# EAGLE COUNTY

# COMPREHENSIVE HOUSING PLAN

Adopted: July 15, 1998

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# EXECUTIVE SUMMARY

Eagle County has determined that affordable housing is a significant problem. Among the highlights of this problem are the following:

- The rate of home ownership in Eagle County is one of the lowest in the state. Out of the 63 counties in Colorado, Eagle County ranks 57th in home ownership.
- Housing prices are 64% higher in Eagle County than in the state as a whole and 70% higher than in the nation.
- Housing prices are rising much more rapidly than wages. From 1990 until 1995, the median price of a single family home rose 93% while wages increased only 25%.
- In 1995, a household would have needed 3.7 average wage jobs in order to have purchased the median price single family home.
- Residents are having to live as roommates at twice the state and national levels. Forty-four percent of permanent resident nonfamily households consist of roommates.
- Approximately 2,300 households are paying more than 30% of their income for housing.
- Twelve percent of the permanent work force commutes from other counties.

In response to this problem, the Eagle County Board of County Commissioners (BOCC) created a Housing Task Force to guide development of this plan. The members of the Task Force were chosen to represent a wide variety of sectors involved with housing, and also to represent all geographic areas within the county. As the BOCC believed that effectively addressing the problem would require the efforts of the towns as well, each town also had a representative.

The first part of this plan provides details on the problem. The reader who does not wish to review this information can turn to Chapter 5 which contains the policies and action steps adopted by Eagle County to address housing needs.

# CHAPTER 1

# BACKGROUND INFORMATION

## Introduction

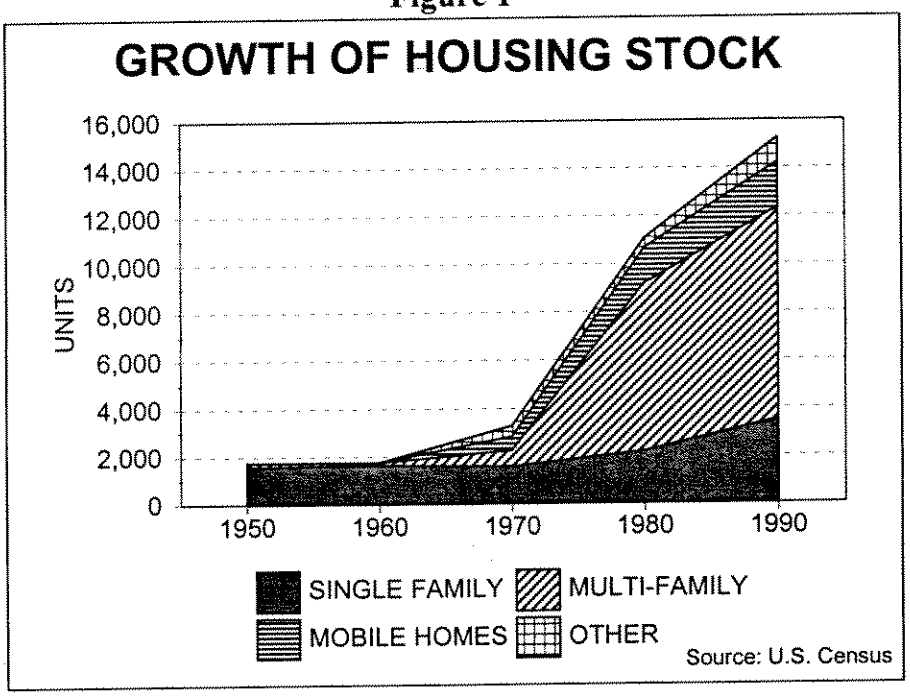
In order to consider housing actions which might be taken, it is helpful to know about the existing housing situation and also a little about the past. This chapter provides some background on the housing situation in Eagle County. Whenever feasible, for each set of data there is information on how Eagle County compares to itself over time, and also how it compares to Colorado and the United States. The data for Eagle County includes both the incorporated and unincorporated areas.

## Housing Stock

The housing stock, like most activities in Eagle County, has been heavily influenced by the development of the ski industry. Prior to the 1960s, the county was an agricultural and mining area with a small population. Since then, it has undergone rapid and continuing change.

From 1950 until 1990, the population increased nearly 400% from 4,488 to 21,928 persons. As can be seen in Figure 1, the housing stock increased even more rapidly - by 766%. This higher growth of the housing stock reflects rising demand for second homes, and also housing for seasonal employees. As of mid-1995, the Colorado Demography

**Figure 1**



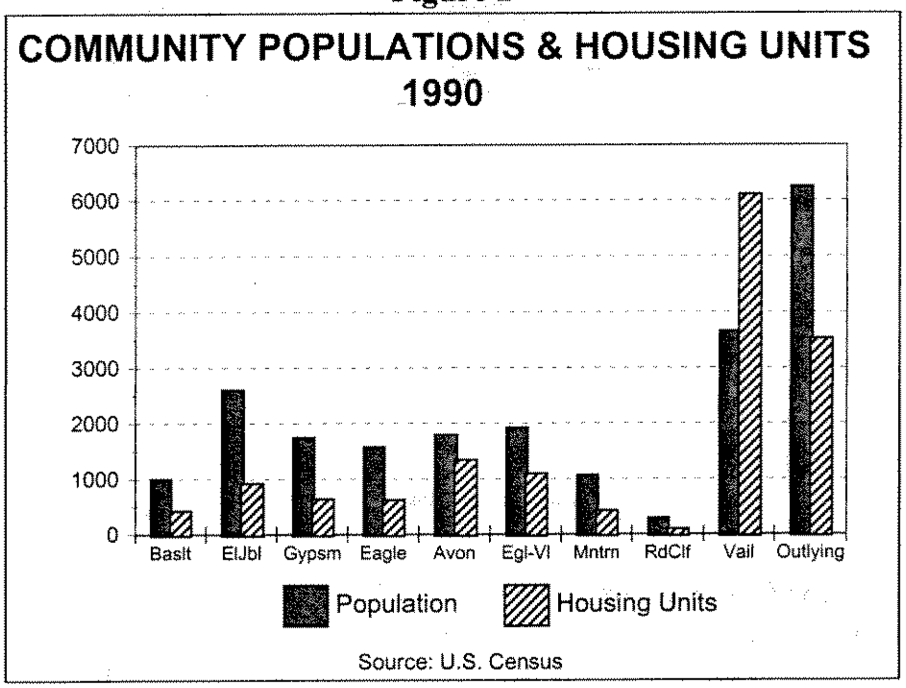
Information Service estimated that the housing stock consisted of 19,054 units, an additional 25% increase from the 15,225 units existing in 1990.

Prior to the ski boom, nine-tenths of the housing stock consisted of single family homes. However, this radically changed when, in the 1960s, the housing stock grew by 85%, and virtually all the growth consisted of multi-family units and mobile homes. The number of mobile homes increased dramatically from 20 to 575 during this period.

The 1970s were the decade of greatest absolute and percentage growth in the housing stock with the number of units increasing by 7,803 units, or 240%. The most noticeable growth during this period took place in multi-family units which grew ninefold to become the largest component of the housing stock at 63%. Given that the housing growth rate was much higher than the population growth rate of 78%, most of the units were probably constructed for seasonal use.

From 1980 to 1990, the population of Eagle County increased from 13,320 to 21,928 persons, an increase of 65%. (For the same period, the national growth rate was about 9% while the state rate was 14%.) During this period, single family homes began to make a comeback and increased by over half. However, they still only comprised 23% of the housing stock by the end of the decade.

**Figure 2**

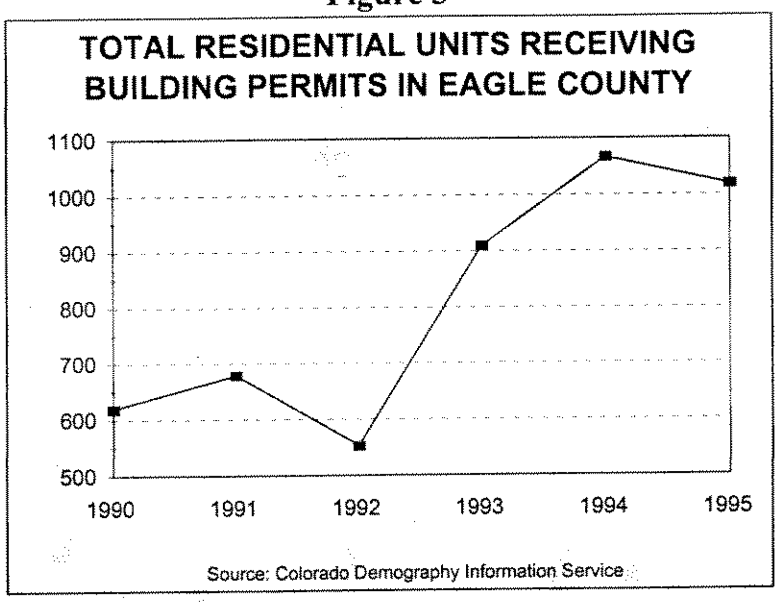


Overall, the housing stock in Eagle County is quite new. As of the last Census, 90% of the housing had been built since 1960, with the median year a home was built being 1977.

The distributions of the population and housing stock in Eagle County as of 1990 are shown in Figure 2. While the population was split approximately evenly between incorporated and unincorporated areas, nearly two-thirds of the housing stock was in incorporated communities. (El Jebel and Eagle-Vail, together with the "outlying" area, constitute the unincorporated portion of the county.) All of the communities have more persons than housing units except for Vail where second homes are most common.

From 1990 - 1995, there has been a rapid increase in the housing stock. According to the Colorado Demography Information Service, there have been building permits issued for 4,847 units. As shown in Figure 3, the annual number of units has ranged from a low of 553 in 1992 to a high of 1,067 in 1994. The largest category of permits has been single family homes, accounting for about one-half of the total permits. The unincorporated portion of the county has absorbed most of the growth with approximately three-fifths of the permits being issued for unincorporated areas

**Figure 3**

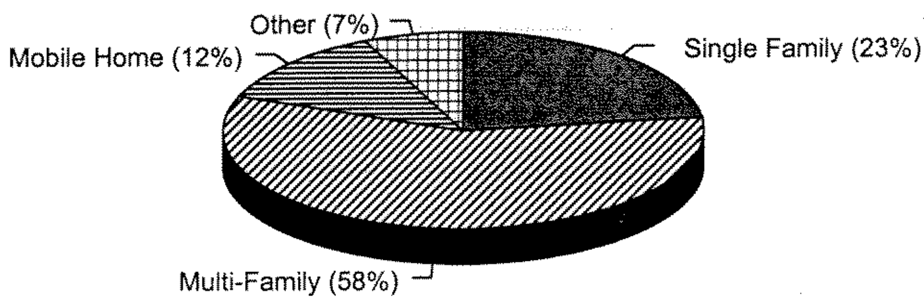



According to the Colorado State Demographer, the population of the county has increased about one-third from 1990 - 1995, with the unincorporated portion of the county growing the fastest. Among the towns, the most rapidly growing communities have been Avon, Eagle, Basalt, and Gypsum.

The 1990 Census remains the most recent source for detailed information on the housing stock, and it identified 23% of the units as single family homes, 58% as multi-family units, and 12% as mobile homes. The low percentage of single family homes in Eagle County is particularly noticeable, being less than half the rate for the state. This relatively low percentage is offset by high percentages of row houses (three times higher than the state percentage) and large numbers of multi-family units. In addition, the percentage of mobile homes is nearly twice as high as that for the state. Figure 4 shows the breakdown of the housing stock.

**Figure 4**

**TYPES OF UNITS IN HOUSING STOCK**
1990




Total Units = 15,226

Source: U.S. Census

The housing stock can also be considered in terms of the number of bedrooms per unit, as shown in Table 1. Two- and three-bedroom units are the most common and together comprise 70% of the housing stock. Owner-occupied units have an average of 2.8 bedrooms per unit, while rental units have an average of only 2.1 bedrooms per unit. Seasonal and vacant units have fewer bedrooms than locally-used units. The overall average number of bedrooms for all units in Eagle County is similar to state and national figures. However, for rental units, Eagle County has a lower percentage of studio and one-bedroom units and a higher percentage of two- and three-bedroom units than at the state and national levels.

| TABLE 1. HOUSING STOCK BROKEN DOWN BY NUMBER OF BEDROOMS - 1990 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | OWNER OCCUPIED UNITS | | RENTER OCCUPIED UNITS | | SUBTOTAL OF UNITS USED BY LOCAL RESIDENTS | | SEASONAL & VACANT UNITS | | ALL UNITS | |
| Bedrooms | # | % | # | % | # | % | # | % | # | % |
| None | 25 | 1% | 76 | 2% | 101 | 1% | 352 | 5% | 453 | 3% |
| One | 240 | 5% | 776 | 22% | 1016 | 12% | 1149 | 17% | 2165 | 14% |
| Two | 1305 | 27% | 1582 | 45% | 2887 | 35% | 2513 | 37% | 5400 | 35% |
| Three | 2317 | 48% | 961 | 27% | 3278 | 39% | 2096 | 31% | 5374 | 35% |
| Four | 735 | 15% | 134 | 4% | 869 | 10% | 600 | 9% | 1469 | 10% |
| Five plus | 180 | 4% | 23 | 1% | 203 | 2% | 162 | 2% | 365 | 2% |
| Total | 4802 | 100% | 3552 | 100% | 8354 | 100% | 6872 | 100% | 15226 | 100% |
| Avg. # of Bedrooms | 2.8 | | 2.1 | | 2.5 | | 2.3 | | 2.4 | |
| Source: U.S. Census | | | | | | | | | | |

**Multi-Family Breakdown**

The Census does not provide information on duplexes, triplexes, etc., per se. Rather, it separates units which share a wall from ground to roof into a group labeled, "1-Unit Attached", with no distinction made as to how many such units are attached. (These are referred to as "row houses" in this report.) All other multi-family units listed in the Census represent multistory structures which have units below and units above. Table 2 shows the breakdown of the housing stock by the type of structure.

There has been a rapid increase in condominium ownership in recent years. As of 1990, 35% of the total housing stock was owned as condominiums. This is considerably higher than the 7% rate of condominium ownership for the state and the 4% rate for the nation. Of all multi-family units in Eagle County, 60% were condominiums.

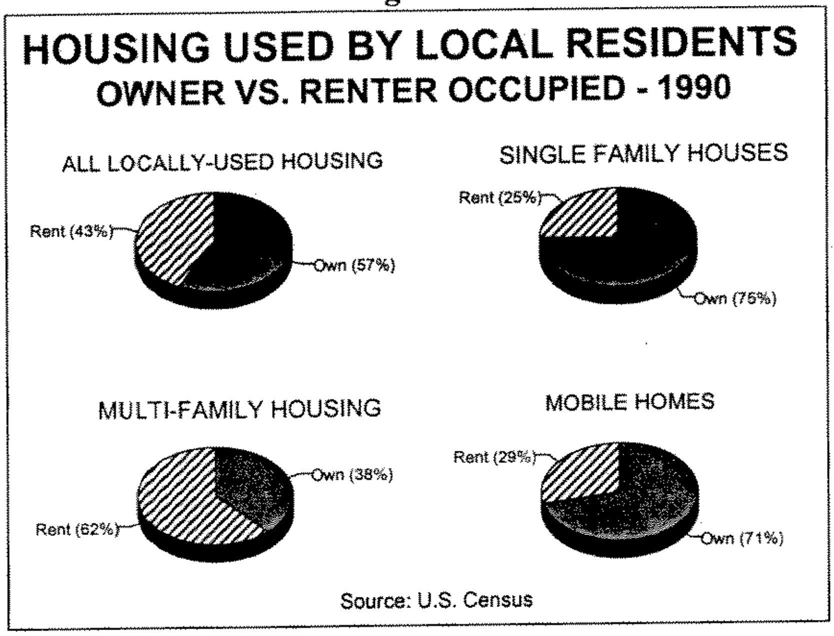
| TABLE 2. HOUSING STOCK BROKEN DOWN BY TYPE OF STRUCTURE - 1990 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Owner Occupied | | Renter Occupied | | Total Occupied | | Seasonal & Vacant | | All Units | |
| | # | % | # | % | # | % | # | % | # | % |
| Single Family | 2101 | 44% | 691 | 19% | 2792 | 33% | 703 | 10% | 3495 | 23% |
| Multi-Family | | | | | | | | | | |
| Row houses | 753 | 16% | 407 | 11% | 1160 | 14% | 1433 | 21% | 2593 | 17% |
| 2 units | 81 | 2% | 187 | 5% | 268 | 3% | 210 | 3% | 478 | 3% |
| 3 or 4 units | 186 | 4% | 397 | 11% | 583 | 7% | 294 | 4% | 877 | 6% |
| 5 to 9 units | 141 | 3% | 325 | 9% | 466 | 6% | 522 | 8% | 988 | 6% |
| 10 to 19 units | 168 | 3% | 530 | 15% | 698 | 8% | 826 | 12% | 1524 | 10% |
| 20 to 49 units | 72 | 1% | 344 | 10% | 416 | 5% | 1056 | 15% | 1472 | 10% |
| 50+ units | 5 | 0% | 71 | 2% | 76 | 1% | 805 | 12% | 881 | 6% |
| Subtotal M.F. | 1406 | 29% | 2261 | 64% | 3667 | 44% | 5146 | 75% | 8813 | 58% |
| Mobile Homes | 1248 | 26% | 500 | 14% | 1748 | 21% | 153 | 2% | 1901 | 12% |
| Other | 47 | 1% | 100 | 3% | 147 | 2% | 870 | 13% | 1017 | 7% |
| All Units | 4802 | 100% | 3552 | 100% | 8354 | 100% | 6872 | 100% | 15226 | 100% |
| Source: U.S. Census | | | | | | | | | | |

## Ownership/Rental Information

The U.S. Census counted 8,345 units as occupied. Of these, 57% were owner-occupied and 43% renter occupied. The rate of home ownership in Eagle County is low compared to the rates for the nation (64%) and the state (62%). Out of the sixty-three counties in the state, Eagle County ranked 57th in its rate of home ownership.

The rate of home ownership varies in the county's different communities ranging from a high of 78% in El Jebel to a low of 37% in Avon. The high rate of ownership in El Jebel is of interest as much of the housing in El Jebel consists of mobile homes. Given that the county's housing stock also has a high percentage of mobile homes, most of which are owner-occupied, if these mobile homes are factored out, the county's rate of home ownership for other types of structures drops to only 54%.

Figure 5




As shown in Figure 5, for housing occupied by local residents, most single family homes (75%) are owner-occupied, as are most mobile homes (71%), while most multi-family homes (62%) are renter-occupied. Within the multi-family housing, the majority of row houses are owner-occupied. However, all other categories of occupied multi-family housing are primarily renter-occupied, with generally the more units in the structure, the higher the percentage of renters.

Overall, 44% of owners live in single family homes, 29% live in multi-family housing, and 26% live in mobile homes. For renters, 19% live in single family homes, 64% in multi-family housing, and 14% in mobile homes. Fifteen percent of owners and 36% of renters live in condominiums.

The majority of householders through the age of 34 are renters, with the majority of those over this age owning their home. This is an indication of the expense of local housing, as nationally the majority of those over the age of 30 are already home owners. In other words, householders in Eagle County postpone purchasing a home until they are older. The highest rate of home ownership in Eagle County is for the age group 65 - 74 years with 84% of people in this group owning their own home.

According to the 1990 Census, renters typically had lower incomes than owners. The majority of renter households had incomes below $35,000, while the majority of owner households were above this level.

Owners tend to occupy newer units while renters occupy older units. The majority of residents in housing built after 1960 are owners, while the majority of residents of housing built before 1960 are renters.

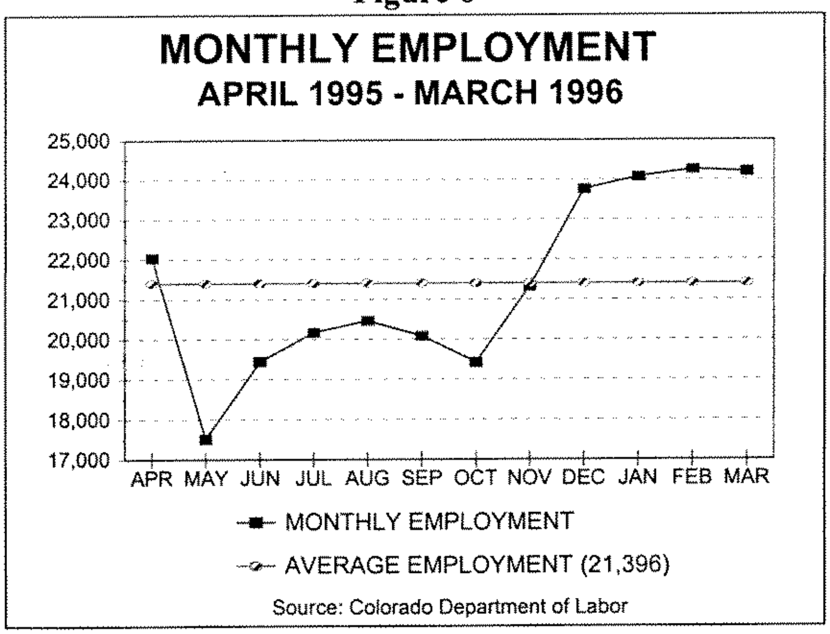
Overall, owner-occupied units tended to have more persons per household than renter-occupied units. Owner-occupied housing units had 2.75 persons per household, renter-occupied units had 2.42 persons, while the county average for all units was 2.61 persons.

**Seasonal Use**

Seasonal use is one of the largest demands for housing in Eagle County. Examples of seasonal use include persons from outside the area purchasing a second vacation home and persons renting living quarters temporarily for seasonal work. The occupants of such housing are considered by the Census as having a usual home elsewhere and are counted at the address of their usual place of residence. The Census classifies the housing unit temporarily occupied by such persons as "vacant".

The demand for seasonal housing is driven by winter sports activities. Employment heavily increases in the winter months and the influx of temporary workers places a strain on the housing stock. In addition, the lower level of economic activity during the rest of the year creates difficulties for both employers and employees in maintaining cash flows. The monthly employment pattern is shown in Figure 6.

**Figure 6**



There has been considerable effort in recent years to increase summertime activities, and success in this would tend to level out employment. This would imply that the winter employment increase is becoming a relatively smaller percentage of average employment while summer employment is rising toward the average level of employment. An analysis of recent employment data indicates this may be occurring. For the last three years, winter employment has decreased from being 21% higher than average employment to only being 13% above average. In addition, peak summer employment has generally tended to rise from being 9% below average employment to being only 4% below average. Whether these recent figures represent a long-term trend, though, will take more time to determine.

In terms of seasonal housing needs, it is necessary to consider the number of additional employees who arrive to work during the ski season. During the first part of the 1990s, the number of additional jobs during the ski season rose from about 3,000 to 3,500. However, during the 1995/1996 ski season, this number dropped back to 2,800 additional jobs. Not all these jobs result in additional persons needing housing in the area, though, as a number of persons will take second or third jobs.

In determining the amount of housing needed to accommodate additional seasonal employees, it is helpful to consider information from The Eagle County Needs Assessment (HNA). This report, completed in May 1990, was based on surveys of employees conducted during March. From these surveys it was found that approximately 10% of employees during the winter months were in Eagle County on a seasonal basis. (However, the report noted the possibility that seasonal workers were undercounted.) The HNA also found that multiple job holding was common, and in winter there were 1.35 jobs per person.

It is possible to apply the HNA figures to employment data to prepare an estimate of how many seasonal employees arrive in winter needing housing. The Colorado Department of Labor (DOL) provides data on the number of jobs per month covered under the unemployment insurance system. For example, during the 1995/1996 ski season there were approximately 24,100 such jobs during peak season. Applying the figures from the HNA results in approximately 1,800 seasonal employees, computed as follows:

SEASONAL EMPLOYEE ESTIMATE
(rounded to nearest hundred)

| | |
|---|---|
| 1995-1996 average peak employment | 24,100 |
| Jobs per person | ÷ 1.35 |
| Total employees | 17,800 |
| Seasonal percentage | x .10 |
| Seasonal employee estimate | 1,800 |

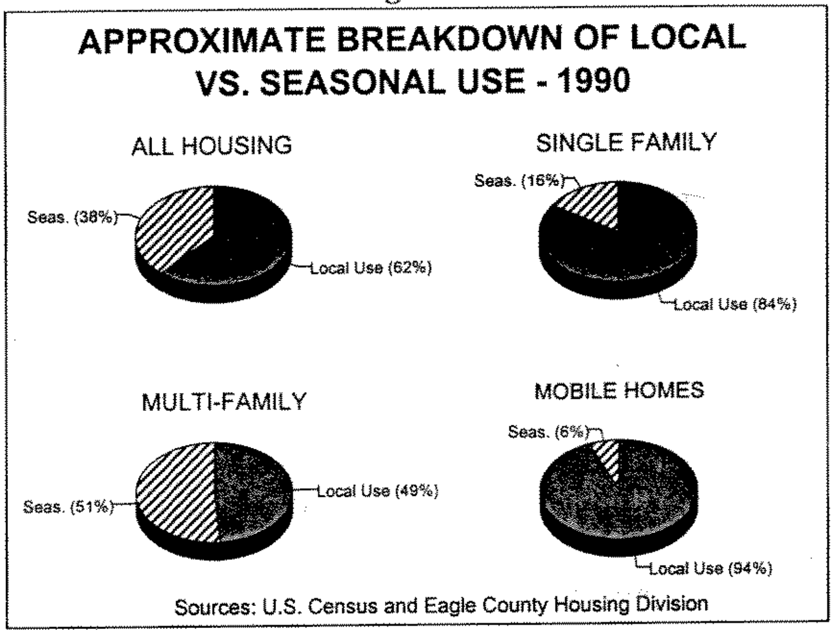
Because the number of employees only present for the ski season is so important, it is also useful to consider an estimate developed from another data source. The U.S. Bureau of Labor Statistics (BLS) provides monthly estimates of the number of persons residing in the county who are in the labor force. The BLS estimate of the labor force residing in Eagle County for the 1995/1996 ski season was 19,436. The average number of residents in the labor force for the rest of the preceding year was 16,521. This results in an increase of about 2,900 in the labor force residing in the county during the ski season.

There are important differences between the Colorado DOL data and the BLS data. The DOL data is based on jobs, while the BLS data is based on persons. The DOL does not include the jobs of self-employed persons, proprietors, and others not covered by unemployment insurance, while the BLS data does. The DOL data is developed from actual reports filed by employers, while the BLS data depends, in part, on estimation techniques. As can be seen, the differing methodologies result in a range of 1,800 to 2,900 additional employees arriving for the ski season.

According to the 1990 Census, 38% of the houses in use in Eagle County were identified as being for seasonal, recreational, or occasional use. The Census does not directly provide information on the specific types of housing used on a seasonal basis. It does, though, provide vacancy information by type of unit. Since 75% of the units listed in the overall "vacant" category are identified as being for seasonal use, one can get an indication of which structures contain seasonal units by looking at the "vacancy" data for each type of structure. In other words, one can get a sense of how seasonal housing users are spread over the housing stock. Unfortunately, though, it is not possible to break out separate figures for second home owners and seasonal workers.

Using the modified "vacancy" data indicates that seasonal users primarily occupy multi-family structures, with a majority of the multi-family units in the county (51%) being

**Figure 7**




used for seasonal housing. Most of the units held in condominium ownership (54%) are also used by seasonal occupants. In contrast, local residents occupy 84% of the single family homes and 94% of mobile homes. Figure 7 illustrates these relationships.

1990 Census results indicate that high rates of seasonal use of the housing stock occur primarily in the three communities of Vail (68%), Avon (41%), and Eagle-Vail (30%). Other communities in the county have low or negligible amounts of seasonal housing. There has been concern in recent years about the large increase in second home ownership, particularly in the upper Eagle Valley.

In 1995, Data Research Associates examined property ownership records from the Eagle County Assessor's Office. It found that only 45% of property was owned by local residents. The remainder was owned by other Colorado residents (24%), persons elsewhere in the United States (29%), and foreign owners (2%).

The Eagle County Housing Division also looked at actual housing sales in 1995, and found that 61% of the sales were to persons with local addresses. (Local addresses were considered to be both addresses in Eagle County and also those in adjacent counties. Since much of the county does not have home mail delivery, it was thought that persons who live in Eagle County, but work in adjacent counties, would often pick up their mail in the counties where they work. Adjacent county addresses are primarily found for households in the Roaring Fork Valley portion of the county. This difference in methodology partially accounts for the difference between the sales data and the inventory figures developed by Data Research Associates.) Of the remaining sales, 11%

were to Colorado buyers, 26% were to buyers in other parts of the United States, and only 1% were to international buyers. Condominiums were the most common housing choice among both local and non-local buyers, with condominiums being 35% of local sales and 60% of non-local sales. The areas with the largest percentages of non-local sales were Beaver Creek/Arrowhead with 90% of its sales being non-local, Vail with 63% non-local sales, and Eagle Vail/Avon with 40% non-local sales.

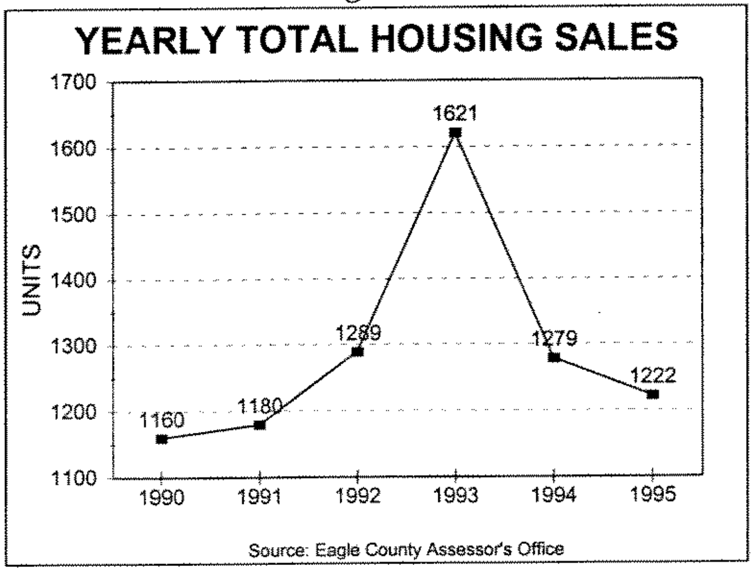
In 1995 the majority of sales less than $300,000 were made to local buyers while the majority of sales above this were made to non-local buyers. The non-locals tended to buy housing costing twice as much as housing purchased by locals, with the non-local median purchase price being $325,000, and the median local purchase price being $150,000. The most expensive sale, $4,250,000 for a single family home in Vail, was made to a non-local.

In general, the housing market in Eagle County is distinctive due to its resort nature. Many of the housing statistics are heavily influenced by the numerous second homes in the area, and, with some exceptions, there are not clear boundaries between housing for local residents and housing for second-home buyers. Housing that has been used for local residents in the past can become housing for second-home buyers in the future. To a limited extent, the reverse is also true. Overall, the area constitutes an interactive housing market, and the continued development of secondary homes strongly affects housing for local residents.

**Housing Sales**

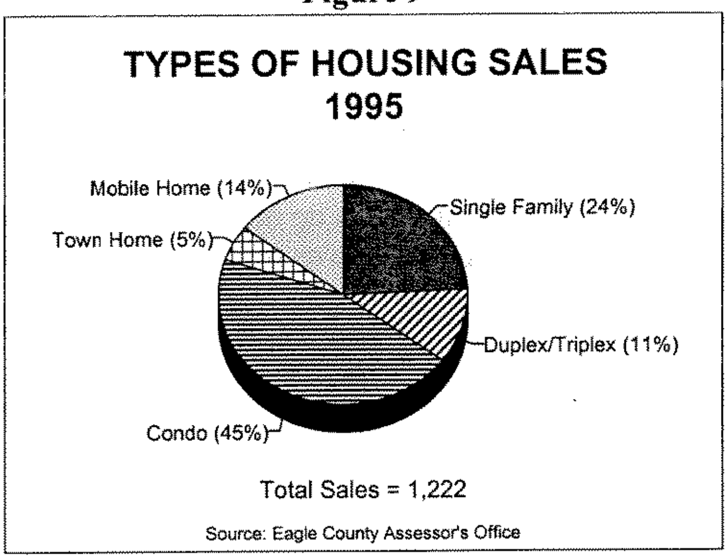
Total sales recorded by the Eagle County Assessor's Office in this decade have ranged from a low of 1,160 units in 1990 to a high of 1,621 units in 1993, as illustrated in Figure 8. The most recent data available is for 1995 when there were 1,222 "arm's length" housing sales. Arm's length sales exclude sales which are not at market values, e.g., a family member selling property to another family member for a token amount. (It should also be noted that not all new housing shows up in the sales data. Sales data do not include situations where someone already owns property and then has a home constructed on it.)

Figure 8



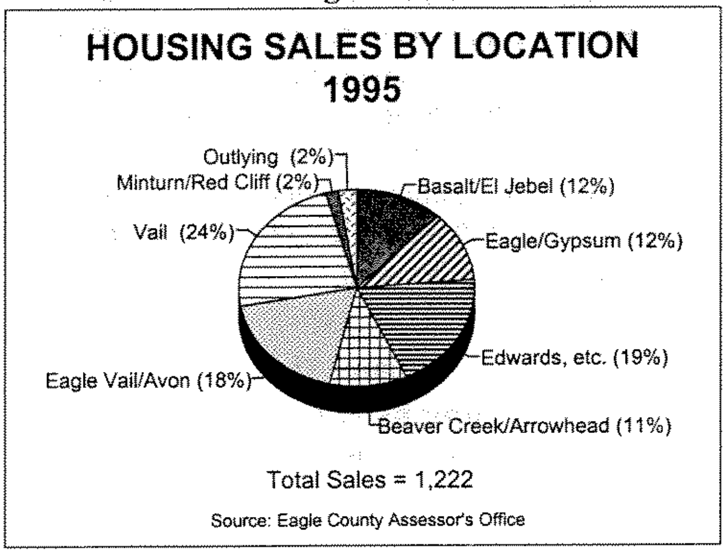

As illustrated in Figure 9, the largest category of sales in the county was condominiums (45%), followed by single family homes (24%). The strong level of condominium sales is of note. Although, according to the 1990 Census, only 30% of the housing stock consists of condominiums, they comprise 45% of 1995 sales. Looking at the Census data further reveals that while only 24% of local residents live in condominiums, the majority of seasonal residents use condominiums. The fact that condominium sales constitute the largest part of the housing market indicates the strong impact of outside buyers.

Figure 9



As shown in Figure 10, the highest number of sales took place in Vail (24%) followed by the greater Edwards area (19%), and Eagle Vail/Avon area (18%). Out of the total sales, there were 296 sales of single family units, with the highest number of these taking place in the Basalt/El Jebel area (23%), Eagle/Gypsum area (23%), and the greater Edwards area (22%).

**Figure 10**




## Housing Prices

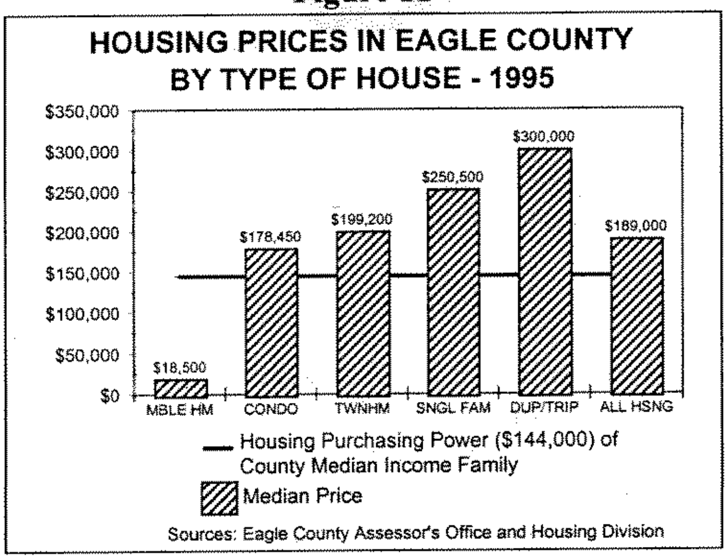
Before considering housing prices, it may be useful to consider the term "median" which comes up repeatedly in analyzing data. This refers to the value in the middle of a range of ranked data. Thus, if one imagines a range of data with the smallest value first and the largest value last, the median value would be the value in the middle. (This is different from the "mean" value which would consist of adding all the values together and then dividing by the number of items in the range.) The reason for using a median value rather than a mean value is that the median is less subject to being skewed by exceptionally low or high values. (Due to the high end homes in Eagle County, mean values have been about $90,000 higher in this decade than median values.)

The 1990 U.S. Census lists a median home value of $135,900 for Eagle County. This is based on the values of single family and attached row houses. In order to get a sense of how Eagle County compares to other areas, it is possible to look at the same figure for the state and the nation. For Colorado, the median home value was $82,700, while for the U.S. it was $80,015. The median housing value was thus 64% higher in Eagle County than in Colorado, and 70% higher than in the U.S.

In order to track housing prices on an ongoing basis, the best source of data is the Eagle County Assessor's Office. Due to different ways of classifying data, though, it is not entirely possible to directly compare data from the Census and the Assessor's Office.

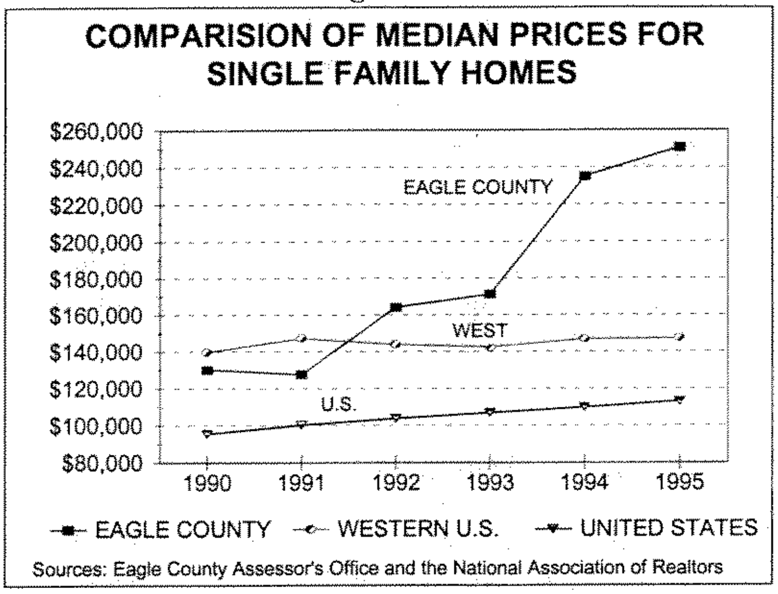
According to the Assessor's Office, the median price of all housing has increased between 1990 and 1995 from $127,000 to $189,000, an increase of 49%. The median price of a single family home has increased during the same period from $130,000 to $250,500, an increase of 93%. The annual changes for all housing tended to be relatively steady and ranged from -2% to 12%. Single family prices, on the other hand, tended to move much more erratically from year to year, ranging from -2% to 37%. The 1995 median prices for other types of housing were mobile homes at $18,500, condominiums at $179,000, townhomes at $199,200, and duplexes/triplexes at $300,000. Figure 11 shows the prices for various types of housing.

**Figure 11**



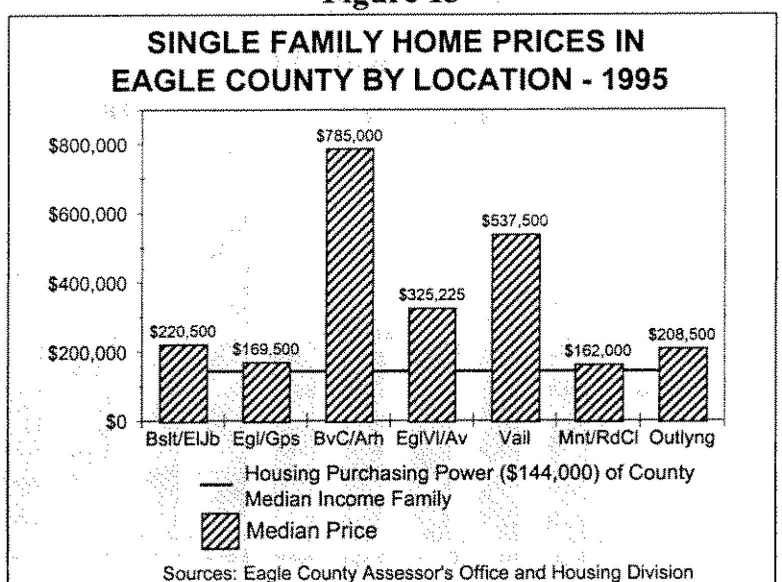

The rise in the cost of housing has been much more dramatic in Eagle County than elsewhere. As noted above, the median price of a single family home in Eagle County has increased 93% during the 1990's. During the same period, the increase for a single family home in the U.S. has been 18%, while in the West, the increase has been only 5%. Figure 12 shows these trends.

**Figure 12**




The price of housing varied considerably among the various communities around the county. The least expensive area was Minturn/Red Cliff where the 1995 median price for a single family home was $162,000, while the most expensive was Beaver Creek/ Arrowhead where the median price was $785,000. The median single family home prices for the communities are shown in Figure 13.

**Figure 13**



The sales prices for new housing constructed in Eagle County during 1995 were significantly higher than the prices for sales of previously existing units. Excluding mobile homes, the median price of all newly constructed units was $290,000, or 41% more than the median price for sales of existing units at $205,000. Looking at just single family homes, the median price of new units was $390,000, or 65% more than the median price of resales at $236,050.

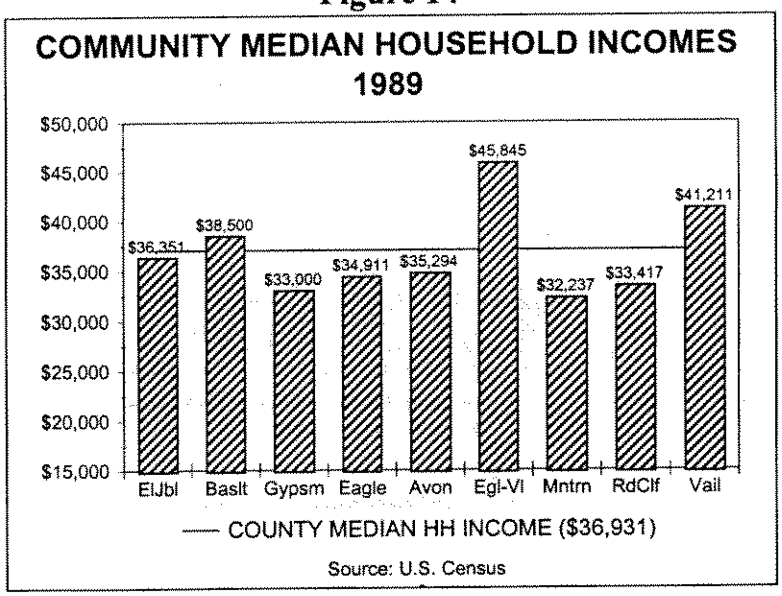
The cost of vacant land has also been rising rapidly during this decade. According to Data Research Associates, the average sales price for vacant land has risen from $94,647 in 1990 to $151,958 in 1995, an increase of 61%.

The effective total price of a house to a home purchaser depends not only on the selling cost, but also the financing cost. During the first years of this decade, mortgage rates dropped from about 10% to 7.1%. However, by 1995 they had risen to about 7.8%. The initial decrease in mortgage rates helped offset, to some degree, the rapidly rising home prices in Eagle County during the first part of the 1990s. However, this is no longer the case.

**Income Information**

Housing affordability is a function of housing prices and residents' incomes. The last Census was taken in 1990. As the Census asks people what their income was for the year before, the income data from the last Census is for 1989.

**Figure 14**



According to the Census, the median household income in 1989 for Eagle County was $36,931. The "households" category includes families, single individuals, and unrelated individuals living together. Family income is typically higher than that for other types of households, and the median family income was $41,183, while the median nonfamily household income was only $30,082.

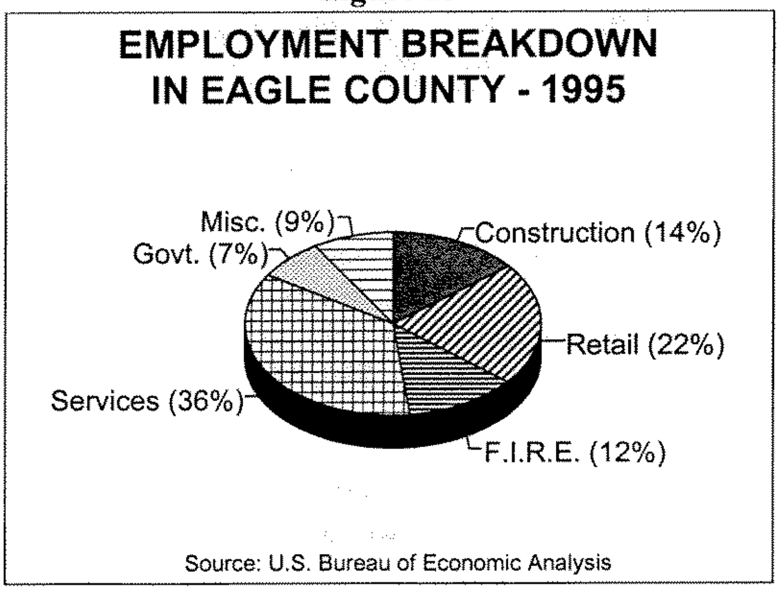
The median income figure for the county combines together all the communities within the county. Figure 14 shows that the median household income ranged from a low of $32,237 in Minturn to a high of $41,211 in Vail.

**Employment and Labor Force Information**

The level of income in an area is, to a degree, a reflection of the employment in that area. As noted earlier, prior to the arrival of skiing, most of the employment in Eagle County was in agriculture and mining. Since then, overall employment has increased rapidly, while these sectors have declined in importance. The sectors experiencing the largest growth have been services, retail trade, construction, and the combined finance, insurance, and real estate (FIRE) sector.

During the present decade overall employment has continued to increase rapidly, but the percentage breakdown of the various sectors has tended to remain about the same. As illustrated in Figure 15, the largest sectors are services (36%), retail (22%), and construction (14%). The majority of the service sector consists of amusement &

**Figure 15**

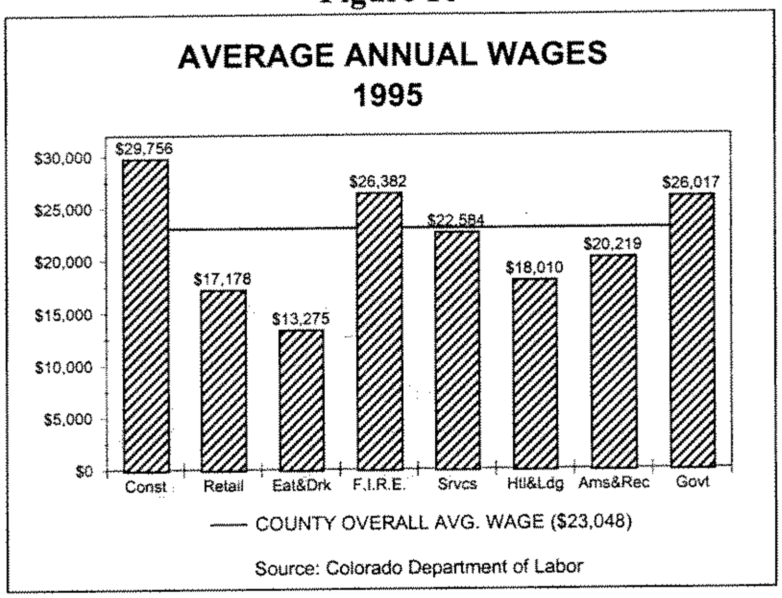


recreation (34%) and hotels & lodging (33%). Most of the retail sector consists of eating & drinking operations (53%).

There is a major real estate boom in progress in Eagle County and the construction sector is having a significant influence on other sectors. For example, increased construction is resulting in increased activity in the retail trade and service sectors. If the local economy slows in the future, construction employment may be the first to decrease with resultant declines in other sectors.

As shown in Figure 16, the average wage in the county in 1995 was $23,048. Of the major sectors, the highest paying was construction where the average annual wage was $29,756. However, both of the two largest sectors, services and retail, had average annual wages below the county average. The service sector was slightly below the county average at $22,584, while retail had annual wages of only $17,178.

**Figure 16**




It is interesting to look at how Eagle County income and wages compare with state and national figures. The median family income, as reported by the U.S. Department of Housing and Urban Development (HUD), in 1995 for Eagle County was $51,900, while for Colorado it was $42,900 and for the U.S. $40,200. Income was thus higher than in the state and nation.

On the other hand, wages have been significantly lower. The average annual wage for Eagle County in 1995 was $23,048, which was only 85% of the average wage for Colorado ($27,122), and only 83% of the average wage for the nation ($27,845). This same pattern has persisted over time where income has been higher in Eagle County than elsewhere, while wages have been lower.

The reason for this could be due to the way the data is reported. Income data is based on where a person resides, while wage data is based on the location of the job. There are a number of workers earning lower wages who cannot afford to live in Eagle County due to the high housing prices. To the extent such persons with lower incomes live in other counties, this would tend to raise the median income reported for Eagle County.

At first glance, it is surprising that overall wages are lower in Eagle County as it is believed that many of the local jobs have higher pay than comparable jobs elsewhere. However, these jobs are largely in the retail and service sectors, which together comprise a majority of employment. Even though these jobs may have higher wages than service and retail jobs elsewhere, their rates of pay are not enough to offset the lack of jobs in higher paying sectors, as such sectors are small in Eagle County. For example, there are not significant numbers of manufacturing or transportation, communications, and utilities jobs in Eagle County. These sectors have high wage rates and represent significant portions of the labor force elsewhere, thus bringing up the overall average wages in those areas.

Another factor accounting for the high income in Eagle County is the high rate of participation in the labor force. According to the 1990 Census, 90% of residents sixteen years or over were in the labor force. This is much higher than the 76% rate at the state level or the 70% national rate. While Eagle County residents tended to work the same number of weeks per year as persons at the state or national levels, they worked significantly more hours per week.

The number of workers per family in Eagle County is much higher than elsewhere. In 1990, 67% of the families had two workers in the family, with an additional 10% having three or more workers. Thus, while 77% of the families in Eagle County had two or more workers, only 64% of the families in Colorado, and 59% of the families in the U.S., had two or more workers. The percentage of women who work, 78%, is the third highest of all counties in the nation.

The high number of workers per family in Eagle County is reflected in higher earnings, with a one-worker family having an average income of only approximately $47,000, a two-worker family having an average income of about $53,000, and a three- or more-worker family having an average income of about $76,000. The large number of family members working in Eagle County also accounts for the strong interest in child care services. The HNA found that in households with two parents, less than one-fifth had only one parent working.

The HNA also developed some further information about the labor force from its employee survey. It found that numerous persons who live in the area full time make their living by combining seasonal jobs occurring at different times during the year. Respondents indicated they worked on average forty hours per week during the summer and forty-five hours per week during the winter, with multiple job holding being common during the winter. The work force is likely to be married (44%), but a majority of households still have no children in the home (67%). The divorce rate is up sharply with 13% reporting they are divorced in 1990, compared to 8% in 1984.

## Housing Prices vs. Income

As noted above, the affordability of housing depends on both the housing prices and the income levels within an area. In Eagle County housing prices are considerably higher than in the state or nation. On the other hand, income levels are also somewhat higher.

One way to compare the relationship between housing prices and income is to look at the ratio of the median value of housing to the median family income. In fact, one informal rule of thumb for how much a family can afford for housing is that the home price can be two and one-half times a family's annual income.

For Eagle County, the ratio of the 1990 median housing price to median family income was 3.3. This compares to a ratio of 2.3 for Colorado and the U.S. In other words, housing is 43% more expensive in relationship to income than in the state or nation. Even though incomes are somewhat higher in this area, the housing prices are much more so.

One measure of affordability is the percentage of households which could qualify to purchase the median-valued home using common underwriting standards for obtaining a mortgage. Assuming a 5% down payment, a household would have needed an income of approximately $57,900 to have purchased the median-valued home in Eagle County in 1990. Only 22% of the households in Eagle County were at this income level. This compares with approximately 38% of households at the state and 41% at the national levels which could have afforded to purchase the median-priced homes in those areas.

Another way to consider the data for Eagle County is that given the median household income of $36,931, this amount of income would have been sufficient to purchase an $80,891 home. Only 15% of the homes in the county were valued at or below this amount. The median household income was approximately $21,000 short of the amount needed to purchase the median-valued home.

It is possible to break down the data by various age groups. Only 9% of the households with a householder under twenty-five years old could have qualified for a mortgage for the median-valued home. This increases to 18% of households with a householder aged twenty-five to thirty-four. The twenty-five to a thirty-four-age group is one of the largest, and while it is also an age group particularly interested in purchasing a home, 82% of its members would not qualify for a mortgage needed for the median-valued home.

The age group in Eagle County with the highest percentage of qualifying households is the forty-five to a fifty-four-year-old group in which 35% of the households would qualify. Of those households with a householder over sixty-five years old, only 10% would have qualified to purchase the median-valued home.

In addition to considering "household" income, it is also possible to consider "family" income in relationship to housing prices. The difference between "households" and "families" is that households also include persons living alone and unrelated individuals living together. Of the total 8,354 households in Eagle County reported in the 1990 Census, 5,081 (61%) consisted of families.

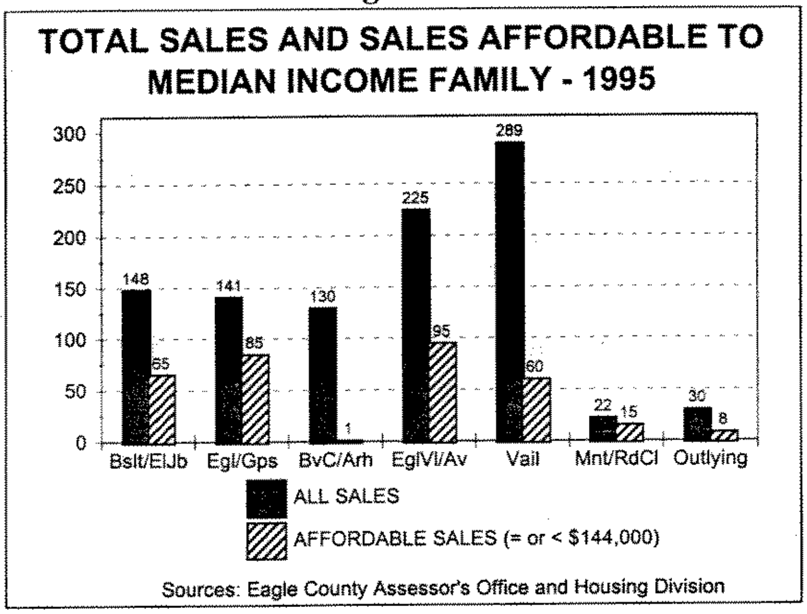
It could be argued that most single persons and unrelated persons living together would largely not be interested in home ownership but would prefer to rent. In addition, the reality of the housing market today, to a large extent, requires two incomes in order to support house payments and other living expenses. This suggests that it would make sense to look at family income in relation to housing payments.

In order to have purchased the median-valued home in 1990, a family would have needed the same level of income as a household, i.e., $57,900. As overall family incomes are higher than household incomes, about 26% of the families in Eagle County could have qualified for a mortgage to purchase the median-valued home. Alternatively, the median family income was $41,183, and this would have been enough to qualify for a $92,434 house. The median family income was approximately $43,500 short of the amount needed to purchase the median-valued home.

The number of housing units affordable to the median income family varies considerably by community. In Figure 17 the number of 1995 total housing sales and the number of affordable sales by community is noted. Total sales include all types of housing ranging from mobile homes on the low end to single family homes on the high end. Sales affordable to the median income family are those which were about $144,000 or less.

The percent of all sales affordable to the median income family varied from 1% in the Beaver Creek/Arrowhead areas to 68% in the Minturn/Red Cliff areas. However, there were not many total sales in the Minturn/Red Cliff areas. The percent of affordable sales

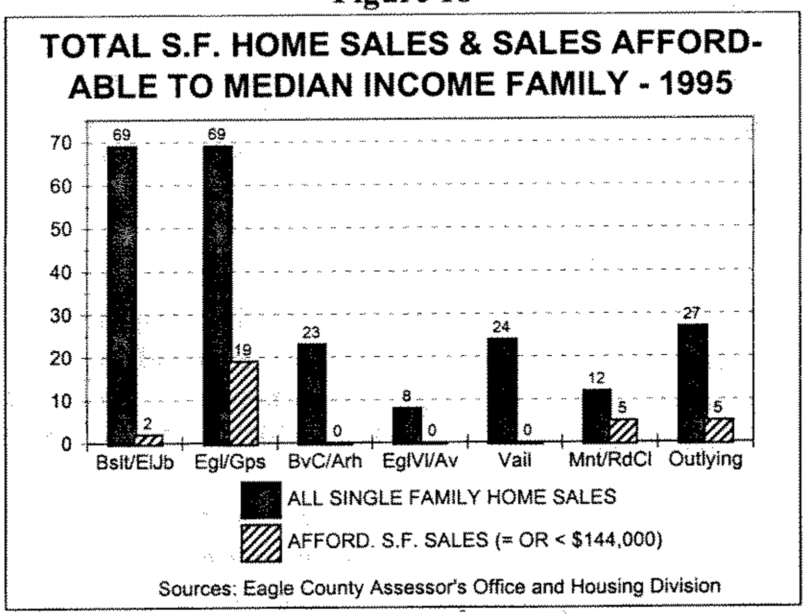
**Figure 17**




in other areas were Basalt/El Jebel at 44%, Eagle/Gypsum at 60%, Eagle-Vail/Avon at 42%, Vail at 21%, and outlying areas at 27%. The overall percentage for Eagle County was 35%.

If mobile homes and multi-family units are factored out, and just single family homes are considered, the number of 1995 sales affordable to the median income family drops considerably. This information is presented in Figure 18.

**Figure 18**



The percentage of single family homes affordable to the median income family ranges from zero in Beaver Creek/Arrowhead, Eagle-Vail/Avon, and Vail to a high of 42% in the Minturn/Red Cliff areas. (The Minturn/Red Cliff markets are, again, very small, though.) Three percent of the single family homes were affordable in the Basalt/El Jebel areas, 28% in the Eagle/Gypsum areas, and 19% in outlying areas. The overall percentage for Eagle County was 10%.

Using the concept of what percent of homes are affordable to the median income family, the National Association of Home Builders prepares a Housing Opportunity Index (HOI) to measure the affordability of the housing stock in the nation. This index is prepared on a quarterly basis and only includes homes costing $29,000 or more to eliminate mobile homes. According to the HOI's for 1995, approximately 62% of the national housing stock costing $29,000 or more was affordable to the median income family. The National Association of Home Builders does not prepare an HOI figure for Eagle County. However, applying the methodology to Eagle County would result in an HOI of 36%. This would have placed Eagle County among the ten least affordable locations for the approximately 185 areas for which the index is computed.

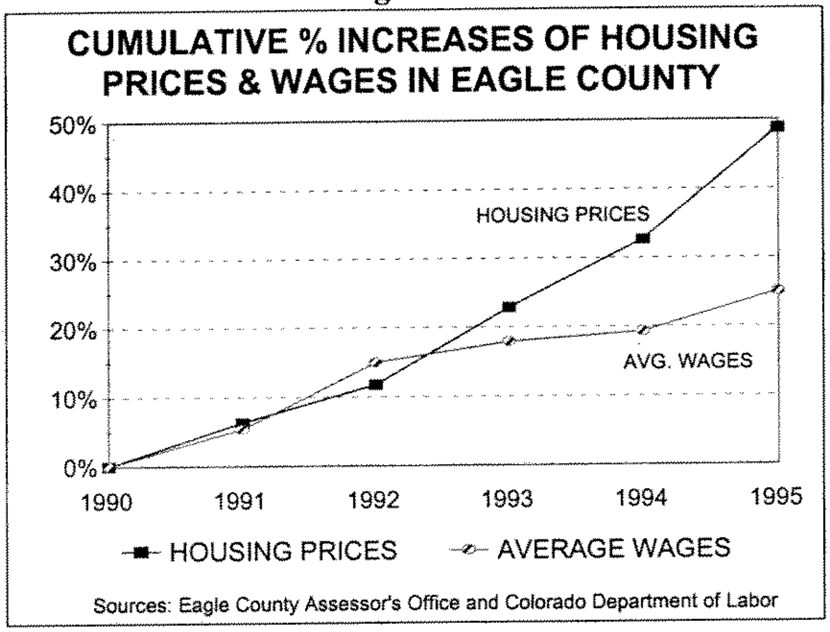
It is possible to examine whether housing has become more or less affordable since 1990. If housing prices have increased faster than incomes during the 1990s, then the affordability problem would have worsened. On the other hand, if incomes have increased faster than housing prices, then the situation would have improved. It is thus necessary to consider recent changes in both housing prices and income data.

The median family income reported in the 1990 Census was $41,183. The 1995 updated figure from HUD, $51,900, represents an increase of 26%. Comparing this with the 93% increase for single family homes, or the 49% increase for all types of housing, suggests that the housing stock has become less affordable to local residents.

There are also other income measures which can be considered to see if they bear out the above results. For example, it is possible to look at the change in wages versus the change in housing prices to determine whether housing has become more or less affordable. The Colorado Department of Labor publishes wage information for Eagle County. In 1990 the average wage paid in the county was $18,438. By 1995 this had risen to $23,048, an increase of 25%. This is also below the increase in housing prices, as is illustrated in Figure 19.

It is also possible to consider the number of jobs at the average wage which would have been required to purchase the median price home. In 1990, it would have taken 3.1 such jobs in Eagle County to purchase the median price home, while in Colorado it would have

**Figure 19**



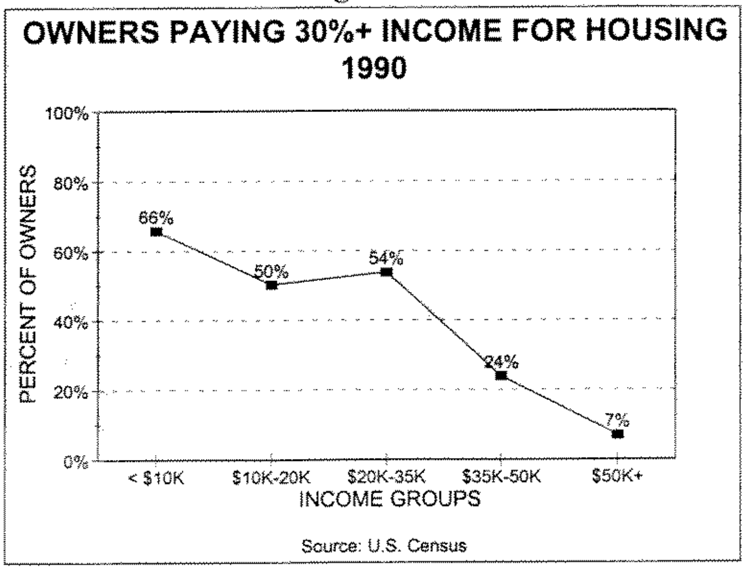

taken only 1.6 jobs, and in the U.S. 1.5 jobs. In 1990, it thus took about twice as many average wage jobs in Eagle as in the U.S. and Colorado to afford the median-priced home. By 1995, the number of jobs required to purchase the median price single family home in Eagle County had risen to 3.7. (If one looks at mean prices rather than median prices, it would have taken 5.9 jobs to have purchased the mean value single family home in Eagle County.)

In summary, whether one looks at family income or wages, income has not been increasing nearly as fast as home prices. This is an indicator that housing has become less affordable to local residents over time.

### Home Ownership Costs

For those owning a house and making mortgage payments, the cost of housing is higher than for renters. The median amount of owner costs for this group in 1990 was $1,031. On the other hand, for those who have paid off their homes, ownership is considerably cheaper than renting with the median owner costs being $245. The median amount of owner costs as a percentage of income is 24% for those with a mortgage, and 13% for those without a mortgage. While 30% of those with a mortgage are paying thirty percent or more of their income for housing, only 8% of those without a mortgage are paying thirty percent or more of their income for housing.

Figure 20




Among the group of homeowners, it is possible to break out the data by income groups to determine which groups are paying thirty percent or more of their income for housing costs. As shown in Figure 20, for households earning less than $10,000, the figure is 66%. This percentage decreases as incomes go up, until for households earning more than $50,000, it is only 7%.

## Rental Costs

Rents are high in Eagle County. The 1990 Census reported the median contract rent, i.e., the rental amount the tenant is required to pay the landlord, was $544 in Eagle County. This was 50% higher than the median contract rent for the state and 45% higher than for the nation.

The median gross rent, which also includes all utilities, was $620 per month in 1990. This was 49% higher than the state and 39% higher than the national gross rents. The most common gross rent for a unit with no or one bedroom was within the $300 - $499 range. The most common gross rent for a two-bedroom unit was within the $500 - $749 range. The most common gross rent for a three-bedroom unit was more than $1,000.

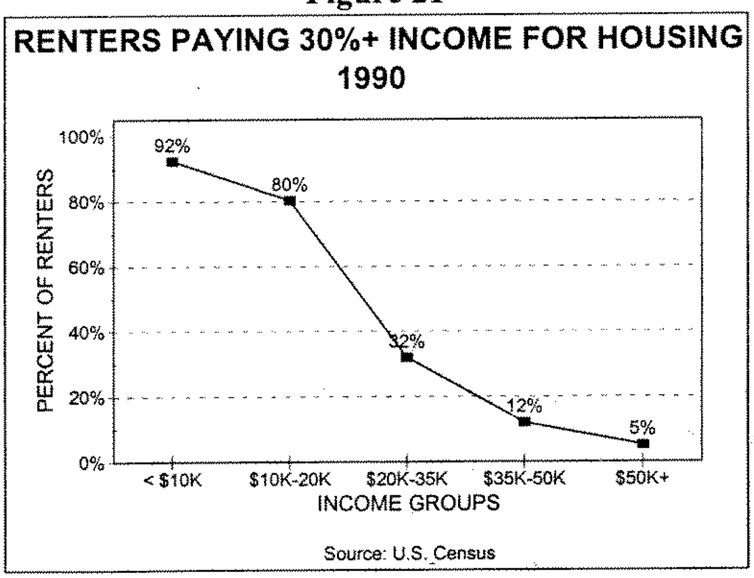
In November 1995, the Eagle County Housing Division carried out a survey of apartment rents to update the Census data. The results of this survey showed that the median contract rent had risen to $880, an increase of 62% since 1990. (This same survey turned up only five vacancies out of the 1,093 units counted. This is essentially a zero vacancy rate.) The rents per type of unit are shown in Table 3.

| TABLE 3. 1995 CONTRACT AND GROSS RENTS IN EAGLE COUNTY | | | | |
|---|---|---|---|---|
| | CONTRACT RENTS | | GROSS RENTS | |
| Number of Bedrooms | Range of Rents | Average Rent | Range of Rents | Average Rent |
| Studio | n.a. | $500 | n.a. | $500 |
| One | $425-$794 | $658 | $463-$856 | $679 |
| Two | $375-$1,085 | $886 | $492-$1,202 | $941 |
| Three | $525-$1,245 | $1,000 | $666-$1,386 | $1,032 |
| All Units | $375-$1,245 | $864 | $463-$1,386 | $908 |
| Source: Eagle County Housing Division - November 1995 Survey | | | | |

One standard that is applied to determine if rental housing is affordable is whether it can be obtained for 30% or less of a household's gross income. Overall for the county, median gross rent represented 24% of household income. However, those households with lower incomes pay a considerably higher percentage of their income for housing than those with higher incomes.

As shown in Figure 21, 92% of the renter households with income below $10,000 are paying thirty percent or more of their income for housing. Eighty percent of households with an income between $10,000 and $20,000 are paying thirty percent or more of their

**Figure 21**



income for housing. Higher income households pay an increasingly smaller percentage of their income toward rent with only 5% of households with more than $50,000 income paying thirty percent or more of their income for housing. For the county as a whole, over one-third of renter households were paying thirty percent or more of their income for housing.

It is likely that the percentage of Eagle County renters paying more than 30% of their income has increased since 1990. As noted above, median contract rents have increased 62%. However, average wages in the county have only increased about 27%. Since rents have risen much more rapidly than wages, renters are probably paying more of their income for housing.

It is sometimes suggested that ways to bring down the cost of housing are to allow mobile homes and higher density. The HNA developed some data generally supporting this. As indicated in Table 4, it found that the cheapest per bedroom cost, combining both rental and mortgage figures, occurred in mobile homes where the average monthly cost was $214 per bedroom. Multi-family structures then had cheaper costs than detached housing. The overall average cost per bedroom was $15 greater for renters than for owners.

| TABLE 4. 1990 AVERAGE RENTS/MORTGAGE PAYMENTS | |
|---|---|
| | Per Bedroom |
| Mobile Home | $214 |
| Apt/Condo | $264 |
| Duplex/Triplex | $294 |
| Cabin | $300 |
| Single Family Home | $336 |
| Source: The Eagle County Housing Needs Assessment | |

## Demographic and Socio-Economic Projections

The final part of this chapter deals with future trends which may affect Eagle County. There is, of course, a high degree of uncertainty how accurate future projections will prove to be. However, they help provide some indication of what the area may experience. Table 5 contains information which was compiled in the preparation of the Eagle County Master Plan.

| TABLE 5. POPULATION, DWELLING UNIT AND EMPLOYMENT PROJECTIONS, 1995-2010 | | | | | |
|---|---|---|---|---|---|
| | Permanent Population | Permanent Dwelling Units | Seasonal Population | Seasonal Dwelling Units | Employment |
| 1995 | 27,993 | 10,663 | 18,966 | 6,322 | 25,013 |
| 2000 | 32,474 | 12,367 | 22,002 | 7,334 | 30,616 |
| 2005 | 36,311 | 13,828 | 24,600 | 8,200 | 35,730 |
| 2010 | 40,034 | 15,246 | 27,123 | 9,041 | 40,846 |
| Source: Alan Richman Planning Services, using data from the CO. Div. of Local Govt. | | | | | |

The projections in this table show continuing large increases in the population, dwelling units, and employment in Eagle County. However, the percentage increases are below the rates which have been experienced in the past. For example, the population increases during 1960 to 1990 ranged from 60% to 78% per decade. The projections, though, show the increase for this present decade at 48%, and for the next decade at only 23%. In terms of absolute numbers, the population increased by about 8,600 persons during the last decade, while the projections show an increase of about 10,500 persons for this decade, falling off to approximately 7,600 persons for the next decade. During the last decade of this century, Eagle County is projected to remain the fastest growing county in its region.

The projections for the permanent number of dwelling units are based on the population growth. It is assumed that the persons per dwelling unit will remain the same as it is today, i.e., 2.6. Dividing the population increases by this number results in the number of dwelling units which will be needed.

To determine the projections for seasonal units, it is assumed that the ratio of seasonal to permanent units will remain the same as today. The seasonal population projections are then obtained by multiplying the number of seasonal units by three persons per unit.

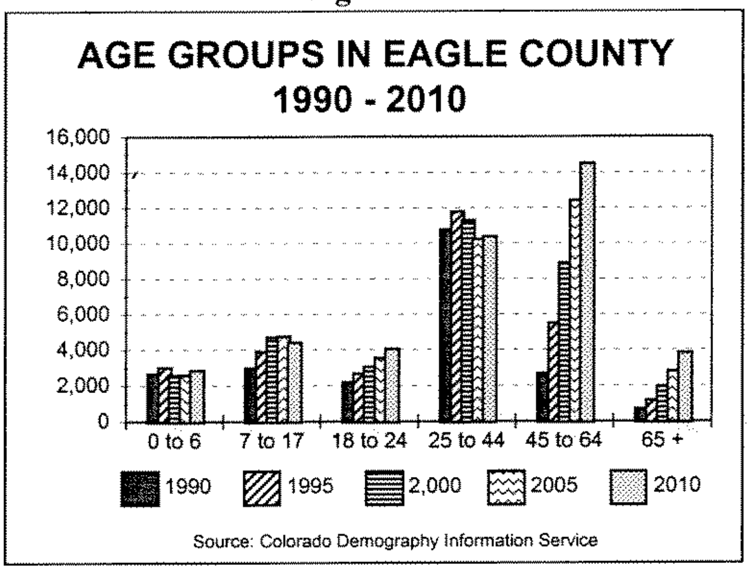
In addition to the information above, there are also projections from the Colorado State Demographer's Office for the median age in Eagle County, with the population projected to age considerably. Historically, the county median age has been below that of the state and nation. For example, in 1990 the county median age was 30.6, while the median age for the state was 32.5 and for the nation 32.9. However, after 1995, the county median age is projected to exceed those for the state and nation. By the year 2000, the median age in Eagle County is projected to be 37.7, and by 2010 it is projected to be 42.2. The Eagle County median age for 2010 is thus projected to be about four to five years older than those for the state and nation in that year.

While the State Demographer projects the overall population of Eagle County to increase

81% between 1990 and 2010, the number of persons aged 65 or over is projected to increase by 452%. This age group is thus projected to increase from 3% of the population in 1990 to 10% in 2010. For the period 1990 - 2000, the percentage growth in the 60+ population in Eagle County is projected to be 160.4%, the second highest in the state, following only Douglas County. This will mean an increase of the 60+ population from 1,075 persons in 1990 to 2,798 persons in the year 2000.

The other age group which is projected to increase at a faster rate than the rate for the overall population in Eagle County is that composed of persons aged 45 to 64 years. This group is projected to increase 449% from 1990 to 2010. It is thus projected to increase from a 12% share of the population to a 36% share. This information is illustrated in Figure 22.

**Figure 22**




In 1991 the Skyline Six Area Agency on Aging conducted a telephone survey of the elderly population in Region XII (Eagle, Grand, Jackson, Pitkin, Routt and Summit Counties). It found that 73% of the sample indicated that they see themselves living in the same town or county in the next five to ten years. If unable to live independently in their own homes, the most popular options were retirement villages (44%) and assisted living facilities (25%). It also found that the three factors which accounted for the large percentage increase in the elderly population in Eagle County appeared to be aging in place, seeking a place to retire with amenities, and relocating of elders to be closer to their adult children.

## Summary

The housing stock has been growing very rapidly in Eagle County in response to demand from local residents, second home buyers, and seasonal residents. Housing prices have increased at a rapid rate during the decade and have outpaced increases in income and wages. The projections for the future indicate there will be continued rapid development in the county.

# CHAPTER 2

# HOUSING NEEDS

## Introduction

The previous chapter included background information on the housing situation in Eagle County. This chapter goes a step further and provides information relating to actual housing needs.

The chapter begins with various definitions of "affordable" for both rental and owner-occupied housing. It then provides a general overview of housing needs, followed by specific measures that can be used to identify housing needs. It also provides some information on special needs populations. There are then sections on the housing preferences of local residents and household types and sizes. This is followed by analyses of housing needs and housing availability by income levels. The chapter concludes with a section on entry level housing needs.

Part of the information in this chapter is based on The Eagle County Housing Needs Assessment (HNA) which was done in May 1990, about the same time as the 1990 Census was conducted. However, Census results were not released until after the HNA was completed.

The Eagle County HNA is now dated and this raises concerns about using its findings. Given that housing prices have escalated much more rapidly than wages and income since the study was done, it is likely the housing needs identified in the study have become more acute. On the other hand, some steps have been taken since the study to increase the supply of affordable units, and these steps also need to be taken into account. The next chapter has information on the actions which have been taken to address the affordable housing issue.

## What Does "Affordable Housing" Mean?

"Affordable" is a word that is used pervasively, but loosely. For example, in the resort area, houses selling for hundreds of thousands of dollars are still advertised as "affordable". Taken in an absolute sense, this is true because such high end properties are affordable to someone and will sell. However, in designing an affordable housing program, it is not useful to consider such high end product. Rather, it is necessary to come up with a good working definition from a public policy perspective.

When affordable housing is popularly discussed in Eagle County, it tends to include a variety of overlapping concepts. It is often thought of as less expensive units, with "less expensive" being thought of either in an absolute sense (i.e., units with low prices), or in a relative sense (i.e., in comparison with usual prices on the open market). "Affordable housing" also seems to include a concept of value, in other words, that the amount one pays for "affordable" housing is reasonable in terms of what one is receiving. Given that housing prices are so much higher in Eagle County than in most other areas, there is a sense that one typically has to pay too much for housing.

In addition, "affordable housing" is commonly used to refer to housing which has received government assistance. (Sometimes, though, it is a disappointment to residents of local government projects that the rents are still so high.) People also tend to include deed-restricted units which have been removed from the open market and limited to local buyers.

There is no absolute definition of "affordable". For example, in earlier years in the United States it was considered that no more than 25% of a household's income should go toward housing. However, the cost of housing has increased over time, and it is now often thought that no more than 30% of a household's income should be required for housing. There is also another train of thought, though, that one should expect to pay a premium for living in the resort areas, and it is thus reasonable to expect that a household should pay a higher amount of its income for housing. Ultimately, the definition of what should be considered "affordable" in a housing program needs to be a reflection of community will, as reflected through the community's political process.

It is helpful to consider how other resort areas have defined affordable. For example, San Miguel County has defined affordable as meaning housing reserved for local employees. The language in its ordinance reads, "Residential dwelling units in Telluride Region that are permanently deed restricted by County's R-1 Housing Deed Restriction to limit use and occupancy to persons (and their families) who live and earn their livings primarily in R-1 School District of San Miguel County." There is now concern in San Miguel County, though, whether this definition is adequate as the prices of single family "affordable" homes are in the $300,000 range, and the County is considering whether its definition needs to be modified.

The Town of Telluride has essentially three types of "affordable housing", with two of these involving deed restrictions of private sector units. One of the types of deed-restricted housing is referred to as Affordable Housing Units, which are required for new developments. There are regulations relating to local employment, income limits, asset limits, and unit sizes. Rent and sale prices are geared toward the 45th percentile of wage earners, with gross rent limited to 30% of this earning level. In order to determine the 45th percentile, the Town undertakes periodic wage surveys. There is also a maximum income limit of $3,600 per bedroom, and no more than 25% of income may be from non-employment sources. The net worth of purchasers and owners may not exceed two times the allowed purchase price, and owners may not own any other local residential property.

The other type of deed-restricted unit in the Town of Telluride is referred to as Employee Dwelling Units. These are secondary units built on residential lots for which a bonus density and waiver of water and sewer tap fees have been allowed. The only restriction is that the occupants must be local employees, and there are no limits on the amount of rent charged.

The Town of Telluride's third type of affordable housing is rental units which have received local and federal subsidies to get costs down as low as possible. They are then operated by the Telluride Housing Authority, with the rents being set at the rates required to meet debt service and operating expenses.

The Aspen/Pitkin County area has adopted a detailed definition of affordable housing which takes into account employment, household income, buyer's assets, housing size, occupancy standards, and a limitation regarding owning other residential property. Specifically, depending on various housing categories, gross household income cannot exceed \$23,200 to \$119,500, net household assets cannot be more than \$150,000 to \$225,000, the units must be of a minimum size, there must be at least one person per bedroom, the occupants must be local employees, and they can't own other residential real estate in the area.

Summit County has a relatively simple definition of affordable housing in its comprehensive plan. It defines affordable housing as housing targeted to low- and moderate-income groups, which includes household incomes up to 115% of the county median income.

In Glenwood Springs, a definition is included in a city ordinance exempting affordable housing from fees. The definition used is residential dwelling units for which the rent or purchase expense does not exceed 30% of the gross annual income for low-income households as defined by H.U.D. This would equate to households with incomes less than 80% of the area median as adjusted for household size.

In Steamboat Springs a definition was developed to determine whether a project should be considered for city incentives or concessions. Under this definition, "Affordable housing is housing available for ownership, long term rental, or seasonal rental for residents and those employed in Routt County. . . . A project should meet the following minimum criteria:

- Below market financing and minimum down payments (typically 5%) should be available for owner-occupied units.
- Below market rents should be available for rental units.
- Controls should exist for resale of property and rent increases.

- Submittal of a) a pro forma, b) evidence of construction and/or permanent financing, and c) building construction plans, should occur prior to formal consideration for public assistance."

For this report, the definition of affordable is broken down into one definition for renters and another for owners. For rental housing, the figure of no more than 30% of income is used as it is a widely recognized national standard. In addition, from an analysis point of view, it is a practical level to use since the U.S. Census provides data on how many households are paying in excess of this amount. (The Census also provides data on how many households are paying in excess of 35% of their income for housing, so this figure would also be practical to use from an analysis perspective, but no higher percentages are available.) The 30% figure includes both rent for the unit itself and also utilities.

For ownership, the affordability question relates to a household's ability to obtain a mortgage under the various underwriting standards. For this report, "affordability" is based on the amount of housing a household could obtain with a 30-year mortgage, a 5% down payment, allowing 28% of household income to be applied toward housing payments, and the current interest rate. This "affordability" definition is open to challenge. For example, there are mortgage programs which allow for more than 28% of income to be used for housing, and using a higher figure would result in a higher level of affordability for a given household's income. It could also be argued that a 10% down payment would be reasonable as a reflection of community expectations that home buyers should be expected to accumulate this much in savings.

The ownership affordability definition above includes the 28% of household income figure because it is the one commonly used by the Federal National Mortgage Association, a large quasi-governmental agency which purchases a large proportion of mortgages on the secondary market. It includes the 5% down payment as a result of input from the Eagle County Housing Task Force. The Task Force believed that even middle-income households are finding it difficult to obtain housing, and that given the very high real estate prices in the area, it is not reasonable to expect a household to accumulate a 10% down payment.

Once the determination is made as to the standards for determining affordability, the next issue becomes, "Affordable to whom?"; in other words, "Who is to be helped?". The answer can be approached by first determining which groups are not adequately having their housing needs met by the open market. The next step is to determine which of these are priority groups to be assisted. Possible groups which could be considered include local residents, seasonal employees, very low-income, low-income, moderate-income, middle-income, renters, owners, employees, wage and service workers, single worker families, families in general, first-time home buyers, senior citizens, and others. It becomes a policy decision as to which of these groups should receive higher priority.

While which groups are to be assisted depends on community will, the information below can help provide some indications of need in working through the process of determining community priorities.

## General Overview of Housing Needs

As noted previously, housing is expensive in Eagle County. People cope with this expense in a variety of ways. One way is through paying more for housing than persons elsewhere and foregoing other purchases or saving. In addition, the number of workers per family is much higher than state and national rates, people work more per week than elsewhere, and individuals work multiple jobs. Some either become, or take in, roommates and crowd together in order to reduce their individual share of expenses. They commute from outside the area in order to find cheaper housing. People remain renters rather than becoming owners. Young people tend to remain with their families longer. They also postpone purchase of a home until later in their lives than is the case elsewhere. When they obtain housing, they have to accept less than they would elsewhere. For example, the "starter home" becomes a condominium rather than a single family house. Sometimes those who could afford to purchase a home, such as managers, teachers, etc., decide that what they could obtain locally is not worth the price, and they decide to move elsewhere to obtain greater value for a given purchase price.

Before moving to consideration of specific measures of housing needs, it is possible to consider some general indicators. The 1990 Housing Needs Assessment included a survey of employees and employers in the Eagle Valley portion of the county. In the survey a majority of the respondents considered housing to be a major problem. About 39% called it "critical", which is a higher percentage than was reported from similar surveys in other Colorado ski counties. Eighty-seven percent of the respondents felt there was a problem with finding affordable housing.

Nearly all households share housing costs among multiple members. Fifty-six percent of households have two persons sharing the costs, while 27% had three or more persons doing so. Only 18% of households had housing costs paid by a single person.

Renters perceived there was a problem to a greater extent than owners. Forty-six percent of renters stated they were paying too much for housing versus what they were getting for their money while only 32% of owners indicated they were paying too much. Thirty-two percent of renters and 16% of owners were "dissatisfied" or "very dissatisfied" with their current residence.

The HNA notes housing needs for the county are in the process of shifting due to the changing nature of the workforce. The workforce is now composed more of persons intending to remain in the area, with 40% of employees planning to stay in the region indefinitely. This is sharply up from the response received when the same question was asked in a 1984 survey. This stability is one of the basic shifts that has occurred in the past few years in ski communities here and elsewhere. The workforce is also older than in the past, and these workers have different demands and aspirations than the younger members who previously composed the workforce. In particular, they are interested in ownership opportunities.

The survey found that employers were having an increasingly difficult time in recruiting and successfully filling employment needs. A higher than desired portion of jobs remained unfilled, and the shortage of available housing resources was one of the main reasons for this.

Usually, housing programs are established to help lower income families. However, the HNA found that due to the high cost of housing in Eagle County, middle income households were affected as well. The HNA found that while the needs of lower income households were more extreme, the problem of affordability extended up to an income level of $59,999. In 1995 dollars, this would be equivalent to approximately $72,000.

**Specific Measures of Housing Needs**

In order to identify what housing needs are, it is first necessary to define or set some criteria as to what exactly is meant by "housing needs". This is important in determining what directions to take in providing assistance. In addition, the definition(s) that is (are) used in defining needs, can also be important in defining what constitutes "success" or "failure". Below are some ways of measuring needs:

Measure No. 1 - Renters Paying More than 30% of Their Income for Housing Costs

> The 1990 Census identified 1,108 households meeting this criterion. This represented about 32% of all the renter households in the county. This measure of need particularly includes lower income households, with 92% of the households earning less than $10,000, and 80% of the households earning $10,000-$20,000, meeting this criterion. As noted previously, given that rents have increased more rapidly than wages, it is likely than a higher percentage of renter households are now paying more than 30% of their incomes for housing. However, if one applies

the conservative 1990 percentage to the estimated number of households in 1995, the result would be 1,450 households needing assistance under this criterion.

Measure No. 2 - Persons Required to Live Together to Share Housing Costs

One of the ways that persons everywhere cope with housing costs is to become roommates and share expenses. The percentage of persons doing this in Eagle County is much higher than elsewhere, though. In Eagle County in 1990, 44% of the permanent resident nonfamily households consisted of roommate situations. This compares with a state rate of 20% and a national rate of only 18%. The high rate at which unrelated persons in Eagle County are compelled to live together is an indication of the high cost of housing relative to wages. If the roommate situation was to be reduced to the state level, approximately 2,020 persons would have needed to be assisted in 1990. If the conservative approach used to update Measure No. 1 is used again for this measure, the result is 2,643 persons needing assistance in 1995.

It is possible to estimate the number of units needed to reduce the roommate situation to the state level. One approach is to consider that it would only be necessary to build enough new affordable studio and one-bedroom units to house one-half of these persons, i.e., 1,322 units. This would allow this number of persons to move out of existing units and would decrease the percentage of roommate households to the state level. However, the persons left behind in the previously existing units would be faced with paying rents with only their own resources. If one assumes that decreased market pressure would result in significantly reduced rents for these persons, then those persons too would have affordable rents. However, if rents did not decrease in those units, then it would be necessary to build new units for all of the 2,643 persons in order to provide enough affordable housing. Depending on the assumptions made, the estimated number of units needed to reduce the roommate situation to the state level thus ranges from 1,322 - 2,643 units.

Measure No. 3 - Extent of Overcrowding

Housing is considered overcrowded if there is more than one person per room. According to the 1990 Census there were 411 housing units in Eagle County which met this criterion. However, this figure should not include overcrowding due to seasonal employees for two reasons. The first is that seasonal employees should have been counted as living at their normal full-time residence. The other is that the Census is taken in April, and by this time, most or nearly all of the temporary seasonal employees would have left. Overall, the Census results show that overcrowding was somewhat more common in rental as opposed to owner-occupied housing, with 6% of rental units and 4% of owner-occupied units being overcrowded.

Measure No. 4 - Rate of Home Ownership

According to the 1990 Census, the rate of home ownership in Eagle County is 57%. Out of the sixty-three counties in Colorado, Eagle County was the seventh lowest in its rate of home ownership. The overall state rate of home ownership is 62% while for the nation it is 64%. The need for additional ownership opportunities in Eagle County becomes more acute if one considers that the 57% figure does not include those who work in the county but live elsewhere, as they are not included in the base of local residents from which this percentage is calculated.

In determining the amount of need under this measure, it is first necessary to establish a desired rate of home ownership. In the HNA, 69% of the respondents indicated they preferred to own. Setting this as the desired level of home ownership would result in a very high level of need. However, if one used the more modest statewide rate of 62% home ownership, the 1990 level of need would have been to assist 380 additional households own their homes. Using the procedure noted above, the 1995 level of need would have been to assist 500 households.

Measure No. 5 - Owners Paying More than 30% of Their Income for Housing Costs

The 1990 Census identified 647 households meeting this criterion, about 25% of the owner households evaluated under it. This measure of need particularly includes households earning less than the median income, i.e., it includes 66% of the specified owner households earning less than $10,000, 50% of the households earning $10,000-$20,000, and 54% of the households earning $20,000-$35,000. As housing costs have risen much more rapidly than wages since 1990, it is likely that the percentage of owner households paying more than 30% of their income for housing is now higher. However, if one applies the conservative 1990 percentage to the estimated owner households in 1995, the result would be 847 households needing assistance under this criterion.

Measure No. 6 - Percentage of Households Which Can Afford the Median-Priced Home

In 1990, only 22% of the households could have afforded the median-priced home. (As noted above, this figure is based on a mortgage financed for 30 years, a 5%

down payment, and using 28% of household income.) This compares with approximately 38% of households at the state and 41% at the national levels which could have afforded the median-priced homes in those areas. If it was determined to move the county rate toward the state rate, this would mean the 1990 level of need would have been to assist approximately 1,300 households. The 1995 level of need under this measure would have been approximately 1,700 households. Alternatively, another rate of home ownership could also be determined to be desirable. For example, the State of Oregon has adopted a number of housing goals and its target in this category is 50%.

Measure No. 7 - Persons Commuting to Eagle County to Work

One way that persons cope with high housing costs is to commute from an area where housing is less expensive. Although not all the persons commuting from other counties would prefer to live in Eagle County, it is likely that most would as job location is a primary determination of where people like to live. According to the 1990 Census, 1,537 persons or 12% of the Eagle County work force commuted from other counties, primarily Lake and Garfield Counties.

It appears that the percentage of the workforce commuting from outside the county is increasing over time. While employment has increased 38% in the county from 1990 until 1995, the population has only increased 31%, suggesting that more of the workforce is living in surrounding counties. Applying the conservative 1990 percentage to the level of employment for 1995 results in over 2,100 persons commuting in 1995.

It is possible to estimate the number and size of units needed to house these commuting workers and their families. On average, there are slightly less than 1.6 workers per residence in Eagle County, with an average residence having two and one-half bedrooms. Dividing the number of commuting workers by the average number of workers per household results in the need for about 1,400 units with an average of two and one-half bedrooms to provide housing for these employees and their dependents.

Measure No. 8 - Housing for Seasonal Employees

One of the concerns relating to affordable housing is how to provide housing for all the temporary employees who arrive for ski season from December through April. While the year-round employment level in the county is about 19,500 jobs, there are approximately 4,500 additional temporary jobs during the ski season. This represents an increase of about 23% during the winter months. Not all these jobs result in additional employees, though, as multiple job holding is common. As described in Chapter 1, the estimated number of seasonal employees who arrive to work during the ski season is between 1,800 and 2,900 persons. Employers have taken some steps to try to meet this need. For example, Vail Associates advises it is providing housing for more than 900 of the approximately 1,400 outside employees it attracts to the area to work for ski season. Nevertheless, there is a consensus that much of the seasonal employee need is still unmet. This influx of seasonal employees also results in difficulties for local residents as there is additional competition for scarce housing, resulting in both availability problems and higher rents.

Measure No. 9 - Jobs that Are Going Unfilled

The HNA included an employer survey which documented that a large number of employers had vacant positions throughout the winter season. For the 1989/1990 season this figure was 400 jobs among the survey respondents, and estimated to be as many as 600 jobs in the Eagle Valley portion of the county. A review of the industries and employers showed that the problem was widespread, with all categories of business indicating openings. Part of these vacancies was due to applicants who did not take a job or were not offered a job due to lack of housing. Unfortunately, no updated information exists.

Measure No. 10 - Housing Units Needed to Accommodate Future Growth

Alan Richman Planning Services in the Eagle County Master Plan projects that increases in the housing stock, as shown in Table 1, will be needed to

TABLE 1. PROJECTED POPULATION, DWELLING UNIT AND EMPL. CHANGES IN 5 YEAR PERIODS

| | Permanent Population | | **Permanent Dwelling Units** | | Seasonal Population | | Seasonal Dwelling Units | | Employment | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 5 Year Chnge | Cum. Chnge | **5 Year Chnge** | **Cum. Chnge** | 5 Year Chnge | Cum. Chnge | 5 Year Chnge | Cum. Chnge | 5 Year Chnge | Cum. Chnge |
| 1990-1995 | 6,065 | 6,065 | **2,309** | **2,309** | 3,552 | 3,552 | 1,184 | 1,184 | 5,706 | 5,706 |
| 2000 | 4,481 | 10,546 | **1,704** | **4,013** | 3,036 | 6,588 | 1,012 | 2,196 | 5,603 | 11,309 |
| 2005 | 3,837 | 14,383 | **1,461** | **5,474** | 2,598 | 9,186 | 866 | 3,062 | 5,114 | 16,423 |
| 2010 | 3,723 | 18,106 | **1,418** | **6,892** | 2,523 | 11,709 | 841 | 3,903 | 5,116 | 21,539 |

Source: Alan Richman Planning Services, using data from the CO. Div. of Local Govt.

accommodate future growth.

According to the above data, the number of permanent units added to the housing stock for local residents between 1990 and 1995 was 2,309 units. When added to the 1990 figure of 8,354 units, this means that as of 1995 there were approximately 10,663 dwelling units used by local residents. For the remainder of this decade, an additional 1,704 units are projected to be needed to accommodate local population growth. For the first decade of the next century, the projection calls for an increase of about 2,900 units to meet the needs of local residents.

The seasonal data in Table 1 includes both units used for seasonal employees and also second homes. While promoting the development of housing for seasonal employees has been cited as a public policy concern, actively promoting the development of second homes has not. Therefore, although the data on seasonal homes is of some interest, it does not directly assist in determining the housing need for seasonal employees. Unfortunately, there is no more precise breakdown available, so the above data on seasonal units is provided to give a general indication of seasonal housing trends.

It is interesting that employment is projected to grow faster than the permanent population, and by the year 2010 this trend will result in there being more employees than residents. Changing this trend implies that even more permanent dwelling units affordable to workers would be required than shown above.

**Special Needs Populations**

In addition to the needs of persons indicated by the above measures, there are special needs populations. Using 1990 Census data, the Colorado Division of Housing has determined the levels of special needs for Planning Region 12, which consists of Eagle, Summit, Pitkin, Routt, Grand and Jackson Counties. The figures given for supportive housing need were for 311 frail elderly, 1,486 severely mentally ill, 483 developmentally disabled, 14 persons with alcohol or drug abuse, and four persons with AIDS. This information is supplemented by information from the Division of Mental Health indicating that 58% of those in Region 12 with severe mental illness admitted to the local mental health center were unsheltered at the time of admission.

The Colorado Division of Housing also noted that, based on U.S. Census information, 27 individuals were identified as homeless in Eagle County. This included 24 adults and three youths. It also reported that the Women's Resource Center of Eagle provided housing vouchers for the homeless, and on average assisted 40 people per day, 20 of whom were children, during the peak periods of winter. Of these individuals, approximately 5% sought long-term assistance with shelter.

**Housing Preferences**

In looking toward meeting the needs described above, it is important to take into account the preferences of residents. The HNA found that the housing preferences of renters and owners were different. In addition, the preferences of the two subgroups which make up renters, year round workers and seasonal workers, were also found to be different.

The HNA also found that the characteristics of owners and renters were different. Owners generally tend to be older, earn a higher median income, and have been in the region for a longer time period. Renters who are year round workers have relatively low incomes and wish to stay in the area and become homeowners. Renters who are seasonal workers have even lower incomes but do not intend to remain in the area.

As shown in Table 2, owners have a strong preference for single family houses (86%).

TABLE 2. COMPARISON OF PRESENT TYPE OF HOUSING VERSUS PREFERRED TYPE OF HOUSING

| | Owners | | | Renters | | |
|---|---|---|---|---|---|---|
| | Present Housing | Preferred Housing | Differ-ence | Present Housing | Preferred Housing | Differ-ence |
| Single Family | 42% | 86% | (44%) | 10% | 56% | (46%) |
| Duplex | 23% | 3% | 20% | 19% | 11% | 8% |
| Apt./Condo | 15% | 3% | 12% | 54% | 18% | 36% |
| Mobile Home | 20% | 3% | 17% | 11% | 2% | 9% |
| Dorm. | | | | 2% | | 2% |
| Room | 1% | | 1% | 1% | | 1% |
| Cabin | | 5% | (5%) | | 12% | (12%) |
| Other | 1% | | 1% | 3% | 1% | 2% |

Source: The Eagle County Housing Needs Assessment

They would have liked to move out of duplexes, mobile homes, and condominiums. (In Tables 2 and 3, negative numbers in the difference columns indicate preferences which were not being met under the existing housing conditions.)

Compared to the housing they were actually living in at the time, renters would much have preferred to move into single family homes and cabins. They would like to have moved out of apartments/condominiums, mobile homes and duplexes. Overall, 52% of renters would prefer to own their housing. Also, 39% of renters said they would rent in employer housing if given the option.

There were differences between seasonal renters and the overall group of renters. Seasonal renters were more likely to prefer apartment/condominium units (28%) and cabins (16%). Forty percent of them indicated they were living in employee housing, versus only 12% of year round renters.

As shown in Table 3, owners' locational preferences are spread over many communities, with the most preferred communities being Vail, Edwards and Eagle. Generally owners are living in their preferred communities. However, there was some desire to be able to move into Vail. Likewise, there was expressed a limited desire to move from Gypsum.

TABLE 3. COMPARISON OF PRESENT HOUSING LOCATION VERSUS PREFERRED HOUSING LOCATION

| | Owners | | | Renters | | |
|---|---|---|---|---|---|---|
| | Present Location | Preferred Location | Difference | Present Location | Preferred Location | Difference |
| Vail | 16% | 22% | (6%) | 36% | 45% | (9%) |
| Eagle/Vail | 9% | 8% | 1% | 15% | 14% | 1% |
| Avon/Wild. | 10% | 8% | 2% | 16% | 10% | 6% |
| Edwards | 15% | 17% | (2%) | 10% | 6% | 4% |
| Eagle | 10% | 14% | (4%) | 6% | 6% | 0% |
| Gypsum | 16% | 7% | 9% | 5% | 3% | 2% |
| Minturn | 7% | 5% | 2% | 3% | 2% | 1% |

Source: The Eagle County Housing Needs Assessment

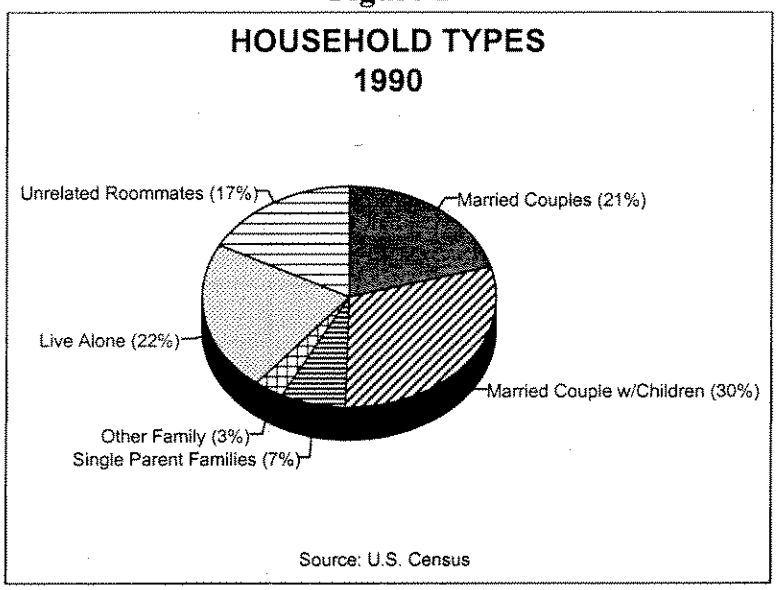
Renters have a strong preference for Vail, followed by lower preferences for Eagle-Vail and Avon. Compared to the locations where they were actually living, renters would somewhat have preferred to live in Vail. They expressed a limited desire to move out of Avon and Edwards. Over three-quarters of the seasonal renters expressed a preference to live in Vail.

Overall, the HNA found that single-family units are still the preferred choice of both owners and renters, but many respondents identified other housing as their first choice. Apartment/condominium units have a strong following among seasonal workers, especially if they are located in Vail.

## Household Types and Size

In considering housing preferences, it is also useful to take into account household types and size. Sixty-one percent (5,081) of the total households consisted of families in 1990, with the various family categories included in Figure 1. This represented an increase from the 1980 Census when only 57% of households consisted of families. However, it was still below the percentages of families at the state (67%) and national (70%) levels.

**Figure 1**




Most of the families (83%) in Eagle County were made up of married couples (with or without children) and virtually all consisted of two to four persons. The average number of persons per family was 3.13 persons, a slight increase from the 1980 figure of 3.08 persons per family.

The percentage of families in Eagle County with children (61%) was significantly higher than at the state (53%) and national (51%) levels. According to the 1990 Census, there were 3,100 families with children in Eagle County, nearly double the number in 1980, when only 53% of families had children. The average number of children per family in Eagle County in 1990 was 1.77, just slightly lower than the averages at the state and federal levels. The average size of families with children was about 3.58 persons. Overall, 37% of all households in the county had children, which was marginally higher than the state and national figures.

Most of the nonfamily households (56%) consisted of single individuals. However, 40% of the nonfamily households included roommate situations where two or three unrelated persons lived together.

In general, family households are larger than nonfamily households. Table 4 provides a breakdown of household sizes in Eagle County.

TABLE 4. EAGLE COUNTY HOUSEHOLD SIZE IN 1990

| | FAMILY HOUSEHOLDS | | NONFAMILY HOUSEHOLDS | | ALL HOUSEHOLDS | |
|---|---|---|---|---|---|---|
| | # | % | # | % | # | % |
| 1 Person | n.a. | n.a. | 1838 | 56% | 1838 | 22% |
| 2 Persons | 1783 | 35% | 942 | 29% | 2725 | 33% |
| 3 Persons | 1329 | 26% | 354 | 11% | 1683 | 20% |
| 4 Persons | 1287 | 25% | 104 | 3% | 1391 | 17% |
| 5 Persons | 478 | 9% | 20 | 1% | 498 | 6% |
| 6 Persons | 146 | 3% | 14 | 0% | 160 | 2% |
| 7+ Persons | 58 | 1% | 1 | 0% | 59 | 1% |
| Total | 5081 | 100% | 3273 | 100% | 8354 | 100% |
| Avg. # of Persons | 3.13 | | 1.65 | | 2.61 | |

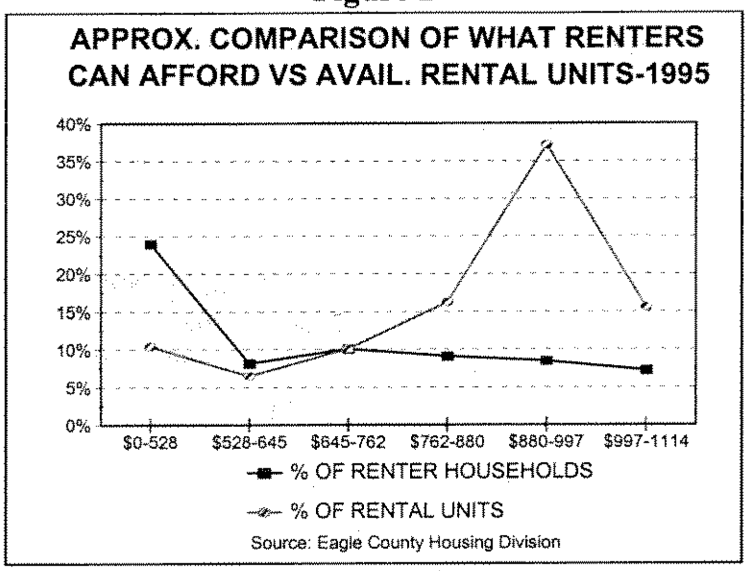
Source: U.S. Census

It is likely that most of the nonfamily households would be renting units. If one compares the size of such households with the rental units available in 1990, there appears to be a great shortage of smaller units. Whereas one-person households compose 56% of the total nonfamily households, only 24% of the rental units are studio or one-bedroom units.

### Income Analysis of Housing Needs and Availability

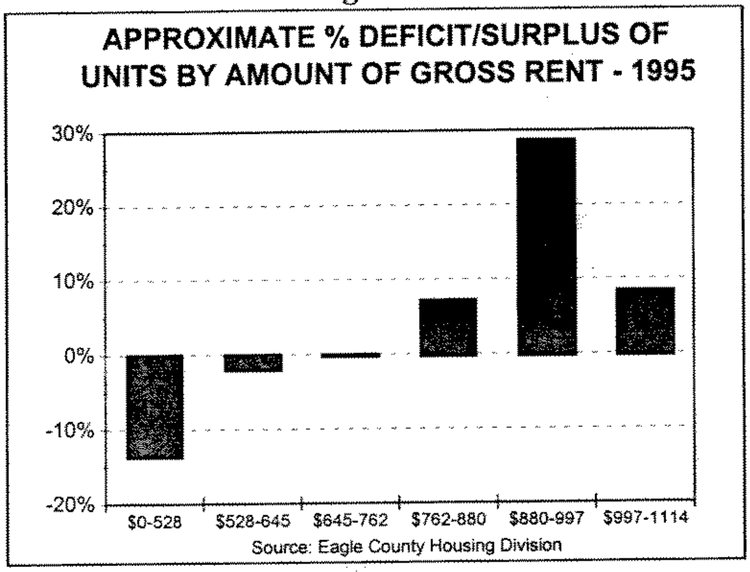
It is possible to analyze household incomes and housing costs to determine where there are gaps in meeting housing needs. For example, for renters, one can look at the incomes of rental households and, using 30% of these incomes, determine the maximum affordable rents. One can then look at the supply of units for each rent category to see how the supply of units matches up with renter household needs. This is done in Figure 2 and Figure 3.

**Figure 2**




In Figure 2, it can be seen that the percentage of lower income renter households is greater that the percentage of affordable units in their price range. On the higher end, the percentage of apartments is greater than the percentage of higher income renters. The differences between the percentage breakdowns of renters and units result in the relative deficits and surpluses shown in Figure 3.

**Figure 3**



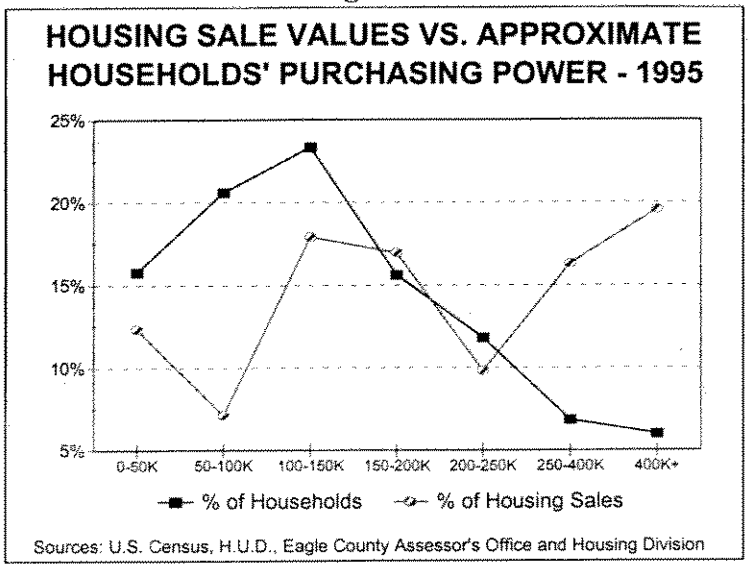

There are deficits in rental units below $645, which correspond to annual incomes below about $26,000 in 1995. In the $645 to $762 range, there is an approximate matching of units with what households could afford. Above $762, there is a relative surplus of units. Since there is a deficit of lower priced units, renter households live in the higher priced units and end up paying more than 30% of their income in rent.

The household income figures used above combine the income of unrelated roommates living together. As has been noted, many of these people live together out of financial necessity, and would prefer to live alone. By living together, they raise the level of their household income. Despite the fact they are living together and sharing expenses, though, many such households are still paying more than 30% of their income for housing. If the income of roommates was considered separately, the shortage of less expensive rental units would be even more acute.

It is also possible to analyze for-sale housing in terms of its affordability to various income households in Eagle County. The purchasing power of the various income groups can be computed by using the for-sale affordability criteria noted earlier (a 30-year mortgage, a 5% down payment, and 28% of income). One can then examine the prices at which housing is selling in the county. (The housing sales consist of sales to both local residents and second-home buyers.) By comparing the two sets of data, it is possible to get a rough approximation of where there are deficits or surpluses of housing product in relationship to local residents' purchasing power.

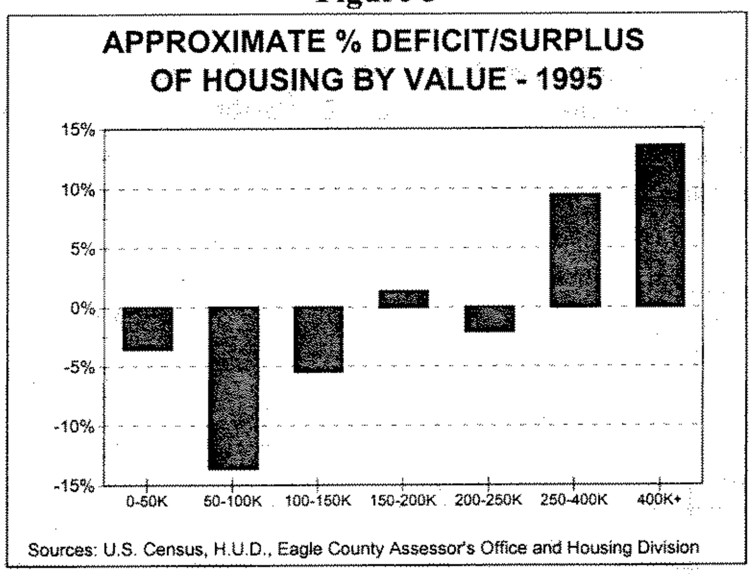
Figure 4 shows the relationship between local household purchasing power and total

**Figure 4**




housing sales in 1995. As can be seen, the percent of local households having lower purchasing power is greater than the percent of lower end housing sales. This relationship is clearer in Figure 5, which is based on the same data, with the bars representing an approximation of the difference between the housing purchasing power of each group and the housing product available.

**Figure 5**




Relative to local purchasing power, there is generally a deficit of for-sale housing in the lower and middle ranges. There is then a surplus in the upper range, with the strong level of high end sales an indication of the impact of outside buyers.

Of note is that the above data includes mobile homes, which are a very limited form of ownership. Typically in Eagle County a mobile home owner only owns the mobile home itself and pays rent of approximately $325 - $425 a month for the space on which it is located. Virtually all of the housing sales in the $0 - $50,000 range consist of mobile homes. If mobile homes were not considered, the deficit of for-sale housing for lower income households would be much greater.

In summary, the above for-sale data suggest that a wide range of local households find it difficult to own a house in Eagle County, and this tends to lower the rate of home ownership. The difficulty is especially great for households with smaller incomes who face a much more limited selection. Much of the housing which is produced is high end product oriented toward the higher incomes of second-home buyers.

### Very Low-, Low- and Moderate-Income Categories

Housing needs are often analyzed in terms of "very low-", "low-", and "moderate-income" households. The definitions of the first two of these terms are fairly standard with "very low" typically being defined as less than 50% of area median income, and "low" usually being defined as 50% to 80% of area median income. (These terms are distinct from the "poverty-level" income which nationally is approximately 30% of median income.)

There is no standard definition of "moderate", with this category extending up as high as 120% of area median income in some areas. In various discussions it has been noted that currently households up to an income level of about $70,000 encounter problems obtaining housing in Eagle County. This would suggest having moderate-income

TABLE 5. EAGLE COUNTY HOUSEHOLD (HH) INCOME CATEGORIES IN 1990

| | % of Area Median Income | % of all HHs | % of all Owner HHs | % of all Renter HHs |
|---|---|---|---|---|
| Very low-income | 0 - 50% | 15% | 12% | 20% |
| Low-Income | 50 - 80% | 19% | 16% | 23% |
| Moderate-Income | 80 - 120% | 28% | n.a. | n.a. |

Sources: Comprehensive Housing Affordability Strategy (CHAS) and U.S. Census households being defined as those earning from 80% to 120% of area median income. Using this breakdown would result in the numbers of households in each category as shown in Table 5.

The U.S. Department of Housing and Urban Development (HUD) provides an estimate of area median income each year down to the county level. For 1995, the median income for a family of four in Eagle County is estimated to be $51,900. (HUD adjusts this figure based on household size when considering eligibility for its programs.) Using this figure, the breakdowns of the various income categories would be as shown in Table 6.

TABLE 6. 1995 EAGLE COUNTY INCOME BREAKDOWN
AREA MEDIAN FAMILY INCOME = $51,900

| | % of Area Median Income | Income Range |
|---|---|---|
| Very low-income | 0 - 50% | $0 - $25,950 |
| Low-Income | 50 - 80% | $25,951 - $41,520 |
| Moderate-income | 80 - 120% | $41,521 - $62,280 |

Another way to consider the above income categories is that the upper limit for very low-income is somewhat higher than the earnings from one average wage job, while the upper limit for low-income is somewhat less than the earnings from two average wage jobs.

Households with housing needs are often considered on a national basis to consist of those with any of three housing problems: excessive cost burden (greater than 30% of income), physical inadequacy (lacking complete kitchen or plumbing facilities), or overcrowding. The most common of these is excess cost burden. According to data prepared for HUD, 31% of all Eagle County households in 1990 experienced one or more of these problems. A breakdown of this overall figure by income categories and tenure is provided in Table 7. Unfortunately, there is not data available for the 80% to 120% of median income group.

The data in Table 7 show the incidence of housing problems is much higher in lower income categories. In general, renter households are more likely to have housing problems than owner households. Other data obtained from HUD indicate that one of the largest groups having housing problems is unrelated roommates renting a unit together, with 40% of this group having one of the housing problems noted above, primarily excessive cost burden.

| TABLE 7. INCIDENCE OF ONE OR MORE HOUSING PROBLEMS BY INCOME GROUP AND TENURE IN EAGLE COUNTY - 1990 | | | | |
|---|---|---|---|---|
| | Owners | | Renters | |
| % of Median Family Income | Households | % with Housing Problems | Households | % with Housing Problems |
| 0-30% | 266 | 79% | 278 | 78% |
| 31-50% | 304 | 59% | 405 | 78% |
| 51-80% | 811 | 45% | 796 | 56% |
| 81-95% | 456 | 33% | 314 | 31% |
| Remaining Households | 3086 | 14% | 1689 | 13% |
| Total Households | 4923 | 27% | 3482 | 37% |
| Source: Eagle County's Colorado Consolidated Plan | | | | |

One common goal of housing efforts is to increase the rate of home ownership. While the county's overall rate of home ownership is low, the lowest rates tend to be among lower income groups, as can be seen in Table 8.

| TABLE 8. EAGLE COUNTY HOME OWNERSHIP BY INCOME CATEGORIES IN 1990 | |
|---|---|
| % of Median Family Income | Rate of Home Ownership |
| 0-50% | 45% |
| 51 - 80% | 50% |
| 81% - 95% | 59% |
| Remaining Households | 65% |
| Source: Eagle County's Comprehensive Housing Affordability Strategy County Profile | |

It is possible to look at housing sales in terms of their affordability to the various income categories. Using the underwriting criteria noted previously (30-year mortgage, 5% down payment, and 28% of income applied toward a housing payment), one can compute how much each category could afford to spend for housing. This information is presented for 1995 in Table 9, along with a breakdown of the sales affordable to each category by community.

In this table the sales affordable to a lower income group are also affordable to a higher income group. Thus, for example, low-income families would be able to afford all the sales in the very low-income category, as well as those in the low-income category. It should also be noted that the data presented are for family incomes. If household incomes were considered instead, there would be fewer affordable sales as household incomes are lower than family incomes.

TABLE 9. 1995 EAGLE COUNTY SALES AFFORDABLE TO VARIOUS INCOME FAMILIES BY COMMUNITY

| | VERY LOW-INCOME | | LOW-INCOME | | MODERATE-INCOME | | BALANCE | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|
| PURCHASING POWER | Up to $63,492 | | $63,493 - 112,002 | | $112,003 - $176,682 | | Over $176,682 | | | |
| | # | % | # | % | # | % | # | % | # | % |
| Basalt/El Jebel | 44 | 30% | 8 | 5% | 23 | 16% | 73 | 49% | 148 | 100% |
| Eagle/Gypsum | 36 | 26% | 23 | 16% | 50 | 35% | 32 | 23% | 141 | 100% |
| Edwards, etc. | 74 | 31% | 10 | 4% | 30 | 13% | 123 | 52% | 237 | 100% |
| Avon/ Eagle Vail | 5 | 2% | 39 | 17% | 92 | 41% | 89 | 40% | 225 | 100% |
| Beaver Creek/ Arrowhead | - | - | 1 | 1% | - | - | 129 | 99% | 130 | 100% |
| Minturn/ Red Cliff | 11 | 50% | 2 | 9% | 6 | 27% | 3 | 14% | 22 | 100% |
| Vail | - | - | 27 | 9% | 60 | 21% | 202 | 70% | 289 | 100% |
| Outlying | 5 | 17% | 2 | 7% | 4 | 13% | 19 | 63% | 30 | 100% |
| Total | 175 | 14% | 112 | 9% | 265 | 22% | 670 | 55% | 1,222 | 100% |

Sources: Eagle County Assessor's Office and Housing Division

Almost all of the sales affordable to very low-income families were in the Edwards, Basalt/El Jebel, and Eagle/Gypsum areas, and would be primarily mobile homes. Low- and moderate-income families were also able to access a few up valley properties. Overall, though, the majority of sales were out of reach of even moderate-income families. This was particularly true in the Beaver Creek/Arrowhead and Vail areas.

It is also possible to consider what type of product would be affordable to the different income groups, and this is done in Table 10. Almost the only type of housing which very low-income families could afford to purchase was mobile homes. These mobile homes would be located in mobile home parks and the family would continue to have to pay space rent. For low-income families there began to be a few other alternatives, particularly low-end condominiums. For moderate-income families there were additional options, including mid-range condominiums and some low-end single family homes. However, as noted above, the majority of sales were not affordable to the families in any of these three income categories. This was particularly true of single family home, duplex/triplex, and townhome sales.

TABLE 10. 1995 EAGLE COUNTY SALES AFFORDABLE TO VARIOUS INCOME FAMILIES BY TYPE OF HOUSING

| | VERY LOW-INCOME | | LOW-INCOME | | MODERATE-INCOME | | BALANCE | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|
| PURCHASING POWER | Up to $63,492 | | $63,493 - 112,002 | | $112,003 - $176,682 | | Over $176,682 | | | |
| | # | % | # | % | # | % | # | % | # | % |
| Single Family | 7 | 2% | 7 | 2% | 50 | 17% | 232 | 78% | 296 | 100% |
| Duplex/Triplex | - | - | 4 | 3% | 12 | 9% | 119 | 88% | 135 | 100% |
| Townhome | - | - | 6 | 9% | 16 | 25% | 42 | 66% | 64 | 100% |
| Condominium | 5 | 1% | 83 | 15% | 186 | 34% | 276 | 50% | 550 | 100% |
| Subtotal | 12 | 1% | 100 | 10% | 264 | 25% | 669 | 64% | 1,045 | 100% |
| Mobile Home | 163 | 92% | 12 | 7% | 1 | 1% | 1 | 1% | 177 | 100% |
| Total | 175 | 14% | 112 | 9% | 265 | 22% | 670 | 55% | 1,222 | 100% |

Sources: Eagle County Assessor's Office and Housing Division