

1. Executive Summary

This is a housing needs analysis for a region that covers the Roaring Fork Valley and the Colorado River Valley; from Aspen and Snowmass Village to Glenwood Springs, and from Parachute to Edwards. It encompasses up- and down-valley locations, and is characterized by innumerable cross-commuting patterns. Although no formal designation exists for this large region, the team of municipalities and counties that led this effort call it the Greater Roaring Fork Region (GRFR) for the purpose of analysis.

Study after study has documented unaffordable housing prices, inventory shortages, and an ever-expanding commute shed for workers. Moreover, decades of implementing best practices in most of the region's communities has helped many, but left still many more needs unmet. This study provides an understanding of the dynamics, interdependencies, and the "face" (with a regional workforce, resident, and employer survey) of *regional* housing needs. The purpose is to create a common language with uniformly-collected information and analysis from which *regional* solutions can finally address *regional* problems.

What are the key takeaways from this study?

- The region has a 2,100-unit shortfall in housing for households at 60 percent of area median income (AMI) and less, and a 1,900-unit shortfall for households between 100 and 160 percent AMI, the "missing middle" (Table 1).
- Market imbalances throughout the region mean that shortfalls by affordability level are much worse in certain areas.
- Overspending costs the region \$54 million per year.
- More than 26,000 workers (out of 47,000 employed residents) cross paths in their daily commute versus just 19,000 employed residents who live where they work.

Table 1. Housing Units Needed by AMI, 2017 & 2027

Income Category	Units Needed in 2017	Units Needed in 2027
Less than 60% AMI	2,118	2,383
61% to 80% AMI	---	2,748
81% to 100% AMI	---	590
101% to 120% AMI	703	---
121% to 140% AMI	195	---
141% to 160% AMI	968	1,105
Greater than 160% AMI	---	---

Source: Economic & Planning Systems
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- This cross-commuting impacts roads, quality of life, and the environment.
- Year-round business has grown, which can increase the region's resilience to another down-turn.
- The population is aging and retiring; over the next 10 years, it is projected that the population over 65 will increase 60 percent (7,800 people).
- Non-local property ownership and STRs put undue pressure on the housing market's prices, which impacts the local workforce and the permanent resident population.

Table 2. Study Area Geography Definitions

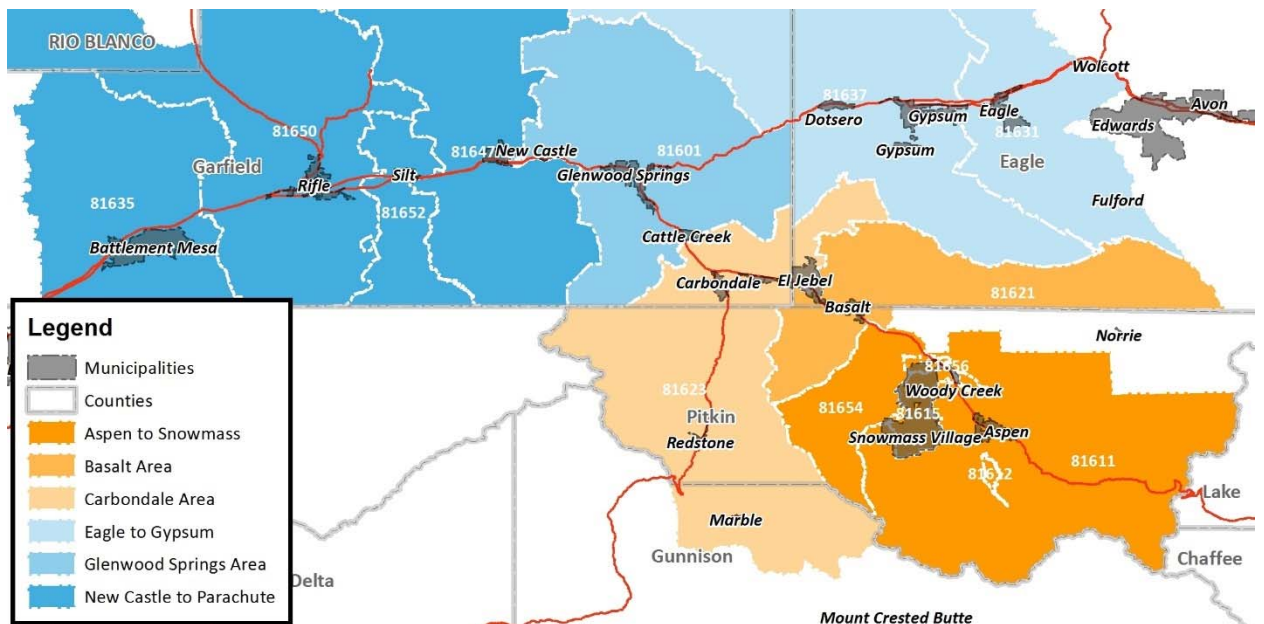
Area	Municipality	Zip Code
Aspen to Snowmass Village	Aspen	81611, 81612
	Snowmass	81615, 81654
	Woody Creek	81656
Basalt Area	Basalt	81621
Carbondale Area	Carbondale	81623
Glenwood Springs Area	Glenwood Springs	81601, 81602
New Castle to Parachute	Battlement Mesa	81635
	Parachute	81635
	New Castle	81647
	Rifle	81650
	Silt	81652
Eagle to Gypsum	Eagle	81631
	Dotsero	81637
	Gypsum	81637

Source: Economic & Planning Systems
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What is the study area geography?

The study area geography was built on the boundaries of zip codes throughout the Greater Roaring Fork Region and is divided into six distinct areas, illustrated in **Table 2** and **Figure 1**.

Figure 1. Greater Roaring Fork Region Study Areas



How are housing needs and gaps defined?

A mismatch between the distribution of supply and the distribution of demand is called a “gap.” In this housing analysis, two kinds of gaps are identified.

- **Overall gaps** – Does each local area have sufficient supply (in sheer numbers) to meet locally-generated demand?
- **Gaps by income** – Is that supply appropriately distributed to meet the needs of households by income level?

What types of findings are there in this analysis?

The findings indicate two types of conditions:

- **Oversupply** – when the number of housing units (regardless of affordability level) exceeds local housing demand; areas are referred to as being “net suppliers” or have a “net surplus” or “excess” of housing.
- **Undersupply** – when local housing demand exceeds the local supply of units (regardless of affordability level); areas are referred to as having a “net deficit” or “shortfall” of housing.

Housing is Integral to the Economy

Nationwide, housing accounts for nearly 50 percent of all capital and represents the largest portion of most households' net worth. As a result, supply shortages and affordability challenges manifest as quality of life challenges. For example, rising housing costs and stagnating incomes lead households to spend more of their income on housing.

When households spending more of their income on housing, their discretionary spending drops, which leads to lower local spending on goods and services. When households try to avoid cost burden, many try to find affordable housing farther away from their jobs, schools, etc. Under both scenarios, household spending on housing and/or transportation increases, and discretionary spending decreases.

While the causality of these shifts is debatable (because households do make trade-offs), both scenarios lead to a diminished quality of life and negatively impact the economy. That is why an optimally located housing supply supports resident and workforce mobility, productivity, and contributes to a higher quality of life.

Source: Economic & Planning Systems
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How should the findings be interpreted?

The housing analysis was completed with layers of uniformly available data at the regional and sub-regional levels. The following are notable limitations of these data:

- Geographic boundaries** – Zip code boundaries allowed for seamless regional analysis of supply and demand factors without omitting the impacts of unincorporated areas. As a result, findings at the sub-regional level are not exclusively the municipalities. For example, the Carbondale Area includes El Jebel and other unincorporated parts of Pitkin, Garfield, and Eagle counties.

- Recency of estimates and orders of magnitude** – Data in this analysis are representative of a similar vintage (2017); however, it is important to note that employment measures are an average of 12 months of employment in 2017 whereas housing inventory measures reflect the middle of the year. If specific beginning, middle, or end of year measures were used, the analysis would be skewed by seasonality. As such, estimates of housing supply (e.g. totals, occupied, and vacant), as well as gaps should be interpreted as orders of magnitude. Furthermore, because the geographies are larger than the municipalities after which the areas are named, the estimates of housing supply are also generally larger than actual estimates for individual municipalities.

Projection of Gaps

Additional to the 2001 and 2017 housing gaps, a forward-looking analysis of what the gaps might look like 10 years out has also been completed. The analysis utilizes the same demand components as outlined above, making reasonable assumptions about the continuation or shift in underlying conditions. (See the discussion of Housing Gaps on page 21 of the full report.)

Definitions

Affordable housing For decades, the federal government has defined "affordable" by the rule that no household should spend more than 30 percent of its income on housing, implying high-income earners, hourly-wage workers, young professionals, the elderly on fixed incomes, and everyone in between. Affordable housing means a place to live that is "affordable" so that when the rent or mortgage is paid, money is left over for basic necessities like food, transportation, healthcare, and all that contributes to one's socioeconomic mobility and quality of life.

Area Median Income (AMI) This metric identifies the midpoint of an area's household income distribution, in which 50 percent of households earn more and 50 percent earn less. Percentages of AMI are used to isolate different levels of affordability need, such as 60, 80, 100, and 120 percent AMI. In analysis like this, information and data are broken down by AMI to determine needs and preferences, and in policy, AMI metrics are used to qualify a household's eligibility to purchase or rent a home at different levels of affordability.

Cost Burden Based on the definition above, as identified by the federal government and the housing industry, owner and renter households that spend more than 30 percent of their income on housing are considered cost-burdened. At this level of housing cost expenditure, households are likely to be experiencing a level of financial stress on other quality of life expenditures.

Overspending Referring specifically to the amount that households spend on housing costs, "overspending" is the amount spent above the cost-burden threshold of 30 percent of income. For example, if a household's spending threshold is \$1,000 per month but they spent \$1,400 per month, their overspending is \$400.

Source: Economic & Planning Systems
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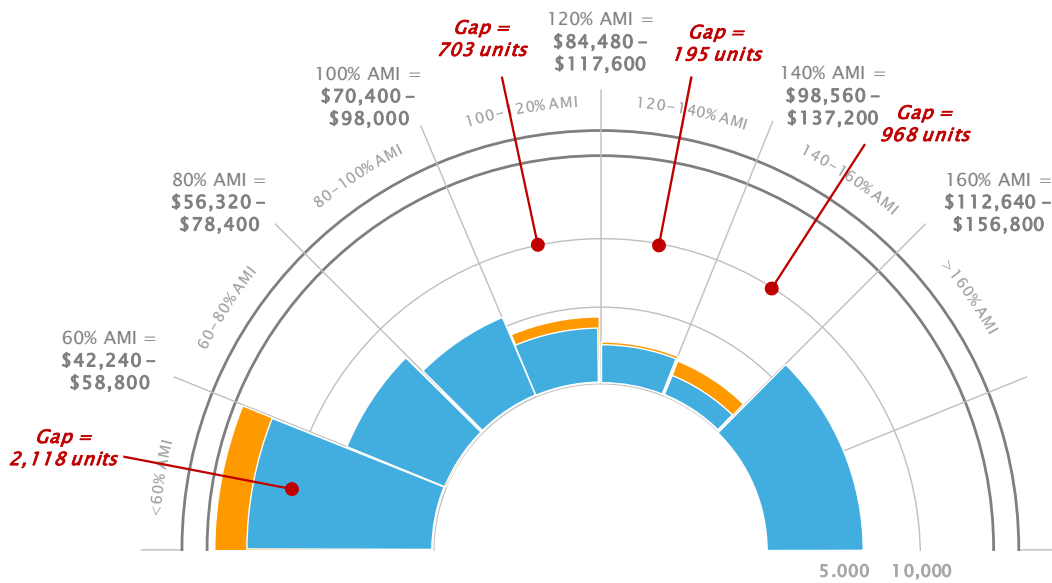
Summary of Findings

This summary highlights the major findings of the research, analysis, and process that address the questions at the heart of the region’s relevant housing questions. The findings are also delineated by demand-side trends, supply-side trends, considerations of stated preferences, and case studies.

1. The region generates more demand for housing than it has.

In 2017, the region had a 2,000-unit shortfall for households at 60 percent AMI and below, a 700-unit shortfall for those at 100 to 120 percent AMI, and a 1,200-unit shortfall for the “missing middle”—households between 120 and 160 percent AMI. By 2027, it is projected that the shortfall of units affordable to households at or below 100 percent AMI will balloon to 5,700 units, and the shortfall for the missing middle will remain the same.

Figure 2. Overall GRFR Housing Gaps by AMI, 2017



Total Households (demand) and Total Housing Inventory (supply), 2017

Source: U.S. Census ACS 5-year estimates, B19019, B25063, B25118; Economic & Planning Systems



2. *Housing in the Eagle to Gypsum area is meeting housing demands from other parts of the region.*

This area contains 1,300 housing units that essentially meet housing demands emanating from other parts of the region. On the basis of affordability, however, the area has a small (200-unit) shortfall for households at 60 percent AMI and a 160-unit shortfall at 140 to 160 percent AMI. Those conditions, however, are likely to change over the next 10 years,¹ when a 1,100-unit shortfall at 60 percent AMI and a 150 unit shortfall at 80 to 100 percent AMI are projected to emerge.

"Government officials in the area need to look at the long-term big picture and decide if they want to attract young professionals who will stay to raise families or just cater to the wealthy..."

Source: Resident / Workforce Survey 2018
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3. *Housing in the New Castle to Parachute area is also meeting housing demands from other parts of the region.*

This area contains 2,600 units that meet housing demands emanating from other parts of the region. On the basis of affordability level, the local supply amply meets demands being generated locally.

4. *Demand for housing in the Glenwood Springs area exceeds its supply.*

The area has an overall 2,000-unit shortfall, which is projected to remain relatively the same over the next 10 years. That shortfall is also spread across nearly every income level, but the shortfall for the missing middle category (120 to 160 percent AMI) is projected to double by 2027 (from 500 to 1,000 units).

5. *The Carbondale area's inventory is also meeting non-local demand.*

The area's housing supply has a net 1,200 units meeting non-local housing demand, which is projected to remain relatively constant through 2027. On the basis of affordability level, the current 600-unit shortfall at 60 percent AMI is projected to stay the same, and shortfalls at every level between 80 to 140 percent AMI are anticipated to emerge.

6. *The Basalt area's housing market is fairly balanced.*

In 2017, it is estimated that the area had a 500-unit excess of units (though this falls within a margin of error²). On the basis of income, however, current 1,000-unit shortfalls (under 80 percent AMI) are projected to expand and widen to approximately 1,600 at 120 percent AMI or below.

¹ It should be noted that for this and other areas of the GRFR, the same projection assumptions were used.

² The U.S. Census ACS 2017 5-year estimate for the Town of Basalt is approximately 2,200 housing units with a nearly 300-unit margin of error (MOE), +/- 14 percent. Given that this analysis uses the zip code 81621, a MOE of 14 percent could suggest that the balance of local demand and supply is closer to zero (0).

7. Demand for housing in the Aspen to Snowmass area exceeds supply.

The Aspen to Snowmass area currently has a 3,000-unit shortfall, which is projected to increase to 3,400 units by 2027. As expected in such a high-priced market, the shortfall is spread across the entire affordability spectrum (except for above 160 percent AMI, which contains an excess of 1,000 units). Collectively, the area has a 4,000-unit shortfall for households under 160 percent AMI, and by 2027, that shortfall is projected to increase to 5,200 units.

"Aspen may be beautiful and offer some great things, but if you are financially stressed 24-7 and living paycheck to paycheck even with good jobs, the quality of life actually [stinks]."

Source: Resident / Workforce Survey 2018
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Where is this demand coming from?

Jobs and people generate demand for housing. Business and employment growth translate to housing demand, and households choose where to live based on a variety of factors. At different life stages, people and households have different preferences for what they want in a house, their neighborhood, and a community.

8. Year-round business growth means more need for resident housing.

Job growth is a sign of the economic health, and between 2001 and 2017, the GRFR added more than 10,000 jobs to its year-round business sectors. Relative to the state, the region accounts for 2 percent of Colorado's jobs, but captured more than 2.5 percent of the state's growth during this time.

9. Seasonal housing needs are relatively the same as they were more than a decade ago.

The magnitude of seasonal jobs has remained relatively constant in actual numbers but declined as a portion of overall employment.³ During the recession, many of the seasonal workforce needs were met by international workers.

10. Proprietorships are a mainstay of the regional economy.

Proprietorships will continue to be a ubiquitous phenomenon of the labor force and business activity in the GRFR as long as there is seasonality in the larger economy. An analysis shows that the GRFR had approximately 33,000 sole proprietors in 2017, up from 22,000 in 2001.⁴

³ See the discussion of **Error! Reference source not found.** On page 31.

⁴ See the discussion of **Error! Reference source not found.** on page 32.

11. The regional population grew by young and old, but mostly old.

The GRFR grew by 28,000 residents (approximately 10,000 households) between 2001 and 2017, more than 1,700 persons per year. Just over 20 percent of the growth was in population between 35 and 64; more than 40 was under 35; and nearly 60 percent was over 65. Over the next 10 years, the regional population is projected to grow by 24,000 people—33 percent under 35; 30 percent 35 to 64; and 30 percent over 65.

12. An aging population requires different housing solutions, care, and services.

Although longer life expectancies can be attributable to advances in medical treatment and healthier lifestyle, living longer means these medical services and treatments need to be available. It also means that different housing solutions need to be addressed. Elderly households frequently express an interest in downsizing and lower maintenance living arrangements, but also express frustration that there are so few, if any, opportunities in the region. Not only does the lack of appropriate housing impact their quality of life, it negatively impacts the region and municipal sales tax revenue collections.⁵

"The only way I will be able to remain in this area when I retire is if I am able to obtain an apartment in one of the senior housing complexes in the area. There is so little housing available in this area that someone on a fixed income can afford."

Source: Resident / Workforce Survey 2018
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13. Lower mortgage interest rates were supposed to work in people's favor.

Although approximately 3,500 households paid off their mortgages between 2000 and 2017, they were not replaced by a proportional number of new owner households. As a result, the percentage of owner households with a mortgage dropped from 79 percent to 73 percent over this time. Ironically, historically low borrowing conditions were supposed to incent more households into homeownership, but they exacerbated the unsustainable increase in housing sales prices and instead ushered in a period of ownership disinvestment.

Housing supply matters by type, price, and location

Housing supply constraints, land availability, and a variety of factors (adequate infrastructure, roads, sewer, utilities, and public services) impact where a household chooses to live. Considering substantial rates of second homeownership

⁵ Analysis of Bureau of Labor Statistics Consumer Expenditure Survey data shows that older households spend less on typical taxable retail items and more on "experiential" purchases, such as travel. While elderly households typically spend less than households of working age (35 to 64), a bulk of their purchases (i.e. travel) do not generate local sales taxes.

and inventory used for short-term rentals, this set of circumstances becomes a major market challenge.

14. *The overall housing inventory grew proportionally to jobs.*

The region added 11,900 housing units (nearly 750 units per year) between 2000 and 2017—almost identical to the net increase in wage and salary jobs. Unfortunately, much of that construction (60 percent) took place in primarily out-commuting locations—i.e. the New Castle to Parachute and Eagle to Gypsum areas (36 and 25 percent, respectively). Moreover, 16 percent of the new inventory is estimated to have been built for the second homeowner market—defined as “vacant, for seasonal use.”

15. *Non-local ownership increased its toehold in the region.*

While the portion of residential properties (single family and multifamily) in local ownership decreased from 73 to 72 percent, nearly 60 percent of new residential property valuation added between 2005 and 2017 was in the hands of non-locals.⁶

16. *Short term rentals (STR) are a constraint on housing for residents.*⁷

A current snapshot of STRs in the GRFR reveals more than 1,600 listings— more than 3 percent of the region’s entire housing stock (i.e. total housing inventory). As expected, a majority of STRs are located in the Aspen to Snowmass area, with smaller proportions in the other areas of the region, ranging from less than 1 percent of total inventory in New Castle to Parachute to approximately 3 percent of the Carbondale area’s inventory.⁸

17. *The cost to build housing has increased.*

Rising home prices are not just the product of market demand factors; they are the result of costs and/or shortages of labor and materials.⁹ Since 2001, materials costs have appreciated 56 percent, and the cost of labor has risen by 70 percent. Confounding this trend was the net loss (and lack of recovery) of more than 1,300 construction jobs after 2008.

⁶ Local ownership was defined as when the property owner zip code was among the 19 zip codes used to define the GRFR. Non-local ownership was designated when the property owner zip code was anything other than one of the zip codes defined as the GRFR.

⁷ The term short-term rental (STR) or vacation rental refers to the rental of a furnished home, apartment, or condominium for a “short-term stay.” Definitions of “short-term” vary from 5 days or fewer to up to 60 days. STRs can be managed independently by owners or third-party representatives and/or advertised via online platforms such as www.airbnb.com, www.vrbo.com, or others.

⁸ Although this study does not delve into a measurement of the impact that STRs have, their impact can be generally understood as a constraint on supply, which under any circumstances (holding all other demand drivers constant) will cause an increase in the price of housing.

⁹ Typically, the cost of constructing a house accounts for 55 to 60 percent of the sales price of a home. Of that, approximately half is the cost of materials and half is the cost of labor.

How unaffordable are housing prices?

The type of demand and supply constraints the region experiences inevitably lead to affordability challenges. Rates of commuting increase, ownership and investment declines, and the community and environment suffer. Most concerning is that this impacts the community, its heritage, and the people's quality of life.

18. A second homeowner-driven market has driven its workforce away from their jobs.

The region's workers have struggled for decades with the price of housing, and that is one of the main reasons why the region has become so large; workers have sought more affordable and available housing farther and farther away from their jobs. In 2017 and 2018, the (weighted) average price of housing in the GRFR fluctuated between \$700,000 and \$1,000,000—from just under \$400,000 in the New Castle to Parachute area to the out-of-reach high in the Aspen to Snowmass area of \$2.4 million.

"I am appalled at the housing condition! I will continue to fight to find a place for my family and to attend meetings in the area to ensure others in my situation have an option, but I am losing hope in this valley caring about the housing and life quality of its non-wealthy, non-retired locals and workers."

Source: Resident / Workforce Survey 2018
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19. An investor-driven market exposes its workforce to the risk of equity loss.

In years following the Great Recession¹⁰, nearly every one of the areas (including those whose housing markets are oriented more to the workforce) of the region experienced serious housing price drops and protracted volatility. While forecasting another market contraction was not a part of this study, continued expansion of the second homeowner market does illuminate the risk that another downturn may have similarly detrimental impacts on the region's resident population and workforce.

¹⁰ The National Bureau of Economic Research (NBER) defines an economic recession as: "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales." The Great Recession refers to the period of economic contraction beginning in December 2007 and ending in June 2009.

20. The gap between what a household can afford and the median price of a home will widen further.

The affordability gap has widened in each area of the region—from \$116,000 in the Eagle to Gypsum area to \$290,000 in the Carbondale area and \$1.4 million in the Aspen to Snowmass area.^{11, 12} Given the upward trajectory of the Federal Reserve’s overnight borrowing rate, it is easy to imagine mortgage rates rising higher over the next decade. Although forecasting is filled with uncertainty, affordability gaps could widen by another 100 to 400 percent (depending on area) over the next 10 years.

21. Cross-commuting patterns are the “market” solution to affordability challenges.

The Aspen to Snowmass area imports an average of 7,500 workers per day, and Glenwood Springs is a net importer of 2,400 workers. The other areas generally export workers. From a policy perspective, these cross-commuting patterns are what happens when the “market is left to its own devices.” That is, the market may be “taking care of itself”, but it is not taking care of workers’ quality-of-life—for those who would rather not commute as far.

"No one is asking for palaces on top of Red Mountain. We just want 'starter homes', like the rich people all around us had in the 1950s."

Source: Resident / Workforce Survey 2018
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22. Cost burden costs the region \$54 million a year.

Although some households are making quality of life trade-offs when they choose to spend more than 30 percent of their incomes on housing, the economic impact of “overspending” cannot be overlooked. It is estimated that overspending amounted to approximately \$54 million in 2017, averaging \$320 per month for each of the region’s 14,100 cost-burdened households. The impact is that \$320 per month spent regionally would recirculate locally in very different ways (creating jobs) in the hands of households rather than the hands of non-local landlords or residential mortgage bond-holders (e.g. Wall Street).

¹¹ This analysis uses regional median household incomes from the Department of Housing and Urban Development as well as current underwriting conditions. The affordability gap is the difference between the median price of a home sold and what a household (4 persons) earning the median income.

¹² The analysis utilizes historic 30-year fixed rate mortgage information from the Federal Reserve Bank of St. Louis, an average property tax mill levy of 52 mills, factors for insurance and utilities, as well as a 10 percent down payment.

Findings and Conclusions: Household and Employer Surveys

The survey-based component of the study was conducted during late winter and spring 2018. An extensive survey-based effort targeted both local residents/employees and employers. Full results of the surveys are presented in a report that discusses key findings. In addition, the survey results have been portrayed in a series of Appendices that are provided under separate cover. Below, selected highlights of the survey research are summarized.

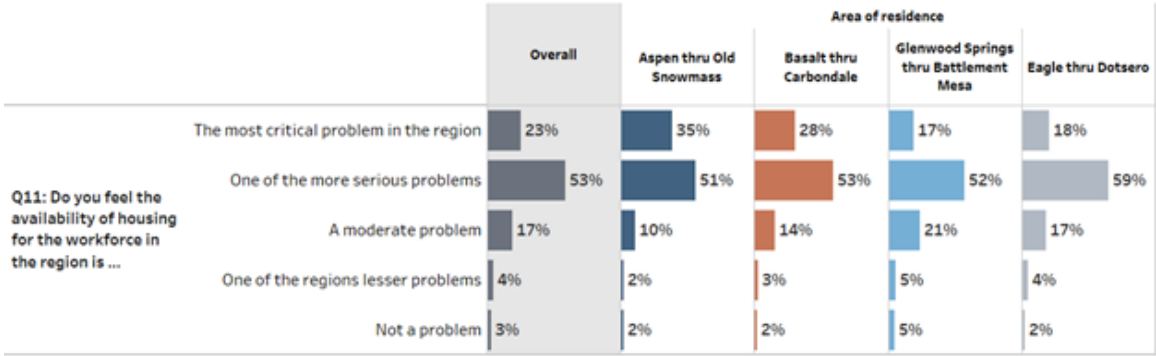
What are workers and residents saying?

Feedback from the surveys support an overall conclusion: residents and employers throughout the region are experiencing housing problems and the similarities between survey results from both groups are striking. To a large extent, housing issues are being felt throughout the area and the problems generally don't respect city or county boundaries.

Among residents, dissatisfaction with current residence was probed in a variety of ways. Overall, about 1 in 10 residents report they are "somewhat" or "very" dissatisfied with their current residence. Similarly, about 9% report dissatisfaction with the community where they live. Responses to this question are similar across the region although average satisfaction ratings with residence are somewhat lower (more dissatisfaction) in the Aspen/Snowmass area (3.8) compared to Glenwood Springs through Battlement Mesa (4.0), and Eagle through Dotsero (4.2). Survey results show that renters are more than twice as likely to be dissatisfied (19% compared to 7% owners).

Further exploration of dissatisfaction shows that couples with children, single parents with children and unrelated roommates are relatively more likely to rate satisfaction with their residence to be a low. Although the majority of respondents did not report dissatisfaction with their residence, the problems experienced by those that are dissatisfied are challenging and the complaints aired in open-ended comments reinforce these findings. Targeting the dissatisfied segment of residents should be a focus of local programs.

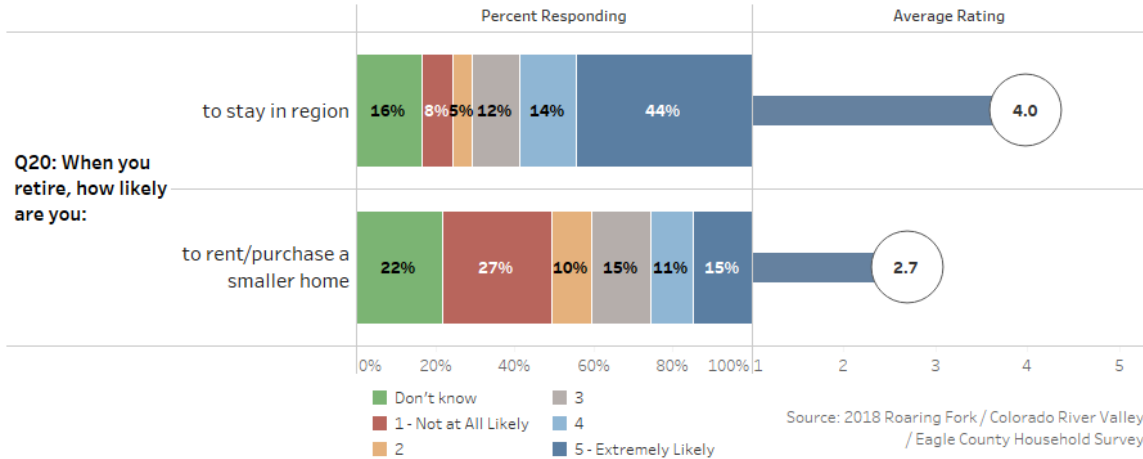
The relatively low level of dissatisfaction of residents is in seeming contrast to the widely held belief by residents and employers alike that housing is a "serious" or "critical" problem. While many are not dissatisfied with their homes, they recognize the housing problems are widespread and that housing issues create other impacts including traffic and commuter-related congestion and service quality issues as explained in open-ended comments obtained through the survey. The fact that this opinion is shared by most residents living throughout the region (76%), is illustrated by the graph below. Similarly, employers called it a problem at the same level, 76%. Consensus between residents and employers that availability of housing represents a major problem provides an environment where public and private sector cooperative efforts become more viable.



Source: 2018 Roaring Fork / Colorado River Valley / Eagle County Household Survey

Retiring workers are a time bomb - problems exist today but they will only get worse. The currently housed work force will be getting smaller because of increasing percentages of retirees in the next few years, and a significant number of retiring workers now live in deed restricted units exacerbating the challenges. The survey finding that many older households want to stay in their community and in their current residence worsens the problems. The survey data can be analyzed further as policy discussions on retirement-related issues move.

Survey respondents were asked how they expect to use their home in the future. This figure varies from 82% in Aspen/Snowmass to 64% in Glenwood to Parachute. While few respondents expect to sell and move outside the area (8% overall), this expectation was relatively higher in the down valley areas (12%) and very low in Aspen (4%). Overall, the results show general similarities across the region; in other words, all communities can expect a significant number of residents to want to stay in their community and in place into the future. The survey results also suggest that there is a segment of the community that will be interested in renting or purchasing a smaller home upon retirement—about 26% say they are “extremely” or “very” likely. Encouraging the development of some new smaller homes for retiring workers should be considered as a part of local housing plans.



Source: 2018 Roaring Fork / Colorado River Valley / Eagle County Household Survey

Live/Work Patterns. The relationship between where households live and where they work in the region is central to understanding current housing demand patterns and to planning for future housing and transportation policies. Analyzing these patterns is complex because households typically have more than one worker and for most, the decision where to live is based on a calculus that includes a variety of considerations. Commuting patterns and demand are closely tied to housing problems. The fact that significant percentages of employees are commuting long distances has a variety of implications. The data can support analysis of policy options and the relationship between commuting and housing tradeoffs.

Commuting. With the exception of Aspen, most households in the region have one or more workers working outside their community. Another way of looking at these data is to consider the pull of Aspen as an employment center. Survey results show that in communities between Snowmass and El Jebel, between 62% and 97% of respondents have one or more household member working in Aspen. Among Carbondale residents the figure drops to 49%, and it then falls off even more sharply among Glenwood Springs (16%) and Rifle (8%) residents. Nonetheless, a still significant 18-20% of New Castle and Silt households report one or more persons working in Aspen. The survey clearly shows widespread commuting that provides the demand that is served in part by RFTA and by other efforts including employer transportation assistance or subsidies.

The survey also explored where current residents “would like to live if you could afford the cost of housing.” Results show 91% of Aspen respondents prefer Aspen, 67% of Snowmass residents prefer Snowmass, and 56% of Basalt residents prefer Basalt. Significant majorities living in Carbondale (75%) and Glenwood Springs (64%) also prefer their communities. Among towns further west the figure dips to between 40 and 50%. For residents in Eagle it is a high 78%, and in Gypsum it is 63%. These data are important, with many implications. For example, they suggest that while Aspen may be the location of employment for many, it is not necessarily everyone’s preferred place to live. Additionally, the data provide a measure of current living conditions in the region; this metric could be used to measure change over time as individual communities work on policies and infrastructure to enhance their livability and attractiveness.

Employers Subsidizing Transportation Costs. Assistance with the costs of commuting are quite widely provided in the Aspen/Snowmass area (31%) and in the Basalt/Carbondale area (38%). Transportation subsidies are less common in Glenwood Springs and for residents further to the west (18%), and in Eagle County (12%).

Preferences – Important Factors in Looking for a Place to Live. Cost of housing to buy/rent was most identified (receiving an average score of 4.6 on a five-point scale). Of interest, while there are some differences by community (for example, Aspen residents choosing “proximity to place of employment” and “proximity to bus/shuttle”) the overall averages are fairly similar across the geographic areas.

Examples include “community character” and “energy efficiency” which were rated of relatively high importance and received similar ratings from all geographic areas.

Interest in Considering a Deed-Restricted Unit? There was an overall willingness to consider purchasing units with deed restrictions among about two-thirds of survey respondents. However, this figure varies geographically with 83% willingness in Aspen/Snowmass, to more like 50 to 70% in other areas. The open-ended responses to this question help to explain the thinking of residents. Those that are not interested sometimes cite the loss of resale value, a “poor investment” and “not worth it,” and inability to qualify, and concerns/dislike for the program as reasons for saying “no, they would not consider it.”

Open-Ended Comments. The Household Survey contained a large number of “open-ended” questions that permitted respondents to comment or expand upon a quantitative response. Taken together, these comments represent over 300 pages of input. In an effort to make these results readily available the consultant team has provided several different summaries of the results. Various “themes” emerge from written comments and they are categorized into various sub-categories. Additionally, a listing of verbatim comments from several of the key open-ended questions is presented as an Appendix to the full report.

A Comments Tool. Provided to assist in reviewing comments, the tool is a means for self-exploration of the comments using an Excel based feature. A reader can investigate comments by community and can also get a feel for the range of suggestions and the total number of individual responses received in response to each survey question. The tool has been provided under separate cover and it can be shared with interested individuals upon request

What are employers saying?

The primary purpose of the Employer Survey was to understand local housing and employment issues from the perspective of employers. The survey collected a variety of data on employment patterns, the impact of housing availability on retaining/recruiting employees and business operations, employer opinions, and activities regarding local workforce housing, and related issues. A total of 300 employer surveys were received. The responding employers represent a diverse range of sizes, locations, and industry sectors. The responding employers account for 14,485 total peak-season employees (taking the maximum of winter employment and summer employment for each employer), an appreciable share of total employment in the region.

Employer Demographics. The survey contained a series of questions designed to characterize employers on the basis of location, industry sector, square footage, and other functional characteristics. Employer location - Responses were obtained from employers throughout the region, with the greatest representation in the employment centers of Aspen (43%) and Glenwood Springs (20%). Industry sector - Survey respondents were distributed across a broad variety of industry sectors, led by construction (10% of respondents), retail trade (10%), professional/scientific/technical services (8%), and bar/restaurant (7%). Square footage - Employers occupied a diverse range of spaces, with 22% occupying less than 1,000 square feet, 32% occupying 1,000–2,499 square feet, 15% occupying 2,500 – 4,999 square feet, 11% occupying 5,000 – 9,999 square feet, and 20% occupying 10,000+ square feet. The median space occupied was 2,200 square feet, and the average (pulled up by very large employers) was 19,251 square feet. The broad representation of employers in the sample provides a data base that could be used to further explore policy options in the future (i.e. employer opinions and support for housing initiatives, fees or subsidies, etc.).

Employees by job status. Employers were asked to report their total number of year-round full-time, year-round part-time, seasonal full-time, and seasonal part-time employees, in both the summer and winter seasons. Findings included:

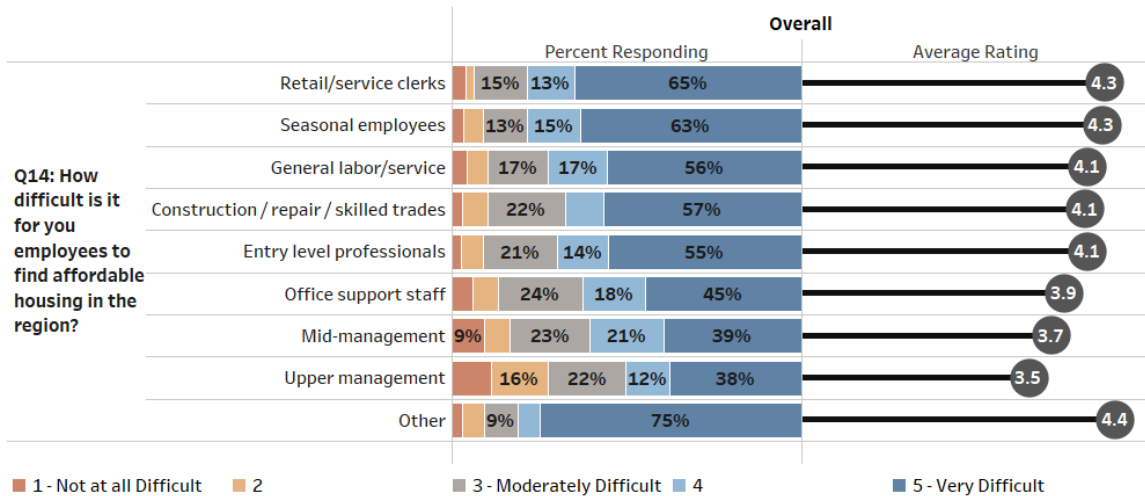
- Year-round vs. seasonal job status: Most jobs with responding employers are held by year-round employees in both summer (80% of employees) and to a lesser degree winter (69%). A significant share of employees are seasonal in summer (20%) and to a higher degree in winter (31%).
- Full-time/part-time job status: Most persons employed by responding employers are full-time workers (32 or more hours per week), while a minority are part-time (under 32 hours/week).

Unfilled jobs at the present time. Fully 45% of responding employers said they had unfilled jobs at the present time, including 37% with unfilled full-time jobs and 19% with unfilled part-time jobs. This past winter (2017/18 season), 32% of responding employers had jobs they were unable to fill. The share of employers with unfilled jobs varied from 18% for employers with 1 to 4 workers to 60% for employers with 50+ workers. Employers—including respondents both fully staffed and understaffed—were on average understaffed by 2.8% this past winter.

Persons unable to accept a job or who left employment because they lacked affordable housing. In the past 12 months, 47% of responding employers had workers decline a job or leave their employment due to a lack of affordable housing. Employers had an average of 3.2 job candidates or employees in this situation, which is equivalent to 6.3% of their peak season employment.

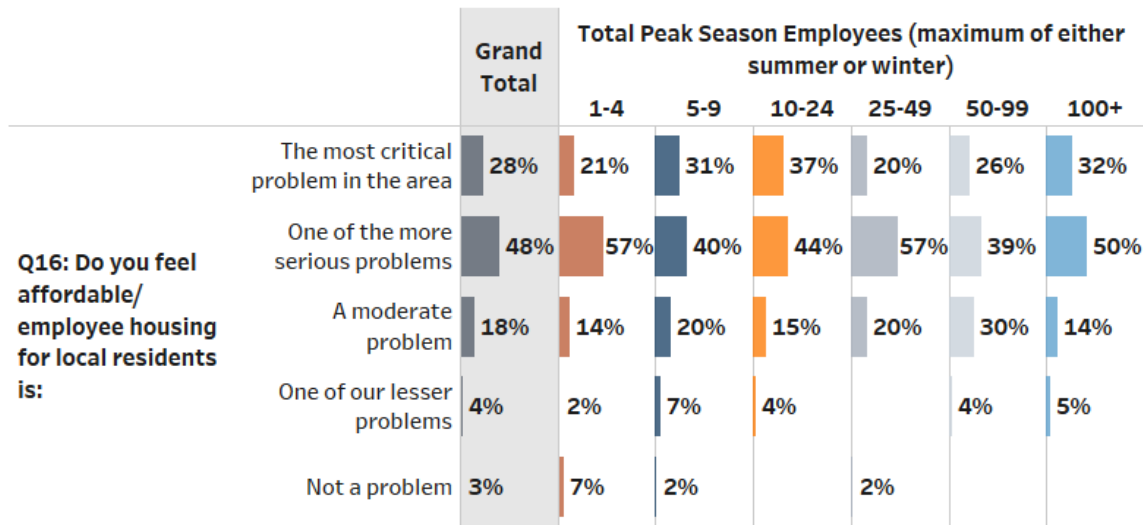
Ease of finding and retaining qualified employees, and challenges in recruiting. Most employers (57%) say it has gotten harder to find and retain qualified employees over the past three years, while 28% say it has stayed about the same, and just 1% say it has gotten easier (13% don't know). Fully 86% of responding employers say they have challenges in recruiting and retaining employees, including 74% of the smallest employers and 100% of the largest. The biggest challenge by far is a lack of affordable housing, cited by 66% of employers.

How difficult is it for your employees to find affordable housing? Employers were asked to rate how difficult it is for various employee groups to find affordable housing. A majority of employers believe it is “5-very difficult” for: retail/service clerks (65%), seasonal employees (63%), general labor/service (56%), construction/repair/skilled trades (57%), and entry level professionals (55%). A significant but smaller share of employers say that finding affordable housing is very difficult for office support staff (45%), mid-management (39%), and upper management (38%).



Impact of housing availability on work performance of employees. Almost three-quarters of employers (73%) feel that the availability of affordable housing has impacted the work performance of their employees, rising from 61% of the smallest employers to 81% of the largest. Impacts include displeasure with wage rates due to high housing costs (48%), high turnover (29%), tardiness from long commutes (29%), high absentee rates (8%), and other issues (7%, e.g. fatigue from long commutes, inability to expand business, etc.).

Seriousness of the issue of affordable/employee housing for local residents. In a key finding from the research, there is broad agreement among employers of all sizes that affordable housing is a problem for residents. This opinion is shared by residents. Most employers feel that affordable/employee housing is a serious issue, with 28% rating it as “the most critical problem in the area,” and 48% rating it as “one of the more serious problems.”

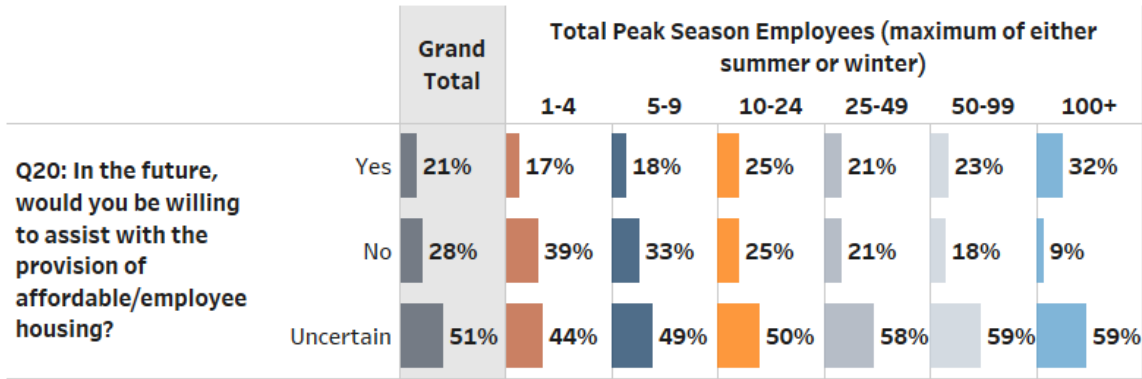


Source: 2018 Roaring Fork / Colorado River Valley / Eagle County Employer Survey

Employer Actions. The survey probed specific actions currently being undertaken by employers to address housing needs, as well as their potential willingness to assist in the future. Provision of housing and housing assistance to employees was evaluated. A significant share of employers—the largest employers in particular—provide some type of housing assistance to their employees. Specifically, 17% of respondents provide housing (including 10% of the smallest employers, increasing to 41% of the largest). Additionally, 10% of employers provide other types of housing assistance, including 2-13% of small to medium employers and 36% of the largest. Responding employers provide housing to 1,030 employees in summer and 1,055 employees in winter—roughly equivalent to 9% of their summer employees and 8% of their winter employees. Slightly over half of the employees housed are seasonal employees (53% of employees housed in summer, 54% in winter), while 46-47% of those housed are year-round employees.

Additionally, responding employers provide other types of housing assistance to 275 employees in summer and 260 employees in ski season—roughly equivalent to 2% of their summer and winter employees.

Willingness to assist with provision of affordable housing in the future. About one in five employers (21%) stated they would be willing to assist with the provision of affordable housing in the future, while 28% are unwilling, and fully half (51%) are uncertain. The high level of uncertainty may imply a potential openness to assisting, subject to the details of what that might entail.



Source: 2018 Roaring Fork / Colorado River Valley / Eagle County Employer Survey

(If willing to assist) Preferred type(s) of assistance. Among employers who expressed a willingness to assist, the most preferred types of assistance are leasing housing for employees (57%) and constructing units for employees (46%). Lesser shares cite subsidizing rents (24%), providing down payments (17%), contributing to damage deposits (13%), and other approaches.

(If willing to assist) Type(s) of employees you would assist. Among employers who expressed a willingness to assist, a strong preference is apparent for assisting year-round employees (95% of employers would assist), with much lower shares willing to assist ski season employees (18%) or summer season employees (18%). Survey results indicate that there is broad interest in assisting with housing by employers (25% overall, with over 50% "uncertain") the preferred types of assistance are narrow: leasing and constructing, and assisting year-round employees, not seasonal. This finding provides direction for future policy discussions, cooperative measures between employers and households, and any potential regulatory efforts.

Open-ended Comments. The Employer Survey included several opportunities for open-ended comments. A complete listing of these comments is presented under separate cover. The comment feedback obtained from the following question included responses that have been grouped into the various topics:

Q24: Do you have any other comments or suggestions regarding affordable housing for employees in the region?

- Affordable Housing Concerns.
- Support vs. Opposition to Employee Housing.
- The Role of Government in Affordable Housing.
- Other Themes and Comments.