communitystrategiesinstitute

Montrose County Housing Needs Assessment

Prepared for:
Montrose County Housing Authority
May 2009

The Community Strategies Institute was formed in 2003 to provide fiscal and economic analysis, education and training to individuals and groups wishing to better understand and improve the economic and social factors influencing affordable housing development, housing conditions and community infrastructure as those elements influence the economic mobility of low-income populations. The Institute Directors and Members have diverse backgrounds in housing development, finance, management, policy and research. The Institute can be your partner in designing research, programs, and investments for expanding opportunities for individuals to become economically stable members of caring communities.

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DEMOGRAPHIC TRENDS AND FORECASTS

This section of the report will analyze population, households and key demographic characteristics of Montrose County, Colorado. The information will provide a framework for understanding current and future housing conditions and needs.

Montrose County is located on the western slope of Colorado, consisting of over 2,200 square miles in the Uncompaghre River and Paradox River Valleys. Known for its agricultural economic base, the county is also home to Black Canyon of the Gunnison National Park, as well as the Gunnison Gorge National Recreation and Wilderness Areas. The majority of the County is made up of National Forest, Bureau of Land Management or National Park lands. The main cities include Montrose, Naturita, Nucla, and Olathe. Montrose County is accessed from the U.S. 50 corridor from Grand Junction or Ouray. The county seat is the City of Montrose.

Population

The Colorado Department of Local Affairs (DOLA) Demographics Section estimated the 2007 population in Montrose County. The household population estimates exclude those in group quarters such as jail, nursing homes and group homes. Households are defined as groups of related individuals living together.

Growth rates have been highest in the City of Montrose since 2000, a continuing trend since the 1950s. The non-municipal areas still have the highest number of residents, but growth has happened at a higher rate in the City of Montrose. Nucla, Naturita, and Olathe have all had modest growth since 2000.

Table 1: Population Estimates, Montrose County, 2007

									Change	
	April	July	July	July	July	July	July	July	2006 to 2007	
Area	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**Amt**	**%**
City of Montrose	12,344	13,498	14,075	14,740	15,272	16,025	16,470	17,369	899	5.5%
Naturita	635	648	654	656	656	655	674	679	5	0.7%
Nucla	734	745	740	737	732	731	752	757	5	0.7%
Olathe	1,573	1,623	1,633	1,652	1,666	1,688	1,764	1,789	25	1.4%
Non-municipal Area	18,146	18,100	18,137	18,316	18,418	18,675	19,205	19,669	464	2.4%
Montrose County	33,432	34,614	35,239	36,101	36,744	37,774	38,865	40,263	1,398	3.6%

Source: Colorado Department of Local Affairs Demographics Section

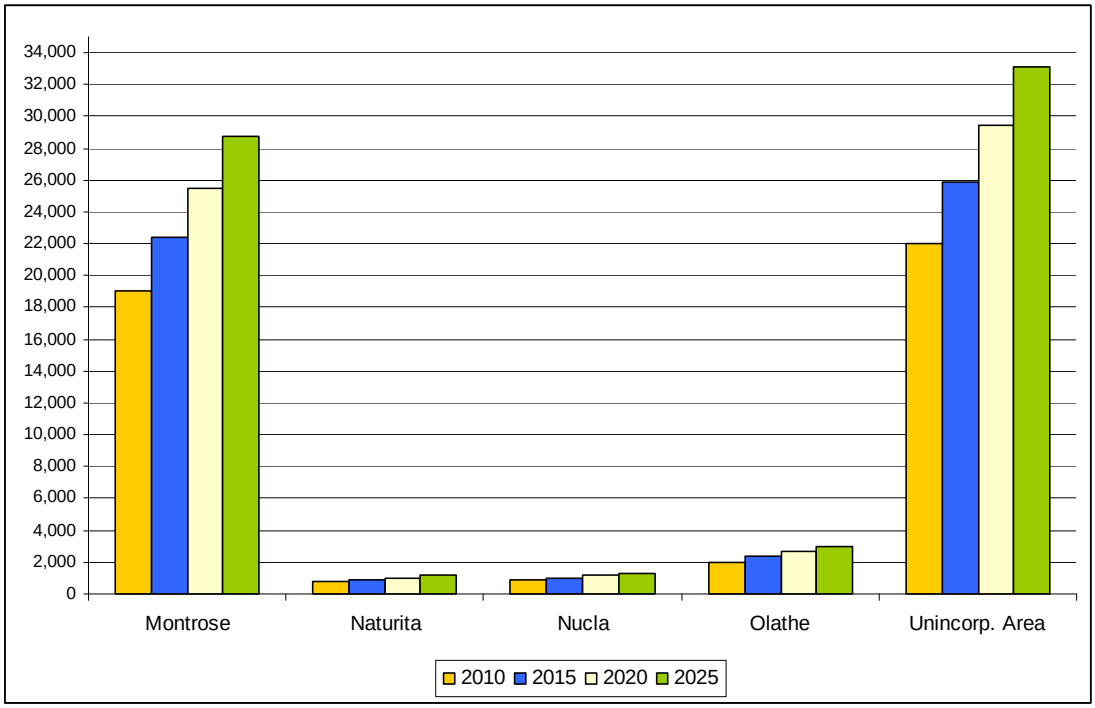
Montrose County is expected to grow steadily during the next five years and beyond. CSI anticipates growth in Montrose County will occur throughout the county, though growth is expected to remain concentrated in the City of Montrose. The non-municipal or unincorporated areas of the county include any area that is not within a city or town limit. While the Colorado Department of Local Affairs Demography Section projects growth between 2007 and 2010 of 4,410 and between 2010 and 2015 of 7,932, these projections may need to be adjusted down as current U.S. economic conditions affect the migration of population from other areas of the country to Montrose County.

Table 2: Total Population Estimates, 2000-2025

Area	2010	2015	2020	2025
Montrose	19,051	22,434	25,507	28,719
Naturita	768	904	1,028	1,157
Nucla	856	1,008	1,146	1,291
Olathe	2,003	2,359	2,682	3,019
Non-municipal (unincorporated) Area	21,995	25,900	29,447	33,156
Montrose County	44,673	52,605	59,810	67,342

Source: Colorado Department of Local Affairs Demography Section and CSI

Figure 1: Total Population Estimates, 2000 - 2025



Source: Colorado Department of Local Affairs Demography Section and CSI

Between 2000 and 2005, Montrose County grew at a faster pace than all surrounding counties except Ouray County, according to Colorado Department of Local Affairs Demography Section population forecasts. The County is expected to have the most rapid rate of growth of all surrounding counties between 2005 and 2015, and then slow to a rate lower than Delta and San Miguel counties for the decade between 2015 and 2025.

Table 3: Annual Percent Change in Population for Montrose and Surrounding Counties, 2000 - 2035

	00-05	05-10	10-15	15-20	20-25	25-30	30-35
Montrose	**2.3%**	**3.4%**	**3.3%**	**2.6%**	**2.4%**	**2.0%**	**1.6%**
Delta	1.5%	2.0%	3.0%	2.8%	2.7%	2.2%	1.5%
Gunnison	0.8%	1.3%	1.6%	1.5%	1.3%	1.1%	0.9%
Mesa	2.1%	3.3%	2.0%	2.1%	1.8%	2.2%	1.7%
Ouray	2.5%	2.6%	3.0%	2.6%	0.9%	0.5%	0.4%
San Miguel	1.9%	3.0%	3.1%	2.8%	2.5%	2.2%	1.8%

Source: Colorado Department of Local Affairs Demography Section

From 2000 to 2007, population change was due, in most part, to people moving into Montrose County. Natural increases-- the difference between births and deaths-- have accounted for between 10 and 23% of population growth during this time.

Table 4: Components of Population Change, 2000-2007 Estimates

	2000-01	2001-02	2002-03	2003-04	2004-5	2005-06	2006-07
Population Change	948	625	862	643	1,030	1,091	1,398
Births	469	500	449	469	515	506	505
Deaths	314	352	345	349	309	362	364
Net Migration (New Residents)	793	477	758	523	824	947	1,257

Source: Colorado Department of Local Affairs Demography Section

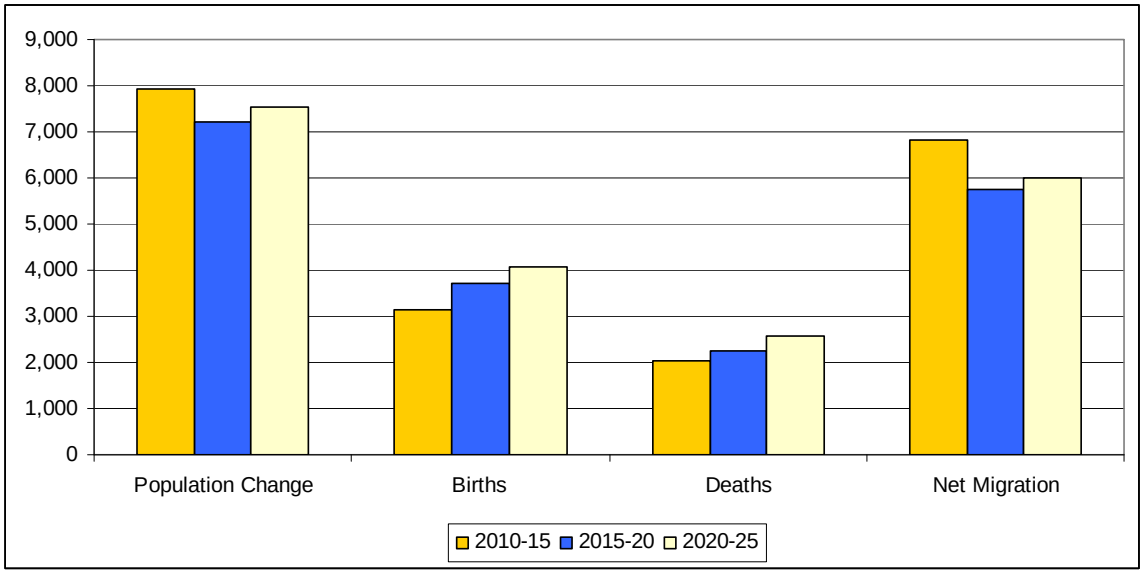
While this trend of in-migration as the largest source of population growth is expected to continue in the county, natural increases will grow and represent approximately 20% of population growth until 2030. Net migration of new residents will most likely slow given the current economy and the housing market nation-wide. Migration into Montrose County is forecast to slow during the next decade.

Table 5: Components of Population Change, 2010-2025 Forecast

	2010-15	2015-20	2020-25
Total Population Change	7,930	7,204	7,533
Births	3,141	3,707	4,087
Deaths	2,029	2,261	2,557
Net Migration (New Residents)	6,818	5,758	6,003

Source: Colorado Department of Local Affairs Demography Section

Figure 2: Components of Population Change, 2010–2025 Forecast



Source: Colorado Department of Local Affairs Demography Section

Olathe has the highest percentage of younger residents age 19 and younger, 31.5%, and the City of Montrose has the lowest percentage of young residents with only 23.2% of the population under the age of 19. However, Montrose has the second highest number of young residents after the non-municipal areas. Olathe also has the highest percentage (23.7%) of people age 20 – 35 in the county. The non-municipal areas have the highest percentage of persons age 36 – 54 years old (29.8%), while the City of Montrose has the highest percentage of residents age 55 and older (32.1%). The median age in Montrose County was 38.2 in 2007.

Table 6: Montrose County Population By Age, 2007

	Montrose County	City of Montrose	Naturita	Nucla	Olathe	Non Municipal Areas
Under 5 years	2,617	1,095	44	43	171	1,264
5 to 9 years	2,899	1,131	55	61	150	1,502
10 to 14 years	2,537	910	50	50	118	1,409
15 to 19 years	2,496	894	45	58	124	1,374
20 to 24 years	2,416	1,079	51	41	154	1,091
25 to 29 years	2,979	1,539	46	49	156	1,188
30 to 34 years	2,376	1,027	48	46	114	1,141
35 to 39 years	2,094	841	46	40	92	1,075
40 to 44 years	3,060	1,157	45	51	93	1,714
45 to 49 years	2,738	959	27	53	120	1,578
50 to 54 years	2,818	1,153	28	56	103	1,479
55 to 59 years	2,617	1,022	47	51	68	1,429
60 to 65 years	1,933	736	48	54	49	1,046
65 to 69 years	1,691	757	44	32	39	820
70 to 74 years	1,530	818	17	26	50	619
75 to 79 years	1,490	955	13	23	52	447
80 to 84 years	805	522	10	8	38	228
85 years and over	1,087	773	16	15	99	184
Total:	40,182	17,369	679	757	1,789	19,589

Source: Colorado Demography Section, American Community Survey, CSI

The following table shows the Montrose population forecast through 2025 by age group. Between 2005 and 2010, the age group expected to have the biggest gain (35%) is those age 20 – 29. Between 2010 and 2015, those in the 30 – 49 and 65 – 75 age ranges are expected to grow by just over 24% each, and from 2015 – 2025, the same age ranges will have the highest percentage growth. All age ranges are expected to add residents. Over 7,000 children age 19 and younger are forecast to join the Montrose population between 2005 and 2025.

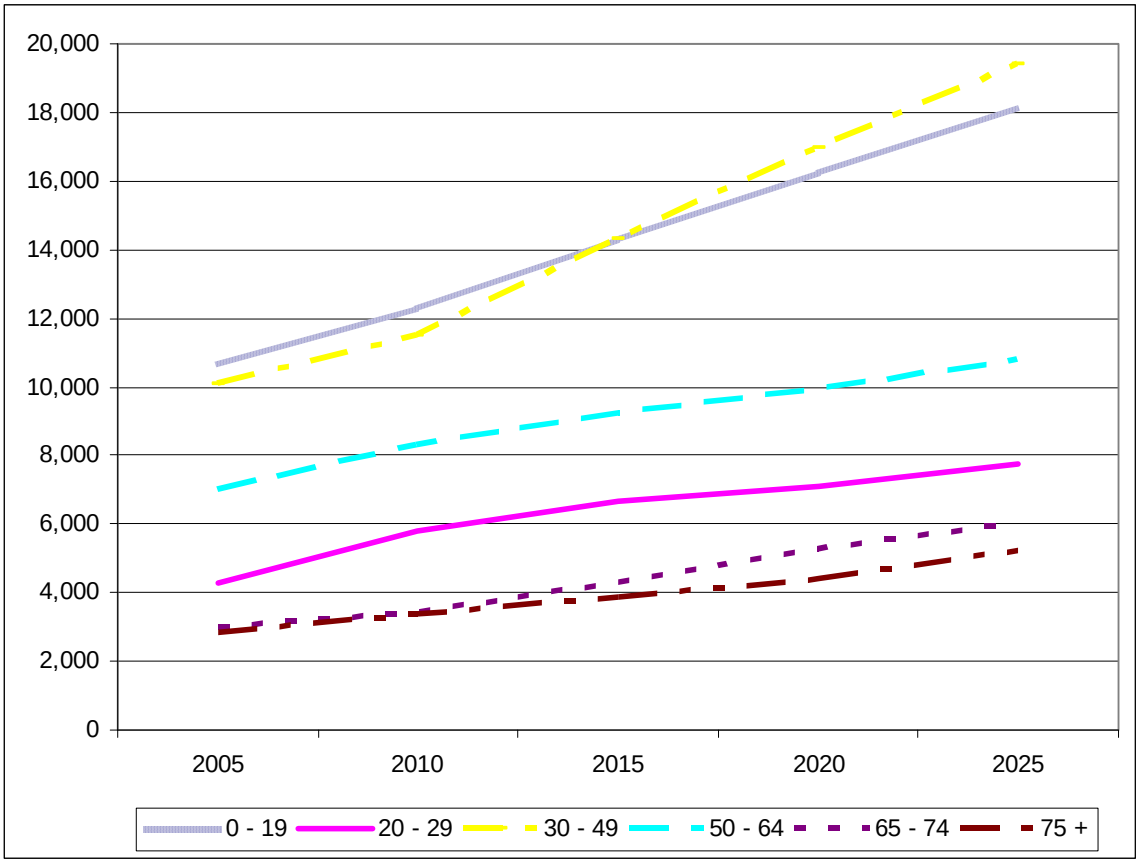
The median age in Montrose County will decrease slightly until the year 2016, before increasing steadily to 2035. The increases in younger residents represent both natural increases, or births, in Montrose County, as well as in-migration of young people and families into the county.

Table 7: Montrose County Total Populations Forecasts by Age, 2005 - 2025

	2005	2010	2015	2020	2025
0 - 19	10,663	12,304	14,315	16,259	18,140
20 - 29	4,288	5,800	6,658	7,076	7,738
30 - 49	10,057	11,474	14,298	16,951	19,429
50 - 64	6,973	8,286	9,220	9,892	10,782
65 - 74	2,969	3,440	4,279	5,266	6,032
75 +	2,819	3,371	3,834	4,369	5,227

Source: Colorado Department of Local Affairs Demography Section, CSI

Figure 3: Montrose County Population Projections by Age, 2005 - 2025



Source: Colorado Department of Local Affairs Demography Section, CSI

Montrose County's elderly population has been growing and is expected to continue to grow between 2010 and 2025. The county is projected to gain over 4,000 residents age 62 – 75 between 2005 and 2025, and over 2,000 residents age 75+. While the total gain in senior population is not as great as in some other age groups during this time period, it will affect the housing market and senior housing choices.

Table 8: Montrose County Elderly Population Estimates, 2000 - 2025

	2000		2001		2002	
	62-74	**75+**	**62-74**	**75+**	**62-74**	**75+**
Montrose County	3,604	2,499	3,723	2,562	3,762	2,608
Montrose city	1,438	1,426	1,485	1,462	1,501	1,488
Naturita town	87	31	90	32	91	32
Nucla town	85	38	88	39	89	40
Olathe town	109	143	113	147	114	149
Non-metro	1,885	861	1,947	883	1,968	899
	2003		**2004**		**2005**	
	62-74	**75+**	**62-74**	**75+**	**62-74**	**75+**
Montrose County	3,855	2,689	3,962	2,756	4,102	2,819
Montrose city	1,538	1,534	1,581	1,573	1,637	1,609
Naturita town	93	33	96	34	99	35
Nucla town	91	41	93	42	97	43
Olathe town	117	154	120	158	124	161
Non-metro	2,016	926	2,072	950	2,145	971

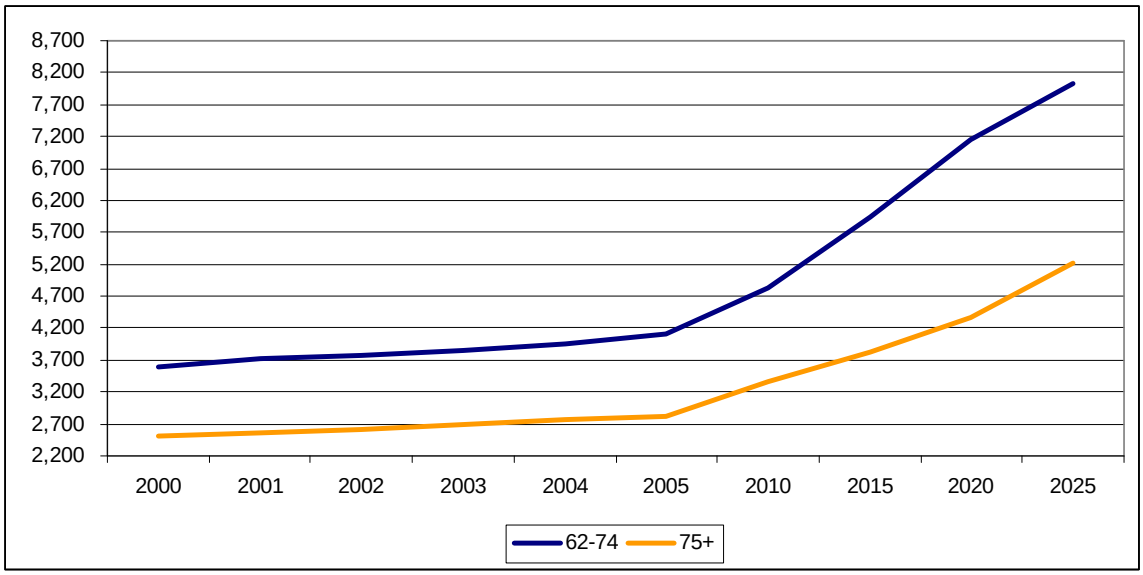
Source: Colorado Department of Local Affairs Demography Section, CSI

Table 9: Montrose County Elderly Population Projections, 2010 - 2025

	2010		2015		2020		2025	
Elderly Age Group	**62 to 74**	**75 +**	**62 to 74**	**75 +**	**62 to 74**	**75 +**	**62 to 74**	**75 +**
Montrose County	4,839	3,371	5,938	3,834	7,154	4,369	8,035	5,227
Montrose city	1,931	1,924	2,369	2,188	2,854	2,493	3,206	2,983
Naturita town	117	42	143	48	173	54	194	65
Nucla town	114	51	140	58	169	66	190	79
Olathe town	146	193	180	219	216	250	243	299
Non-metro	2,531	1,161	3,106	1,321	3,742	1,505	4,203	1,801

Source: Colorado Department of Local Affairs Demography Section, CSI

Figure 4: Montrose County Senior Population Growth, 2000 - 2025



Source: Colorado Department of Local Affairs Demography Section, CSI

The most current census data regarding group quarters populations in Montrose County shows that between 2005 and 2007, an average of 642 persons live in some sort of group quarters. Group quarters include nursing homes, group homes, prison, jail, or college dorms. In Montrose County, there were 548 persons in group quarters in 2000, 212 of whom were institutionalized, and 336 who were not. Montrose County does not have a college campus with dorms or a prison, and those living in group quarters live primarily in nursing homes and group homes primarily for persons with disabilities.

Household Trends and Characteristics

In 2007, CSI estimates a total of 15,540 households in Montrose County. Renters comprise 28 percent of households -- this is an increase from 25 percent in 2000. Not surprisingly, the percentage of renters is higher in the City of Montrose than in the unincorporated, or non-metro, areas. This is typical of rural communities, where denser multi-unit housing is located within the largest jurisdiction in the county. Interviews with local landlords, Realtors, and political leaders indicate this trend toward a higher renter population is accurate. The majority of households are family households, mostly married couples, who are also more likely to be owners than non-family households.

Table 10: Households by Tenure, Montrose County, 2007

	Montrose County		City of Montrose		Naturita	
	Owner occupied	Renter Occupied	Owner occupied	Renter Occupied	Owner occupied	Renter Occupied
Total Households	11,163	4,377	3,888	2,463	228	76
Family households	8,055	2,207	2,775	1,183	150	25
Married-couple family	7,046	1,432	2,346	740	105	18
Other family	1,009	775	429	443	45	7
Male householder, no wife present	284	117	110	82	21	0
Female householder, no husband present	725	658	319	342	24	7
Non-family households	3,108	2,170	1,113	1,280	78	51
Male householder	1,334	874	336	439	40	38
Living alone	1,008	695	247	355	30	22
Not living alone	326	179	89	83	10	17
Female householder	1,774	1,296	777	841	39	13
Living alone	1,597	1,165	696	751	36	13
Not living alone	177	131	81	90	2	0
	Nucla		**Olathe**		**Non-metro**	
	Owner occupied	Renter Occupied	Owner occupied	Renter Occupied	Owner occupied	Renter Occupied
Total Households	252	120	389	240	6,404	1,478
Family households	179	81	284	166	4,668	753
Married-couple family	152	36	252	119	4,191	518
Other family	27	44	31	47	477	235
Male householder, no wife present	8	20	12	9	132	6
Female householder, no husband present	18	24	19	38	345	248
Nonfamily households	74	40	106	74	1,737	725
Male householder	19	17	37	32	901	349
Living alone	16	14	22	32	693	272
Not living alone	4	2	16	0	208	77
Female householder	54	23	69	42	836	376
Living alone	54	21	60	36	750	343
Not living alone	0	2	8	6	86	33

Source: U.S. Census Bureau American Community Survey, CSI

All incorporated areas of Montrose County except Naturita have lower homeownership rates than the non-municipal areas. Much of the newer development since 2000 has taken place outside City limits in new subdivisions. Many of these subdivisions have larger, higher cost units than units in the incorporated towns and City. All new rental development has occurred in the City of Montrose and the Town of Olathe.

Table 11: Homeownership Rates by Community in Montrose County, 2007

	Rate
Montrose County	71.8%
City of Montrose	61.2%
Naturita	75.0%
Nucla	67.7%
Olathe	61.9%
Non-municipal	81.3%

Source: U.S. Census Bureau American Community Survey, CSI

The number of households in Montrose County has been growing during the past decade, and will continue to grow as new households move to the area. The average household size is not expected to change significantly during this time period. The average household size in Montrose County in 2007 was 2.42. Owner households are slightly larger at 2.45 persons than renter households with 2.35 persons.

As is often the case, a much higher percentage of younger households in Montrose County are renters. Compared to the State of Colorado, the number of households in the 25 – 34 age range and those in the 35 – 44 age range that are still renters is higher in Montrose County, indicating that a robust real estate market in the late 1990s and through 2008 may be keeping younger households from being able to purchase a home. The homeownership rate for older households in Montrose County is higher than across the state as a whole, reflecting the fact that Montrose did have many more moderately priced homes in past decades.

Table 12: Montrose County Homeownership Rate by Tenure, 2005/2007

	Owners	Renters	Montrose County Homeownership Rate	Colorado Homeownership Rate
Householder 15 to 24 years	82	660	11.1%	17.2%
Householder 25 to 34 years	1,311	1,657	44.2%	49.9%
Householder 35 to 44 years	1,589	799	66.5%	69.6%
Householder 45 to 54 years	2,419	377	86.5%	78.2%
Householder 55 to 59 years	1,320	190	87.4%	80.8%
Householder 60 to 64 years	1,001	125	88.9%	84.6%
Householder 65 to 74 years	1,580	137	92.0%	83.5%
Householder 75 to 84 years	1,426	282	83.5%	80.7%
Householder 85 years and over	435	150	74.4%	64.7%
Total	11,163	4,377		

Source: U.S. Census Bureau American Community Survey, CSI

Most Montrose County homeowners moved to their current housing unit since 1990, reflecting both new residents moving into the county and long term resident turnover in the for-sale market to

newer or higher priced housing units. Renters have moved at a higher rate than owners. Almost 90% of renters moved between 2000 and 2008.

Table 13: Year Household Moved into Unit by Tenure, Montrose County, 2005-2007

	Number	Percent
Owner occupied		
Moved in 2005 or later	1,810	16.2%
Moved in 2000 to 2004	3,808	34.1%
Moved in 1990 to 1999	3,071	27.5%
Moved in 1980 to 1989	1,072	9.6%
Moved in 1970 to 1979	922	8.3%
Moved in 1969 or earlier	480	4.3%
Total Owners	11,163	
Renter occupied		
Moved in 2005 or later	2,131	48.7%
Moved in 2000 to 2004	1,779	40.6%
Moved in 1990 to 1999	413	9.4%
Moved in 1980 to 1989	17	0.4%
Moved in 1970 to 1979	0	0.0%
Moved in 1969 or earlier	37	0.8%
Total Renters	4,377	

Source: U.S. Census Bureau American Community Survey

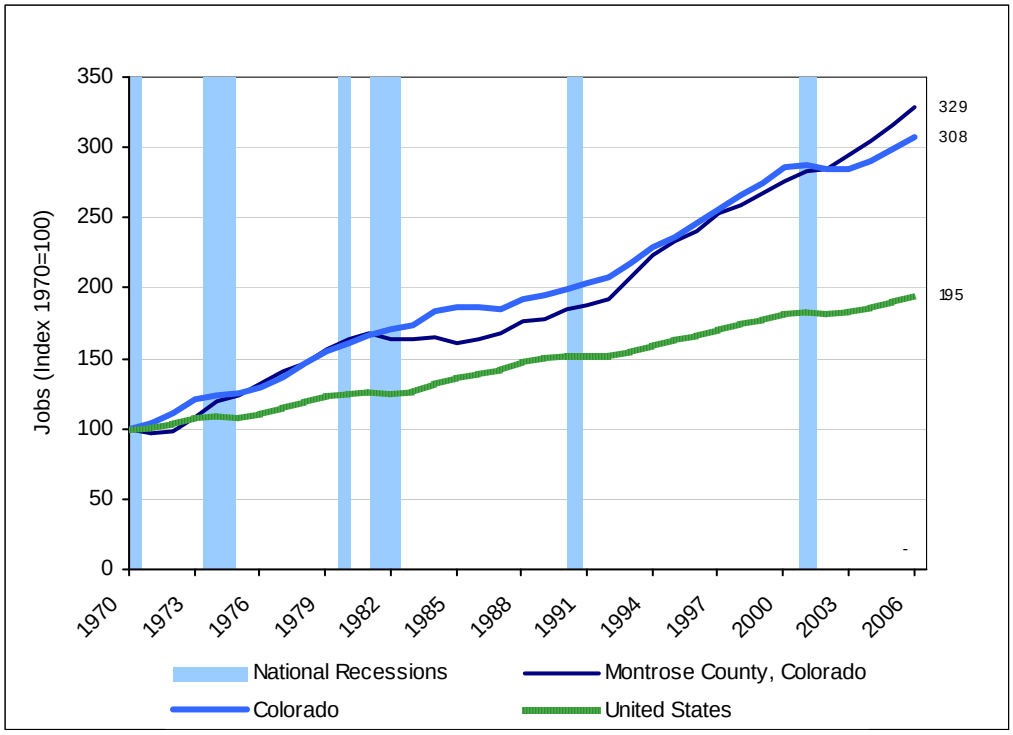
LOCAL ECONOMY AND EMPLOYMENT

This section of the report will examine employment trends and wage data for Montrose County. This information is used to estimate the number and type of new housing units needed as well as price ranges necessary to meet the housing needs of the area workforce.

Labor Force

The following tables and charts provide an employment overview for Montrose County. Between 1970 and 2006, job growth in Montrose County has risen at a pace similar to the state and higher than the nation. During this 36-year period, the number of jobs increased three fold in Montrose County. The following graphic shows the number of jobs each year in comparison to the number of jobs in 1970. In Montrose County, there were 329 jobs in 2006 for every 100 jobs in 1970. As Montrose County has grown, so has its labor market.

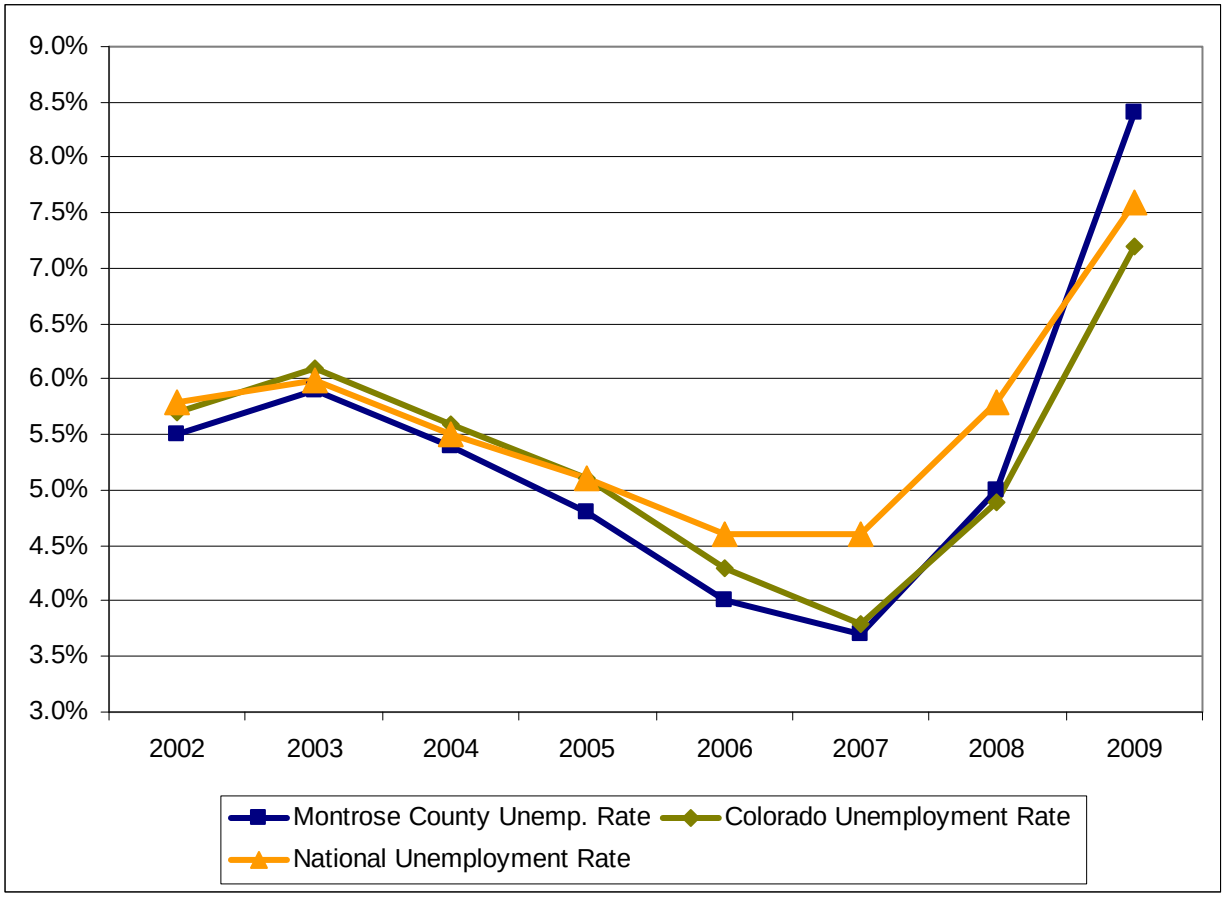
Figure 5: Montrose County Jobs Compared to the State and the Nation



Source: BEA REIS 2006, Sonoran Institute

The civilian labor force in Montrose County increased between 2002 and 2009, while the number of employed persons dropped. The number of unemployed persons has jumped in 2009 from 2008, as the national economic downturn has affected the local Montrose economy. While Montrose County was experiencing an unemployment rate lower than or equal to the national and state rate, Montrose County is now seeing job losses at a higher rate.

Figure 6: Montrose County Unemployment Rates Over Time



Source: Labor Market Information, LAUS Unit & US Bureau of Labor Statistics

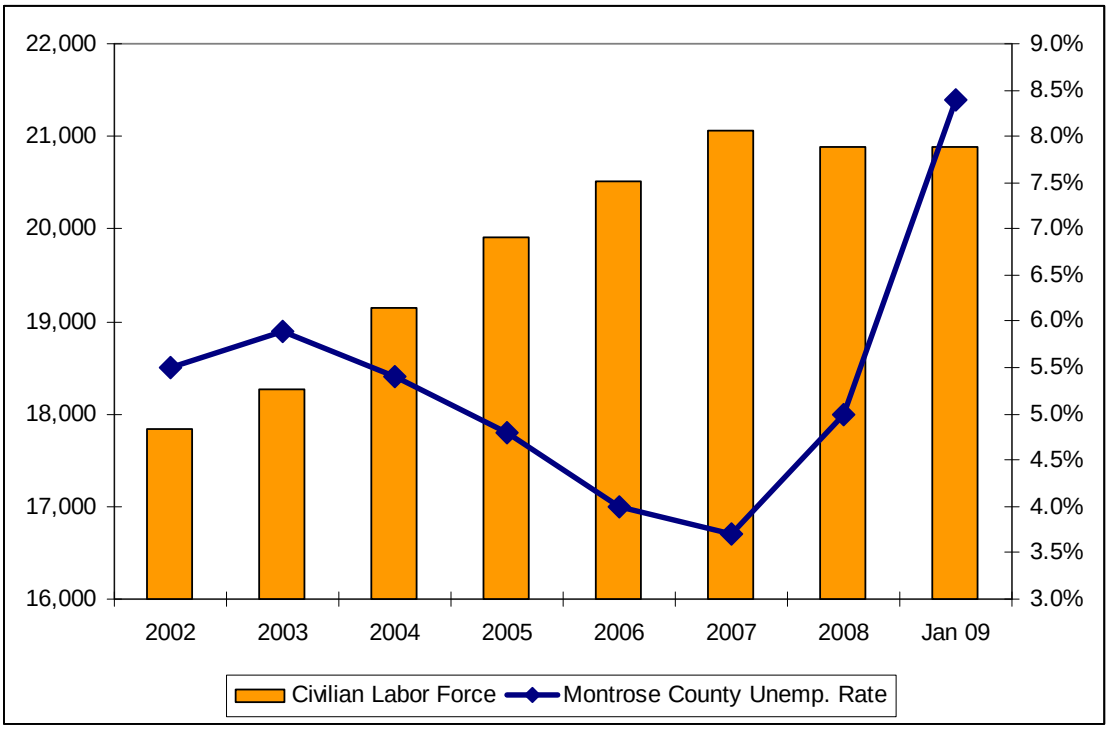
The January 2009, Department of Labor and Employment non-seasonally adjusted unemployment rate for Montrose County was 8.4 percent. These new figures show a large jump in the unemployment rate in Montrose County. This rate compares to 7.2 percent statewide, 6.2 percent in Mesa County, 4.3 percent in San Miguel County, and 5.2 percent in Gunnison County during the same month. While San Miguel and Gunnison Counties are in their peak employment seasons, Montrose County has an economy that is less seasonal. However, the January 2009 employed persons number of 19,142 people is over 700 less than one year prior, and shows a significant reduction in employment. The labor force has shrunk over the past two year, from a high of 21,068 in 2007 to 20,893 in January of 2009.

Table 14: Montrose County Annual Average Labor Force, Employment and Unemployment

	2002	2003	2004	2005	2006	2007	2008	Jan 09
Civilian Labor Force	17,836	18,262	19,137	19,909	20,511	21,068	20,894	20,893
Employment	16,855	17,178	18,112	18,951	19,681	20,297	19,840	19,142
Unemployment	981	1,084	1,025	958	830	771	1,054	1,751
Montrose County Unemployment Rate	5.5	5.9	5.4	4.8	4.0	3.7	5.0	8.4
Colorado Unemployment Rate	5.7	6.1	5.6	5.1	4.3	3.8	4.9	7.2
National Unemployment Rate	5.8	6.0	5.5	5.1	4.6	4.6	5.8	7.6

Source: Labor Market Information, LAUS Unit & US Bureau of Labor Statistics

Figure 7:



Source: Labor Market Information, Colorado Department of Labor & Employment

Employment and Wages

Montrose County's employment base is a mix of public and private sector jobs. While the Montrose County School District and Montrose Memorial Hospital are the largest employers in the county, private employers such as the Russell Stover factory, the Wal-Mart retail center, and Volunteers of America (VOA) nonprofit organization are also in the top five. Large employers are not concentrated in one particular sector of the economy. However, many smaller employers and retail employers are reliant upon the Telluride high end economy, tourism, and home building, all of which are seeing declines in the current economy. Locals expect that more jobs will be lost during the next year as retail establishments close due to a shrinking economy, and construction related declines continue.

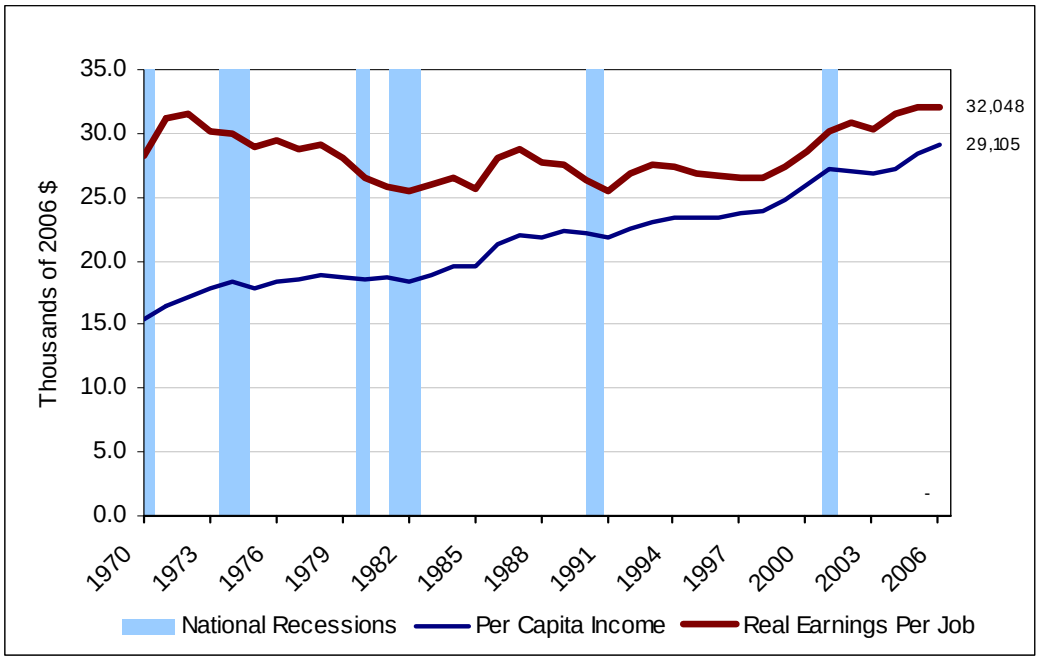
Table 15: 2008 Major Employers in Montrose County

	# Employed
Montrose County School District	850
Montrose Memorial Hospital	530
Russell Stover Candies	400
Wal-Mart Super Center	380
Volunteers of America	350
Montrose County	340
City Market	210
City of Montrose	175
Community Options	160
Home Depot	120
Delta-Montrose Electric Assoc.	115
Hansen Weather Port	96
Gordon Composites	90
Wells Fargo	85
Western Skyways	80
West End School District	79
Rocky Mountain Steel	72
Tri-State Generation	70
Best Sign Systems	59
Target	58

Source: Chamber of Commerce

Average earnings per job, adjusted for inflation, have risen since 1970 in Montrose County, from $28,260 to $32,048 in 2006, the most recent year with available data. Per capita income has also steadily risen since 1970. Average wages adjusted for inflation have risen since the 1990s. In 2006, average earnings per job in Montrose County ($32,048) were lower than the State of Colorado ($47,832) and the nation ($47,286).

Figure 8: Montrose County Earnings Per Job



Source: BEA REIS Data, 2004, Sonoran Institute

County-level employment data is available through the year 2007 and for the third quarter of 2008. Industries with the highest employment in 2007 were retail trade, health care and social assistance, construction, manufacturing, accommodation and food service. These industries and most others have stayed stable in employment levels from 2003 to 2007. The most recent data on employment by industry is for the third quarter of 2008, when the number of total jobs in Montrose County was still higher than in 2007, though industries such as construction, manufacturing, transportation and warehousing showed declines in the number of employed persons.

Table 16: Five Year Trend in Employment By Industry, Montrose County

Industry	Average Employment					
	2003	2004	2005	2006	2007	3 Q 2008
Agriculture, Forestry, Fishing & Hunting	271	268	285	274	282	244
Mining	89	110	151	109	131	192
Utilities	274	280	279	287	300	302
Construction	1,131	1,256	1,495	1,648	1,640	1,505
Manufacturing	1,534	1,545	1,556	1,612	1,431	1,309
Wholesale Trade	414	473	481	466	492	521
Retail Trade	2,020	1,963	1,924	1,964	2,189	2,382
Transportation and Warehousing	525	515	544	568	616	582
Information	219	231	245	260	256	243
Finance and Insurance	347	380	383	397	410	409
Real Estate and Rental and Leasing	247	296	308	318	335	330
Professional and Technical Services	453	465	512	546	562	543
Management of Companies and Enterprises	24	13	18	17	20	25
Administrative and Waste Services	398	450	457	472	489	555
Private Educational Services	***	***	***	***	***	***
Health Care and Social Assistance	1,902	1,914	1,995	2,101	2,165	2,236
Arts, Entertainment, and Recreation	170	182	186	192	258	338
Accommodation and Food Services	1,071	1,174	1,209	1,266	1,261	1,267
Other Services, Ex. Public Admin	350	358	379	390	414	405
Public Administration	1,006	1,042	983	973	984	1,083
Unclassified	***	***	***	***	***	***

Source: Colorado Department of Labor, (*) = suppressed data

Wages in Montrose County rose steadily between 2003 and 2007 for almost all industries. In the third quarter of 2008, wages were up for many industries and stable in most others.

Table 17: Five Year Trend in Average Wages by Industry, Montrose County, 2003 – 2007

Industry	2003	2004	2005	2006	2007	3 Q 2008
Agriculture, Forestry, Fishing & Hunting	$19,968	$20,436	$21,892	$21,632	$23,452	$28,028
Mining	$46,956	$49,400	$54,288	$63,700	$57,148	$61,984
Utilities	$46,800	$48,828	$51,168	$52,832	$54,288	$57,252
Construction	$30,212	$31,356	$33,176	$33,384	$35,776	$38,792
Manufacturing	$24,336	$25,584	$25,740	$26,728	$28,652	$29,536
Wholesale Trade	$28,548	$30,420	$34,060	$38,064	$40,820	$38,272
Retail Trade	$22,828	$23,400	$24,232	$25,220	$25,376	$25,220
Transportation and Warehousing	$25,272	$27,560	$28,236	$29,276	$30,160	$31,096
Information	$24,700	$27,300	$27,716	$27,768	$29,120	$29,588
Finance and Insurance	$36,920	$35,984	$39,104	$39,884	$41,496	$40,612
Real Estate and Rental and Leasing	$22,516	$24,492	$26,624	$31,772	$32,500	$34,216
Professional and Technical Services	$31,096	$33,800	$35,464	$38,324	$40,040	$37,128
Management of Companies and Enterprises	$130,312	$224,796	$294,528	$226,980	$163,592	$71,292
Administrative and Waste Services	$20,800	$21,424	$19,084	$22,516	$24,284	$25,012
Private Educational Services	***	***	***	***	***	
Health Care and Social Assistance	$27,924	$29,380	$30,524	$30,888	$32,448	$34,112
Arts, Entertainment, and Recreation	$12,220	$12,376	$13,104	$13,104	$19,604	$19,032
Accommodation and Food Services	$10,712	$10,972	$11,440	$12,636	$13,884	$14,248
Other Services, Ex. Public Admin	$25,792	$26,624	$26,260	$28,080	$29,484	$29,536
Public Administration	$39,156	$40,040	$41,184	$42,744	$44,044	$52,832
Unclassified	***	***	***	***	***	***

Source: Colorado Department of Labor, (*) = suppressed data

Montrose County has a greater number of jobs as a percent of total employment in the agriculture, forestry, fishing, and hunting industry, utilities, manufacturing, and transportation and warehousing than in the State of Colorado as a whole.

However, as Table 18 shows, wages in the county are lower than statewide average weekly wages for all industries except for management of companies and enterprises. The gap between statewide wages and Montrose County wages has been steadily declining over the past five years for most industries, which is good news for the Montrose County labor force. Wages still lagged behind statewide levels from 4.7 to 160% in all but one industry in 2007, however.

Table 18: Difference Between Montrose County and Colorado Wages, 2003 – 2007

Industry	2003	2004	2005	2006	2007
Agriculture, Forestry, Fishing & Hunting	16.9%	17.8%	11.6%	17.3%	14.2%
Mining	42.0%	69.6%	53.3%	32.3%	52.9%
Utilities	24.7%	29.4%	25.9%	46.2%	27.0%
Construction	30.8%	29.0%	25.5%	29.9%	27.5%
Manufacturing	109.0%	105.7%	108.7%	105.3%	98.5%
Wholesale Trade	88.5%	84.6%	70.2%	61.9%	61.7%
Retail Trade	7.5%	7.1%	4.7%	2.5%	4.7%
Transportation and Warehousing	59.3%	51.7%	49.0%	50.3%	46.4%
Information	165.7%	137.3%	143.5%	169.5%	160.2%
Finance and Insurance	57.0%	64.2%	58.6%	63.0%	65.7%
Real Estate and Rental and Leasing	58.0%	51.2%	45.9%	29.1%	32.6%
Professional and Technical Services	97.3%	90.5%	90.2%	86.3%	88.3%
Management of Companies and Enterprises	-42.9%	-61.0%	-66.1%	-55.2%	-32.7%
Administrative and Waste Services	36.8%	36.2%	56.1%	35.6%	30.4%
Private Educational Services					
Health Care and Social Assistance	32.6%	31.0%	29.0%	31.5%	30.3%
Arts, Entertainment, and Recreation	124.3%	108.8%	99.6%	117.9%	51.7%
Accommodation and Food Services	33.5%	34.6%	31.8%	23.5%	20.6%
Other Services, Ex. Public Admin	3.0%	5.5%	9.3%	7.0%	6.5%
Public Administration	13.8%	15.7%	16.3%	15.6%	15.3%
Unclassified					

Source: Colorado Department of Labor, (*) = suppressed data

Montrose County's adult population has a lower percentage of people with an associates, bachelor's or post-graduate degree compared to the state. Nineteen percent (21%) of Montrose County's adult population has a bachelor degree or higher. Another 32.2% have some college education, compared to 30.9% for the state as a whole. Many jobs in Montrose County do not require advanced degrees as a prequalification. Thirty-three percent of Montrose County's population has a high school diploma or equivalency as their highest level of education.

Table 19: Educational Attainment for the Population 25 Years and Over, 2005-2007

	Montrose County		Colorado	
Less than high school graduate	2,102	13.5%	180,717	9.8%
High school graduate (including equivalency)	5,162	33.2%	419,038	22.8%
Some college or associate's degree	4,999	32.2%	567,197	30.9%
Bachelor's degree or higher	3,277	21.1%	671,351	36.5%

Source: U.S. Census Bureau American Community Survey

Commuting patterns have changed in Montrose County during the past eight years as economic opportunities in other counties have increased commuting from Montrose County to other surrounding counties. In 2000, the census reported that 85% of residents also worked in Montrose County. In 2006, this percentage had dropped to 74%.

Table 20: Montrose County Residents By County of Work, 2000

	Montrose County	
Worked in Colorado	14,711	99.0%
Worked outside Colorado	144	1.0%
Worked in Montrose County	12,674	85.3%
Worked outside Montrose County	2,037	13.7%
Worked in city/town of residence	4,280	28.8%
Worked outside city/town of residence	2,153	14.5%
Total:	14,855	

Source: U.S. Census Bureau, 2000 Census

Table 21: Workers by Place of Work, 2006

	2006	
	Count	%
Montrose Co., Colorado	10,330	74.0%
Delta Co., Colorado	1,147	8.2%
Mesa Co., Colorado	604	4.3%
El Paso Co., Colorado	160	1.1%
Montezuma Co., Colorado	150	1.1%
Ouray Co., Colorado	138	1.0%
La Plata Co., Colorado	134	1.0%
Denver Co., Colorado	105	0.8%
Gunnison Co., Colorado	103	0.7%
Garfield Co., Colorado	100	0.7%
All Other Locations	990	7.1%

Source: U.S. Census Bureau LED On the Map

Having housing with a range of prices and types for the local work force is important for all communities. With 74 percent of the Montrose County residents working within their own county, it appears that a live/work balance is possible. The increase in earnings from jobs in Montrose County flowing to other counties indicates that some workers are choosing to live in other communities and commuting to Montrose, perhaps because housing prices have risen higher in the county than in some surrounding communities such as Delta, Mesa, and Ouray Counties.

Another set of economic indicators -- important for analyzing the housing market and local incomes -- includes per capita income, personal income, and income flowing into the county from sources other than wages. In communities that attract retirees and self-employed persons such as Montrose County, income from sources other than the local job market can create a housing market that is imbalanced with local wages. New residents have higher incomes coming from sources outside the community and can afford higher priced homes, while local residents reliant upon local wages cannot afford the same home prices. The following chart shows that Montrose County does indeed have more retirement and other transfer payment income per person (per capita) than the state as a whole. Delta County to the north, has even more retirement and other income, while San Miguel County to the south has a higher transfer payment income from stocks, bonds, and investments.

Residents reliant solely upon wage income in Montrose County are competing in the housing market with households that have retired from other parts of the country with higher incomes. This can cause an imbalance in the housing market.

Table 22: Economic Snapshot, Montrose County, Surrounding Counties, and State of Colorado 3 Year Data

	Montrose County			Delta County		
	2004	2005	2006	2004	2005	2006
Components of Total Personal Income						
Net earnings 1/	63.3%	62.2%	61.7%	57.0%	56.9%	56.6%
Personal current transfer receipts	17.2%	16.7%	17.0%	24.4%	24.3%	24.4%
Income maintenance 2/	1.5%	1.5%	1.4%	1.9%	1.9%	1.8%
Unemployment insurance compensation	0.6%	0.4%	0.3%	0.4%	0.3%	0.3%
Retirement and other	15.1%	14.8%	15.2%	22.1%	22.1%	22.4%
Dividends, interest, and rent	19.5%	21.1%	21.4%	18.6%	18.8%	19.0%
Per Capita Comparisons						
Per capita personal income	$25,476	$27,584	$29,105	$22,356	$23,884	$25,493
Per capita net earnings	$16,126	$17,157	$17,944	$12,752	$13,597	$14,421
Per capita personal current transfer receipts	$4,388	$4,612	$4,938	$5,444	$5,802	$6,223
Per capita income maintenance	$391	$420	$410	$418	$461	$454
Per capita unemployment insurance benefits	$143	$101	$94	$92	$75	$65
Per capita retirement and other	$3,854	$4,091	$4,435	$4,933	$5,267	$5,705
Per capita dividends, interest, and rent	$4,962	$5,815	$6,223	$4,160	$4,484	$4,849
Employment Type						
Total full-time and part-time employment	22,456	23,298	24,244	14,575	15,067	15,794
% Wage and salary jobs	68.1%	67.9%	67.4%	60.0%	59.6%	59.6%
% Proprietors (including farm)	31.9%	32.1%	32.6%	40.0%	40.4%	40.4%
Average earnings per job (dollars)	$29,517	$31,102	$32,048	$22,012	$22,767	$23,145
	San Miguel County			**Colorado**		
	2004	2005	2006	2004	2005	2006
Components of Total Personal Income						
Net earnings 1/	61.5%	62.7%	61.3%	74.0%	73.4%	72.8%
Personal current transfer receipts	4.2%	4.1%	4.1%	9.9%	9.9%	10.0%
Income maintenance 2/	0.3%	0.3%	0.3%	0.8%	0.9%	0.8%
Unemployment insurance compensation	0.3%	0.2%	0.2%	0.3%	0.2%	0.2%
Retirement and other	3.6%	3.6%	3.6%	8.8%	8.8%	9.0%
Dividends, interest, and rent	34.3%	33.2%	34.6%	16.1%	16.7%	17.3%
Per Capita Comparisons						
Per capita personal income	$39,077	$43,584	$47,142	$35,523	$37,600	$39,491
Per capita net earnings	$24,038	$27,312	$28,887	$26,286	$27,606	$28,734
Per capita personal current transfer receipts	$1,642	$1,782	$1,930	$3,502	$3,709	$3,937
Per capita income maintenance	$119	$136	$158	$298	$322	$317
Per capita unemployment insurance benefits	$122	$95	$85	$91	$69	$63
Per capita retirement and other	$1,401	$1,551	$1,687	$3,113	$3,318	$3,557
Per capita dividends, interest, and rent	$13,396	$14,490	$16,325	$5,735	$6,285	$6,820
Employment Type						
Total full-time and part-time employment	7,762	8,226	8,594	2,990,492	3,079,848	3,175,268
% Wage and salary jobs	63.5%	63.4%	62.5%	77.6%	77.0%	76.4%
% Proprietors (including farm)	36.5%	36.6%	37.5%	22.4%	23.0%	23.6%
Average earnings per job (dollars)	$27,999	$30,361	$31,189	$44,902	$46,439	$47,832

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce, CSI

HOUSING PRODUCTION

This section of the report will focus on the current housing stock as well as recent housing construction by unit type and price range for the county, for-sale and for-rent units, housing conditions, housing types and other characteristics. This data will be used to estimate new housing production needs in Montrose County.

Number and Type of Housing Units

The following table shows the estimated number of housing units in each community in Montrose County, as well as those in the non-municipal areas of the county. New development in the unincorporated areas of the county during the past decade has increased the number of housing units outside any incorporated town or city to approach the number of units within the City of Montrose municipal boundaries.

Table 23: Total Number of Housing Units, 2007

	Total Housing Units	Occupied Units
Montrose County	17,027	15,822
City of Montrose	7,928	7,339
Naturita	326	274
Nucla	369	320
Olathe	633	595
Non-metro	7,771	7,294

Source: State of Colorado Demography Section

The majority of occupied housing units in Montrose County are single-family, stick-built, detached homes. Another 22% of units in Montrose County are manufactured housing units or mobile homes. The percentage of attached and multi-unit housing units is higher in the City of Montrose, which is typical in rural communities, where apartments are concentrated in the largest communities. All new multi-unit housing has been built in the City of Montrose in the past five years.

Table 24: Units in Structure, Montrose County, 2007

	Montrose County	City of Montrose	Naturita	Nucla	Olathe	Non-Municipal
1-unit, detached	10,982	3,390	271	339	541	6,442
1-unit, attached	392	234	13	0	20	124
2 units	272	176	25	5	22	44
3 or 4 units	392	258	13	7	39	74
5 to 9 units	409	286	0	0	7	115
10 to 19 units	187	134	0	16	0	38
20 or more units	545	435	0	0	0	110
Mobile home	3,763	3,001	0	0	0	762
Boat, RV, van, etc.	85	13	4	3	3	62
Total housing units	17,027	7,928	326	369	633	7,771

Source: Colorado Demography Section, Census 2000, American Community Survey, CSI

Tenure -- whether a household rents or owns their home -- is an important factor to identify when creating an analysis of future housing demand and needs. While many households prefer to own

their home, others may never be able to afford to purchase a home or may prefer to continue renting. Affordable options for both owners and renters should be available in any housing market. In Montrose County, the majority of households are owners. The homeownership rate varies greatly by community, from 61.2% in the City of Montrose to 81.3% in the non-municipal areas of the county.

Table 25: Tenure by Community, Montrose County, 2007

	Montrose County	City of Montrose	Naturita	Nucla	Olathe	Non-Municipal
Owner occupied	11,163	3,888	228	252	389	6,404
Renter occupied	4,377	2,463	76	120	240	1,478
Total:	15,540	6,351	305	373	629	7,882
% Owners	71.8%	61.2%	75.0%	67.7%	61.9%	81.3%

Most of the housing stock in Montrose County has been built since the 1960s. Twenty percent of all housing units in Montrose County were built in 1959 or earlier. The incorporated areas of the county have slightly higher concentrations of older units, as shown in Table 26. Construction of new housing has been concentrated in the non-metro areas of the county and in the City of Montrose in the past five years. The smaller communities of Nucla, Naturita, and Olathe have seen less growth during this time period.

Rental units range in age. The City of Montrose has seen in increase in rental housing production since 2000 in response to population growth, and the need for more affordable and senior housing units.

Table 26: Tenure by Year Structure Built, Montrose County, 2007

	Montrose County		City of Montrose		Naturita	
	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied
2000 or later	2,434	744	532	641	16	30
1990 to 1999	2,322	674	993	317	34	0
1980 to 1989	1,273	740	498	211	20	3
1960 to 1979	3,114	1,195	1,063	720	109	29
1940 to 1959	927	390	287	322	40	14
1939 or earlier	1,094	635	515	252	10	0
Total	11,163	4,377	3,888	2,463	228	76
	Nucla		Olathe		Non-Municipal	
	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied
2000 or later	43	11	17	62	1,826	0
1990 to 1999	8	2	68	48	1,219	307
1980 to 1989	22	18	38	22	695	486
1960 to 1979	87	49	117	66	1,738	331
1940 to 1959	50	25	62	22	488	7
1939 or earlier	42	15	88	20	439	348
Total	252	120	389	240	6,404	1,478

Source: U.S. Census Bureau, 2000 Census, Claritas, CSI

Housing Production

Applications for building permits in Montrose County have declined dramatically since their peak in 2005 and 2006. The downturn in the national real estate market has affected Montrose, and development of new units has slowed to almost a halt in the county, as it has across the nation. Much of this slowdown is due to consumer confidence, and the real estate markets in other parts of the country, where many buyers must sell before building in Montrose County. As is true across the nation, much of the existing housing inventory for sale must be absorbed before many new homes will be built in Montrose County. When credit also begins to flow, development activities may pick up again.

Table 27: Residential Building Permits

Single Family Residential		
	Montrose County	City of Montrose
2003	87	245
2004	122	313
2005	127	397
2006	134	356
2007	105	226
2008	57	76
Multi-Unit Residential		
2003	0	26
2004	0	71
2005	0	69
2006	0	68
2007	0	57
2008	0	64

Source: CSI and Local Governments

Land Inventory

In some communities, a lack of developable land can lead to housing shortages or sharp increases in housing costs as development costs rise with land costs. This is not the case in Montrose County. According to the City, County, and local Realtors and developers, there are many developed and platted lots that can be built upon in Montrose County and the City of Montrose. Many developers had plans to build more housing units in Montrose when the housing market slowed down, and many of these lots remain vacant. According to City of Montrose data, there were 1,579 vacant final platted lots at the end of 2008, and 2,715 vacant preliminary platted lots.

CSI did not find any barriers to developing new housing based upon the inventory of developable land in Montrose County or within the City of Montrose.

There are currently 437 residential lots or vacant properties zoned for residences with 5 acres or less for sale through the Multi-List Service (MLS) in Montrose County. This number does not include any farm land with residences, or land that could be used for residential and commercial use. Of these, 264 have 2 acres or less of land. Lot sales have dropped in the past four years and continue to do so, according to local Realtors. Many developed lots in subdivisions are being sold without use

of the MLS. They were sold directly by banks to developers. Other bank-owned lots show up on the foreclosure lists provided by services such as Realtytrac.com. In March of 2009, Realtytrac listed 83 lots in trustee sales and 20 bank owned lots for auction. The median price for a lot with 2 acres or less throughout the county, listed on the MLS system, is currently $95,000.

Table 28: Sold Lots, Five Year Sales Data

	2004	2005	2006	2007	2008
County Total	734	843	579	385	209
City of Montrose	456	490	273	169	78
East End of Montrose County	244	295	262	177	100
West End (includes Nucla and Naturita)	30	52	39	37	31
Town of Olathe	4	6	5	2	0

Source: Comparable Sales Research, Montrose

The median lot size of all sales in 2008 was 2 acres. The smallest lots were sold in the City of Montrose, and largest acreage was sold in the west end of the county closest to San Miguel County. Lot sizes have not changed in the past three years.

Table 29: Median Lot Size (Percent of an Acre), Lot Sales Past Three Years

	2006	2007	2008
County Total	0.963	0.814	2
City of Montrose	0.255	0.241	0.337
East End Montrose County	5.981	5.085	5.15
West End (includes Nucla and Naturita)	38	20	35.69
Town of Olathe	0.143	0.161	NA

Source: Comparable Sales Research, Montrose

Lot prices continued to increase from 2007 to 2008 after taking a dip from 2006 to 2007. The median price for a lot sold in the county was $90,000 in 2008. Larger lots in the east end of the county outside incorporated areas are the highest priced, with a median sold price of $125,000 in 2008.

Table 30: Median Lot Prices, Lots Sold Past Three Years

	2006	2007	2008
County Total	$89,000	$54,000	$90,000
City of Montrose	$72,500	$67,500	$70,000
East End Montrose County	$110,000	$115,900	$125,000
West End (includes Nucla and Naturita)	$62,500	$82,500	$76,500
Town of Olathe	$36,500	$47,400	NA

Source: Comparable Sales Research, Montrose

Housing Sales Data

Sales of housing units in Montrose County have decreased in 2009, according to local Realtors, as they have across the state and nation. The number of single family home sales also decreased between 2007 and 2008, and continues to decline as borrowers remain skeptical of the local and national housing markets and credit markets remain tight.

Price Trends

Currently, there are 534 housing units on the market in Montrose County, excluding the west end of the county where the MLS is not used. Most listings are for single family homes. Forty-five of the units for sale are attached town homes or condos, and 44 are mobile homes. The following table shows the profile of the current listings that are included in the county MLS. Complete information about listings not in the MLS is not available. Only units listed in the MLS were used to estimate the average square footage, average year built, and average days on the market.

Table 31: Current Listings, Montrose County

	Avg Price	Avg Bdrms	Avg Baths	Avg s.f.	Avg Year Built	Avg Days on Market	Avg Price Per sf
All Listings (excluding West End)							
Single Family	$306,168	3	2	2057	1986	179	$149
Condos/Attached	$137,023	3	2	1459	1993	156	$94
Mobile Homes	$174,404	2.6	2	1454	2001	210	$120
City of Montrose							
Single Family	$310,940	3	2	2073	1987	177	$150
Condos/Attached	$174,404	2.6	2	1454	2001	210	$120
Mobile Homes	$131,834	3	2	1431	1994	147	$92
Olathe							
Single Family	$219,225	3	1.7	1754	1955	207	$125
Condos/Attached	NA	NA	NA	NA	NA	NA	NA
Mobile Homes	$164,450	3	2	1609	1992	200	$102

Source: MLS Data, CSI analysis

Most current listings have prices that range from $151,000 to $300,000 in Montrose County. Condo prices are concentrated in the $100,001 to $200,000 range, as are mobile homes. The highest average price is for single family homes in the City of Montrose.

Table 32: Current Listings by Price Range, Montrose County

	Single Family	Condos/Attached	Mobile Homes	% of Total
<$74999	2	0	15	3.2%
$75,000 - $100,000	9	2	1	2.2%
$100,001 - $150,000	21	20	11	9.7%
$150,001 - $200,000	96	20	11	23.8%
$200,001 - $250,000	76	6	4	16.1%
$250,001 - $300,000	63	4	1	12.7%
$300,001 - $350,000	38	1	1	7.5%
$350,001 - $400,000	27	0	1	5.2%
$400,001 - $450,000	28	0	0	5.2%
$450,001 - $500,000	24	0	0	4.5%
$500,001 - $600,000	10	0	0	1.9%
>$600,001	42	0	0	7.9%

Source: MLS Data, CSI analysis

Newer units built in the past few years are higher priced than those that were built pre-2006. This is true for both single family units and condos and townhomes. New condos are listed for the highest price per square foot, $202.

Table 33: Price Comparison of New vs. Older units for Sale

	Average Price		Price Per Square Foot	
	Pre-2006	2006 - 2008	Pre-2006	2006 - 2008
Single Family	$285,196	$314,511	$140	$159
Condos/Attached	$168,722	$179,950	$116	$202

Source: MLS Data, CSI analysis

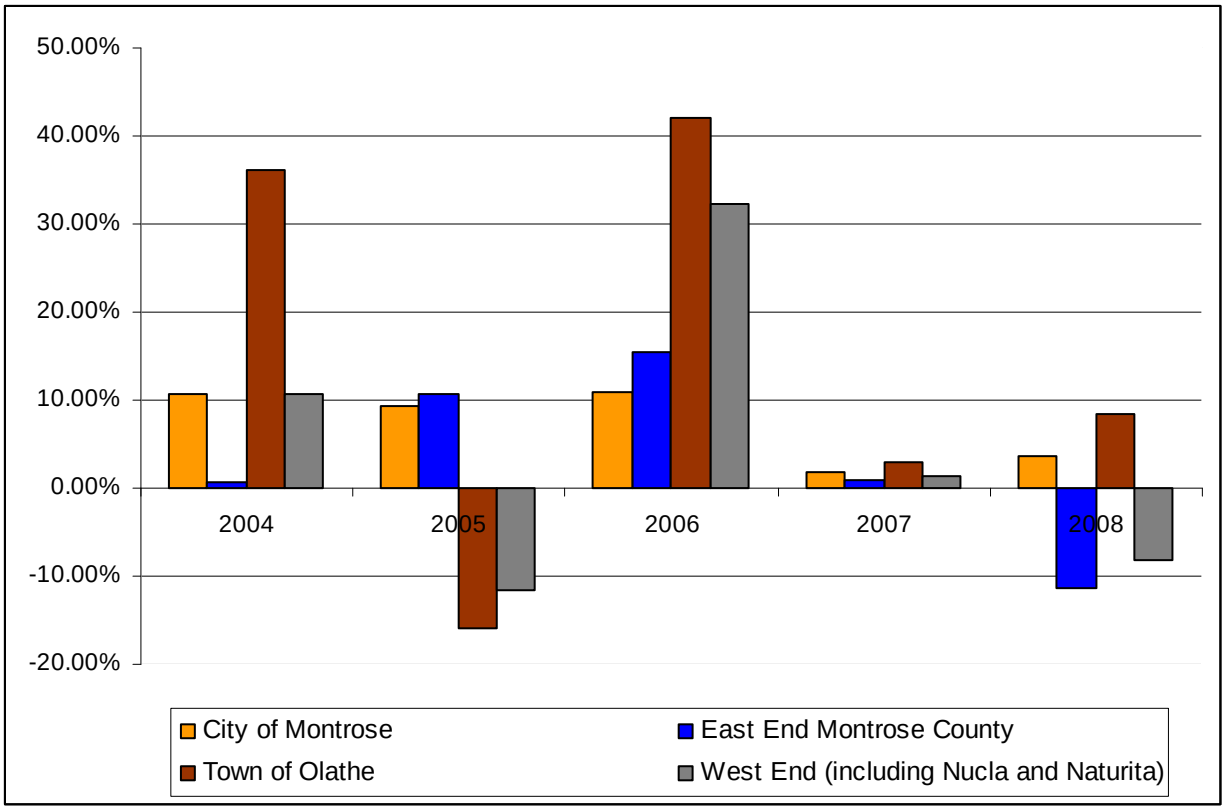
The following chart shows that single family homes sold in 2008 have lower prices than units currently on the market. It appears that average asking prices in Montrose County have stayed fairly steady, though owners may not be getting offers at the prices asked. The average number of days that homes currently listed for sale are on the market is over five months and up. Prices in the City of Montrose and Olathe rose between 2007 and 2008, and it appears that sellers have not dropped prices as sales slow in the first quarter of 2009. However, sales prices in the county did drop between 2007 and 2008.

Table 34: Units Sold 2008

Single Family Homes	Avg Price	Median Price	Avg Bdrms	Avg Baths	Avg SF	Avg Yr Blt	Med Price/SF
City of Montrose	$250,868	$197,938	3	2	1621	1987	$134.00
East End Montrose County	$315,367	$219,000	3	2	1758	1977	$146.00
Town of Olathe	$130,891	$136,000	3	1	1254	1950	$111.00
West End non-metro	$207,239	$230,000	2	1	1346	1960	$139.00
Town of Nucla	$55,094	$60,000	2	1	1007	1941	$57.00
Town of Naturita	$101,884	$95,000	3	1.5	1116	1985	$77.00
Condos/Townhomes	**Avg Price**	**Median Price**	**Avg Bdrms**	**Avg Baths**	**Avg SF**	**Avg Yr Blt**	**Med Price/SF**
City of Montrose	$154,685	$151,000	3	2	1390	1998	$117.00
East End Montrose County	NA	NA	NA	NA	NA	NA	NA
Town of Olathe	NA	NA	NA	NA	NA	NA	NA
West End non-metro	NA	NA	NA	NA	NA	NA	NA
Town of Nucla	NA	NA	NA	NA	NA	NA	NA
Town of Naturita	NA	NA	NA	NA	NA	NA	NA
Mobile Homes	**Avg Price**	**Median Price**	**Avg Bdrms**	**Avg Baths**	**Avg SF**	**Avg Yr Blt**	**Med Price/SF**
City of Montrose	$86,125	$78,500	3	2	1097	1987	$78.50
East End Montrose County	$138,619	$83,000	3	1	1073	1982	$76.00
Town of Olathe	$155,000	$155,000	3	1	1344	1992	$115.00
West End non-metro	$175,000	$115,000	2	1	976	1977	$111.00
Town of Nucla	$17,833	$12,000	2	1	961	1983	$13.00
Town of Naturita	$48,000	$30,000	2	1	864	1981	$59.00

Source: Comparable Sales Research, Montrose

Figure 9: Montrose County Median Single Family Residential Sales Price Growth Rate



Source: Comparable Sales Research, Montrose

Table 35 below shows five year sales trends by price range for single family homes in Montrose County and the City of Montrose. The same five year trend is not available for attached/condo units or mobile homes.

Table 35: Five Year Single Family Home Sales Trends, 2004 – 2008

City of Montrose	2004		2005		2006		2007		2008	
	New	Pre Owned	New	Pre Owned	New	Pre Owned	New	Pre Owned	New	Pre Owned
<$74,999	2	22	2	14		14		5		3
$75,000 - $100,000		35		21	2	11		8		11
$101,000 - $150,000	64	199	76	158	16	95	2	73	3	51
$151,000 - $200,000	69	157	118	165	156	161	71	162	38	101
$201,000 - $250,000	18	35	37	52	87	69	48	76	28	56
$251,000 - $300,000	10	34	17	30	16	34	34	28	17	23
$301,000 - $350,000	8	11	14	15	19	14	16	13	12	12
$351,000 - $400,000	1	6	4	7	7	18	5	9	7	11
$401,000 - $450,000	7	6	9	7	5	5	3	7	4	3
$451,000 - $500,000	NA	NA	NA	NA	8	5	2	5	1	3
$501,000 - $600,000	NA	NA	NA	NA	3	3	1	5	1	4
>$601,000	NA	NA	NA	NA	5	6	2	2	2	5
Montrose County	**2004**		**2005**		**2006**		**2007**		**2008**	
	New	Pre Owned	New	Pre Owned	New	Pre Owned	New	Pre Owned	New	Pre Owned
<$74,999	1	21		5		4		3		4
$75,000 - $100,000		13		7		3		3		6
$101,000 - $150,000		60		48		25		17		14
$151,000 - $200,000		73	1	69	1	61		44		23
$201,000 - $250,000		42	1	53	3	48	13	36	8	25
$251,000 - $300,000		37	2	37	1	43	2	30		20
$301,000 - $350,000		18		25	2	16		21		14
$351,000 - $400,000	1	15	2	22	1	19		12	3	15
$401,000 - $450,000		5		13	3	13		9		2
$451,000 - $500,000		1	1	6		8	1	5		5
$501,000 - $600,000		6		3	1	10		8		4
>$601,000		14		17	2	16	1	14	1	10

Source: Comparable Sales Research

Table 36 shows sales of single family homes in the past three years by affordability range, using 2008 area median income levels. Most sales in Montrose County had prices affordable to households earning 80% or above the area median income. The availability of units drops under the $160,000 price range.

Table 36: Home Sales by AMI Price Range, 2006 – 2008

County without City of Montrose				Units Sold		
AMI Level	Income	Price Range		2006	2007	2008
30%	$14,970	<$58,099		12	17	12
40%	$19,960	$58,100 -	77,465	12	10	9
50%	$24,950	$77466 -	96,832	8	7	9
60%	$29,940	$96,833 -	$116,198	9	11	4
80%	$39,920	$116,199 -	154,931	37	24	20
100%	$49,000	$154,932 +		202	150	100
City of Montrose				**Units Sold**		
AMI Level	Income	Price Range		2006	2007	2008
30%	$14,970	<$58,099		11	11	5
40%	$19,960	$58,100 -	77,465	9	10	3
50%	$24,950	$77466 -	96,832	12	11	13
60%	$29,940	$96,833 -	$116,198	20	17	13
80%	$39,920	$116,199 -	154,931	170	77	52
100%	$49,000	$154,932 +		537	451	310

Source: Comparable Sales Research

An unusual market statistic for 2008 sales is the difference in median and average price per square foot of new and existing single family homes. Usually, new home prices per square foot are higher than for existing homes. This may be due to the stronger market in the City and shrinking sales out in new subdivisions in the county.

Table 37: Price Difference Between New and Existing Single Family Homes Sold, 2008

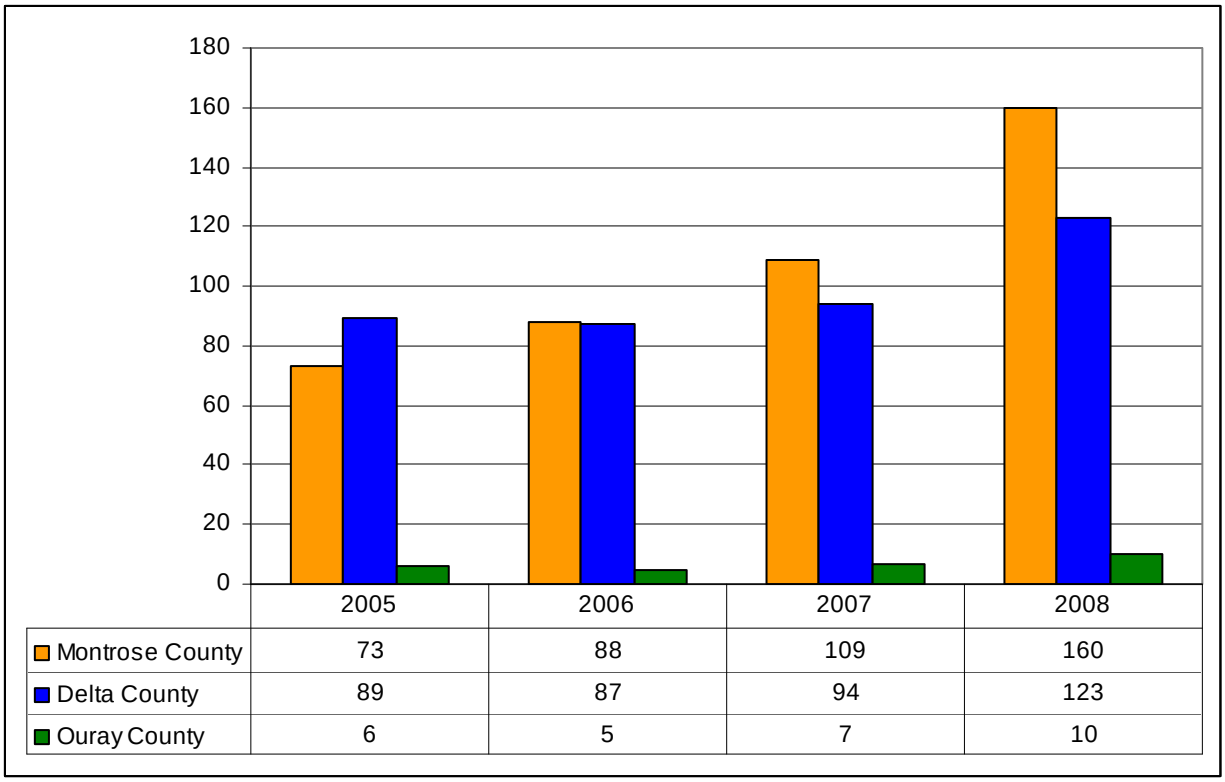
Montrose County without City	Median Price		Average Price	
	Pre-2006	2006 - 2008	Pre-2006	2006 - 2008
Single Family	$149	$140	$227	$145
Condos/Attached	NA	NA	NA	NA
City of Montrose	**Median Price**		**Average Price**	
	Pre-2006	2006 - 2008	Pre-2006	2006 - 2008
Single Family	$131	$128	$138	$129
Condos/Attached	$119	$121	$113	$106

Source: Comparable Sales Research, Montrose

Foreclosures

Colorado's foreclosure woes are part of a national surge in foreclosures during the past few years. Much of Colorado's foreclosure problem is centered along the Front Range and in the Denver metro suburbs. However, as the national and metro sales markets cool, the effect on rural areas is increasing the number of foreclosure filings in Montrose as well. A slow market and the impact of variable rate and subprime mortgages can be seen in Montrose County. Comparable Sales Research in Montrose tracks foreclosures in Montrose, Delta and Ouray Counties. The following chart illustrates that foreclosures are on the rise in all three counties. Montrose County has had the biggest jump in foreclosures, a 47% increase between 2007 and 2008.

Figure 10: Foreclosure Filings and Sales in Montrose County and Surrounding Counties

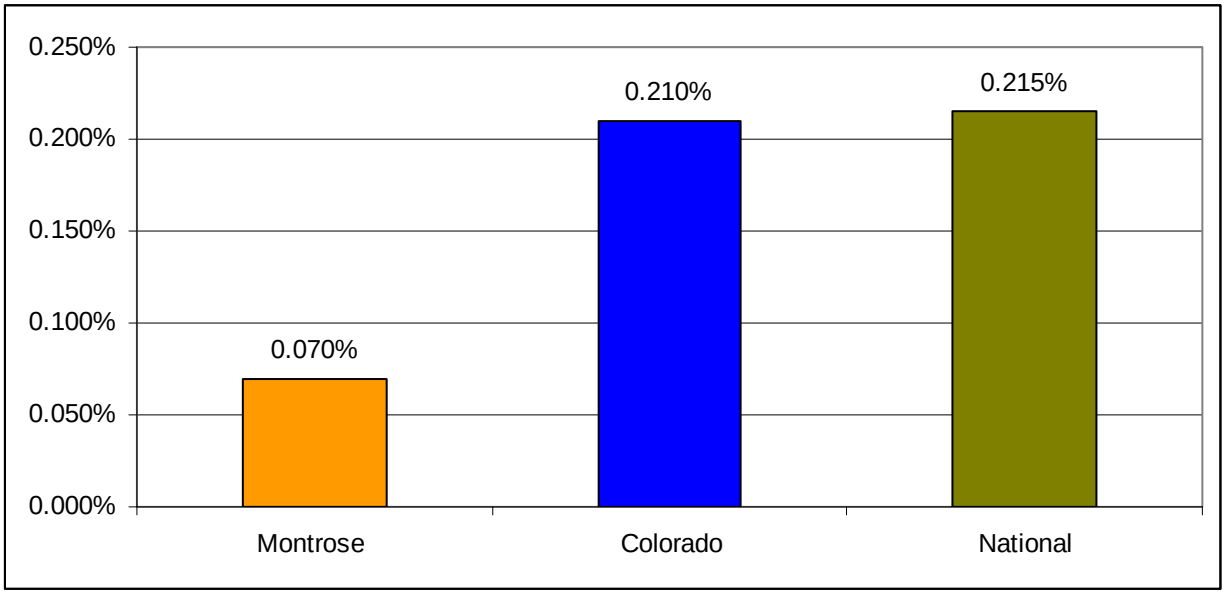


	2005	2006	2007	2008
Montrose County	73	88	109	160
Delta County	89	87	94	123
Ouray County	6	5	7	10

Source: Comparable Sales Research, Montrose

Still, Montrose County is faring better than the state and the nation when the number of foreclosures are presented as a percent of total housing units, as show in Figure 11.

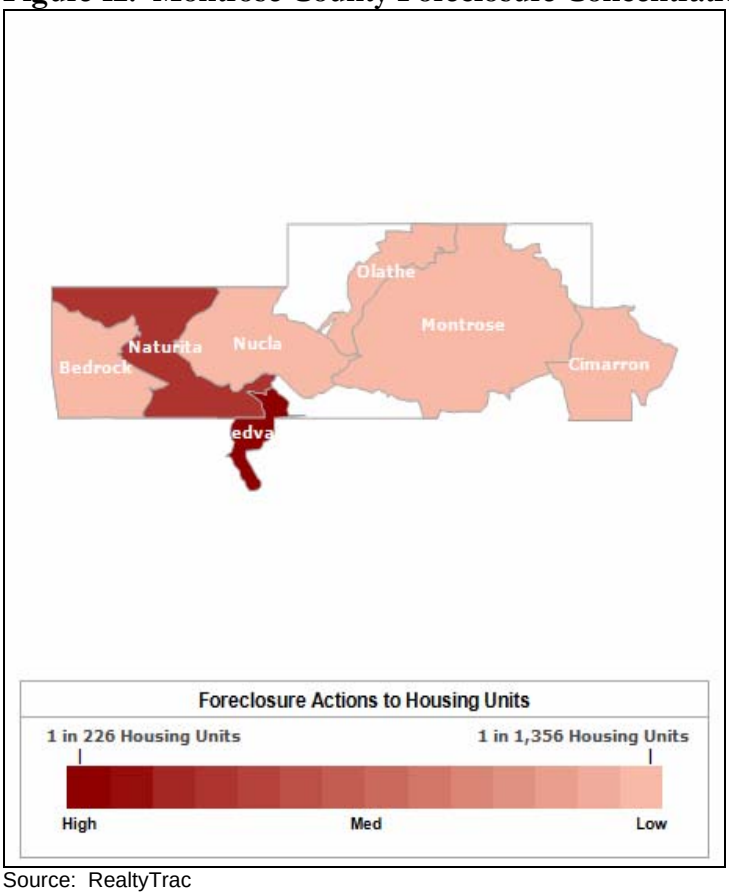
Figure 11: Montrose County Foreclosures as a Percent of Total Housing Units, 2009



Source: RealtyTrac

RealtyTrac, a national company that tracks foreclosures nationwide, prepared the following Montrose County map of foreclosure filings and concentrations. A review of RealtyTrac information shows that the highest rate of foreclosures seems to be in the western end of the county, towards Naturita.

Figure 12: Montrose County Foreclosure Concentrations

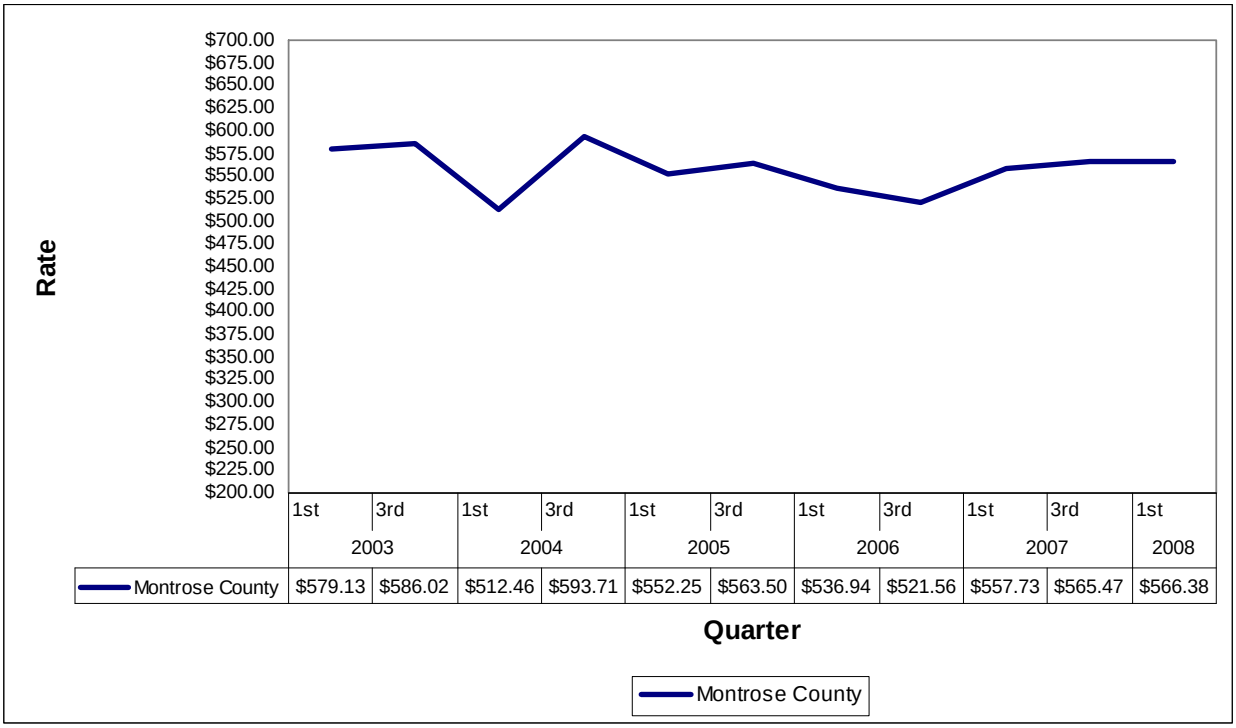


Source: RealtyTrac

Rental Housing Cost and Condition

Montrose County is part of the Colorado Division of Housing (DOH) bi-annual survey of rents and vacancy rates. The rents in Montrose County have, for the most part, stayed stable in the past 4 years according to the Colorado Division of Housing Rent and Vacancy Survey for the third quarter of 2008. The survey captures multi-unit properties in Montrose County. The survey does not capture single family homes and duplexes.

Figure 13: Median Rent, Montrose County, 2003 - 2008

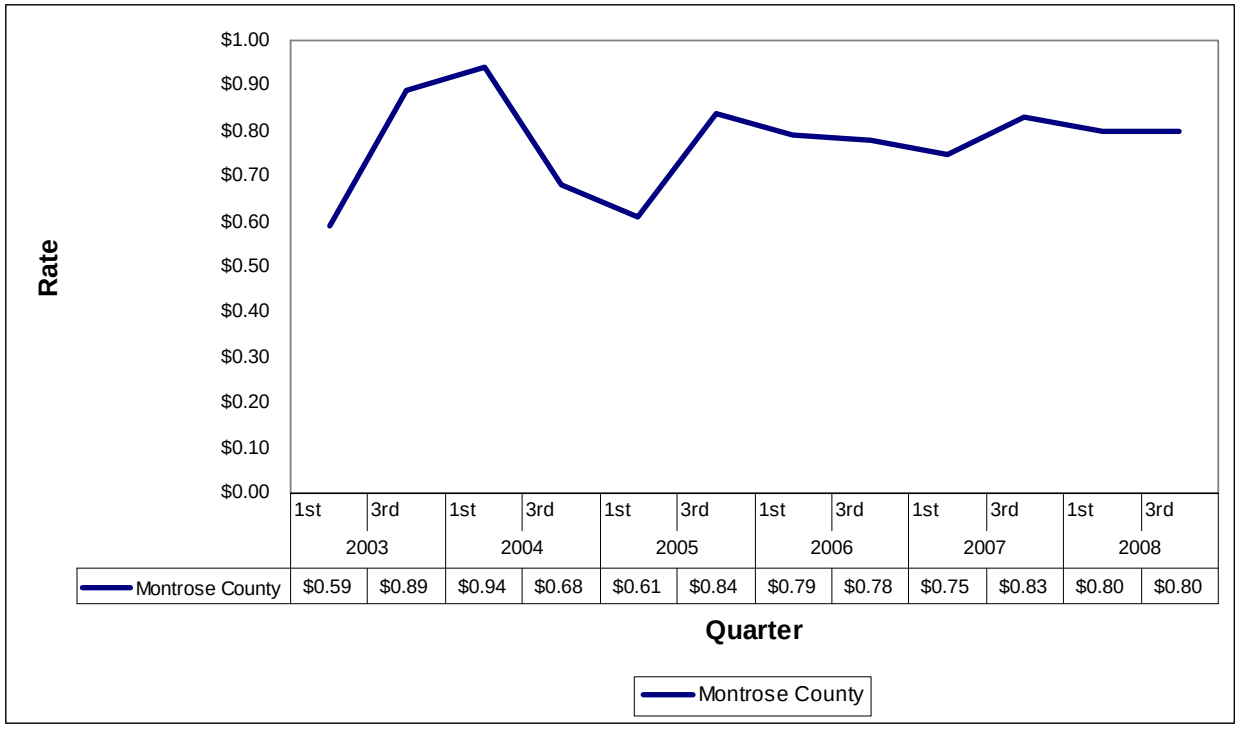


	1st 2003	3rd 2003	1st 2004	3rd 2004	1st 2005	3rd 2005	1st 2006	3rd 2006	1st 2007	3rd 2007	1st 2008
Montrose County	$579.13	$586.02	$512.46	$593.71	$552.25	$563.50	$536.94	$521.56	$557.73	$565.47	$566.38

Colorado Division of Housing Rent and Vacancy Survey, 3rd Quarter 2008

Median rents per square foot have been stable during the past three quarters, as has the average rent for all units captured in the Rent and Vacancy Survey.

Figure 14: Average Rent Per Square Foot, Montrose County, 2003 – 2008



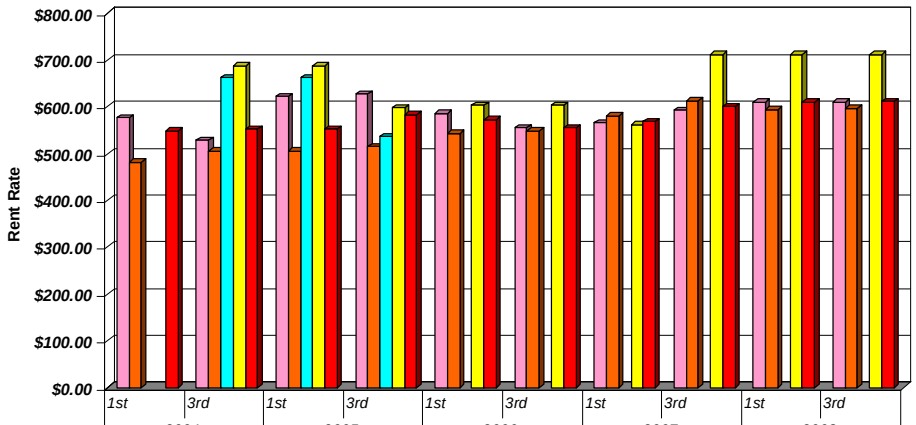
	1st 2003	3rd 2003	1st 2004	3rd 2004	1st 2005	3rd 2005	1st 2006	3rd 2006	1st 2007	3rd 2007	1st 2008	3rd 2008
Montrose County	$0.59	$0.89	$0.94	$0.68	$0.61	$0.84	$0.79	$0.78	$0.75	$0.83	$0.80	$0.80

Colorado Division of Housing Rent and Vacancy Survey, 3rd Quarter 2008

The following charts show rent trends by unit type for multi-family units captured in the Division of Housing survey in the study areas during the past five years. Steady rent rates have given renters more choice and a chance to stabilize housing payments compared to the decade before, when rent rates rose much higher than incomes.

The Division of Housing survey only reports rents on units captured in the survey. During some quarters there are no units of a specific type reported, which is why some cells in the following tables and charts are blank.

Figure 15: Average Rents by Apartment Type, 2004-2008



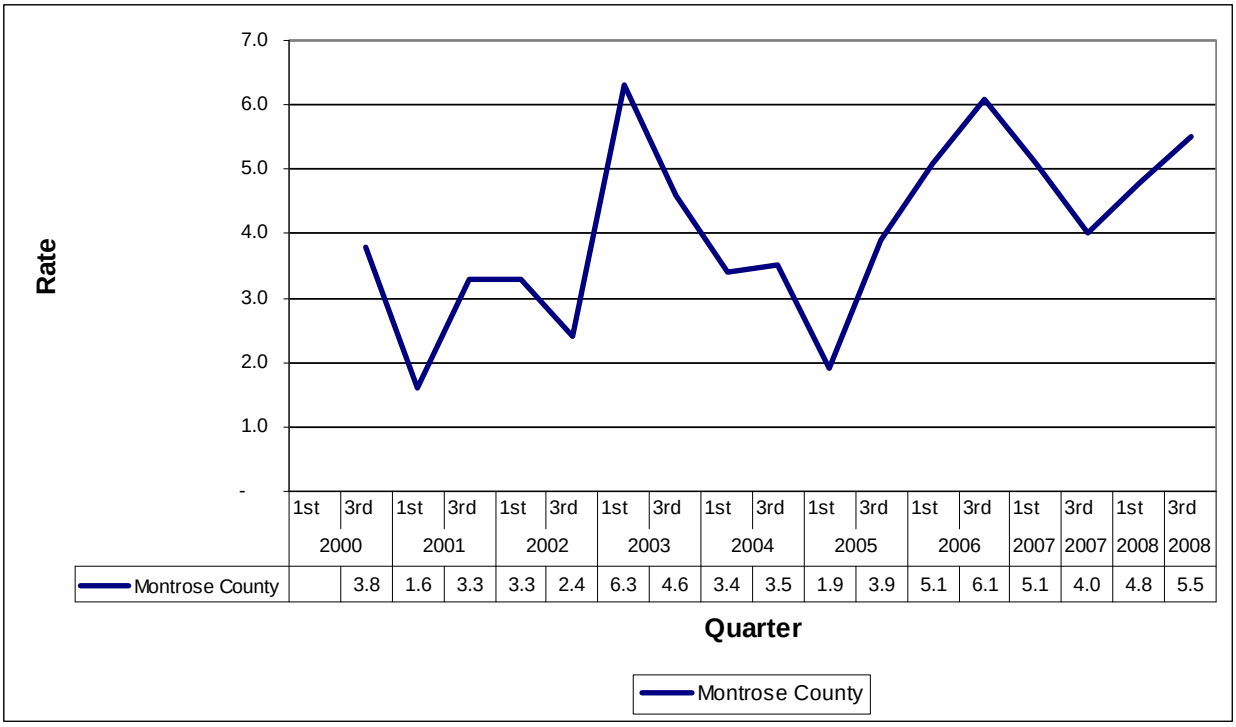
	1st	3rd	1st	3rd	1st	3rd	1st	3rd	1st	3rd
	2004		2005		2006		2007		2008	
1 Bdrm	$577.04	$528.23	$622.17	$627.73	$586.47	$555.43	$566.14	$592.89	$609.90	$610.94
2 Bdrm/1B	$481.25	$506.25	$506.25	$515.09	$542.78	$548.21	$581.05	$612.50	$594.85	$596.59
2 Bdrm/2B		$662.50	$662.50	$536.36						
3 Bdrm		$687.50	$687.50	$598.61	$604.17	$604.17	$562.50	$712.50	$712.50	$712.50
All	$548.01	$552.61	$552.61	$584.12	$572.79	$555.69	$569.13	$601.44	$610.66	$611.58

Source: Colorado Division of Housing Rent and Vacancy Survey, 3rd Quarter 2008

In Montrose County, rents range from $610.94 for a one bedroom unit to $712.50 for a three-bedroom unit. The average rent for all units was $611.58 for the third quarter of 2008.

Vacancy rates for multi-family units have increased over the past three quarters to 5.5% in the third quarter of 2008. Still, this rate is low compared to the metro Denver area, where vacancy rates have risen to 6.5% for the same quarter. A rate of 5% represents market equilibrium.

Figure 16: Vacancy Rate Trends, 2000 – 2008

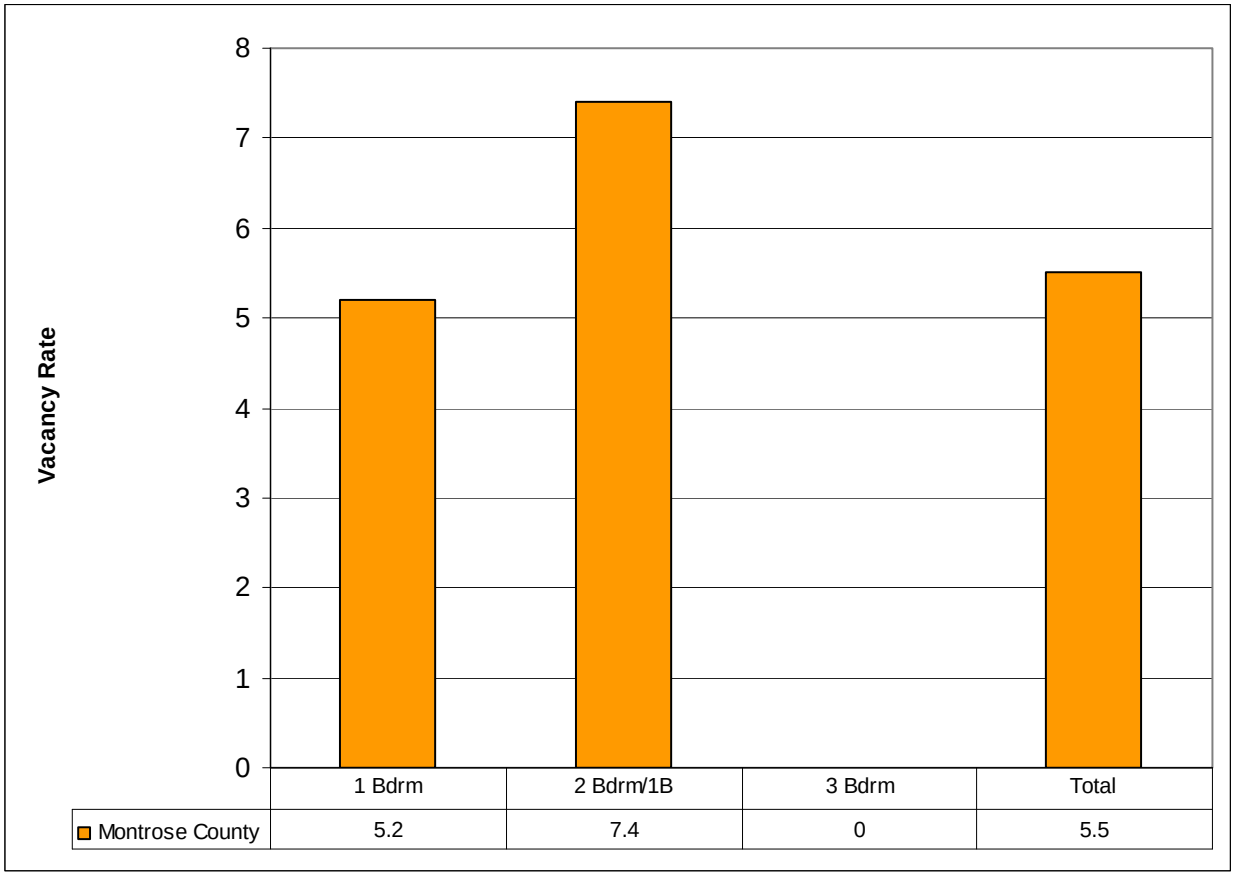


	1st 2000	3rd 2000	1st 2001	3rd 2001	1st 2002	3rd 2002	1st 2003	3rd 2003	1st 2004	3rd 2004	1st 2005	3rd 2005	1st 2006	3rd 2006	1st 2007	3rd 2007	1st 2008	3rd 2008
Montrose County		3.8	1.6	3.3	3.3	2.4	6.3	4.6	3.4	3.5	1.9	3.9	5.1	6.1	5.1	4.0	4.8	5.5

Source: Colorado Division of Housing Rent and Vacancy Survey, 3rd Quarter 2008

According to the Division of Housing results for the third quarter of 2008, three bedroom units surveyed had a 0% vacancy rate, while 2 bedroom units had a 7.4% vacancy rate.

Figure 17: Third Quarter 2008 Vacancy Rates by Unit Type



Source: Colorado Division of Housing Rent and Vacancy Survey, 3rd Quarter 2008

Affordable Rental Properties in Montrose County

Table 38 shows the inventory of affordable rental properties in Montrose County, as well as the total number of units in the property, the type of households served, the number of units with rental assistance, income restrictions by Area Median Income (AMI) levels, and the number of households on the waiting list. There are currently 582 affordable rental units in Montrose County. There is a mix of units targeting families and those serving seniors and persons with disabilities. Approximately half of the properties have waiting lists for their units.

Table 38: Affordable Properties

Property Name	# of Units	Households Served	Rental Assist.	Income Restrictions	Location	Waiting List
Anciano Towers	50	Seniors & Mobility impared	50	50 @ 30% AMI	Montrose	0
Barbara Court Apartments	24	All	17	24 @ 30% AMI	Montrose	8
Centennial Towers	40	Senior	40	40 @ 50% AMI	Montrose	18
Cottonwood Apartments	60	Family	60	60 @ 50% AMI	Montrose	12 (2 br) 15 (3 br)
Montrose Apartments	27	Family	12	13 @30% AMI	Montrose	3
Olathe Meadows	24	Senior & Disabled	24 (Section 8)	24 @ 30% AMI	Olathe	12
Park Garden Apartments	34	All	0	none	Montrose	0
Pavilion Gardens Apartments	30	Family	20 (Section 8)	13 @ 50%, 17@60% AMI	Montrose	10 (2 BR), 5 (3 br), 14 (1BR)
Pinon Apartments	16	Family	13	13 @ 30% AMI	Montrose	0
San Juan Apartments	76	Elderly & Disabled	76	14 @ 40%, 46 @ 50%, 16 @ 60% AMI	Montrose	4
Sunshine Peak Apartments	48	Family & Disabled	0	4 @ 30%; 14 @ 40%; 28 @ 50%; 2 @60% AMI	Montrose	35
Nucla Housing	10	All	10	Low and Very Low	Nucla	1
Montrose Family Housing	20	Family	15	Unknown	Montrose	0
Meadowlark Court (VOA)	27	Seniors	0 ?	27 @ 30% AMI	Montrose	12
Farm Labor Duplexes	24	Farmworkers	12	27 @ 30% AMI	Olathe	0
Farm Labor Dormitory	72	Migrant Workers	32	72 @ 15% AMI	Olathe	0
Total Units	***582***					

Source: Community Strategies Institute

Affordable rental construction continues in Montrose County, with the construction of the Sunshine Peak family rental property, and new developments being constructed by the VOA for seniors in the City of Montrose. The Montrose County Housing Authority has partnered with for-profit developers to create new affordable rental opportunities in Montrose County in the past five years.

The Montrose County Authority also administers Section 8 Voucher programs. Section 8 Vouchers are rental vouchers that tenants can take to landlords, in which a portion of their rent is paid for by the Federal Government. There are currently 268 Section 8 Vouchers in Montrose County to serve

households at 50 percent or less of the area median income. Most of these vouchers are used by households earning 30 percent AMI or less, and many are elderly or disabled. The Housing Authority currently has a waiting list of over 300 households for vouchers. Some households are turning in their vouchers because they are having a hard time finding properties that will take a voucher or that have rents below the HUD rent limits for voucher use.

HOUSING NEEDS ASSESSMENT

In this section of the report, an analysis of the need for more housing development will be presented. Household income, what households can afford for housing, and how the existing and planned housing stock meets the needs of current residents will be discussed. Gaps in the housing stock will be identified based upon current household structure and income, housing prices, locations and conditions.

Households by Income

The following table breaks Montrose County households into U.S. Department of Housing and Urban Development (HUD) income ranges by tenure. These income ranges are used by affordable housing providers to target affordable rental properties and homeownership programs to different income ranges. CSI has taken census and other data to estimate the number of households that are renter and owners by HUD Area Median Income (AMI) ranges.

Subsidized rental housing is targeted to households at 60 percent or less of AMI. Homebuyer programs usually target households with incomes higher than 60 percent AMI, usually up to a maximum of 100 percent AMI. There were a total of 1,693 renter households in Montrose County in 2008 with incomes at 60 percent AMI or below. There are a total of 408 renter households in Montrose County with incomes between 60 and 80 percent of AMI, those who are good candidates for homebuyer assistance programs.

Table 39: Household Incomes, Montrose County 2008

2008 HUD AMI	Montrose County		City of Montrose		Naturita	
	Owner	Renter	Owner	Renter	Owner	Renter
0 to 30% (0 to $14,970)	537	798	225	548	16	12
31-40% ($14,971 to $20,458)	325	383	160	259	8	6
41-50% ($20,459 to $25,448)	398	256	200	130	6	3
51-60% ($25,449 to $30,438)	398	256	200	130	6	3
61-80% ($30,439 to $39,919)	766	408	379	212	13	3
80-100% ($39,920-$49,899)	816	353	397	190	16	2
All Households	11,163	4,377	3,888	2,463	228	76
Percent at or below 2008 AMI	29.0%	56.1%	40.2%	59.7%	28.5%	37.5%
2008 HUD AMI	**Nucla**		**Olathe**		**Non-Municipal**	
	Owner	**Renter**	**Owner**	**Renter**	**Owner**	**Renter**
0 to 30% (0 to $14,970)	20	36	39	60	237	142
31-40% ($14,971 to $20,458)	7	13	29	18	121	87
41-50% ($20,459 to $25,448)	9	8	25	14	158	101
51-60% ($25,449 to $30,438)	9	8	25	14	158	101
61-80% ($30,439 to $39,919)	17	13	43	21	314	159
80-100% ($39,920-$49,899)	19	11	40	16	345	134
All Households	252	120	389	240	6,404	1,478
Percent at or below 2008 AMI	32.2%	74.1%	51.6%	59.2%	20.8%	49.1%

Source: US Census American Community Survey, CHAS, CSI

Existing Housing Needs

Some households in Colorado have been able to stabilize housing payments during the recent real estate downturn by taking advantage of low interest rates to buy homes. Others, however, have lost jobs, and seen a reduction in hours or have wages so low that prevailing market rate rents are still unaffordable. Many low income households are forced to pay much more than they can afford for housing. The following section identifies the existing housing needs in Montrose County.

Rental Housing Needs

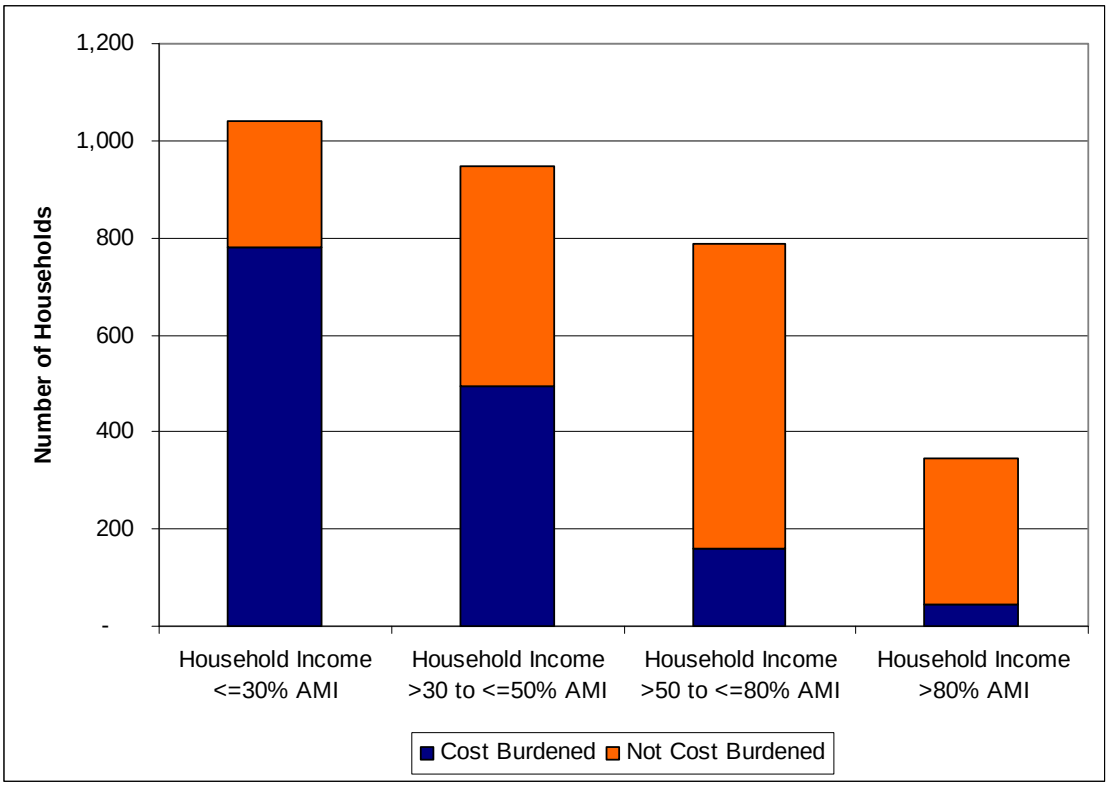
An important indicator of affordable housing need is the number of rent burdened households in the study area. The 2000 census provides information regarding the percent of household income used to pay for housing expenses. Those that pay more than 30 percent of their income for housing expenses (rent/mortgage payment and utilities) are considered "cost burdened." Table 40 shows the estimated number of renter households by income range that were cost burdened in 2008 in Montrose County. Because rent burden data is only available at the county level for 2000, CSI has estimated cost burdened households living in the municipal areas of Montrose County using the same ratios as for the county. As is usually the case, the majority of renters earning 30 percent of AMI ($14,970) are cost burdened. Over thirty-two percent of households earning between 30 and 50 percent of the AMI are also cost burdened.

Table 40: Cost Burdened Households, Montrose County, 2008

Montrose County						
	Rent Burdened	% Rent Burdened	Total Renters	Cost Burdened	% Cost Burdened	Total Owners
0 - 30% AMI	779	74.9%	1,040	1,007	66.5%	1,514
31 - 50% AMI	495	52.2%	948	395	32.1%	1,232
51 - 80% AMI	161	20.4%	789	605	33.1%	1,830
Above 80% AMI	44	12.6%	347	269	22.5%	1,196
Total Households	1,479	33.8%	4,377	2,276	20.4%	11,163
City of Montrose						
	Rent Burdened	% Rent Burdened	Total Renters	Cost Burdened	% Cost Burdened	Total Owners
0 - 30% AMI	535	74.9%	715	422	66.5%	635
31 - 50% AMI	336	52.2%	644	195	32.1%	608
51 - 80% AMI	81	20.4%	399	304	33.1%	919
Above 80% AMI	23	12.6%	183	132	22.5%	587
Total Households	976	39.6%	2,463	1,053	27.1%	3,888
Naturita						
	Rent Burdened	% Rent Burdened	Total Renters	Cost Burdened	% Cost Burdened	Total Owners
0 - 30% AMI	12	74.9%	16	29	66.5%	44
31 - 50% AMI	7	52.2%	14	10	32.1%	31
51 - 80% AMI	2	20.4%	8	9	33.1%	28
Above 80% AMI	0	12.6%	3	5	22.5%	22
Total Households	21	27.9%	76	53	23.2%	228
Nucla						
	Rent Burdened	% Rent Burdened	Total Renters	Cost Burdened	% Cost Burdened	Total Owners
0 - 30% AMI	35	74.9%	47	38	66.5%	58
31 - 50% AMI	17	52.2%	32	8	32.1%	26
51 - 80% AMI	5	20.4%	26	14	33.1%	41
Above 80% AMI	1	12.6%	11	6	22.5%	27
Total Households	59	48.7%	120	66	26.3%	252
Olathe						
	Rent Burdened	% Rent Burdened	Total Renters	Cost Burdened	% Cost Burdened	Total Owners
0 - 30% AMI	58	74.9%	78	66	66.5%	99
31 - 50% AMI	23	52.2%	44	33	32.1%	102
51 - 80% AMI	9	20.4%	43	36	33.1%	110
Above 80% AMI	2	12.6%	17	14	22.5%	63
Total Households	92	38.3%	240	149	38.3%	389
Non-Metro Areas						
	Rent Burdened	% Rent Burdened	Total Renters	Cost Burdened	% Cost Burdened	Total Owners
0 - 30% AMI	138	74.9%	185	451	66.5%	679
31 - 50% AMI	112	52.2%	215	149	32.1%	466
51 - 80% AMI	64	20.4%	312	242	33.1%	731
Above 80% AMI	17	12.6%	134	112	22.5%	496
Total Households	331	22.4%	1,478	954	14.9%	6,404

Source: HUD CHAS Databook, CSI

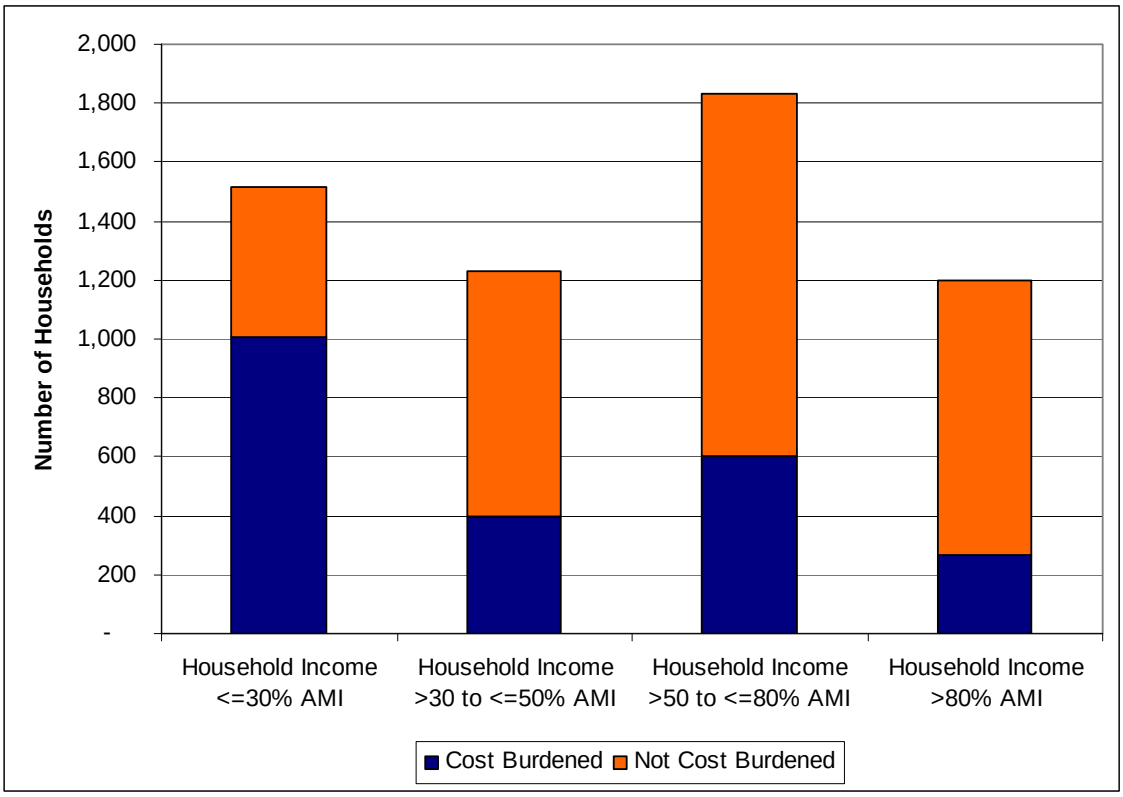
Figure 18: Cost Burdened Renter Households, 2007



Source: American Community Survey, CSI

There are also many owner households who are cost burdened in Montrose County -- including 605 moderate income households earning between 51 and 80 percent of Area Median Income (AMI). High cost burden can lead some owners to foreclosure. These households can also have a hard time paying for upkeep and rehabilitation on their homes.

Figure 19: Cost Burdened Owner Households, 2007



Source: U.S. Census Bureau 2000 Census, CSI

Housing Problems

Housing needs go beyond just the measure of cost burden. Housing needs can include the need for rehabilitation of the existing housing stock, overcoming a lack of basic safety and sanitation conditions in existing housing units, and minimizing overcrowding in the case of large families or those doubled up trying to save money.

The census provides information about the condition of the existing housing stock and overcrowded households. In Montrose County, there are many housing units built before 1960. Often these units need health and safety repairs. Older units may also be smaller than newer housing units, leading residents to build additions for extra space.

Table 41: Proportion of Older Pre-1960 Units by Community, 2007

	Percent of Total Units
Montrose County	20%
City of Montrose	22%
Naturita	21%
Nucla	35%
Olathe	31%
Non-Metro	16%

Households earning 80 percent or less of the median income in Montrose County could qualify for low-interest housing rehabilitation loans if such loans were to be made available in the county, which can be used to make upgrades, fix health and safety concerns, and make additional repairs.

Low income owners and landlords can also access weatherization services through the program operated by the Mexican American Development Association (MADA). The program can provide free energy saving repairs and upgrades to decrease resident utility bills. The new economic stimulus plan has added much needed funding to this program in Colorado to weatherize more homes throughout the state.

The Census Bureau asks a series of questions about housing conditions to help communities gauge the condition of units. The following chart regarding the lack of indoor plumbing and kitchen facilities shows that in 2007 no census respondent in the county had a lack of complete plumbing or kitchen facilities.

Table 42: Select Housing Conditions, 2007

	Montrose County		City of Montrose		Naturita	
	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied
Lacking complete plumbing facilities	0	0	0	0	0	0
Lacking complete kitchen facilities	0	0	0	0	0	0
Total Households:	11,163	4,377	3,888	2,463	228	76
	Nucla		**Olathe**		**Non-Metro**	
	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied
Lacking complete plumbing facilities	0	0	0	0	0	0
Lacking complete kitchen facilities	0	0	0	0	0	
Total Households:	252	120	389	240	6,404	1,478

Source: US Census Bureau American Community Survey, 2007

Another measure of housing problems used by HUD is overcrowding. Households with over 1.0 persons per room are considered overcrowded by HUD. Areas of the county with smaller, older, housing units or higher numbers of poor households show a higher proportion of households that are overcrowded. In some cases, households choose to live in smaller quarters for cultural reasons as well. Renters across Montrose County tend to be more overcrowded than owners, following national trends. Many renters are lower income households who choose housing units for price above size. In the smaller towns in Montrose County, there are more limited affordable housing options, and some households must live in smaller, older, housing units.

Table 43: Overcrowded Households, Montrose County, 2007

	Montrose County		City of Montrose		Naturita	
	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied
1.0 occupants per room or less	11,051	4,174	3,865	2,374	223	76
1.01 occupants per room or more	112	203	23	89	6	0
Percent Overcrowded	1.0%	4.6%	0.6%	3.6%	2.6%	0.0%
	Nucla		**Olathe**		**Non-Metro**	
	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied
1.0 occupants per room or less	249	106	376	208	6,338	1,410
1.01 occupants per room or more	2	15	13	31	67	68
Percent Overcrowded	0.9%	12.1%	3.3%	13.1%	1.1%	4.6%

Special Populations Housing Needs

In 2007, there were 5,794 people with a disability in Montrose County. The most common disability is a physical disability. Services for persons with disabilities are limited in Montrose County.

Table 44: Disability Status, 2007

Any Disability	5,794
Physical Disability	3,621
Mental Disability	2,139
Self Care Disability	1,217
Go Outside The Home Disability	1,941
Employment Disability	1,757

Source: U.S. Census Bureau, American Community Survey

Some population groups require specialized housing choices to meet specific physical and other needs. Seniors, for example, may require more accessible housing, or need housekeeping and personal care support. Persons with physical disabilities often need wheelchair-accessible units. Those with developmental disabilities or with mental health concerns also require housing tailored to their needs.

This section of the report will analyze the existing housing options for these populations and unmet needs that exist in Montrose County.

Seniors

Montrose County will experience an increase in the number of senior residents during the next five years. In 2005, the county was home to just over 6,921 residents over the age of 62; by 2012 this number will increase to 9,772. Many will begin to have limitations in mobility and self care as they age.

The definition of mobility or self-care limitations used to create the following tables includes all households in which one or more persons has:

(1) A long-lasting condition that substantially limits one or more basic physical activity, such as walking, climbing stairs, reaching, lifting, or carrying; and/or

(2) A physical, mental, or emotional condition lasting more than six months that creates difficulty with dressing, bathing, or getting around inside the home.

Many senior housing properties cater to seniors that are experiencing these limitations, either by providing services on site, or by bringing in service providers to allow seniors as much independence as possible.

There are 217 affordable rental units in Montrose County that are targeted to seniors and the disabled. Most of the properties provide rental assistance and have waiting lists to get in. Seniors tend to live in the projects for many years. The Volunteers of America have built three affordable senior properties in Montrose since the 1990s and have plans to build more. Many seniors prefer to stay in their own homes as long as possible and use home health care services to maintain independence. Interviews for this study with senior service providers in Montrose County indicate that the need for senior supportive housing has increased in the past few years.

Persons with Disabilities

There is no agency in Montrose County serving the physically disabled population. There is one agency that serves the mentally ill called the Center for Mental Health. The agency serves people in Montrose, Ouray, San Miguel, Delta, Hinsdale and Gunnison Counties. A clinic is located in Montrose County and provides outpatient therapy to all age groups, psychiatric services, substance abuse services, drop-in programs, and 24 hour emergency services. Using Section 8 vouchers from the Colorado Department of Human Services, 25 clients can live independently and have counseling to help them with any housing problems. The agency has 12 – 15 people on the waiting list and it can take up to two years to get a voucher in Montrose County. Clients have a hard time finding affordable rental units where they can use the vouchers.

Community Options provides and coordinates services for nearly 350 people with developmental disabilities in Montrose, Delta, Gunnison, Hinsdale, Ouray and San Miguel Counties. The agency provides child development services, residential, vocational, and day programs. Community Options owns 24-hour group homes, personal care alternatives, and family setting host homes for clients that do not live with their own family and who can not live independently. Adults that do live independently or with family members receive support through the Supported Living Services program.

Often persons with self-care limitations cannot participate fully in the workforce, have low incomes and need housing assistance. Assistance ranges from affordable housing costs for those with fixed incomes (i.e. social security disability), to housing units with modifications for wheelchair access, to group homes for those with mental illness or developmental disabilities.

CSI estimates that there are over 3,000 households with a household member with a self care limitation in Montrose County.

Table 45: Self Care Limitations, Montrose County, 2007

	Montrose County		City of Montrose		Naturita	
	Renter HH	Owner HH	Renter HH	Owner HH	Renter HH	Owner HH
Disabled Household Member	936	2,232	511	752	21	91
Total Households	4,377	11,163	2,463	3,888	76	228
Percent Disabled	21.4%	20.0%	20.8%	19.3%	28.1%	40.0%
	Nucla		**Olathe**		**Non-Municipal**	
	Renter HH	Owner HH	Renter HH	Owner HH	Renter HH	Owner HH
Disabled Household Member	58	75	43	115	303	1,198
Total HH	120	252	240	389	1,104	5,607
Percent Disabled	47.8%	29.9%	17.9%	29.6%	20.5%	18.7%

Source: HUD Special Census Tabulations of CHAS Data, CSI

Homeless Populations

Homeless persons in Montrose County are served by a variety of small agencies and churches. There is no homeless service agency in the county, emergency shelter or transitional housing program. The Sharing Ministries is a volunteer-based agency that helps connect people to the services they need and runs a food pantry. MADA is a nonprofit agency that receives Emergency Shelter Grant funds from the State of Colorado to provide emergency rent and utility assistance to residents of Montrose County. MADA also receives FEMA emergency funds to prevent homelessness. A group called Christ's Kitchen is trying to start a homeless shelter in Montrose County. Currently, various groups provide assistance with motel vouchers or drive homeless persons to the Dormitory in Olathe or a shelter in neighboring Mesa County.

According to interviews with many service providers in Montrose County, a homeless shelter is needed in the county for both families and individuals. Point-in-time data from a 2006 census of the homeless in Montrose County show that there were 41 homeless people counted in Montrose County in 2006.

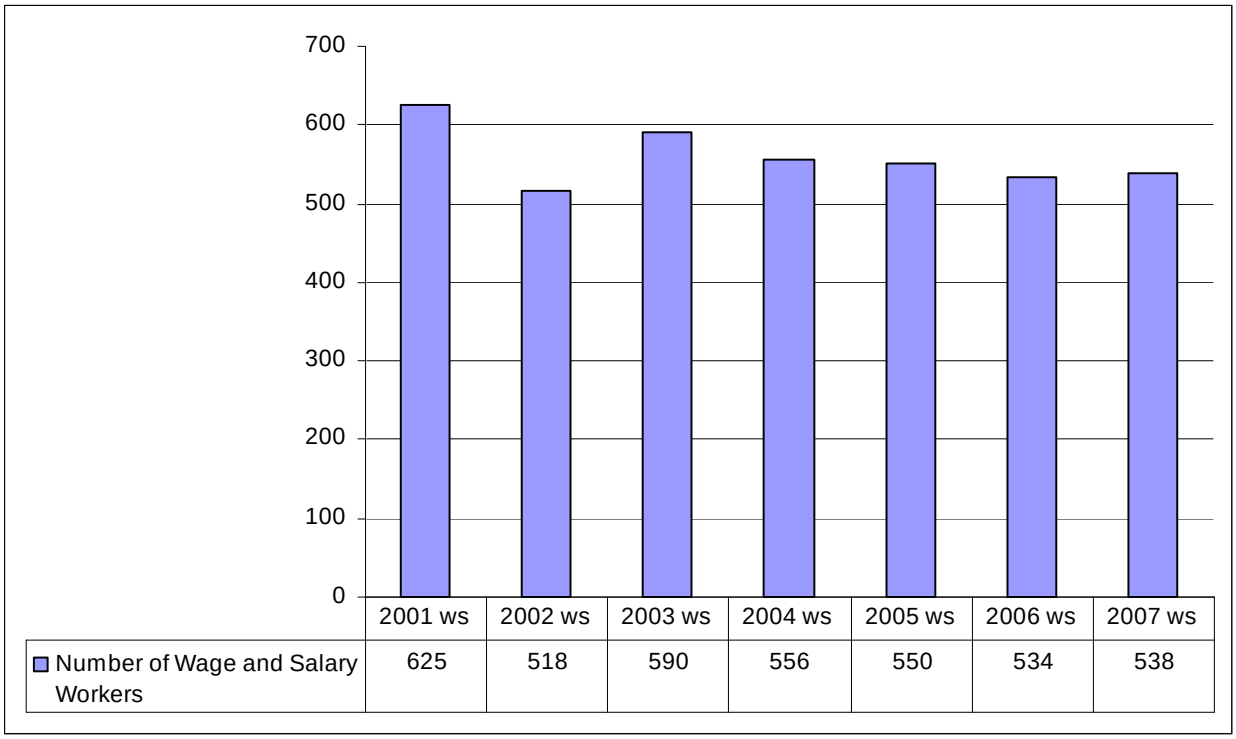
Tri-County Resource Center provides assistance to victims of domestic violence in Montrose County and does have a shelter facility in Montrose County that can hold a maximum of 21 people, as well as a shelter in Delta County. The agency reports that the Montrose County shelter is often full. They provide many case services as well as shelter, such as legal aid, bilingual assistance, support groups, a crisis line, and community awareness. Residents of the shelter often have a hard time finding an affordable place to live on their own when they are ready to leave. Tri-County operates a transitional housing program that serves 11 households at a time with up to 24 months of rental assistance and case management. Tri-County does not have plans to expand services at this time.

There is a Continuum of Care collaboration in Montrose County that meets once a month to discuss homeless needs and issues and to coordinate services in Montrose County. Members are the Montrose County Housing Authority, Tri-County Resource Center, Mental Health, MADA, Christ's Kitchen, and Sharing Ministries. In addition to an emergency housing need, access to food has also been raised as a need by the Continuum.

Migrant Workers

The farm labor population in Montrose County has stayed stable over the past few years according to the Delta Montrose Workforce Center. While more farm labor is brought into the United States with H2A visas, the number of farm workers has not decreased.

Figure 20: Wage and Salary Farm Labor, Montrose County, 2001 - 2007



	2001 ws	2002 ws	2003 ws	2004 ws	2005 ws	2006 ws	2007 ws
Number of Wage and Salary Workers	625	518	590	556	550	534	538

In the past few years, the number of H2A visas has remained stable in Montrose County. Farm labor housing built both for individuals and for families can only be occupied by persons with green cards. CSI found through many interviews that green card holders have moved on to higher paying jobs in the community such as landscaping or construction, leaving growers to bring in labor with H2A visas. This leaves a disconnect in the community between the need to house the farm labor population and housing that was built for this specific purpose. The Montrose County Housing Authority has found that only national legislation can change the rules governing residency requirements for farm labor housing to allow H2A temporary visa holders access to farm labor housing. In the mean time, there is still a need for farm labor housing in Montrose County, and empty farm labor housing units that were built for just such a need.

Housing Gaps Analysis and Estimated Need

When there is a smaller number of housing units available to households within a certain income range than households within that range, a housing gap exists. The following tables provide a supply/demand analysis of the housing stock in Montrose County.

The supply/demand analysis chart shows the number of renter households in various income ranges in 2008, the maximum household income in that range, what a household can afford to pay in rent after consideration for a utility payment, and the number of rental units available in the market. The supply/demand analysis is the difference between the number of households in the income range and the number of units affordable to them. Household income is based upon a 3 person household.

In Montrose County, the supply/demand analysis below shows a lack of housing units affordable to households earning 30 percent or less of the Area Median Income. These households can only afford a rent of $289 after a utility payment. Not surprisingly, these households are the biggest consumers of rent subsidized housing and Section 8 vouchers. There are only 268 Section 8 rental assistance vouchers available in Montrose County to serve very low income households. The 776 households in Montrose County that need a unit priced at 30 percent AMI or below include some of the 300 households on the waiting list for Section 8 vouchers.

Table 46 shows that there are 414 fewer rental units affordable at 0 to 30 AMI than there are renter households in these income ranges. Therefore, there is a gap of 414 units priced for households in this income range supply. Most rental units within the county are affordable to households earning between 51 and 60 percent of AMI. Of course, renters with higher incomes can choose to live in market rate rental units with lower rents, leaving fewer available for those with low incomes.

There is a gap in the supply of units available to higher income renters in the 81 to 100 percent AMI ranges. This supply gap indicates there may be a market for higher end rental units offering amenities not currently found in the Montrose County rental market.

Table 46: Supply/Demand Analysis for Rental Housing Units, Montrose County, 2009

	Income Limit	Households in Income Range	Affordable Price	Additional Supply Needed
0-30%	$14,970	798	$289	414
31-50%	$24,950	639	$539	612
51-60%	$29,940	512	$664	NA
61-80%	$39,920	408	$913	NA
100% AMI	$49,900	353	$1,163	353

Source: CSI

The Colorado Division of Housing requires the following additional gap analysis to be conducted for Housing Needs Assessments. This analysis shows the number of senior and other renters in each income range, and vacancy rates by income ranges.

Table 47: Colorado Division of Housing Rental Gap Analysis, Montrose County

	Income Limit	Senior Renters	Other Renters	Affordable Rent	Vacancy Rate
0-30%	$14,970	377	421	$319	NA
31-50%	$24,950	157	482	$589	2.7%
51-60%	$29,940	92	420	$724	7.1%
61-80%	$39,920	75	333	$993	5%
100% AMI	$49,900	138	216	$1,263	NA

Source: Community Strategies Institute

Ownership Housing Needs

Some renter households are paying rents equal to a mortgage payment on a modest home. The softer sales market is an opportunity for renter households with steady income to make the leap to homeownership. Good home buyer counseling, fixed-rate mortgage products and down payment assistance can assure that households can become homeowners for the long term.

Table 48 shows the number of renter households by income range, what these households can afford to pay for a home, and the number of additional affordable housing units needed. Current units on the market are based upon active listings as of March 2009 and projected for a 12-month period using the average number of days on the market for sold properties in the past year.

This analysis reveals a lack of for-sale, affordable units in Montrose County for any renter households earning 100 percent or less of the median income. This analysis does not take into consideration growth in household numbers over time, nor the number of renters able and willing to take the leap to homeownership. As new households move into the community, they will compete for the same housing units as existing renters.

Households with incomes at or below 30 percent of the median can afford a few homes on the market – mostly small, older units. These households could benefit from self-help housing models such as Habitat for Humanity and the Rural Development Self Help Program, programs that direct funding to very low-income households that spend considerable time building their own homes.

The households at 31 to 50 percent of the median and those at 51 to 80 percent MFI are perfect candidates for homebuyer assistance programs. Montrose County lenders do utilize affordable

mortgage products. With prices falling or staying stable, there are opportunities for renters to buy homes at this time.

Table 48: Supply/Demand Analysis for Sale Housing Units, Montrose County, 2009

	Income Limit	Households in Income Range	Affordable Price	Additional Supply Needed
0-30%	$14,970	798	$58,099	776
31-50%	$24,950	639	$96,832	611
51-60%	$29,940	512	$116,198	503
61-80%	$39,920	408	$154,931	312
100% AMI	$49,900	353	$193,664	191

Source: Community Strategies Institute

The Colorado Division of Housing requires researchers to conduct the following gap analysis for homeownership in Housing Needs Assessments. This analysis uses formulas from the National Association of Realtors Housing Opportunities Index (HOI), as well as from Neighborworks. The affordability index compares the ability of households at various income levels to afford the median priced home in their market area. In Montrose County, the median price of homes on the market is $219,000. As shown in Table 49, households at 100% of the median income can afford 105% of the median priced home, while households below 100% cannot afford the median priced home.

The "gap" is the difference between the mortgage needed to purchase the median home, and the mortgage affordable to households at each income level. As is illustrated in the table below, households in Montrose County do have a gap between what they can afford and the median priced house for households earning up to 100 percent of the AMI. However, households earning above this level can afford to buy the median priced home.

Table 49: Colorado Division of Housing Homebuyer Gap Analysis, Montrose County

	Income Limit	Households in Income Range	Affordable Price	Affordability Index	Gap Analysis
0-30%	$14,970	1,336	$58,099	32	$159,158
31-50%	$24,950	1,362	$96,832	53	$119,263
51-60%	$29,940	654	$116,198	63	$99,316
61-80%	$39,920	1,174	$154,931	84	$59,421
100% AMI	$49,900	1,170	$193,664	105	$19,526

Source: Community Strategies Institute

Housing Needs From Job and Household Growth

While the Colorado Department of Local Affairs Demographic section does project population and job growth in Montrose County over the next 10 years, the current economic climate and downturn in the national housing market make projections of housing demand based upon future population growth difficult. Filling current housing gaps during the next 2-3 years should be the priority for Montrose County.

MONTROSE COUNTY COMMUNITY HOUSING SURVEY

The Community Strategies Institute created and distributed a community survey to collect primary data about the county. The electronic survey was distributed to employers, governments, housing service providers, business associations, realty groups and media outlets. A total of 402 households responded to the survey, representing 973 individuals within the community. On any given answer, fewer than 402 responses may be recorded. Survey results are based upon only complete responses to a particular question.

Household Profile

The survey was open to any resident of Montrose County. As might be expected, the majority of respondents live in the City of Montrose (75 percent) with the next largest number of respondents coming from Unincorporated Montrose County (10 percent) and Olathe (8 percent).

Table 50: Survey Respondents Place of Residence

Where do you live?		
	Number	**%**
Montrose	296	75%
Unincorporated Montrose County	40	10%
Olathe	30	8%
Other	14	4%
Naturita	7	2%
Nucla	7	2%
Paradox	1	0%
Maher	0	0%
Total	395	100%

Source: Community Strategies Institute

Seventy-six percent (76%) of survey respondents work in the City of Montrose; while fourteen percent (14%) work indicated they worked somewhere other than any of the cities or towns within the County and nine percent (9%) indicated they worked in Olathe. We can surmise the 14% of residents who answered "Other" work outside of the County or are not employed.

Table 51: Survey Respondents Location of Work

Where do you work?		
	N	**%**
Montrose	293	76%
Other	54	14%
Olathe	36	9%
Unincorporated Montrose County	10	3%
Nucla	10	3%
Naturita	9	2%
Maher/Paradox	0	0%
Total	412	100%

Source: Community Strategies Institute

The nexus between place of work and home is also reflected in the question regarding proximity to work. Seventy-eight (78%) percent of respondents indicated they commute less than 10 miles to work; forty-nine (49%) percent indicate they commute less than five miles one way.

Table 52: Commuting Distances

Please indicate the distance you commute one way to work.		
	N	**%**
0 - 5 miles	183	49%
5 - 10 miles	109	29%
10 - 15 miles	45	12%
15 - 20 miles	13	3%
20 - 25 miles	12	3%
Over 25 miles	30	8%
Total	392	100%

Source: Community Strategies Institute

Eighty-one (81%) percent of respondents imply satisfaction with their short commute times in the following question:

Table 53: Commuting Satisfaction

Are you able to live as close to work as you would like?		
	N	**%**
Yes	303	81%
No	71	19%
Total	374	100%

Source: Community Strategies Institute

The survey data on commuting is consistent with that of the census, which reported that 85 percent of residents work in the county in which they live.

Table 54: Household Size

How many people live in your household?		
Household Size	**N**	**%**
1	40	10%
2	172	44%
3	78	20%
4	55	14%
5	32	8%
6	11	3%
6+	4	1%
Total	392	100%

Source: Community Strategies Institute

Forty-four percent of those responding to the survey are two-person households. Since married couple households have very high homeownership rates in the county, this statistic may underscore the high homeownership rates identified among survey respondents.

Race and Ethnicity

In Montrose County, 92.8 percent of respondents identified their race or ethnicity as "White," and 16.6 percent as "Hispanic or Latino." This breakout is compared to census data in the table below.

Table 55: Race/Ethnicity of Survey Respondents

	Montrose County	
	Survey %	**Census %**
American Indian or Alaska Native	2.0%	0.7%
Asian	1.0%	0.6%
Black or African American	0.0%	0.2%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%
White	91.0%	92.8%
Hispanic or Latino	6.0%	16.6%

Source: Community Strategies Institute, U.S. Census

The majority of respondents from Montrose County have lived in the community over twenty years.

Table 56: Length of Residency

How long have you lived in Montrose County?		
	N	**%**
Less than 1 year	14	4%
1 to 5 years	79	20%
6 to 10 years	72	18%
11 to 20 years	76	19%
Over 20 years	151	39%

Source: Community Strategies Institute

The overall homeownership rate of survey respondents is 79 percent. This is a slightly higher percentage than identified by census data (72 percent).

Table 57: Housing Survey Renters/Owners vs. Census

Montrose County/Owners	Survey	U.S. Census
Rent	21%	28.2%
Own Home	79%	71.8%

Source: Community Strategies Institute, U.S. Census

All respondents were asked the question: "Are you satisfied with your current housing situation?" wherein seventy-seven percent (77%) answered "Yes" while twenty-three percent (23%) expressed dissatisfaction. Among renters who chose to answer this question, the satisfaction rate was much lower, with only forty-two percent (42%) indicating they were satisfied while fifty-eight percent (58%) said they were not satisfied. Only 14 percent (14%) of homeowners expressed any dissatisfaction.

Likewise, renters are eager to become homeowners as seventy-eight (78%) of renters indicated a desire to become homeowners at some point in the future. Those who expressed an interest in homeownership were then asked if they felt sales prices in Montrose County were affordable and eighty-one percent (81%) answered "No."

Among those interested in purchasing homes at some point in the future, twenty-five percent (25%) of respondents indicated they could afford a monthly mortgage of $601-$800. Twenty percent of respondents felt they could afford a monthly mortgage of $801-$1,000 and eighteen percent (18%) of respondents felt they could afford a monthly mortgage of $401-$600 per month.

Table 58: Housing Survey Renters – Affordable Monthly Mortgage Amounts

If you want to own your own home, how much of a monthly mortgage payment could your household afford?		
	Number	**%**
$0 - $400	18	12%
$401 - $600	27	18%
$601 - $800	38	25%
$801 - $1,000	30	20%
$1,001 - $1,200	17	11%
$1,201 - $1,400	11	7%
$1,401 - $1,600	3	2%
$1,601 - $1,800	4	3%
$1,801 - $2,000	1	1%
$2,001 - $2,400	1	1%
$2,401 - $2,800	2	1%
$2,801 - $3,200	1	1%
More than $3,200	1	1%

Source: Community Strategies Institute

Employment

The largest industrial sectors in Montrose County were government jobs, healthcare and social assistance, retail trade, construction, manufacturing, accommodation and food service. By contrast, the most commonly identified labor categories listed by survey respondents were education (34 percent), government (12 percent) and health care (11 percent).

Cost Burden

Of the survey respondents providing wage and housing cost data, twenty-seven percent (27%) are cost burdened with housing expenses such that they reported spending more than 30% of their income on housing expenses. Renters were more cost burdened than homeowners, with fifty-five percent (55%) of renters reporting spending more than 30% of their income on housing expenses while only nineteen percent (19%) of homeowners had this issue.

Thirteen percent (13%) of all respondents reported earning less than 50 percent of the HUD Median Family Income of $49,900 for Montrose County. Again, renters comprised the majority of those in this situation as forty-eight percent (48%) of renters earned less than 50% while only 10% of homeowners were below this benchmark.

In dollar terms, the monthly rent or mortgage payment amounts varied widely. The largest percentage of survey respondents, thirty-six percent (36%), reported spending between $901 and $1,500 per month on mortgage or rent. Typical utility costs were in the range of $176 and $250 per month for thirty-eight percent (38%) of those responding. This compares to a typical annual income in the range of $60,000 and $100,000 for twenty-six percent (26%) of those responding. The full breakdown of mortgage/rent and utility costs as well as income levels are provided below:

Table 59: Monthly Rent or Mortgage Amounts

How much is your monthly rent or mortgage payment?		
	N	**%**
$0 , mortgage is paid off	67	27%
$0 - $200	2	1%
$201 - $300	6	2%
$301 - $400	10	3%
$401 - $500	13	3%
$501 - $600	20	5%
$601 - $700	28	7%
$701 - $800	29	7%
$801 - $900	33	8%
$901 - $1,000	40	10%
$1,001 - $1,200	53	14%
$1,201 - $1,500	46	12%
$1,501 - $1,800	23	6%
$1,801 - $2,000	5	1%
Greater than $2,000	18	5%

Source: Community Strategies Institute

Table 60: Monthly Utility Amounts

How much does your household pay monthly for utilities?		
	N	**%**
Less than $25	3	1%
$26 – $50	3	1%
$51 – $75	2	1%
$76 – $100	11	3%
$101 – $125	19	5%
$126 – $150	29	7%
$151 – $175	37	9%
$176 – $200	51	13%
$201 – $225	54	14%
$226 – $250	41	11%
$251 – $275	29	7%
$276 – $300	46	12%
More than $301	69	18%

Source: Community Strategies Institute

Table 61: Annual Income Amounts

Please estimate the anticipated gross annual income for the primary family in your household in 2009 (total income before taxes).		
	N	**%**
Less than $10.000	10	3%
$10,001 — $15,000	11	3%
$15,001 — $20,000	14	4%
$20,001 — $25,000	15	4%
$25,001 — $30,000	20	5%
$30,001 — $35,000	18	5%
$35,001 — $40,000	25	7%
$40,001 — $45,000	32	8%
$45,001 — $50,000	32	8%
$50,001 — $55,000	31	8%
$55,001 — $60,000	26	7%
$60,001 — $80,000	60	16%
$80,001 — $100,000	37	10%
$100,001 — $120,000	27	7%
$120,001 — $140,000	8	2%
$140,001 — $160,000	5	1%
More than $160,000	14	4%

Source: Community Strategies Institute

Community Perspective

Table 62: Condition of Housing Units

Are you concerned about the condition of existing housing units in your community?		
	N	**%**
Yes	248	64%
No	142	36%
Total	388	100%

Source: Community Strategies Institute

Sixty-four percent (64%) of respondents indicated some concern about the condition of existing housing in Montrose County. The survey also asked a follow-up question regarding the availability and affordability of housing as an important community issue. Eighty-nine percent (89%) of respondents answered "Yes" to this question.

Table 63: Availability and Affordability of Housing

Do you think the availability and affordability of housing in your community is an important issue?		
	N	**%**
Yes	351	89%
No	42	11%
Total	393	100%

Source: Community Strategies Institute

Special Housing Needs

The survey asked a set of questions concerning housing for special needs populations. Only twenty-four percent (24%) of respondents believe there is an adequate supply of accessible or service-enriched housing within the community.

Table 64: Community Housing Survey Special Needs

If you live with someone who is disabled or has special housing needs, do enough accessible or service-enriched housing units exist in Montrose County?		
	N	**%**
Yes	51	24%
No	163	76%
Total	214	100%

Source: Community Strategies Institute

This question was followed by one asking respondents to identify the types of modifications needed. Respondents were allowed to mark as many categories as they wanted. The range of answers reflects the diverse housing needs of the target community.

Table 65: Survey Special Needs Housing Modifications

What unique housing modifications or living arrangements are desired by the special needs individuals you know?		
	N	**%**
Assistance with Daily Living Activities	70	36%
Assistance with Medication or Health Care	55	28%
Wheel-chair Accessibility Inside or Outside Existing Home	92	47%
Interior Remodeling	52	27%
Addition to Existing Home	20	10%
Other	29	15%

Source: Community Strategies Institute

The "other" category included having affordable homes available in the first place, adequate transportation alternatives, and energy efficiency upgrades to lower utility costs.

Affordable Housing Residents

Overall, only eleven survey respondents indicated they reside in publicly-subsidized housing. Eight of these respondents stated they are satisfied with their current housing situation and three respondents stated they were dissatisfied. When asked if they would like to someday own their own home however, only three respondents answered "No" -- thus they have similar homeownership aspirations as the general population in Montrose County.

Immigration Concerns

Like many Colorado counties, Montrose County has seen an increase in the number of immigrants over the past several years. Although it is difficult to ascertain how many of these immigrants might have entered the country illegally, there was a concern or perception among the commissioners of this report that illegal immigration had impacted the availability of affordable housing. As a result, respondents were asked if they believed illegal immigrants were impacting the supply of homes for sale in the county and fifty-five percent (55%) of respondents agreed.

Survey Conclusions

The majority of survey respondents were white, long-term residents of the community, homeowners, members of small households and employees of the educational sector. This is not an extremely diverse cross section of the county. However, the profile of residents in the county includes a high proportion of homeowners and professional educators. Since this survey is focusing on housing issues within the community, homeowners and educators do represent a core constituency. The majority expressed a collective satisfaction with the condition of their own housing, but a concern about housing conditions and affordability within the community at large. It seems many see the value in having a broad range of housing options available within the community. A full listing of survey results is attached as Appendix A.

RECOMMENDATIONS

CSI began work on the Montrose County Housing Assessment in January of 2009. This period will be distinguished by the advent of one of the greatest economic recessions in modern U.S. history. The characteristics of the present downturn are unique because many analysts have attributed the start of the downturn to the collapse of the overheated housing markets that fueled the U.S. economy for the past five years. While Colorado's Western Slope has been spared the worst effects of the current recession, overall it is beginning to have a larger impact on Colorado.

In March of 2009 the Colorado Legislative Council delivered its economic forecast. It concluded the following about the region:

> The region is beginning to grapple with
> the same economic headwinds the nation is facing,
> with nonfarm job growth almost flat in 2008.
> In the second half of 2008, natural gas prices fell
> and the region is seeing a shutdown of a number
> of drilling rigs, triggering significant layoffs.
> The residential and nonresidential construction
> sectors are weak as new home building permits
> have declined and the value of new commercial
> construction projects has plummeted.

Montrose County multifamily construction permits are off by 64% from the previous period and the single family permit growth is off 60.66% from the previous period according to the March 2009 Legislative Council report.

The economic picture is fairly bleak from a number of aspects that affect the Montrose County economy. According to the Colorado Center for Economic and Business Forecasting (CEBF), tourism spending is off, and will continue to be down in to the year 2010. Agricultural income is down. Consumer spending is down and will continue to be so into the next year. Credit tightness is affecting business spending in such areas such as small businesses, alternative energy concerns, smaller oil and gas firms and commercial real estate ventures. Some locally owned banks report that they are continuing to provide credit to well-performing, old customers but they are not entertaining new financing arrangements from new borrowers.

All of these factors are influencing the housing market in Montrose County. It is doubtful that home prices will stabilize until 2010 or later. Western Slope communities did not experience the same level of foreclosure activity as population centers on the Front Range have endured. However, many economists predict that foreclosures will increase in some communities that are seeing increases in unemployment. CEBF predicts that Colorado's unemployment rate will rise to at least 7.5% in 2009. The Colorado Dept of Labor (CDLE) is reporting a statewide employment rate of 7.3% for the month of February, 2009. For the same month, CDLE reports a 9% unemployment rate for Montrose County. It appears that Montrose County may be losing jobs at a faster rate than some other areas.

If the unemployment rate continues to grow, it is likely that foreclosure rates will also start to increase. The Montrose housing market has been impacted by large numbers of new residents

moving to Montrose to take advantage of the natural amenities and the friendly small town culture. Increased demand placed pressure on home prices and, even though many new homes were constructed to meet that demand, prices continued to increase. The brisk single family housing market tapered off in Montrose County prior to 2008. However, the present conditions are going to make it problematic for a recovery anytime soon. CSI estimates that the first chance for a "normal" for-sale market won't occur until 2011 at the earliest.

The John Burns Real Estate Consulting Survey of 240 home building executives reveals some interesting factors that will impact the Montrose new construction and resale market. Building executives believe that the single greatest concern for potential homebuyers is the current state of the economy and the declining job market. Following that concern, the next most influential factor appears to be that potential buyers cannot sell their existing home. The third most prominent reason given for the decline in home sales is that buyers are worried that the value of a newly purchased home may decline further after they close on the purchase.

These factors all will have significant influence on the future of the Montrose County housing market. Even as the economy starts to rebound, it will be several years before consumers have the same sense of well being about their finances that they had prior to 2008. CEBF predicts that the initial recovery will be sluggish. There may also be new waves of foreclosures. Since housing demand in Montrose has been fueled for some time by households moving into the area, demand will likely decline because those households may be unable to sell their present housing in order to move to Montrose. In-migration has placed local wage earners at a disadvantage because those moving to Montrose with transferred housing equity could outbid local buyers for a limited supply of modern housing. If potential migrants to Montrose are unable to sell their housing elsewhere, there will be fewer purchasers in the market for housing in Montrose. This should soften demand and cause prices to recede.

The national and the state economies both face severe challenges that will extend for several years. While much of the current economic news is not good for consumers, some of the present trends may help more Montrose wage earners afford a house. Some national indexes are pointing to a lower ratio between salaries and housing costs on the Western Slope. The present short term trends should result in single family housing becoming more affordable for households at the median income level. Presently, households at the median income level can afford the median home price because their income is adequate to pay the mortgage necessary on the $217,000 median priced home. Home buying opportunities have been made more favorable by intensive federal efforts to offer a tax credit and providing funds to support historically low interest rates on mortgages. For households with incomes equivalent to 80% of the median Montrose County income, the housing market is still challenging. However, there will be more homes priced in the $160,000 range as demand slackens.

The Montrose County housing bubble also produced an extensive inventory of both developed and undeveloped lots within the City of Montrose as well as in the county. Anecdotal evidence suggests that prices on lots have fallen as much as 40% in some locations. There is pent-up demand for homes in the $150,000 plus price range. CSI estimates that there are over 400 households who could afford a house costing up to $154,000. Enterprising builders may be able to continue building if they can provide a basic three bedroom house with garage in that price range.

Because the national economy has negatively impacted the Montrose County housing market, there are very few problems with the available supply of housing for the level of demand in the market. However, the affordability of the housing is an ongoing issue for Montrose County and most Colorado counties. Even though the price of for-sale housing has declined some, there are still many households working in the front line jobs in the community that don't have the necessary income to qualify to purchase a home. Those households could afford homes in the price range of $116,000 to $154,000. By utilizing several financing tools, some of the existing housing as well as new homes could be made available for purchase to this group.

Rental prices for the lower income groups have been challenging for some years. As economic conditions throw people into foreclosure, demand for rental housing continues strong. CSI estimates that as of January of 2009, there is a shortage of over 700 affordable rental units for households in the very low income range. This does not mean that 700 new low priced rental units need to be constructed. It does mean that many of the existing rental units could be affordable to very low income households if various types of subsidies were available such as Section 8 Vouchers or tenant-based rental subsidies from other sources.

A thorough discussion of these findings with suggested actions follows. However, it is important to understand the term "affordable housing." The current federal guidelines set a standard for housing affordability at 30 percent of monthly household gross income. This means that a homeowner with an income below 80 percent of the median for the county of residence should spend no more than 30 percent of their income for mortgage payments, taxes and insurance (PITI). In the case of a renter household with an income less than 80 percent of the median for the area, no more than 30 percent of that income should be spent on rent and any tenant-paid utilities excluding cable and telephone.

> Example: A family of three wishing to purchase a home in Montrose with 80 percent of the median income ($39,920) could afford to pay up to $154,931. Their payment could be up to $998 per month for their PITI.

This affordability threshold was established based on consumer expenditure research. For households in the lower segment of the income ladder, funds are limited in comparison to the costs of other essentials such as medical care, child care, food and transportation. In order for a household budget to balance between shelter and other essentials, housing expenditures must be limited to 30 percent of overall income. For many households with incomes exceeding 80 percent of median income, there is adequate money in the domestic budget to afford essentials and also pay more for housing. This affordability standard has changed over time. Following World War II the accepted standard was 25 percent as the upper limit for shelter payments. During the 1950s and 1960s the common wisdom said that a worker should not spend more than a week's wages on monthly shelter expenses.

Some financing programs may permit higher incomes than those used in the examples above. HUD makes adjustments to median income figures to determine program eligibility. Some private lenders use Private Mortgage Insurance and utilize slightly different underwriting assumptions on home loans.

The same affordability standard applies to families who rent their dwelling. A household should spend no more than 30 percent of their gross income on their rental costs including rent and any

utilities that must be paid. If the total shelter expense on a three-bedroom rental unit is $800 per month including all utilities, then the household should have a gross income of $25,920 in order to "afford" that rental unit.

Below is a detailed discussion of the major goals set in the context of the findings on local housing market conditions resulting from the research and analysis conducted by CSI during the early months of 2009. The earlier sections of the report provide both quantitative and anecdotal data which has been used to formulate the major goals as well as recommendations on action items which could be included in plans and efforts to address the conditions described in this report.

Housing Choices

I. Provide a full range of housing choices in Montrose County. Special efforts should be directed at the housing needs of groups which are not easily served by the private market. Those groups include moderate and lower income families of various sizes, elderly households on fixed incomes, and those with special challenges.

The present recession economy creates some opportunities for a community wishing to encourage more choice in housing products. Cheaper land costs and material costs may help lower development costs. In interviewing a variety of employers and individuals familiar with the rental inventory in Montrose, it appears that there may be a need for some new rental unit development targeted at higher income tenants. There have been very few new rentals developed with the amenities many higher income tenants desire. These larger units with amenities would include such items as swimming pools, exercise clubs, and/or concierge service. The rents would most likely exceed $1,000 per month.

There is a strong demand for more affordability in rental units for households with less than 50% of the median income. Such low rental rates can only be achieved with sizeable subsidies either to builders of the units or subsidies targeted to income qualified renters. The Federal Government provides deep rental subsidies through the Section 8 Voucher Program. Landlords receive a cash payment on behalf of the renter for an amount that equals the extra cost of the rent over the amount paid by the renter. The Section 8 program subsidizes the rent so that the tenant pays no more than 30% of the household income to the landlord. This program is very effective at keeping rents affordable to the lowest income households. However, because its cost rises as the rents continue to rise from market demand, Congress has not increased Section 8 appropriations to a level that allows HUD to issue new vouchers to more qualified renters. The Obama Administration has made statements in support of increasing the HUD budget to allow for new Section 8 Rental Vouchers. However, it is too early to determine whether new voucher allocations will be included in the FFY 2010 budget. The Section 8 Vouchers are administered in Montrose County by the Montrose County Housing Authority (MCHA). The housing authority should continue to seek new voucher allocations from both HUD and the Colorado Division of Housing to accommodate its sizeable waiting list of over 300 households. While new vouchers allocated by Congress would be an overall increase in resources, periodically both HUD and the Division of Housing have underused vouchers that could be reallocated to MCHA.

There are other sources of funding for tenant-based rental subsidy. MCHA could apply to DOH for HOME funds that could be used for rental assistance subsidies that would function in a similar way to Section 8 Vouchers. This rental assistance may be used for a period of two years. While this rental assistance is of short term duration, it is probable that many people would be able to receive a regular Section 8 Voucher within two years of being on the MCHA waiting list. As part of the economic recovery legislation recently signed into law by President Obama, the Emergency Shelter Grant (ESG) Program received a huge increase in funding. The purpose behind the increase in funding was to prevent families who were suffering a job loss or medical problems from losing their housing. Under the expanded ESG rules, administering agencies such as the MCHA can provide up to 18 months of rental assistance to qualified households to prevent them from becoming homeless. MCHA should pursue this opportunity to assist people on its waiting list to attain short term rental assistance.

The MCHA has recently participated in the second phase of an affordable rental project in the City of Montrose. The first phase of Sunshine Peak Apartments is fully rented and the management company is in the process of renting the newly finished units in the final phase of the development. Once stabilized occupancy has been achieved, the market could likely absorb another 70 affordable units that could be constructed in two phases.

The pressures for affordability are acutely felt by Montrose County residents who are living on fixed incomes. The elderly and those with physical challenges who are forced to live on fixed incomes have the most difficulty in finding decent housing they can afford. Generally, those groups need housing located close to services such a doctors, grocery stores and government agencies.

The senior population is projected to grow by over 40% in the next three years. Presently there are 217 affordable rental units to serve the needs of 6,921 seniors. In order to maintain the same level of supply, 90 more senior rental units should be added to the inventory by 2012. Senior groups in the western part of the county have been soliciting support for the construction of senior units there. Nucla seniors have met with various affordable housing providers to begin preliminary inquiries on the feasibility of building some senior housing units in Nucla. Nucla would be an appropriate location because there are services available in the community. CSI estimates that there are over 100 residents 65 years or older residing in Nucla. There are additional seniors living on ranches and homes in the adjacent unincorporated areas of the county. It is likely that a small independent living senior complex could be developed in Nucla. In order to assure an adequate cash flow to maintain the facility and retire a minimal mortgage, it is recommended that there be a mix of market rate and income restricted units. Such a pricing mix would also reflect the demographic realities of the seniors in the community. Many potential residents would not qualify to rent an income restricted unit. A development with 8 to 10 two bedroom units would probably be a good size for a community with less than 1,000 residents.

Midwest Colorado Mental Health and Tri-County Resource Center both highlighted the difficulties their clients have in finding stable, affordable housing in Montrose County. Midwest Colorado Mental Health would like to acquire an old hotel to house some of their clients who are working for greater self-sufficiency. There is a variety of developers and consultants who could provide a turn-key congregate facility for the mental health agency. Converting an economically obsolete motel or hotel to such a use may be a cost effective way of providing needed housing while at the same time upgrading the physical condition of some aging properties along the major travel routes. This approach has been used successfully in the Denver and Colorado Springs areas. Aging motels can

make good single room occupancy buildings with enough room for public spaces for meals and onsite delivery of services. There are dedicated federal funds for serving populations with mental and physical disabilities. Either the MCHA or the VOA could be effective partners in bringing such a facility on-line for Montrose County residents.

Earlier in this section, expanded homeownership opportunities were outlined. Costs and financing are favorable for purchasers. However, in many cases, potential homeowners are hesitant to take on new debt burdens because of the economic uncertainty and the continuing loss of jobs. If various groups who are involved with the real estate industry in Montrose County were to develop a common message about the advantages of purchasing a home in Montrose County, some of the market resistance and uncertainty could be overcome. Montrose County will not see the radical declines in value that many larger communities on the two coasts have experienced. For the most part, Colorado has been spared the scale of job losses that many communities are experiencing. The percentage of income needed to support a mortgage in Montrose is considerably less than in many other states.

In addition to a unified marketing theme, the community at large needs to encourage builders to supply lower cost homes to relieve some of the pent-up demand for homes in the $150,000 range. Local governments can assist this effort by working with developers to identify the best locations for new development and also by helping builders estimate the value of lots in various areas of the county.

A more visible and active down payment assistance program also needs to take shape. A few years ago, the West Central Colorado Housing Development Organization administered a very successful down payment assistance program in the region which included Montrose County. Following the demise of that organization, the Delta County Housing Authority has assumed the assets and the franchise for delivering down payment assistance loans to the region. However, CSI has not found that there is an awareness among Montrose County residents that the Delta organization is providing service in Montrose County. In order to bring home purchasing to the forefront in Montrose County, county-based groups should work with the Delta County Housing Authority to develop a strategy for placing more resources in Montrose County. It may be necessary to form some kind of agreement with Delta to provide outreach and application intake for Montrose residents through a Montrose agency. If this alternative is not feasible, then Montrose County should apply to the state for its own down payment assistance funds. Whatever entity becomes actively engaged in working with homebuyers should also have the capability of providing homebuyer training and also be able to link people up with Colorado Housing and Finance Authority (CHFA) loans, including their down payment assistance funds.

Montrose County affordable housing groups should also work with builders and developers to create a housing product that is energy efficient, well-built and priced at $150,000 or less. Selling houses in this price range is a way to help local wage earners stabilize their shelter costs and to also help revitalize demand for the remainder of the housing for sale in the county. Many economists believe that the bottom of the decline in housing sales will not be reached until sales of starter homes pick up and rebound. It is only when the entry segment starts to show life that other buyers will see that prices did not decline further. Once people see this, and realize that the lower prices will not last forever, they will be more motivated to purchase in the present because the prices won't be going lower. By providing first time homeowners rock bottom deals, both on price and terms,

other potential purchasers will realize that the bottom has been reached, and that prices for homes will start on their way back up, although probably at a slower pace than before.

There are a variety of tools available to assist in creating affordable homeownership opportunities. A public purpose agency could work with for- profit builders and developers to obtain below market construction financing and permanent take out for new homes. Since most builders and developers are not familiar with the intricacies of affordable housing programs, a knowledgeable partner could help corral the needed funds to produce homes in the price range needed. These homes could be both detached and attached homes. There is a limited inventory of attached for-sale housing in Montrose but the product is gaining acceptance because of its affordability. Many economists predict that the housing sector will not recover until the primary housing markets begins to show activity. Primary housing in Montrose County means homes that are bought and sold in the $150,000 price range. Building homes in this price range would be a good business venture for either a for- profit or non-profit concern. The current depressed market conditions, make it essential that a solid package of support is marketed to potential homeowners. That support would have to include homebuyer education and credit repair as well as down payment assistance. The support package would go a long way to give buyers confidence that they can successfully own a home even in a depressed market. Marketing some existing houses currently for sale may be the way to begin a first time buyer effort. However, any program sponsor and potential buyer would have to be cautious to ensure that the physical condition of existing homes in this price range would meet the underwriting standards of the permanent lender. A non-profit group may want to begin a program by acquiring a couple of properties needing minor repair and then reselling them to qualified buyers once the properties have been improved.

Housing Preservation

II. Promote the preservation of the existing housing stock and older neighborhoods by improving the housing and upgrading neighborhood infrastructure and conditions.

To the visitor coming into the communities that make up Montrose County, it appears that the area has undergone vigorous growth and new development. However, in some of the older neighborhoods of the county as well as in some of the outlying municipalities, it appears that the community suffers from disinvestment in its homes and neighborhoods. Many homes appear in a weathered condition on the exteriors. Some buildings on the edges of central business districts are in need of exterior refurbishment. Some streets, curbs and gutters are in deteriorated condition or non-existent. Economic conditions make it difficult for individual property owners and public bodies to make the necessary expenditures to improve the physical condition of the community. However, increased investment and a more activist approach to combating blight is an effective antidote for a stagnant housing market. As part of the federal economic recovery legislation that has already been enacted, there is a substantial increase in Community Development Block Grant funds for both home repair and public facility improvements like sidewalks and streetscape improvements. It would useful for both the municipal and county governments in Montrose County to consult with the Department of Local Affairs on housing and community improvement projects that could be financed with recovery funds.

Some years ago the West Central Housing Development Organization operated a moderately successful housing rehabilitation program in Montrose County. The program provided low or no

interest loans to homeowners to make necessary health and safety repairs to their homes. Such improvements included new roofs, electrical and plumbing systems, refurbished exteriors and other items that improved the value and livability of the structure. Unfortunately the program was placed on hold due to the fraudulent behavior of the organization's executive director. The Delta County Housing Authority has been designated as a successor organization for the rehab program. However, at this point, for whatever reasons, there appears to be little presence or involvement with the program in Montrose County.

A home repair and rehabilitation program is critical for preserving an aging housing stock. It is a critical resource for both elderly and young households who often don't have the cash or credit to fix expensive problems like leaky roofs or collapsed septic systems. The local government receives the federal funds as a grant and then, through a local intermediary, can loan the funds to income qualified homeowners for needed repairs and improvements. Montrose County government could take the lead in initiating discussions with the Delta County Housing Authority to determine what needs to be done to ramp up the program in Montrose County. If the Delta County Housing Authority isn't interested in a larger role, Montrose County could work with the municipalities in the county to identify another organization with the capacity to operate a rehabilitation loan program. In order to achieve a visible impact, Montrose County should pursue the financial resources necessary to complete at least 20 projects annually. There exists a sizeable pot of mortgages and payments coming to the program as a result of previous state grants and loans to homeowners. Some of those funds should be directed for use in Montrose County.

As more homes are listed on foreclosure lists, those homes could be recycled for purchase by first time buyers. Most national lenders have policies in place to provide the homes with discounted prices to community-based organizations, which are using them to increase the supply of affordable homes in their communities. A quasi-public entity such as a non-profit or a housing authority could reach agreements with lenders to acquire foreclosed properties, make necessary repairs to them and then resell them to income qualified buyers. It would be possible to form a joint venture with local builders and Realtors to acquire the properties, upgrade them and then market them. This approach to housing preservation would be a way to move forward more quickly because it would not involve waiting for homeowners to decide to take on a loan to improve the property they already own. In order to make the "fix and flip" model work, it is important to fully understand the market and be able to provide improvements to the properties that purchasers want. Projects have to be completed within budget and on time, or financial losses are inevitable. In a slower market such as the current one, the margin between profit and loss will be slim, and only skilled personnel should operate such a project. Having ready and willing buyers is critical. However, with the right buyer support package, homebuyers will be more willing to take on homeownership.

Partnerships

III. Create innovative partnerships between government and the private sector by creating ordinances, plans and policies that expand housing opportunities and support economic diversity.

Housing is the most highly regulated commercial activity in our modern economy. Federal monetary policy dictates mortgage rates. Federal laws and regulations govern who lives in the housing, where the timber is harvested for the house, whether there is a secondary market for the

mortgage, etc. Local and state laws control where the housing is constructed, what it looks like, how many houses or units go on a particular site, how it gets built and who is allowed to be the builder.

Residents of Montrose County are fortunate that local governments impose a minimal regulatory burden. Over the years, the hesitancy of local jurisdictions to intercede in the housing market has preserved property rights. However, that laissez-faire approach has contributed to some of the shortcomings and challenges in the housing supply and distribution system. There are actions and policies that could be used by the jurisdictions to enhance housing choice for residents.

Traditionally, unincorporated areas within a county are subject to less government regulation. In the West, population densities are so low in rural areas that human impact is considered negligible. As the rural population increases, a higher level of regulation may be required to mediate the impact of growth. More homes will place greater stress on existing water supplies and the ability of individual sewer systems to effectively recycle wastewater into the earth.

Montrose County is in the process of updating its comprehensive plan. As an outgrowth of these deliberations, ordinances and policies can implement the vision reflected in the comprehensive plan. Ordinances can offer the private sector incentives to supply the type of housing envisioned in the comprehensive plan. For affordable units, various types of fee waivers, deferrals and rebates can be adopted to lower the development costs of certain housing products. These same policy incentives could be in included in the City of Montrose Comprehensive Plan as well. For certain types of housing, developers could receive density bonuses allowing them to place more units on an acre of ground in exchange for price concessions or for inclusion of houses in a wider price range than originally envisioned by the developer. The comprehensive plan can encourage new development adjacent to existing facilities and transportation links. The public comment received on the comprehensive plan indicates that citizens prefer to see development take place within existing towns or contiguous to existing towns instead of in isolated rural areas of the county. Updating comprehensive plans can form a more cohesive approach to approving service agreements and annexations for parcels currently outside city boundaries.

Encouraging denser development on the boundaries of existing cities is an important step to help keep housing costs stable. Development that relies on self contained water and sewer systems is more costly and requires more land devoted to each single residence in order to provide adequate isolation between water and septic systems. Long term operating expenses are also less for residences that are connected to centralized systems operated by a public entity. While the Project 7 Authority has increased the availability of potable water to some isolated areas of the county, there is not a corresponding sanitation authority to handle the centralized collection of waste water. Even allowing three acres as a minimum for a septic system creates some discussion among geologists and water engineers about the long term health of ground water supplies with increased leaching of sewage water into the ground.

The City of Montrose has begun moving toward a downtown development plan to revitalize the downtown area. A key component of successful revitalization is the inclusion of dense housing in the redevelopment area. There are some under utilized properties in the downtown area that could be assembled into a larger parcel to include ground level retail with offices above and apartments or condominiums above the office floors. Depending on location in the downtown area, residents would be able to satisfy daily needs without using a car. A downtown location would be very convenient for major employee groups such as city and county employees, downtown office

workers, as well as hospital personnel. Because the concept would be innovative for the Montrose downtown, the city would have to assist potential developers in putting together the parcels and obtaining below-market financing. The lease up period for a new mixed use development would probably be longer than for a single purpose product. The City of Montrose could assist with financing by requesting the Department of Local Affairs to provide the construction financing for such a project through a CDBG loan/grant combination. DOLA could provide a loan through the construction period and when the loan is paid off through the permanent financing, a portion of the DOLA loan could be converted to a grant to buy down a certain portion of the residential units so the rent or purchase prices could be affordable to households with less than 80% of the median income.

In order to further revitalization efforts and enhance the health and safety levels of older buildings, habitability and abandoned building ordinances can be updated and then actively enforced. When faced with citations, owners of derelict structures may choose to repair them or sell to someone willing to improve the property. In order to offset the effects of greater enforcement efforts, the city could sponsor below-market loans to assist owners in making necessary safety and cosmetic improvements.

Montrose County participated in an innovative regional partnership to provide some affordable housing services to its residents. As discussed under Goal I, with the demise of West Central Housing Development, the regional partnership has withered. Delta County has continued to receive both rehabilitation and down payment assistance services though the Delta County Housing Authority, but in Montrose County the service does not appear to be readily accessible. Montrose County and the municipalities within Montrose County should work together with nearby counties to revitalize a regional service delivery model. Holding discussions with Delta and Ouray county governments and housing agencies could lead to forming a regional partnership that could, at a minimum, provide a home rehabilitation program, homebuyer training and counseling and a down payment assistance program in the three counties. Once that capacity was re-established, it may be feasible to once again commission a regional organization to provide other services for the member counties.

Presently there is little capacity among Montrose entities to develop affordable housing programs or projects. Montrose County Housing Authority has done an excellent job managing HUD Public Housing programs. The Volunteers of America has done an excellent job in developing senior housing in Montrose. Neither agency has chosen to expand their mission and function as a regional organization -- nor has either entity moved to provide more generalized development services on other projects. Because of the population and cost of operating and supporting organizations, it makes sense to provide some housing services on a regional basis. There are some legacy resources that have been generated by previous regional agreements and those resources could be utilized to launch a new regional affordable housing effort.

Community Support

IV. Facilitate and support affordable housing activities carried out by community groups and individuals.

The opinion survey data and key informant interviews acknowledge that many citizens with limited means have housing problems in Montrose County. The Federal Government and state agencies

have resources to assist lower-income families. A community needs a local implementer(s) to design programs, sponsor and own developments, and to coordinate and cultivate local resources. There is no local organization currently designated as the central implementer for community-based housing activities in Montrose County. If a regional organization cannot be reorganized, MCHA has the most diverse portfolio of housing activities in the County. The most cost effective approach to expand affordable housing services in Montrose County would be to work with MCHA to expand their mission to include a greater emphasis on community housing needs beyond Public Housing. MCHA has the management capacity and local support to move quickly into program development. MCHA could pursue a variety of activities that fit into a strategy of improving housing opportunities by upgrading the existing housing stock.

For a successful community housing effort, effective partnerships between government, private organizations and community members are needed. These partnerships create the resource base for action. If the MCHA board or any other organization were to broaden and include a greater emphasis on housing, an investment in staff and operating support would be needed. As programs and projects reach the implementation phase, local contributions will be needed to secure state and federal assistance. Competition for housing dollars is fierce and funders look to local investment levels as a way of gauging support for a particular request.

Individuals and groups will need to work together to make lasting improvements to the community's housing stock and infrastructure. Individuals willing to volunteer for community improvement projects can serve as an impetus for larger, more ambitious projects. Many communities have implemented community fix-up/clean-up days as a way of clearing debris and junk from yards and roadways. The county would benefit from having a large number of volunteers pick up trash, clean yards, and help county crews clear away junk cars and other large objects scattered around yards and fields. It makes sense to have such clean up days in the Spring and the Fall. The Fall clean up could focus on leaves and other detritus that builds up during the growing season. In conjunction with the clean up, the County could declare a free day at the trash collection site so citizens could bring trash and not pay to dispose of it.

Another volunteer driven effort that could have visible results would be to have a town paint-up day in Montrose, Nucla, Olathe and Naturita. Volunteer work crews could be organized to paint the homes of elderly or disabled families who are not able to paint the exteriors of their homes themselves. Teams could be organized among employees. Those teams could be matched with applicants. Possibly employers and other entities with a stake in the community could underwrite the cost of paint and supplies. If ten homes had a fresh coat of paint, it would make a significant impact on the appearance of the community.

Once a volunteer base has been formed there are other community efforts to undertake. An essential repair/fix up program could be established in which elderly or disabled applicants could receive assistance with essential health and safety repairs. A local business and its employees could agree to sponsor a fix-up project that might include such items as replacing a roof, or installing a new bathroom floor or providing a ramp or sidewalks for a house. All of these activities will heighten awareness of community housing needs and assist local leaders in developing the political will necessary to forge policies that will produce more decent housing for all income sectors of the county.

ACTION STEPS

Cost Estimate and Priority Scale

$	Little or no dollar outlay
$$	$1,000 to $100,000
$$$	$100,000 to $200,000
$$$$	$200,000 to $1,000,000
$$$$$	More than $1 million

Priority Scale	
H	High
M	Medium
L	Low

Guide to Abbreviations

MCHA	Montrose County Housing Authority
BOCC	Board of County Commissioners
CARHOF	Colo. Assoc. of Realtors Housing Foundation
CHFA	Colorado Housing and Finance Authority
CSI	Community Strategies Institute
DOH	Colorado Division of Housing
DOLA	Colorado Department of Local Affairs
FHLBB	Federal Home Loan Bank Board
FNMA	Fannie Mae, Federal National Mortgage Association
HUD	U.S. Department of Housing and Urban Development
HMD	Historic Montrose Downtown
MCC	Montrose Chamber of Commerce
RCAC	Rural Community Assistance Corporation
RD	U.S. Dept. of Ag, Rural Development
MVCB	Montrose Visitors & Convention Bureau
BSCC	Balance of State Continuum of Care
TCRC	Tri-County Resource Center
MCMHC	Mid-Western Colorado Mental Health Center
AAA	Area Agency for the Aging
DCHA	Delta County Housing Authority
Habitat	Habitat for Humanity

Housing Goal I, Action Steps for Housing Choices

Provide a full range of housing choices in Montrose County. Special efforts should be directed to the housing needs of groups not easily served by the private market. Those groups include moderate and lower income families of various sizes, elderly households, and those with special challenges, new employees.

	Actions	Priority	Time Frame	Players/Resources	Cost
a.	The private development community should explore the construction of 36-48 class A rental units preferably located in the downtown Montrose area.	M	2009-2011	BOCC, City Council, HMD, MCVB, MCC, downtown employers, local lenders	$
b.	MCHA should apply to HUD and DOH for any reallocated Sec. 8 Vouchers and any newly appropriated vouchers	H	2009-2012	MCHA, DOH, HUD	$
c.	MCHA should apply to DOH for HOME or ESG funds to provide short term rental assistance to households on the waiting list for Sec. 8 Vouchers	H	2009-2012	MCHA, DOH, HUD, BSCC	$$$$
d.	MCHA should take the lead in developing 70 additional affordable housing units in Montrose with affordability for targeted households at below 50% AMI	H	2010-2012	MCHA, BOCC, City Council, DOH, CHFA, private developers, property managers, local lenders	$$$$$
e.	MCHA and/or VOA should take the lead in developing 12-24 congregate accessible rental units for special populations including those with physical and mental challenges	H	2010-2012	BOCC, MCHA,VOA, City Council, TCRC, MCMHC, DOH, RD, CHFA, local lenders,	$$$$$

f.	VOA should take the lead in developing 90 more senior rental units in Montrose County. 8-10 of those additional units to be located in Nucla.	M	2010-2012	VOA, HUD, BOCC, Nucla City Council, Montrose City Council, DOH, RD, CHFA, Builders, AAA	$$$$$
g.	Montrose County housing agencies should work with regional agencies and local builders to create a homeownership program targeted to home sales for first time buyers with sales prices in $150,000 range. Program should target both acquisition of existing including foreclosures and new construction.	M	2009-2012	MCHA, DOH, HUD, BOCC, DCHA,FNMA, CHFA, local lenders, Realtors, builders	$$$$

Housing Goal II, Action Steps for Housing Preservation

Promote the preservation and affordability of existing housing stock and older neighborhoods by improving the housing and upgrading neighborhood infrastructure and conditions.

	Actions	Priority	Time Frame	Players/Resources	Cost
a.	Montrose County should take the lead in broadening the impact of the housing rehabilitation program in Montrose County. The BOCC should determine whether regional service delivery is feasible and if not, the BOCC should recruit a Montrose County agency to sponsor the rehab loan program. Once a sponsor is identified, the BOCC should sponsor funding requests to the state to expand and revitalize the program.	H	2009-2012	BOCC, DCHA, Delta County, Ouray County, MCHA,DOH, RD, local lenders, local builders, senior groups	$$$$
b.	A Montrose County housing agency should take the lead in implementing an acquisition /repair program for modest priced homes. As foreclosure inventory grows, those homes could also be acquired by non-profit organizations before they are offered to the public at large.	M	2009-2012	MCHA, VOA, Habitat, DOH, RD, MADA, local lenders, Realtors, DCHA	$$$

Housing Goal III, Action Steps for Partnerships

Create innovative partnerships between government and the private sector by creating ordinances, plans and policies that expand housing opportunities and support economic diversity.

	Actions	Priority	Time Frame	Players/Resources	Cost
a.	City and County governments should consider adopting ordinances to provide incentives to developers to include lower cost homes in developments. These incentives could be both cash and non-cash.	H	2009-2012	BOCC, City Councils, local developers, housing agencies	$$$
b.	County Commissioners should lead discussions and encourage the revitalization of regional partnerships to provide some affordable housing services to the residents of Delta, Montrose and Ouray counties. Rehabilitation and down payment assistance loans should be included at a minimum.	H	2009	BOCCs , City Councils, housing agencies, regional agencies, DOH, DOLA,	$

Housing Goal IV, Action Steps for Community Support

Facilitate and support housing activities carried out by community groups and individuals.

	Actions	Priority	Time Frame	Players/Resources	Cost
a.	Government agencies, in consultation with DOH and DOLA should designate a lead housing agency to be the lead agency in the delivery of housing services in the county. Such a designated agency should be given the authority and resources to respond to affordable housing needs.	H	2009-2010	BOCC, City Councils, housing agencies, DOH, DOLA, citizens	$
b.	Housing agencies, business and civic groups should promote activities and projects to engage community volunteers in the important work of cleaning and fixing homes and infrastructure in areas showing deterioration.	M	2009-2012	Housing Agencies, MVCB, AAA, Habitat, MCC, HMD, service clubs, civic associations	$
c.	Housing agencies and interested local government staff should utilize the services of state and regional technical service providers to learn more about affordable housing and to increase local capacity to address local housing needs using local personnel and resources.	H	2009-20012	Housing agencies, RD, DOH, DOLA, RCAC, CSI	$