

WORKFORCE HOUSING SOLUTIONS ROADMAP



REGIONAL
HOUSING
ALLIANCE

The RHA's mission is to facilitate and support the preservation, rehabilitation, and development of appropriate affordable/attainable housing for the workforce essential to the long-term economic sustainability and resiliency of La Plata County and its communities.

RHA HISTORY & ROADMAP

2004

The Regional Housing Alliance of La Plata County is a Multi-Jurisdictional Regional Housing Authority (RHA) created in 2004 by an Intergovernmental Agreement (IGA) between La Plata County, City of Durango, Town of Bayfield, and Town of Ignacio.

2021

RHA board held a retreat and developed an action plan that defines goals for Leadership, Staffing, Funding, and Development.

2022

The RHA entered an administrative services contract with the Alliance in November of 2022 and a separate professional services contract in December of the same year.

AFFORDABLE HOUSING AND AMI

What is Affordable Housing?

- The standard definition is households pay no more than 30% of their income on housing costs
- Housing costs exceed 30% of income= **Housing cost burdened**
- Housing costs exceed 50% of income= **Severely housing cost burdened**

What is Area Median Income (AMI)?

Area Median Income (AMI) is a formula that is region specific and defines what a household can afford based on average income and household size. AMI for a 2-person household is \$83,200. If a 2-person household earns \$66,560 per year, their income would be 80% of AMI. If a 2-person household earns \$91,520 per year, their income would be 110% of AMI.

What is Workforce Housing?

In La Plata County, there is significant housing need for the “missing middle”— those earning 80-125% AMI who comprise much of the area’s workforce. In some definitions, given the location of the market, the missing middle can range from 60% to 140%. These earnings are too high for state or federal subsidized housing opportunities, and too low to afford current options on the open market.

AFFORDABLE HOUSING AND AMI

Home Ownership Reference Charts

Maximum Household Incomes of Buyers (2023 HUD-derived numbers)

AMI	Number of Persons in Household							
	1	2	3	4	5	6	7	8+
50%	\$36,400	\$41,600	\$46,800	\$51,950	\$56,150	\$60,300	\$64,450	\$68,600
60%	\$43,680	\$49,920	\$56,160	\$62,340	\$67,380	\$72,360	\$77,340	\$82,320
65%	\$47,320	\$54,080	\$60,840	\$67,535	\$72,995	\$78,390	\$83,785	\$89,180
70%	\$50,960	\$58,240	\$65,520	\$72,730	\$78,610	\$84,420	\$90,230	\$96,040
80%	\$58,240	\$66,560	\$74,880	\$83,120	\$89,840	\$96,480	\$103,120	\$109,760
90%	\$65,520	\$74,880	\$84,240	\$93,510	\$101,070	\$108,540	\$116,010	\$123,480
95%	\$69,160	\$79,040	\$88,920	\$98,705	\$106,685	\$114,570	\$122,455	\$130,340
100%	\$72,800	\$83,200	\$93,600	\$103,900	\$112,300	\$120,600	\$128,900	\$137,200
110%	\$80,080	\$91,520	\$102,960	\$114,290	\$123,530	\$132,660	\$141,790	\$150,920
125%	\$91,000	\$104,000	\$117,000	\$129,875	\$140,375	\$150,750	\$161,125	\$171,500
140%	\$101,920	\$116,480	\$131,040	\$145,460	\$157,220	\$168,840	\$180,460	\$192,080
160%	\$116,480	\$133,120	\$149,760	\$166,240	\$179,680	\$192,960	\$206,240	\$219,520

Affordable Purchase Price (2023 HUD-derived numbers)

AMI	Number of Persons in Household							
	1	2	3	4	5	6	7	8+
50%	\$93,569	\$100,283	\$124,050	\$126,242	\$145,439	\$129,842	\$148,810	\$167,778
60%	\$126,844	\$138,311	\$166,831	\$173,731	\$196,767	\$184,964	\$207,725	\$230,487
65%	\$143,481	\$157,324	\$188,222	\$197,475	\$222,431	\$212,525	\$237,183	\$261,842
70%	\$160,118	\$176,338	\$209,612	\$221,219	\$248,095	\$240,085	\$266,641	\$293,196
80%	\$193,392	\$214,366	\$252,393	\$268,708	\$299,423	\$295,207	\$325,556	\$355,905
90%	\$226,666	\$252,393	\$295,174	\$316,197	\$350,751	\$350,329	\$384,471	\$418,614
95%	\$243,303	\$271,407	\$316,565	\$339,941	\$376,415	\$377,890	\$413,929	\$449,968
100%	\$259,940	\$290,421	\$337,955	\$363,686	\$402,079	\$405,450	\$443,387	\$481,323
110%	\$293,214	\$328,449	\$380,736	\$411,174	\$453,407	\$460,572	\$502,302	\$544,032
125%	\$343,125	\$385,490	\$444,908	\$482,408	\$530,399	\$543,255	\$590,675	\$638,095
140%	\$393,037	\$442,531	\$509,079	\$553,641	\$607,391	\$625,937	\$679,048	\$732,158
160%	\$459,585	\$518,586	\$594,642	\$648,618	\$710,047	\$736,181	\$796,878	\$857,576

Home Rental Reference Charts

Maximum Household Incomes of Renters (2023 HUD-derived numbers)

AMI	Number of Persons in Household		
	2	3	4
30%	\$24,960	\$28,080	\$31,170
50%	\$41,600	\$46,800	\$51,950
60%	\$49,920	\$56,160	\$62,340
80%	\$66,560	\$74,880	\$83,120
100%	\$83,200	\$93,600	\$103,900
120%	\$99,840	\$112,320	\$124,680
140%	\$116,480	\$131,040	\$145,460

Affordable Rental Price based on Bedroom Size (2023 HUD-derived numbers)

AMI	Bedroom Size		
	1	2	3
30%	\$585.00	\$702.00	\$810.00
50%	\$975.00	\$1,170.00	\$1,351.00
60%	\$1,170.00	\$1,404.00	\$1,621.00
80%	\$1,560.00	\$1,872.00	\$2,162.00
100%	\$1,950.00	\$2,340.00	\$2,702.00
120%	\$2,340.00	\$2,808.00	\$3,242.00
140%	\$2,730.00	\$3,276.00	\$3,783.00

* Calculations assume (1) an Interest Rate of 6.32, (2) ability to contribute 33% of income to housing costs, & (3) a 3% down payment.

** Sources: Affordable Home Ownership rates based on HomesFund formula, Affordable Rental Rates based on Colorado Housing and Finance Authority (CHFA) formula.

WORKFORCE HOUSING PROGRAM



LA PLATA COUNTY

3-YEAR WORKFORCE HOUSING INVESTMENT STRATEGY

PUBLISHED JUNE 2022

PREPARED BY
CAPPELLI CONSULTING
PROJECT MOXIE

COMMISSIONED BY
LA PLATA ECONOMIC
DEVELOPMENT ALLIANCE

The footer of the report cover features three logos: Cappelli Consulting, Project Moxie, and the Economic Development Alliance logo.

A screenshot of the 1st Southwest Bank website. The top navigation bar includes "PERSONAL BUSINESS EBANKING RESOURCES ABOUT". The main content area features a dark background with a palm tree silhouette and the text "Rental Assistance Micro-Loans". Below this, the text "La Plata County Renters" is displayed, followed by a smaller line of text: "(Scroll down for all other rural Colorado counties.)".

Workforce Housing 3 Year Investment Strategy for La Plata County

- Published June of 2022
- 6 Strategies for addressing housing need for the Missing Middle – Workforce (Area Median Income (AMI) 80%-125% or \$62,800 - \$98,125 for a two-person household)
 1. *Rental*
 2. *Homeownership*
 3. *Land Development Initiative - Commit to "Big Idea" Projects*
 4. *Preservation*
 5. *Local Housing Trust Fund*
 6. *Ongoing Education and Advocacy*

HOUSING CATALYST FUND

The Economic Development Alliance Housing Catalyst Fund (Catalyst Fund) is a public private partnership to create seed funding to support below market housing development in La Plata County. The Catalyst Fund was initially funded by donations and grants and is administered by a group of community leaders and housing experts.



Alliance has a one-year contract that is part of a three-year commitment to provide professional services, administrative support, grant writing, Catalyst Fund facilitation, Fast Track projects through communications/collaboration, and create foundational operations for RHA.



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RHA 2023 GOALS

TIMELINE

1. Support area housing efforts

Ongoing

2. Centralize area housing information and resources

June 2023

3. Unite regional approach to workforce housing policy and support project expedition

August 2023

4. Rental assistance

September 2023

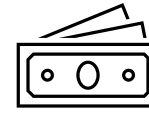
5. Fund workforce housing

December 2023

GRANT TRACKING



Requested



Received

			Requested	Received
Bayfield	HB22-1304 & 1377	Cinnamon Heights	\$ 2,656,158	\$ 2,000,000
	HB22-1304 Strong Communities grant	Cinnamon Heights and Pine River Commons	\$ 1,919,000	
Durango	HB21-1271	Best Western	\$ 1,000,000	\$ 1,000,000
	HB21-1117	Planning Grant Program (IHOP) for housing feasibility study for rental and homeownership pertaining to City's inclusionary zoning.	\$ 120,000	\$ 120,000
	Congressionally Direct Funding 2021 Request	Best Western	\$ 9,000,000	\$ 3,000,000
	HB22-1304 Infrastructure and Strong Communities	Durango Crossings	\$ 4,000,000	
Ignacio	IHOI Grant Program	Rock Creek Housing Project Infrastructure Grant	\$ 2,000,000	\$ 2,000,000
	LPC Affordable Housing Grant and Loan Fund	Rock Creek Housing Project	\$ 690,000	
	LPCEDA - Housing Catalyst Fund	Catalyst Fund Grant Request	\$ 75,000	\$ 50,000
La Plata County	HB21-1271	Westside Mobile Home Park	\$ 3,000,000	\$ 800,000
RHA	HB21-1271 - DOH Technical Assistance	The Affordable Housing Toolkit for Local Officials	\$ 100,000	\$ 85,000
	HB21-1271 - DOH Technical Assistance	Affordable Housing Technical Assistance training sessions for housing leaders and industry with the City of Durango	\$ 20,000	\$ 20,000
			\$ 24,460,158	\$ 9,075,000



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All four government entities in the RHA have opted in to Prop 123!

Baseline commitments over the next 3 years:

Town of Bayfield – 14 units	60% AMI
Town of Ignacio – 14 units	Rental
La Plata County – 108	
City of Durango – 184 units	100% AMI
<hr/>	Ownership
Total	320 units



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CITY OF DURANGO



TOWN OF BAYFIELD



Cinnamon Heights Deed Restricted Project

2021-2023: Town funded - \$826,767.72

- Purchase of 30 townhome platted lots in May 2021—\$720,627.72
- Site engineering including Geo-Technical—\$96,500
- Preliminary architectural designs for ADA units—\$6,440
- Phase I Environmental—\$3,200

2023: Town awarded \$2 Million—Transformational Affordable Housing Grant (TAHG)

- Requested \$2.7 Million— \$700,000 Gap Remains
- For Infrastructure cost (grading, utilities, driveways, stormwater facilities)

2023: Engineering and preliminary architecture complete and in review

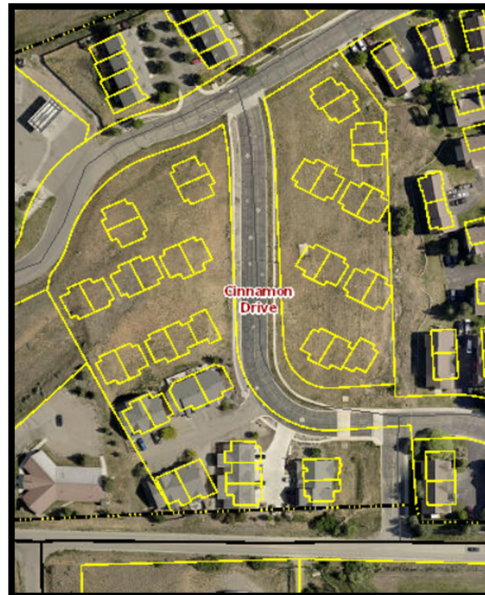
2024: Replatting process

2024: Proposed start of infrastructure construction

2024: Sell to builder(s) through RFP process to construct units

2023-2025: Work with HomesFund to create Deed Restriction Documents

- 80-120% Average Median Income (AMI)
- Live in Region 9 for 1-year min or work 32 hours per week in La Plata County
- Town has 1st Right of Refusal in event of foreclosure
- 3% equity allowed annually
- Deed Restriction in perpetuity to protect the public investment
- Deed restricted units do not impact valuation of market rate housing



Workforce/Affordable Housing Constraints

- Land Banking vs. Grant Requirements—HB21-1271 (Affordable Housing Incentives Grant at end of 2022) could only use land purchased within the previous 12-months as match. HB22-1304 (Strong Communities Grant) cannot use land purchased before August 1, 2022 as a match.
- Long turn-around time to receive Federal and State Grant Notice to Proceed/Contracts, pushing construction into grant deadline constraints. Contractors don't like projects with ambiguous time constraints.
- Funding the construction of a workforce/affordable housing project that meets the required AMI's for grants/ Prop 123.
- Construction Defects.
- Short-Term Rentals.
- Senate Bill 23-213 did not require projects to be workforce/affordable housing projects.

TOWN OF IGNACIO



IT'S NOT EASY - TOWN OF IGNACIO

May 2003 | Town purchased 70 acres for \$550,000 with \$450,000 in DOLA funding

Aug 2011 | Town sold 54.41 acres to the Growth Fund and retained 5.77 acres

July 2020 | Town received a DOLA grant (\$47,500) for Conceptual Housing Plan and Housing Needs Assessment which included community outreach and input

Mar 2022 | Town received a CHFA Technical Assistant grant for a Rock Creek Development Plan

Mar 2023 | Town received a \$2,000,000 Innovative Housing Incentive Grant (IHOI) for infrastructure improvements

July 2023 | Town Board approved the Rock Creek Housing Project Planned Unit Development Plat

July 2023 | Town submitted a \$690,000 ARPA Grant request to La Plata County for Infrastructure and Housing improvements

Aug 2023 | Officially submitted Bid Request for infrastructure improvements

Sept 2023 | Signed contract with Canyon Construction

Sept 2023 | Rock Creek Housing Project Groundbreaking

Mid 2024 | Estimate Affordable/Workforce housing improvements begin for qualified home buyers

LA PLATA COUNTY



Westside

- Westside and Triangle Mobile Home Parks; \$1,900,000 in 2 revolving loans and received \$800,000 from State of Colorado (HB 21-1271) for infrastructure upgrades in anticipation of annexation
- Commitments of funding for Rock Creek and Cinnamon Heights Housing Projects (ARPA money)
- Looking to help fund bridge housing in Durango (motel conversion); in due diligence with Community Investment Alliance

*Photo Source: Westside Facebook Page



For more information, please visit
laplatahousing.colorado.gov
or
yeslpc.com



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