



ECONOMIC DEVELOPMENT
ALLIANCE

WORKFORCE HOUSING 101: **FOR SALE HOUSING**

December 15, 2023



LA PLATA ECONOMIC DEVELOPMENT ALLIANCE

OUR MISSION

To create a vibrant and resilient economy from the recruitment, retainment, and growth of business, by fostering public and private partnerships, and preserving our quality of life.

OUR VISION

The Alliance will enable La Plata County to be one of the most vital, vibrant communities in the country to live, work, learn, and play.





OUR TEAM

BOARD

The Alliance Board consists of nine representatives. Five representatives are from the private sector and are elected for three-year terms by Alliance members. The four public sector representatives are appointed by their respective jurisdictions. One public sector representative serves from each of our three communities (Durango, Bayfield, and Ignacio) as well as La Plata County to ensure that the Alliance represents all of La Plata County.

STAFF

Mike French, Executive Director

Sarah Tober, Deputy Director

J.J. Desrosiers, Program Manager

Sarah Schwartz, Housing Strategy
Manager



ABOUT PROJECT MOXIE



Project Moxie is an affordable housing and homelessness solutions strategy consulting firm. Working alongside communities, we connect them with the right resources and funding to create affordable, green, and safe housing for everyone, everywhere.

Jenn Lopez, President (she/her/hers)

- Fort Lewis College Class of 1995 - Go Skyhawks!
- Over 20 years of experience in affordable housing.
- Held a senior position in the Hickenlooper administration in Colorado and led regional housing efforts in southwest Colorado for several years.
- Loves working with local community leaders and excels at both strategy development and implementation work.
- Masterful resource developer. I love asking for dollars and helping you to design your program and tell your story.
- Current clients include: The Anchorum Health Foundation, Santa Fe County, Fort Morgan Family Center, Santa Fe Community Foundation, La Plata Economic Development Alliance, Total Concept and MGL Partners.





PRESENTATION

1. Creating the Context: Market Context
2. For Sale Strategies
3. Accessing mortgages and training
4. HomesFund mortgage programs
5. Q&A/Discussion



WHAT'S CAUSING DEMAND ISSUES?

In short, **we have not kept up with market demand for years.** Present day contributing factors include:

1. **COVID impacts** - we had an increase in demand as people “fled” urban areas to work remotely from here. We have less than 2 weeks of inventory. A balanced market is 6 months of inventory.
2. **Supply chain issues** - we can't get the materials to build, or the prices are inflated.
3. **Land inventory** - we don't have enough land with infrastructure at scale ready to go.
4. **Labor issues** - we don't have enough labor to build.
5. **Market mismatch** - The market builds to the market: if the demand is for high-end homes, that is what we get.
6. **Wages** - wage growth has significantly lagged behind rent and home price increases year over year.

WHAT IS “AFFORDABLE HOUSING”?

Affordable housing means paying no more than 30% of gross income for rent/mortgage + utilities.

Regulated affordable housing — what we commonly refer to as “affordable housing” are homes that have income restrictions. When the public sector invests in a housing unit, a restrictive covenant or land use restriction agreement is recorded. These limit the cost of the unit and who is eligible to rent or buy the home.

Naturally occurring affordable housing (NOAH) — this is market-rate housing that happens to be leased or sold affordably.



TRADITIONALLY CONSIDERED “AFFORDABLE HOUSING”

Area Median Income (AMI) = \$61,400 (*one person*)



x30%	\$18,420	\$21,060	\$23,700	\$26,310
x50%	\$30,700	\$35,100	\$39,500	\$43,850
x60%	\$36,840	\$42,120	\$47,400	\$52,620
x80%	\$49,120	\$56,160	\$63,200	\$70,160
x100%	\$61,400	\$70,200	\$79,00	\$87,700

A single parent working 40 hours/week at minimum wage

Two parents each working full time at minimum wage.

AMI	1	2	3	4
50%	\$36,400	\$41,600	\$46,800	\$51,950
60%	\$43,680	\$49,920	\$56,160	\$62,340
65%	\$47,320	\$54,080	\$60,840	\$67,535
70%	\$50,960	\$58,240	\$65,520	\$72,730
80%	\$58,240	\$66,560	\$74,880	\$83,120
90%	\$65,520	\$74,880	\$84,240	\$93,510
95%	\$69,160	\$79,040	\$88,920	\$98,705
100%	\$72,800	\$83,200	\$93,600	\$103,900
110%	\$80,080	\$91,520	\$102,960	\$114,290
125%	\$91,000	\$104,000	\$117,000	\$129,875
140%	\$101,920	\$116,480	\$131,040	\$145,460
160%	\$116,480	\$133,120	\$149,760	\$166,240

Affordable Purchase Price (2023 HUD-derived numbers)

AMI	Number of Persons			
	1	2	3	4
50%	\$93,569	\$100,283	\$124,050	\$126,242
60%	\$126,844	\$138,311	\$166,831	\$173,731
65%	\$143,481	\$157,324	\$188,222	\$197,475
70%	\$160,118	\$176,338	\$209,612	\$221,219
80%	\$193,392	\$214,366	\$252,393	\$268,708
90%	\$226,666	\$252,393	\$295,174	\$316,197
95%	\$243,303	\$271,407	\$316,565	\$339,941
100%	\$259,940	\$290,421	\$337,955	\$363,686
110%	\$293,214	\$328,449	\$380,736	\$411,174
125%	\$343,125	\$385,490	\$444,908	\$482,408
140%	\$393,037	\$442,531	\$509,079	\$553,641
160%	\$459,585	\$518,586	\$594,642	\$648,618

MORE TERMS AND DEFINITIONS

1. Workforce Housing

Used often at the local level to define the need of the low-moderate income workforce. This includes those in the service, recreation, and often civil service sectors.

2. Middle Income Housing

Used to indicate affordability for white collar households.

3. Community Housing

Used to indicate affordability for low to moderate income households with an emphasis on local residents.

4. Attainable Housing

Used interchangeably with the categories to the left and above depending on context. Usually not used to refer to very low income housing.

Below-Market Housing

Housing at affordability levels that the market currently does not provide on its own.

We prefer this term because it eliminates the ambiguity or preconceived notions sometimes elicited by the categories to the left.

Example: many very low income households work, some moderate income households don't work, and none of the categories to the right explicitly name seniors adults.



FOR SALE STRATEGIES & TOOLS

Below market housing tends to be developed through one of two of the following strategies:

Note: these strategies can be (and often are) combined.

Development Subsidy

Reduce the costs of developing new below-market housing so people earning a certain income level can afford it.

Put another way, it allows the developer to be able to afford to offer below market prices without impacting their development.

In essence, it brings housing costs down to match local incomes.

Household Subsidy

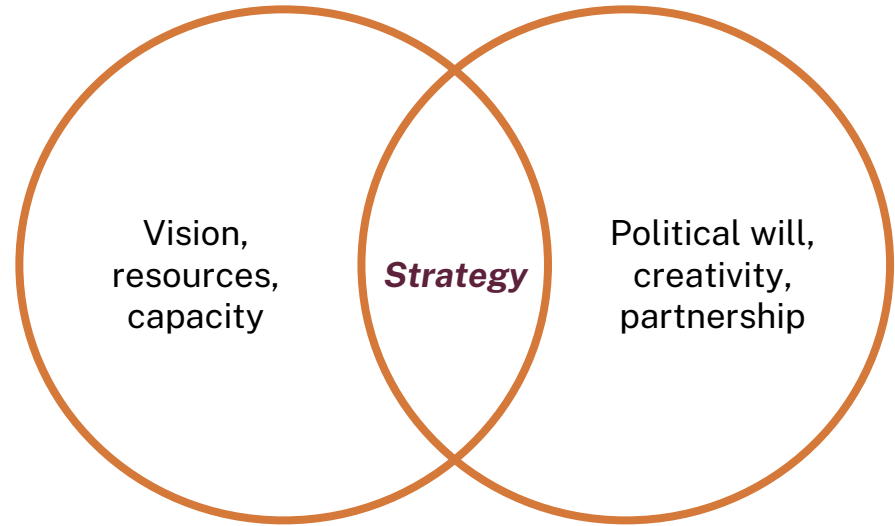
Reduce a person's housing costs through mortgage assistance, a reduced interest rate on their mortgage, DPA assistance etc.

In either case, a payment is provided to the household to cover the difference between what they can afford (<30% of income) and what their housing costs.

In essence, it adds to household income or decreases principal amount of a mortgage.



STRATEGY DEVELOPMENT



Housing strategy emerges where a community's vision, resources, and capacity meets political will, creativity, and partnership.

FOR SALE STRATEGIES

Land - Getting free or discounted land is a common practice for providing affordable housing units for sale.

Infrastructure - Using grants or low-cost loans to pay for infrastructure for a development is a growing practice but not as common as others because there are limited grant and loan programs for infrastructure.

Development Costs - This is accessing state and federal programs to provide gap funding for construction. Most state programs will not provide more than 50-60k for subsidy.

Fee Waivers - This is a common practice that local governments use to subsidize affordable units. This waiver is anywhere from 10k-40k

Density - Allowing more units decreases costs, as does developing attached units.

Cross-subsidy - This approach is a set-aside of affordable within a larger development model.

FOR SALE SUBSIDY SOURCES

Federal Housing Programs Do Not Subsidize For-Sale at the Same Level as Rental Housing creating a larger gap and challenge to developing affordable for-sale housing.

Federal Resources that are available are extremely limited (HOME, CDBG) and create additional requirements and process.

State Resources - There is more now than there has been previously, but it is still limited to 50-60k per unit on average.

DOLA Infrastructure Funds - This is a new source but is time limited. I don't think there will be future funding rounds for infrastructure unless there is new legislation.

Community Second Mortgage Programs - This is the most successful program in our community and is managed by the HomesFund. Seconds are stacked to create an affordable mortgage amount and payment.



FOR-SALE EXAMPLE

Total cost to Build a Townhome: \$550,000

DOH Gap Funding (40k a unit): \$510,000

HomesFund Second Mortgage: (\$100k)

Total Home Price: \$410,000



PRIVATE SECTOR STRATEGIES

Work with employers to identify resources including potential redevelopment sites.

Continue building mortgage assistance programs-employer funded that can be matched with public resources.

What is the current development pipeline and is there an immediate opportunity to work with private developers to decrease costs to deliver some below market housing?

Educate private sector on opportunities with new federal and state funds.



PUBLIC SECTOR STRATEGIES

Repurpose underutilized assets.

Identify redevelopment opportunities

Create public will for increased residential development.

Identify incentives like predevelopment funding to activate public and private sites.

Fund and support existing programs and other nonprofit partners to scale efforts when possible and build local capacity for the long-term.

Identify/create a local public funding stream for housing.

ABOUT COMMUNITY INVESTMENT ALLIANCE

Community Investment Alliance partners with local communities to develop housing solutions across the continuum, create culturally appropriate services programming, and increase food access through strategic, community-led initiatives.

We are a 501c3 organization based out of Aurora, Colorado.

OUR TEAM

Dr. Kathleen Van Voorhis - Chief Executive Officer; Co-Founder

Jennifer Lopez - Co-Founder; Strategic Advisor

Peter Lifari - Board President

Berenice Lozano - Housing Fellow



EMPOWERING COMMUNITIES:

Housing Fellow

The Alliance created a housing fellowship program this year to create opportunities for community leaders from diverse backgrounds to learn more about the affordable housing sector.

The role was created in partnership with the Good Food Collective. We are also proud to be working with Elevation Community Land Trust.



Bere Lozano, first Housing Fellow in Southwest Colorado, is a Bilingual mortgage broker raised in Durango area.

Role: Learn about the housing needs of Spanish Speakers in La Plata County, identify housing resources and help connect housing resources to this community.



COMMUNITY ACCESS = EQUITY

As a Housing Fellow and local mortgage lender focusing on the Hispanic population, my role is critical in bridging gaps and addressing the specific needs of this community in the home-buying process.

By taking a holistic and culturally sensitive approach, I can play a vital role in making homeownership more accessible and empowering for the Hispanic population in our local area. Building trust and providing tailored support will contribute to a more inclusive and successful home-buying experience. Our strategies include:

- Cultural Sensitivity and Language Accessibility
- Community Outreach
- Use of Technology
- Partnerships with Realtors and Lenders
- Financial Literacy Programs
- Legal Assistance
- Collaboration with Local Government Agencies
- Community Testimonials
- Accessible Financial Tools
- Regular Follow-ups and Support



CHALLENGES AND BARRIERS

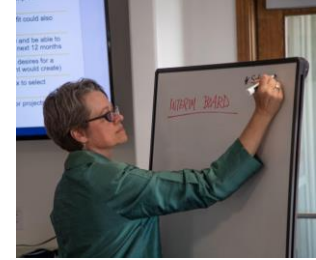
Common challenges and cultural barriers to accessing Housing Resources for this segment of the community include:

- Language Barriers
- Credit and Financial Literacy
- Trust and Banking Habits
- Fear of Discrimination
- Documentation Challenges
- Family Dynamics
- Lack of Representation
- Government Programs Awareness
- Cultural Expectations
- Location Preferences

LISTENING TO COMMUNITY IS KEY

Strategies for actively listening to community needs and concerns:

- Community Surveys
- Focus Groups
- Community Events and Workshops
- Collaborate with Community Leaders
- Cultural Liaisons
- Language Accessibility
- Open Door Policy
- Social Media Engagement
- Educational Workshops in Spanish
- Feedback Mechanisms
- Regular Check-ins





EMPOWERING THROUGH EDUCATION

Initiatives to educate the community on housing matters:

- Bilingual Educational Materials
- Workshops and Seminars
- Online Webinars
- Community Events
- Collaboration with Community Organizations
- Financial Literacy Programs
- One-on-One Counseling Sessions
- Interactive Online Resources
- Government Programs Awareness Campaigns
- Real-life Success Stories
- Cultural Competency Training for Staff
- Social Media Engagement

NAVIGATING THROUGH HOME PURCHASE

Support offered in navigating the home purchase process:

- Cultural Sensitivity and Communication
- Language Access
- Educational Workshops
- Financial Literacy
- Access to Down Payment Assistance
- Credit Building
- Local Market Knowledge
- Legal Guidance
- Networking with Hispanic Professionals
- Support Throughout the Process
- Community Resources
- Celebrate Milestones
- Post-Purchase Support
- Collect Feedback



ONE ON ONE SUPPORT

Importance of Personalized Interactions:

- Cultural Sensitivity
- Trust Building
- Addressing Unique Needs
- Language Considerations
- Navigating Complex Processes
- Financial Literacy

How to Implement Personalized Interactions:

- Individual Counseling Session
- Customized Educational Workshops
- Flexible Communication Channels
- Community Outreach Events
- Utilize Cultural Liaisons
- Regular Check-ins
- Feedback Loops
- Localized Marketing Strategies
- Follow-up Support



2024 PLANS

- Ongoing conversations through Voces de la Comunidad, Compañeros and other partner organizations.
- Pilot a new culturally responsive homebuyer education program
- Use community surveys to confirm challenges and opportunities
- Continue working with Good Food Collective's Voces de la Comunidad initiative
- Work with partners and Alliance to Identify ways to increase access to resources for this community.

Connect with me!

Berenice Lozano
Housing Fellow

Aliada Comunitaria de Vivienda

Community Investment Alliance
Alianza de Inversión Comunitaria

970-317-0247 | berenice@communityinvestmentalliance.org

Thank You for Building a Stronger Community!

Homebuyer Assistance Program:

Homebuyer Education

Housing Counseling

Mortgage Assistance



HomesFund also Offers:

Manufactured/Mobile Home
Financing

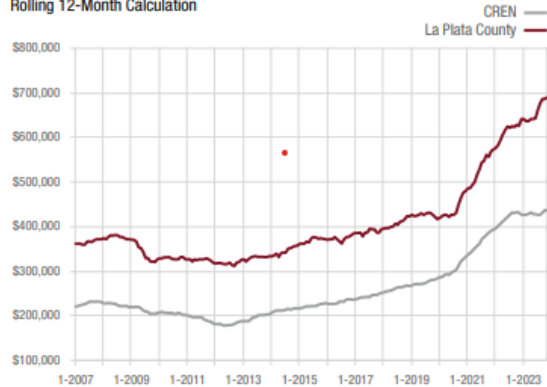


Pre-development financing to
developers of affordable
housing

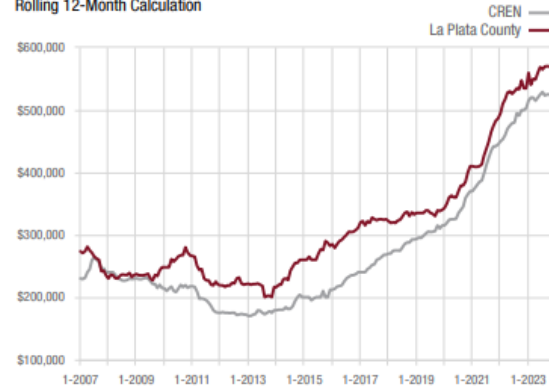


The Cost of Housing in La Plata County

Median Sales Price - Single Family
Rolling 12-Month Calculation



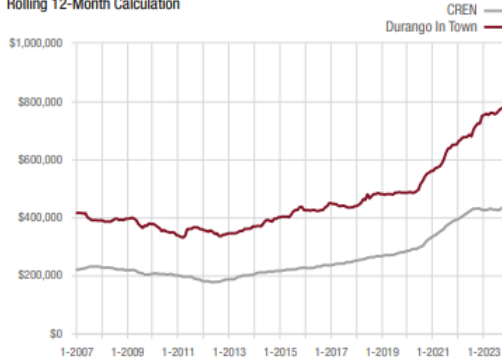
Median Sales Price - Townhouse/Condo
Rolling 12-Month Calculation



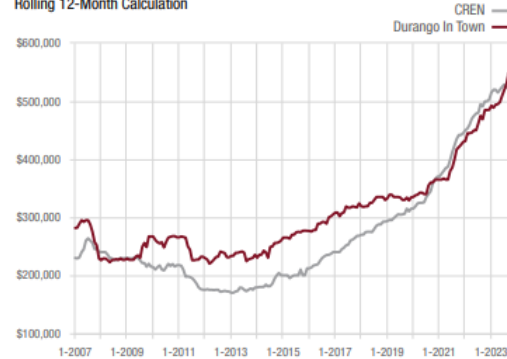
A rolling 12-month calculation represents the current month and the 11 months prior in a single data point. If no activity occurred during a month, the line extends to the next available data point.

The Cost of Housing in the City of Durango

Median Sales Price - Single Family
Rolling 12-Month Calculation



Median Sales Price - Townhouse/Condo
Rolling 12-Month Calculation



A rolling 12-month calculation represents the current month and the 11 months prior in a single data point. If no activity occurred during a month, the line extends to the next available data point.

HomesFund's HomeBuyer Education Classes

- Homebuyer Education ensures that homebuyers have the knowledge they need to be successful homeowners.
- Classes held monthly at FLC in Durango. Classes also held in Cortez, Pagosa Springs, and Bayfield. Schedule and registration at <https://homesfund.org/attended-a-class/>.



HomesFund's Housing Counseling

- Housing Counseling provides one-on-one budget and credit counseling to increase sustainability.
- Housing Counselors are certified by HUD.



Mortgage/Downpayment Assistance

- Mortgage Assistance Loans fill the gap between low workforce wages and high home prices in Southwest Colorado. HomesFund can provide:
 - 30% of the home's purchase price up to \$150,000 for households with incomes below 100% AMI.
 - 80/10/10 financing structure with 10% from HomesFund for households with incomes between 100-120% AMI.
 - City of Durango, FLC employee, and Purgatory employee programs for households with higher incomes.

2023 INCOME LIMITS					MAX LOAN AMOUNTS		
La Plata County	Household Size	1	2	3	4	La Plata County	City of Durango
80% AMI (DOH & CHFA)		\$ 58,240	\$ 66,560	\$ 74,880	\$ 83,120	30% up to \$150k	30% up to \$150k
100% AMI (DOH & CHFA)		\$ 72,800	\$ 83,200	\$ 93,600	\$103,900	30% up to \$150k	30% up to \$150k
120% AMI (DOH & CHFA)		\$ 87,360	\$ 99,840	\$ 112,320	\$124,680	80/10/10	80/10/10
125% AMI (City of Durango Program) - properties in DURANGO City limits		\$ 91,000	\$104,000	\$ 117,000	\$129,875		\$50,000.00
150% AMI (FLC Employee Program)		\$109,200	\$124,800	\$ 140,400	\$155,850	20% up to \$70k	20% up to \$70k
150% AMI (Purgatory Employee Program)		\$109,200	\$124,800	\$ 140,400	\$155,850	17% up to \$70k	17% up to \$70k



Revised 5.30.23

2023 Maximum Purchase Prices	
City of Durango	\$761,775
La Plata County	\$640,000

HomesFund Outcomes (through Q2 2023)

- 370 families have used HomesFund Mortgage Assistance to buy a home.
- \$12.864 million of Mortgage Assistance has been provided.
- 2,856 households have received Homebuyer Education.
- 1,901 households have received Housing Counseling.
- 1,372 homeowners have used HomesFund's services.

Partnerships

HomesFund partners with local governments to administer deed restriction programs:

- City of Durango
 - Animas City Park Overlook
 - Mountain Trace Townhomes (part of Fair Share)
- Town of Bayfield
 - Cinnamon Heights
 - Pine River Commons
- Town of Ignacio
 - Rock Creek

- HomesFund also partners with the Regional Housing Alliance (RHA) and developers of affordable housing in SW Colorado.

HomesFund Homebuyers

Homebuyers include teachers, nurses, mechanics, athletes, police officers, nonprofit employees, servers, managers, etc.



QUESTIONS?

La Plata Economic Development
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