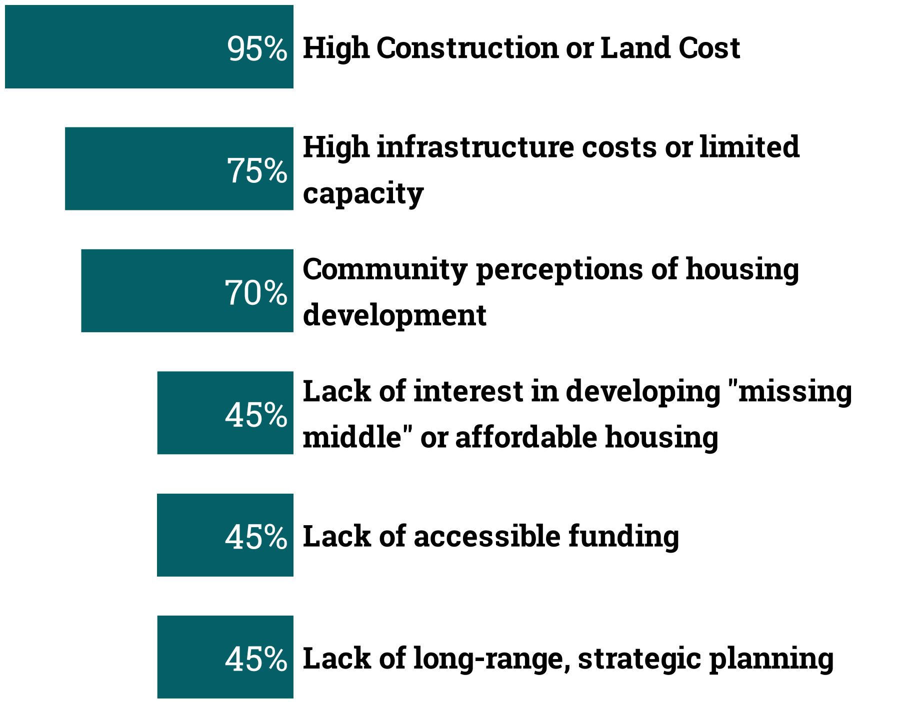


Figure A- 3: Question 6, Top Five Results

Results in "Other" Category

- Zoning/land use code needs updating for more allowed housing types
- Builders not building houses for workers (and haven't been)
- High construction costs, but not land
- Lack of developable land
- Lack of transportation services
- Lack of intergovernmental coordination and regional planning
- There are funding sources, but greatest need is at the high end of "missing middle"
- Lack of federal guidance and resources for rentals 80% to 130% AMI (i.e., rural resort communities don't fit the models)
- Reluctance from elected officials to get too far into "private sector" problems
- Infrastructure limitations, especially water and wastewater
- Lack of education for elected officials and community members
- Lack of dedicated staff and resources
- Coordination among municipalities and state or national entities with financing creativity

QUESTION 7

Can you think of any examples of policies or programs that are working or other strengths that could be improved upon?

Many examples were provided by interviewees of policies or programs that are working or could be improved upon, with some from interviewees' own communities and others from across the state or nation. Highlights of these examples include:

- Incentive policies, tax credits, and fee waivers;
- Mitigation fees for free-market residential and non-residential projects;
- Housing repair and maintenance programs;
- Vocational training and courses on building modular/ manufactured housing;
- Land banking;
- Deed restrictions and deed purchasing programs;
- Program connecting and vetting long-term renters with absentee property owners;
- Flexible state funding through Colorado Department of Local Affairs (DOLA) and state grant programs for infrastructure projects;

- Long-range and strategic planning, especially across jurisdictional boundaries;
- Adoption of innovative strategies from HB 21-1271 and other regulatory updates, like inclusionary zoning, density bonuses, fast-tracked permit processing, limitations on short-term rentals, and adoption of innovative workforce and affordable housing solutions;
- New laws strengthening protections for mobile home park residents;
- Placement programs with preferential treatment of local residents and workers within the bounds of law;
- Sweat equity, revolving down payment assistance, and other innovative loan programs; and
- Improvements in accessibility of permit requirements and processing, planning efforts, and other public information.

QUESTION 8

What information or resources do you think you need to better address housing challenges in your community? What solutions would you suggest to reduce or eliminate housing challenges?

Many examples were provided by interviewees of information or resources they think they need to better address housing challenges in their communities. Region 10 may be able to provide assistance with some of the needs identified, but others may require changes at higher levels of government. Highlights of these examples include:

- More funding programs and financial resources, especially that are accessible to higher AMI communities;
- Real time housing trends and needs database to replace or supplement individual community assessments;
- Inventory of available resources and information, potentially including geographic information systems (GIS);
- Staff training and augmentation, particularly for public engagement and with subject matter experts;
- Technical assistance for grant applications and management, long-range planning, and regulatory updates;
- Education and training of elected and appointed officials;
- Conducting research and providing guidance on specific topics, like manufactured housing, ways to incentivize needed housing development, the true cost of living in certain areas to better align wages, and regulatory mechanisms that support affordable housing;
- Facilitation of conversations and collaborative efforts to address problems regionally and holistically;
- Better pathways to utilizing public land to meet housing needs;
- Low-barrier education and financial assistance for vulnerable populations, such as seniors and undocumented workers;
- Construction trade education and apprenticeships;
- More HUD vouchers; and
- Funding and cost-sharing programs for infrastructure improvements that support housing development, including

QUESTION 9

What range of housing construction costs do you face? How different are costs across the region where you work? What do you think is the main cause of increased costs?

This question was aimed at housing developers, both private and non-profit, but responses include those from public agencies and others about what they have heard from the development community. Highlights of responses received include:

- Severe shortage of construction contractors, qualified tradespeople, and experienced laborers;
- High off-site and infrastructure costs;
- Scarcity of developable and affordable land;
- Global supply chain issues and higher materials and transportation costs for rural areas; and
- To a lesser extent, costs associated with meeting regulatory requirements, permit processing, and appeasing neighbors.

QUESTION 10

What else should we know and/or who else should we be talking to about housing in the region?

Many interviewees provided contact information for additional local and regional industry representatives or experts on housing development needs and challenges; however, not all suggested persons were interviewed due to project scope constraints.

A handful of interviewees also provided supplemental information related to housing issues that was not covered elsewhere in these questions, including the following:

- There is a fear that, without adequate funding at the Region 10 level, there is a pull or desire toward more studies that will generally produce the same results as those already conducted instead of taking meaningful actions.
- In many of the more rural communities in Region 10, there is a vocal portion of the population that is resistant to any form of governmental assistance. How certain issues are communicated can drastically change how people perceive the problems and potential solutions at hand.
- Oversimplification in pointing to short-term rentals or vacation homes, for example, as the source of the problem is shortsighted. There is a need for more public education on this extremely complex problem to gain community trust and buy-in on the complex and multi-faceted solutions necessary to address it.
- Construction defects laws, especially related to affordable housing, need to be improved to prevent unwarranted lawsuits and other abuses that increase costs and risks for developers, disincentivizing them from building for-sale units.
- Housing has significant overlap with health and equity. This is most apparent in communities where undocumented persons, particularly those who are linguistically isolated, face very limited options, including forced migration or living in lower quality or unsafe housing.
- As people are forced to live outside of the community in which they work, a mindset of servitude can creep in, creating additional stress.
- A stable workforce is imperative for success in the construction industry, and there is currently a gap in education for the labor pool on the Western Slope in addition to construction workers and their families facing the same housing costs and challenges as others.
- Traditional, stick-built homes are becoming very difficult to afford, and people's expectations need to be lowered to better align with what is available in certain wage ranges. Pre-manufactured and modular homes are easier to afford but there is still a stigma against them, in general.

APPENDIX B. IMPLAN DOCUMENTATION

B.1. THE IMPLAN ECONOMIC IMPACT MODEL

Input-Output (I-O) modeling is based on the foundational concept that all industries, households, and governments in an economy are connected through buy-sell relationships; therefore, a given economic activity supports a ripple of additional economic activity throughout the economy. IMPLAN is an I-O modeling system that uses annual, regional data to map these buy-sell relationships so users can predict how specific economic changes would impact a given regional economy or estimate the effect of past or existing economic activity.

Output is the value of products and services produced by an industry in a calendar year. Total output is broken down into the following four categories:

- Intermediate expenditures
- Labor income
- TOPI, less subsidies
- Other Property Income (OPI)

The allocation of output into these categories is determined by a Leontief Production Function (LPF). IMPLAN derives a unique LPF for each industry in each region and for each year. The LPF is shown graphically in Figure B-1.

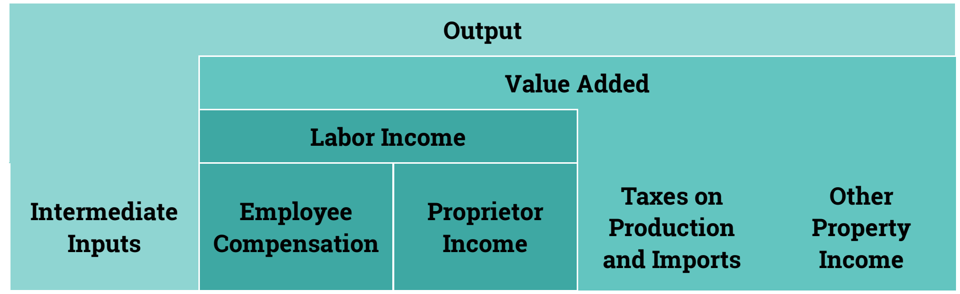


Figure B-1: Diagram of a Leontief Production Function

IMPLAN incorporates all available economic data for each county in the country. Employment and labor income data are sourced from the BLS Census of Employment and Wages, Census Bureau's County Business Patterns Reports, and Bureau of Economic Analysis' (BEA) Regional Economic Accounts information, which also provides information on annual Gross Domestic Product. Data regarding industry inputs, byproducts, margins, and industry spending patterns are also sourced from the BEA's Input-Output Benchmark Table and other sources.

For estimating economic output, IMPLAN sources information from several federal surveys such as the Census' Annual Survey of Manufacturers and the BEA's Output Series. Other sources include the National Agricultural Statistical Service, National Bureau of Economic Research, Internal Revenue Service, and Energy Information Administration.

IMPLAN was originally conceived in 1972 as part of the Rural Development Act of 1972. After initial development by the U.S. Forest Service, IMPLAN was further developed by the University of Minnesota during the 1980s. In the 1990s, IMPLAN was privatized, and the Minnesota IMPLAN Group began taking commercial orders.

IMPLAN is now widely used for modeling economic impacts across many business sectors.

This analysis uses the latest version of IMPLAN, which currently incorporates 546 industry sectors as defined by the BEA. The latest IMPLAN datasets are from 2021; however, as result of the global pandemic, the 2020 data contains various anomalies and is less representative than the 2019 data for modeling economic impacts. Thus, 2019 is used as the "data year" of this IMPLAN model.

For a particular producing industry, multipliers estimate three components of total change within the local area:

- **Direct effects** represent the initial change in the industry in question. For example, building a new facility to generate electricity from solar energy will directly expand the size of that industry within the region it is located.
- **Indirect effects** are changes in inter-industry transactions as supplying industries respond to increased demands from the directly affected industries. Supply-chain purchases are indirect economic impacts.
- **Induced effects** reflect local spending changes resulting from income changes in the directly and indirectly affected industry sectors. Spending of both direct and indirect labor income generates induced economic impacts.

ESTIMATING TAX REVENUE IMPACTS USING THE IMPLAN MODEL

Taxes are levied at different levels of government. IMPLAN estimates tax impacts at the following levels: Federal, State + Local, State, County, Sub-County General, and Sub-County Special Districts. IMPLAN's tax impact estimates are based on collected and reported taxes in the region for the given data year. Sub-County General includes city and township governments. Sub-County Special Districts include fire and public school districts.

Taxes on Production and Imports (TOPI), less subsidies, include sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments. TOPI tax impacts are split into subcategories based on each region's contribution of the collected tax. TOPI are tax revenues, but not inclusive of all tax revenues, paid by an industry (refer to Section 9 for definitions). For example, social insurance taxes are a part of employee compensation and profits taxes are part of Other Property Income (OPI). In the case of TOPI direct impacts, property taxes on construction impacts are not property taxes on a built structure itself but rather on the construction companies' properties.

In IMPLAN, taxes are specific to the industry and geographic region. However, the breakout by tax category (e.g., sales tax, property tax) is not industry specific because of raw data limitations. Thus, the distribution for a given geographic region is an all-industry average. Also, in IMPLAN there is no way to know the breakout of the components of each subset of tax (e.g., sales tax) into additional detail, as the raw data does not have this level of detail. However, the ratios for TOPI: Output and OPI: Output are industry specific. I-O models by default treat TOPI as a leakage, meaning that any TOPI generated as part of an analysis will not generate any additional effects. OPI generally refers to profits and returns to capital and will be negative if the industry is operating at a deficit.

For detailed itemization of taxes modeled in IMPLAN by category, refer to Taxes: Where's the Tax? (Clouse, 2022)

EMPLOYMENT USING THE IMPLAN MODEL

Employment data in IMPLAN follows the same definition used by the BEA and BLS, which is full-time/part-time annual average. Because a person can hold more than one job, a job count is not necessarily the same as a count of employed persons. Construction jobs are considered "supported" since the building of a facility requires or supports a region's workforce. In the case of this Project, the operating and maintenance jobs are considered "created" since they would not exist prior to construction of the Project.

B.2. MODEL INPUTS

B.2.1. BUILDING COST METHODOLOGY

Total unit demand was divided among the three building types: single-family, multi-family, and manufactured/mobile homes. To create a building type "mix", the observed distribution of housing units by building type was examined at the regional level, using 2020 ACS 5-year estimates. The final adjusted mix accounted for a prescriptively higher proportion of multi-family housing and manufactured/mobile homes relative to single-family homes, compared to observed data from 2020.

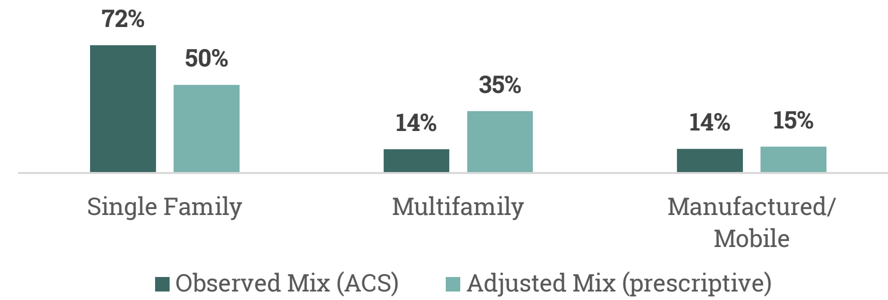


Figure B- 2: Observed and Adjusted Building Type Mix

To estimate the total economic inputs to the regional economy resulting from the housing build, unit cost per square foot was first estimated for single-family homes on a county-level basis, using a crowdsourced knowledge from regional housing developers and construction professionals.

To estimate county-level unit cost per square foot for multi-family construction, single-family home unit cost per square foot was adjusted downwards by 10%.

As an input for the IMPLAN model, mobile home unit cost only included the cost of installation, assuming that construction would take place outside of the region and therefore negate any potential impacts to the local economy. Installation costs were quoted for doublewides in Delta and Montrose from local developers in November of 2022, then adjusted upwards for other counties to account for higher transportation costs to these areas. Installation costs are provided on a per-unit basis, rather than square foot basis.

Final unit costs by building types are shown in Table B-1.

Table B-1: Unit Cost by Building Type

County	Single-Family – cost per ft²	Multi-Family – cost per ft²	Mobile/ Manufactured – cost per install
Delta	$275	$250	$34,330
Gunnison	$350	$315	$41,196
Hinsdale	$275	$250	$41,196
Montrose	$275	$250	$34,330
Ouray	$350	$315	$39,480
San Miguel	$600	$540	$41,196

To calculate total cost per housing unit, a standard unit size was assigned to single- and multi-family units. A representative size was assigned for 1-bed, 2-bed, and 3+-bed units, then a weighted average square-footage for each building type was calculated using a prescriptive mix characteristic of workforce housing (slightly larger household size than observed median HH size, according to 2020 ACS data for the region). Cost per square foot for each county was multiplied by the unit size to determine the county-level unit cost of single- and multi-family housing.

Table B-2: Unit Size Calculations for Single- and Multi-Family Housing Types

	Representative size – ft²	% Total Bedroom Mix
SINGLE-FAMILY		
1-br	800	15%
2-br	1,200	35%
≥ 3-br	1,700	50%
Weighted Average	**1,400**	
MULTI-FAMILY		
1-br	650	35%
2-br	850	40%
≥ 3-br	1,100	25%
Weighted Average	**850**	

B.2.2. BUILDING COST INFLATION RATE

IMPLAN models by default account for inflation when reporting future economic impacts in terms of the value of dollars in a given year. All results in this report, for example, are presented in 2023 dollars. To account for significant escalation in residential construction costs through year-end 2022, we adjusted the default IMPLAN deflation rate for 2023 to 10%, up from the standard rate of 2.14%.

B.3. GLOSSARY OF TERMS

Dollar year: The year represented by the values in an Impact Event being modeled. This is usually (but not always) the same as the year in which the event occurred or is expected to occur.

Intermediate Expenditures: These are repeating everyday materials required to make a final product. For example, an automobile manufacturer will purchase steel to make cars and a restaurant owner will purchase frozen hamburgers and cleaning supplies on a regular basis.

Jobs: The job impact counts are supported in the case of construction and created in the case of operations within the region that would result from this project. Direct jobs are a model input taken from the project proposal. Indirect and induced job impact estimates resulting from project are calculated by IMPLAN. Note that IMPLAN jobs are not equivalent to FTE. In IMPLAN, 1 job lasting 12 months = 2 jobs lasting 6 months each = 3 jobs lasting 4 months each. A job can be either full-time or part-time. Similarly, a job that lasts one quarter of the year would be 0.25 job.

Labor income: This represents the total value of all forms of employment income paid throughout a defined economy during a specified period of time. It reflects the combined cost of total payroll paid to employees (e.g., wages and salaries, benefits, payroll taxes) and payments received by self-employed individuals and/or unincorporated business owners (e.g., capital consumption allowance) across the defined economy.

Other Property Income (OPI): All money collected by an industry that isn't paid into the operations of the company. This would include profits, capital consumption allowance, payments for rent, royalties, and interest income. This is also known as Gross Operational Surplus.

Output: This is the value of production by industry in a calendar year. Total output is the sum of labor income, OPI, TOPI, and intermediate expenditures.

Taxes on Production and Imports (TOPI): This impact category includes (sales tax, property tax, motor vehicle taxes, severance, excise, assessments, custom duties, and other taxes and fees) less government subsidies.

B.4. COUNTY-LEVEL MODEL OUTPUTS

Unless otherwise stated, dollar values for IMPLAN outputs are given in 2023 dollars. County-level results separated by direct, indirect, induced, and total impacts are provided in the following tables.

B.4.1. ENVIRONMENTAL IMPACTS (ANNUAL)

Table B-3: Annual Environmental Impacts of Residential Housing Build

	Criteria Pollutants (kg)	Greenhouse Gases (kg)	Land Use (m^2)	Mineral Use (kg)	N/P Release to H_2O (kg)	Pesticide Emissions (kg)	Toxic Chemical Release (kg)	Water Use (m^3)
DELTA								
1 - Direct	**86,336**	**5,552,968**	**18,905**	**0**	**0**	**0**	**0**	**59,316**
2 - Indirect	23,654	3,256,427	444,997	24,153,104	2,978	2	45	568,629
3 - Induced	12,150	1,689,487	137,898	9,363	4,451	14	31	367,259
County Total	**122,140**	**10,498,882**	**601,799**	**24,162,466**	**7,429**	**16**	**76**	**995,204**
GUNNISON								
1 - Direct	**84,900**	**5,459,358**	**18,598**	**0**	**0**	**0**	**0**	**58,381**
2 - Indirect	15,646	1,936,773	77,991	446,512	5,399	11	34	406,037
3 - Induced	13,808	1,768,832	171,725	36,562,563	1,891	1	27	394,758
County Total	**114,354**	**9,164,963**	**268,314**	**37,009,075**	**7,290**	**12**	**62**	**859,176**
HINSDALE								
1 - Direct	**2,362**	**152,044**	**516**	**0**	**0**	**0**	**0**	**1,622**
2 - Indirect	592	53,464	4,258	227,373	3	0	1	10,168
3 - Induced	320	35,030	2,147	252	4	0	1	7,428
County Total	**3,274**	**240,539**	**6,921**	**227,625**	**7**	**0**	**1**	**19,218**

	Criteria Pollutants (kg)	Greenhouse Gases (kg)	Land Use (m^2)	Mineral Use (kg)	N/P Release to H_2O (kg)	Pesticide Emissions (kg)	Toxic Chemical Release (kg)	Water Use (m^3)
MONTROSE								
1 - Direct	**156,760**	**10,082,523**	**34,326**	**0**	**0**	**0**	**0**	**107,700**
2 - Indirect	37,910	5,487,296	641,486	44,243,139	6,234	2	71	906,866
3 - Induced	37,621	7,408,180	361,170	226,510	19,302	37	104	1,193,434
County Total	**232,290**	**22,977,999**	**1,036,982**	**44,469,649**	**25,536**	**39**	**175**	**2,208,000**
OURAY								
1 - Direct	**20,188**	**1,297,981**	**4,424**	**0**	**0**	**0**	**0**	**13,883**
2 - Indirect	3,820	367,656	69,829	7,533,623	454	0	3	60,137
3 - Induced	2,685	213,582	23,846	5,888	1,224	4	2	37,644
County Total	**26,694**	**1,879,218**	**98,099**	**7,539,512**	**1,678**	**4**	**6**	**111,664**
SAN MIGUEL								
1 - Direct	**123,888**	**7,953,928**	**27,248**	**0**	**0**	**0**	**0**	**85,244**
2 - Indirect	15,182	726,045	118,935	427,189	3,087	15	9	162,405
3 - Induced	14,625	1,226,091	351,947	42,927,159	905	1	13	264,867
County Total	**153,695**	**9,906,063**	**498,130**	**43,354,348**	**3,992**	**16**	**22**	**512,515**
REGION 10 TOTAL								
1 - Direct	**474,434**	**30,498,802**	**104,017**	**0**	**0**	**0**	**0**	**326,147**
2 - Indirect	96,804	11,827,661	1,357,495	77,030,940	18,154	30	164	2,114,241
3 - Induced	81,209	12,341,201	1,048,733	79,731,735	27,778	57	178	2,265,390
Region Total	**652,446**	**54,667,664**	**2,510,245**	**156,762,675**	**45,932**	**87**	**342**	**4,705,778**

B.4.2. TAX RESULTS (ANNUAL)

Table B-4: Annual Tax Revenue Impacts of Residential Housing Build

Note: Annual totals are provided in 2023 dollars.

	Sub - County	Special Districts	County	State	Federal	Total
DELTA						
1 - Direct	**$44,784**	**$94,652**	**$79,035**	**$725,802**	**$4,194,842**	**$5,139,114**
2 - Indirect	$140,050	$262,713	$220,501	$555,487	$722,290	$1,901,042
3 - Induced	$86,546	$165,333	$138,406	$373,789	$610,979	$1,375,052
County Total	**$271,380**	**$522,698**	**$437,942**	**$1,655,078**	**$5,528,111**	**$8,415,209**
GUNNISON						
1 - Direct	**$75,139**	**$118,997**	**$54,000**	**$627,821**	**$3,970,274**	**$4,846,232**
2 - Indirect	$184,427	$262,248	$126,917	$299,959	$609,347	$1,482,899
3 - Induced	$196,763	$283,115	$136,948	$340,421	$724,817	$1,682,065
County Total	**$456,329**	**$664,361**	**$317,866**	**$1,268,201**	**$5,304,439**	**$8,011,195**
HINSDALE						
1 - Direct	**$937**	**$4,922**	**$4,324**	**$13,115**	**$77,358**	**$100,656**
2 - Indirect	$2,432	$11,457	$10,379	$5,893	$9,528	$39,688
3 - Induced	$1,357	$6,173	$5,549	$3,236	$4,993	$21,308
County Total	**$4,725**	**$22,552**	**$20,252**	**$22,244**	**$91,879**	**$161,652**

	Sub - County	Special Districts	County	State	Federal	Total
MONTROSE						
1 - Direct	**$99,260**	**$142,013**	**$144,929**	**$1,354,250**	**$8,137,432**	**$9,877,884**
2 - Indirect	$312,072	$404,054	$425,851	$895,995	$1,532,358	$3,570,330
3 - Induced	$317,042	$418,592	$435,027	$976,914	$1,950,621	$4,098,196
County Total	**$728,374**	**$964,659**	**$1,005,807**	**$3,227,159**	**$11,620,410**	**$17,546,410**
OURAY						
1 - Direct	**$12,411**	**$27,090**	**$16,721**	**$153,935**	**$1,025,881**	**$1,236,038**
2 - Indirect	$29,893	$47,481	$36,399	$71,910	$147,568	$333,251
3 - Induced	$27,870	$51,386	$35,221	$68,520	$147,621	$330,618
County Total	**$70,174**	**$125,957**	**$88,340**	**$294,365**	**$1,321,071**	**$1,899,907**
SAN MIGUEL						
1 - Direct	**$183,411**	**$102,876**	**$73,531**	**$1,023,608**	**$6,866,337**	**$8,249,763**
2 - Indirect	$288,809	$162,968	$126,896	$232,003	$729,789	$1,540,464
3 - Induced	$389,773	$224,522	$172,245	$316,815	$965,034	$2,068,390
County Total	**$861,993**	**$490,366**	**$372,672**	**$1,572,426**	**$8,561,160**	**$11,858,616**
REGION 10 TOTAL						
1 - Direct	**$416,000**	**$491,000**	**$373,000**	**$3,899,000**	**$24,272,000**	**$29,450,000**
2 - Indirect	$958,000	$1,151,000	$947,000	$2,061,000	$3,751,000	$8,868,000
3 - Induced	$1,019,000	$1,149,000	$923,000	$2,080,000	$4,404,000	$9,576,000
Region Total	**$2,393,000**	**$2,791,000**	**$2,243,000**	**$8,039,000**	**$32,427,000**	**$47,893,000**

B.4.3. EMPLOYMENT AND ECONOMIC IMPACTS (ANNUAL)

Table B-5: Annual Employment and Economic Impacts of Residential Housing Build

Note: Annual totals are provided in 2023 dollars.

	Jobs	Labor Income	Intermediate	OPI/TOPI	Total Output
DELTA					
1 - Direct	**516**	**$21,805,321**	**$19,998,869**	**$2,032,558**	**$43,836,748**
2 - Indirect	83	$2,799,726	$6,235,038	$2,641,271	$11,676,035
3 - Induced	76	$2,328,684	$4,860,026	$3,228,532	$10,417,242
County Total	**674**	**$26,933,731**	**$31,093,933**	**$7,902,361**	**$65,930,025**
GUNNISON					
1 - Direct	**438**	**$23,353,673**	**$17,209,204**	**$2,496,877**	**$43,059,754**
2 - Indirect	65	$2,742,586	$4,892,256	$2,216,438	$9,851,280
3 - Induced	97	$3,173,377	$6,381,297	$3,879,574	$13,434,247
County Total	**600**	**$29,269,636**	**$28,482,757**	**$8,592,889**	**$66,345,282**
HINSDALE					
1 - Direct	**15**	**$543,601**	**$577,418**	**$80,420**	**$1,201,439**
2 - Indirect	2	$53,912	$155,250	$52,700	$261,863
3 - Induced	1	$26,122	$103,028	$60,970	$190,120
County Total	19	$623,635	$835,696	$194,090	$1,653,421

	Jobs	Labor Income	Intermediate	OPI/TOPI	Total Output
MONTROSE					
1 - Direct	832	$42,461,402	$32,573,837	$4,559,130	$79,594,369
2 - Indirect	145	$6,121,370	$10,739,952	$4,947,301	$21,808,623
3 - Induced	214	$7,791,406	$13,457,108	$8,159,451	$29,407,966
County Total	**1,191**	**$56,374,179**	**$56,770,896**	**$17,665,882**	**$130,810,957**
OURAY					
1 - Direct	**98**	**$5,776,246**	**$3,875,321**	**$584,074**	**$10,235,642**
2 - Indirect	16	$653,982	$1,306,812	$436,743	$2,397,537
3 - Induced	20	$656,018	$1,270,949	$756,301	$2,683,268
County Total	**134**	**$7,086,246**	**$6,453,082**	**$1,777,119**	**$15,316,447**
SAN MIGUEL					
1 - Direct	**485**	**$40,228,052**	**$19,228,897**	**$3,157,748**	**$62,614,697**
2 - Indirect	63	$3,336,938	$5,064,141	$2,345,180	$10,746,258
3 - Induced	107	$4,299,384	$6,722,411	$5,228,025	$16,249,820
County Total	**656**	**$47,864,374**	**$31,015,448**	**$10,730,953**	**$89,610,775**
REGION 10 TOTAL					
1 - Direct	**2,384**	**$134,168,296**	**$93,463,546**	**$12,910,807**	**$240,542,649**
2 - Indirect	375	$15,708,514	$28,393,448	$12,639,634	$56,741,596
3 - Induced	514	$18,274,991	$32,794,818	$21,312,853	$72,382,662
Region Total	**3,273**	**$168,151,801**	**$154,651,812**	**$46,863,295**	**$369,666,907**

B.4.4. ECONOMIC IMPACTS (10-YR)

Table B-6: Total 10-yr Employment and Economic Impacts of Residential Housing Build, 2023-2032

Note: 10-yr totals are provided in 2023 dollars.

	Labor Income	Intermediate	OPI/TOPI	Total Output
DELTA				
1 - Direct	**$218,053,211**	**$199,988,691**	**$20,325,578**	**$438,367,480**
2 - Indirect	$27,997,259	$62,350,379	$26,412,714	$116,760,351
3 - Induced	$23,286,838	$48,600,258	$32,285,321	$104,172,416
County Total	**$269,337,307**	**$310,939,327**	**$79,023,613**	**$659,300,247**
GUNNISON				
1 - Direct	**$233,536,734**	**$172,092,038**	**$24,968,768**	**$430,597,540**
2 - Indirect	$27,425,856	$48,922,562	$22,164,383	$98,512,801
3 - Induced	$31,733,768	$63,812,970	$38,795,737	$134,342,475
County Total	**$292,696,358**	**$284,827,570**	**$85,928,887**	**$663,452,816**
HINSDALE				
1 - Direct	**$5,436,009**	**$5,774,180**	**$804,201**	**$12,014,390**
2 - Indirect	$539,121	$1,552,504	$527,003	$2,618,628
3 - Induced	$261,222	$1,030,276	$609,699	$1,901,197
County Total	**$6,236,352**	**$8,356,960**	**$1,940,903**	**$16,534,215**

	Labor Income	Intermediate	OPI/TOPI	Total Output
MONTROSE				
1 - Direct	**$424,614,022**	**$325,738,369**	**$45,591,300**	**$795,943,690**
2 - Indirect	$61,213,703	$107,399,515	$49,473,009	$218,086,228
3 - Induced	$77,914,064	$134,571,077	$81,594,513	$294,079,655
County Total	**$563,741,789**	**$567,708,961**	**$176,658,822**	**$1,308,109,573**
OURAY				
1 - Direct	**$57,762,463**	**$38,753,213**	**$5,840,744**	**$102,356,420**
2 - Indirect	$6,539,822	$13,068,116	$4,367,433	$23,975,370
3 - Induced	$6,560,178	$12,709,491	$7,563,010	$26,832,679
County Total	**$70,862,463**	**$64,530,819**	**$17,771,187**	**$153,164,469**
SAN MIGUEL				
1 - Direct	**$402,280,520**	**$192,288,966**	**$31,577,484**	**$626,146,970**
2 - Indirect	$33,369,381	$50,641,405	$23,451,797	$107,462,583
3 - Induced	$42,993,839	$67,224,106	$52,280,253	$162,498,199
County Total	**$478,643,740**	**$310,154,477**	**$107,309,533**	**$896,107,751**
REGION 10 TOTAL				
1 - Direct	**$1,341,682,959**	**$934,635,457**	**$129,108,075**	**$2,405,426,490**
2 - Indirect	$157,085,142	$283,934,481	$126,396,338	$567,415,961
3 - Induced	$182,749,909	$327,948,178	$213,128,533	$723,826,621
Region Total	**$1,681,518,010**	**$1,546,518,115**	**$468,632,945**	**$3,696,669,071**

APPENDIX C. COUNTY DATA SUPPLEMENT

C.1. CHFA INCOME AND RENT LIMITS

Table C- 1: CHFA Income and Rent Limits for Multi-Family Loan and Low Income Housing Tax Credits, 2022

	2022 MAXIMUM RENTS ($) *by bedroom count*					**2022 INCOME LIMITS ($)** *by persons per household*							
AMI %	**0**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
DELTA													
120%	1,728	1,851	2,220	2,565	2,862	69,120	78,960	88,800	98,640	106,560	114,480	122,400	130,320
100%	**1,440**	**1,542**	**1,850**	**2,137**	**2,385**	**57,600**	**65,800**	**74,000**	**82,200**	**88,800**	**95,400**	**102,000**	**108,600**
80%	1,152	1,234	1,480	1,710	1,908	46,080	52,640	59,200	65,760	71,040	76,320	81,600	86,880
70%	1,008	1,079	1,295	1,496	1,669	40,320	46,060	51,800	57,540	62,160	66,780	71,400	76,020
60%	864	925	1,110	1,282	1,431	34,560	39,480	44,400	49,320	53,280	57,240	61,200	65,160
55%	792	848	1,017	1,175	1,311	31,680	36,190	40,700	45,210	48,840	52,470	56,100	59,730
50%	720	771	925	1,068	1,192	28,800	32,900	37,000	41,100	44,400	47,700	51,000	54,300
45%	648	694	832	961	1,073	25,920	29,610	33,300	36,990	39,960	42,930	45,900	48,870
40%	576	617	740	855	954	23,040	26,320	29,600	32,880	35,520	38,160	40,800	43,440
30%	432	462	555	641	715	17,280	19,740	22,200	24,660	26,640	28,620	30,600	32,580
20%	288	308	370	427	477	11,520	13,160	14,800	16,440	17,760	19,080	20,400	21,720
GUNNISON													
120%	1,860	1,992	2,391	2,761	3,081	74,400	84,960	95,640	106,200	114,720	123,240	131,760	140,280
100%	**1,550**	**1,660**	**1,992**	**2,301**	**2,567**	**62,000**	**70,800**	**79,700**	**88,500**	**95,600**	**102,700**	**109,800**	**116,900**
80%	1,240	1,328	1,594	1,841	2,054	49,600	56,640	63,760	70,800	76,480	82,160	87,840	93,520
70%	1,085	1,162	1,394	1,610	1,797	43,400	49,560	55,790	61,950	66,920	71,890	76,860	81,830
60%	930	996	1,195	1,380	1,540	37,200	42,480	47,820	53,100	57,360	61,620	65,880	70,140
55%	852	913	1,095	1,265	1,412	34,100	38,940	43,835	48,675	52,580	56,485	60,390	64,295
50%	775	830	996	1,150	1,283	31,000	35,400	39,850	44,250	47,800	51,350	54,900	58,450

	2022 MAXIMUM RENTS ($) *by bedroom count*					**2022 INCOME LIMITS ($)** *by persons per household*							
AMI %	**0**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
45%	697	747	896	1,035	1,155	27,900	31,860	35,865	39,825	43,020	46,215	49,410	52,605
40%	620	664	797	920	1,027	24,800	28,320	31,880	35,400	38,240	41,080	43,920	46,760
30%	465	498	597	690	770	18,600	21,240	23,910	26,550	28,680	30,810	32,940	35,070
20%	310	332	398	460	513	12,400	14,160	15,940	17,700	19,120	20,540	21,960	23,380
HINSDALE													
120%	1,728	1,851	2,220	2,565	2,862	69,120	78,960	88,800	98,640	106,560	114,480	122,400	130,320
100%	**1,440**	**1,542**	**1,850**	**2,137**	**2,385**	**57,600**	**65,800**	**74,000**	**82,200**	**88,800**	**95,400**	**102,000**	**108,600**
80%	1,152	1,234	1,480	1,710	1,908	46,080	52,640	59,200	65,760	71,040	76,320	81,600	86,880
70%	1,008	1,079	1,295	1,496	1,669	40,320	46,060	51,800	57,540	62,160	66,780	71,400	76,020
60%	864	925	1,110	1,282	1,431	34,560	39,480	44,400	49,320	53,280	57,240	61,200	65,160
55%	792	848	1,017	1,175	1,311	31,680	36,190	40,700	45,210	48,840	52,470	56,100	59,730
50%	720	771	925	1,068	1,192	28,800	32,900	37,000	41,100	44,400	47,700	51,000	54,300
45%	648	694	832	961	1,073	25,920	29,610	33,300	36,990	39,960	42,930	45,900	48,870
40%	576	617	740	855	954	23,040	26,320	29,600	32,880	35,520	38,160	40,800	43,440
30%	432	462	555	641	715	17,280	19,740	22,200	24,660	26,640	28,620	30,600	32,580
20%	288	308	370	427	477	11,520	13,160	14,800	16,440	17,760	19,080	20,400	21,720
MONTROSE													
120%	1,728	1,851	2,220	2,565	2,862	69,120	78,960	88,800	98,640	106,560	114,480	122,400	130,320
100%	**1,440**	**1,542**	**1,850**	**2,137**	**2,385**	**57,600**	**65,800**	**74,000**	**82,200**	**88,800**	**95,400**	**102,000**	**108,600**
80%	1,152	1,234	1,480	1,710	1,908	46,080	52,640	59,200	65,760	71,040	76,320	81,600	86,880
70%	1,008	1,079	1,295	1,496	1,669	40,320	46,060	51,800	57,540	62,160	66,780	71,400	76,020
60%	864	925	1,110	1,282	1,431	34,560	39,480	44,400	49,320	53,280	57,240	61,200	65,160
55%	792	848	1,017	1,175	1,311	31,680	36,190	40,700	45,210	48,840	52,470	56,100	59,730
50%	720	771	925	1,068	1,192	28,800	32,900	37,000	41,100	44,400	47,700	51,000	54,300
45%	648	694	832	961	1,073	25,920	29,610	33,300	36,990	39,960	42,930	45,900	48,870
40%	576	617	740	855	954	23,040	26,320	29,600	32,880	35,520	38,160	40,800	43,440
30%	432	462	555	641	715	17,280	19,740	22,200	24,660	26,640	28,620	30,600	32,580
20%	288	308	370	427	477	11,520	13,160	14,800	16,440	17,760	19,080	20,400	21,720

	2022 MAXIMUM RENTS ($) *by bedroom count*					2022 INCOME LIMITS ($) *by persons per household*							
AMI %	**0**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
OURAY													
120%	1,863	1,995	2,394	2,764	3,084	74,520	85,080	95,760	106,320	114,840	123,360	131,880	140,400
100%	**1,552**	**1,662**	**1,995**	**2,303**	**2,570**	**62,100**	**70,900**	**79,800**	**88,600**	**95,700**	**102,800**	**109,900**	**117,000**
80%	1,242	1,330	1,596	1,843	2,056	49,680	56,720	63,840	70,880	76,560	82,240	87,920	93,600
70%	1,086	1,163	1,396	1,612	1,799	43,470	49,630	55,860	62,020	66,990	71,960	76,930	81,900
60%	931	997	1,197	1,382	1,542	37,260	42,540	47,880	53,160	57,420	61,680	65,940	70,200
55%	853	914	1,097	1,267	1,413	34,155	38,995	43,890	48,730	52,635	56,540	60,445	64,350
50%	776	831	997	1,151	1,285	31,050	35,450	39,900	44,300	47,850	51,400	54,950	58,500
45%	698	748	897	1,036	1,156	27,945	31,905	35,910	39,870	43,065	46,260	49,455	52,650
40%	621	665	798	921	1,028	24,840	28,360	31,920	35,440	38,280	41,120	43,960	46,800
30%	465	498	598	691	771	18,630	21,270	23,940	26,580	28,710	30,840	32,970	35,100
20%	310	332	399	460	514	12,420	14,180	15,960	17,720	19,140	20,560	21,980	23,400
SAN MIGUEL													
120%	2,010	2,152	2,583	2,983	3,327	80,400	91,800	103,320	114,720	123,960	133,080	142,320	151,440
100%	**1,675**	**1,793**	**2,152**	**2,486**	**2,772**	**67,000**	**76,500**	**86,100**	**95,600**	**103,300**	**110,900**	**118,600**	**126,200**
80%	1,340	1,435	1,722	1,989	2,218	53,600	61,200	68,880	76,480	82,640	88,720	94,880	100,960
70%	1,172	1,255	1,506	1,740	1,940	46,900	53,550	60,270	66,920	72,310	77,630	83,020	88,340
60%	1,005	1,076	1,291	1,491	1,663	40,200	45,900	51,660	57,360	61,980	66,540	71,160	75,720
55%	921	986	1,183	1,367	1,524	36,850	42,075	47,355	52,580	56,815	60,995	65,230	69,410
50%	837	896	1,076	1,243	1,386	33,500	38,250	43,050	47,800	51,650	55,450	59,300	63,100
45%	753	807	968	1,118	1,247	30,150	34,425	38,745	43,020	46,485	49,905	53,370	56,790
40%	670	717	861	994	1,109	26,800	30,600	34,440	38,240	41,320	44,360	47,440	50,480
30%	502	538	645	745	831	20,100	22,950	25,830	28,680	30,990	33,270	35,580	37,860
20%	335	358	430	497	554	13,400	15,300	17,220	19,120	20,660	22,180	23,720	25,240