

Huerfano County and Las Animas County Housing Needs Assessment



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South Central Community Housing
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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. For more information contact:

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DEMOGRAPHIC TRENDS AND FORECASTS

This section of the report will analyze population, households and other key demographic characteristics of Huerfano and Las Animas Counties; the cities of Walsenburg and Trinidad as well as small communities and unincorporated areas of the counties. The information will provide a framework for understanding current and future housing conditions and needs.

POPULATION TRENDS

The population in Huerfano and Las Animas Counties (Region 14) is expected to grow during the next 25 years. The Colorado Department of Local Affairs (DOLA) demography section estimates the region has gained more than 25,000 people over the past five years and will continue to grow. The pace of growth parallels that of the state with slight variances over time. The growth in Las Animas County is approximately twice that of Huerfano County in real numbers, though the percent change over time is fairly constant region wide.

Growth is due to the creation of new energy related jobs in Las Animas County as well as retirees moving into the region from other parts of the country.

Table 1: Population Projections by Location, 2000 – 2030

	Projected Population						
	2000	2005	2010	2015	2020	2025	2030
Colorado	4,339,549	4,706,754	5,149,140	5,640,005	6,137,456	6,653,284	7,155,287
Region 14	23,147	25,225	27,715	30,226	32,751	35,039	36,758
Huerfano County	7,866	8,416	9,320	10,155	10,976	11,759	12,197
Las Animas County	15,281	16,809	18,395	20,071	21,775	23,280	24,561
	Average Annual Percent Change						
	00-05	05-10	10-15	15-20	20-25	25-30	
Colorado	1.6%	1.8%	1.8%	1.7%	1.6%	1.5%	
Region 14	1.7%	1.9%	1.7%	1.6%	1.4%	1.0%	
Huerfano County	1.4%	2.1%	1.7%	1.6%	1.4%	0.7%	
Las Animas County	1.9%	1.8%	1.8%	1.6%	1.3%	1.1%	

Source: Colorado Department of Local Affairs Demography Section

Most people in Region 14 live in Trinidad and Walsenburg, or within unincorporated areas of the counties. Future population growth is projected to concentrate in unincorporated Huerfano County, within the City of Trinidad and in unincorporated Las Animas County.

Table 2: Populations in Incorporated Areas, 2000 - 2004

	2000	2001	2002	2003	2004
Huerfano County	7,862	7,857	8,034	8,060	7,969
La Veta	924	917	929	920	901
Walsenburg	4,182	4,119	4,156	4,079	3,993
Unincorp. Huerfano	2,756	2,821	2,949	3,061	3,075
Las Animas County	15,207	15,550	15,836	16,302	16,242
Aguilar	593	600	604	602	554
Branson	77	80	83	85	85
Cokedale	139	142	145	148	146
Kim	65	67	69	73	73
Starkville	128	132	136	138	137
Trinidad	9,078	9,254	9,418	9,481	9,344
Unincorp. Las Animas	5,127	5,275	5,381	5,775	5,903
Region Total	23,069	23,407	23,870	24,362	24,211

Source: Colorado Department of Local Affairs Demography Section

Projected population growth from in-migration can be seen in the following data. The DOLA demography section estimates that most population growth in Las Animas County will come from those moving into the community. Births will outnumber deaths by a small number. In Huerfano County, in-migration is actually making up for a loss of native population.

Table 3: Components of Population Change, 1990 – 2029

Las Animas County				
Year	Births	Deaths	Net Migration	Change
1990 - 1994	902	843	700	759
1995 - 1999	795	901	494	388
2000 - 2004	809	948	1598	1459
2005 - 2009	968	950	1497	1517
2010 - 2014	1085	961	1530	1655
2015 - 2019	1171	984	1517	1704
2020 - 2024	1235	1040	1380	1575
2025 - 2029	1285	1133	1147	1300
Huerfano County				
Year	Births	Deaths	Net Migration	Change
1990 - 1994	314	388	827	753
1995 - 1999	311	461	1054	904
2000 - 2004	420	476	462	406
2005 - 2009	313	483	1121	950
2010 - 2014	384	497	934	822
2015 - 2019	425	520	924	829
2020 - 2024	452	558	897	791
2025 - 2029	469	621	672	519

* Data for 1990-2003 are estimates; data for all later years are projections

Source: Colorado Department of Local Affairs Demography Section

Table 4: Age Distribution of Population, 2000, Las Animas County

	Las Animas County		Aguilar		Branson		Cokedale	
	Total	% of Total	Total	% of Total	Total	% of Total	Total	% of Total
Total Population:	15,207		593		77		139	
Under 5	849	5.6%	30	5.1%	2	2.6%	3	2.2%
5 to 9	1,044	6.9%	43	7.3%	5	6.5%	8	5.8%
10 to 14	1,129	7.4%	33	5.6%	9	11.7%	18	12.9%
15 to 19	1,111	7.3%	42	7.1%	5	6.5%	6	4.3%
20 to 24	750	4.9%	29	4.9%	0	0.0%	3	2.2%
25 to 29	724	4.8%	33	5.6%	1	1.3%	3	2.2%
30 to 34	805	5.3%	28	4.7%	1	1.3%	6	4.3%
35 to 39	1,003	6.6%	29	4.9%	11	14.3%	9	6.5%
40 to 44	1,122	7.4%	30	5.1%	10	13.0%	10	7.2%
45 to 49	1,184	7.8%	50	8.4%	9	11.7%	15	10.8%
50 to 54	1,124	7.4%	38	6.4%	2	2.6%	17	12.2%
55 to 59	858	5.6%	47	7.9%	2	2.6%	5	3.6%
60 to 64	772	5.1%	34	5.7%	3	3.9%	5	3.6%
65 to 69	661	4.3%	24	4.0%	5	6.5%	4	2.9%
70 to 74	689	4.5%	39	6.6%	7	9.1%	6	4.3%
75 to 79	545	3.6%	21	3.5%	3	3.9%	7	5.0%
80 to 84	416	2.7%	25	4.2%	0	0.0%	8	5.8%
85 and over	421	2.8%	18	3.0%	2	2.6%	6	4.3%
Median Age	40.9		45.0		42.5		46.1	
	Kim		Starkville		Trinidad		Unincorporated	
	Total	% of Total	Total	% of Total	Total	% of Total	Total	% of Total
Total Population:	65		128		9,078		5,127	
Under 5	1	1.5%	8	6.3%	588	6.5%	217	4.2%
5 to 9	4	6.2%	15	11.7%	652	7.2%	317	6.2%
10 to 14	5	7.7%	8	6.3%	655	7.2%	401	7.8%
15 to 19	2	3.1%	9	7.0%	684	7.5%	363	7.1%
20 to 24	1	1.5%	8	6.3%	531	5.8%	178	3.5%
25 to 29	4	6.2%	8	6.3%	498	5.5%	177	3.5%
30 to 34	2	3.1%	8	6.3%	505	5.6%	255	5.0%
35 to 39	10	15.4%	12	9.4%	556	6.1%	376	7.3%
40 to 44	4	6.2%	6	4.7%	640	7.1%	422	8.2%
45 to 49	2	3.1%	8	6.3%	651	7.2%	449	8.8%
50 to 54	10	15.4%	8	6.3%	601	6.6%	448	8.7%
55 to 59	0	0.0%	11	8.6%	414	4.6%	379	7.4%
60 to 64	8	12.3%	6	4.7%	386	4.3%	330	6.4%
65 to 69	2	3.1%	4	3.1%	353	3.9%	269	5.2%
70 to 74	2	3.1%	0	0.0%	431	4.7%	204	4.0%
75 to 79	5	7.7%	6	4.7%	346	3.8%	157	3.1%
80 to 84	1	1.5%	0	0.0%	266	2.9%	116	2.3%
85 and over	2	3.1%	3	2.3%	321	3.5%	69	1.3%
Median Age	43.5		35.0		38.9		43.3	

Source: Colorado Department of Local Affairs Demography Section

While the population in Las Animas County is fairly evenly distributed between age groups, the largest population groups are those age 19 and younger (27%) and those between 30 and 49 (27%). Another 18 percent of the population is between the ages of 50 and 64 and 18 percent is 65 or older. As Table 4 illustrates, the median age in Trinidad is less than that of other incorporated areas of the county, the unincorporated areas of the county or for the county overall.

Table 5: Age Distribution of Population, 2000, Huerfano County

	Huerfano County		La Veta		Walsenburg		Unincorp. County	
	Total	% of Total	Total	% of Total	Total	% of Total	Total	% of Total
Total Population:	7,862		924		4,182		2,756	
Under 5	344	4.4%	46	5.0%	213	5.1%	85	3.1%
5 to 9	436	5.5%	66	7.1%	224	5.4%	146	5.3%
10 to 14	516	6.6%	71	7.7%	251	6.0%	194	7.0%
15 to 19	493	6.3%	59	6.4%	268	6.4%	166	6.0%
20 to 24	428	5.4%	31	3.4%	309	7.4%	88	3.2%
25 to 29	444	5.6%	29	3.1%	318	7.6%	97	3.5%
30 to 34	448	5.7%	43	4.7%	304	7.3%	101	3.7%
35 to 39	579	7.4%	55	6.0%	368	8.8%	156	5.7%
40 to 44	682	8.7%	104	11.3%	310	7.4%	268	9.7%
45 to 49	621	7.9%	91	9.8%	267	6.4%	263	9.5%
50 to 54	585	7.4%	88	9.5%	224	5.4%	273	9.9%
55 to 59	519	6.6%	52	5.6%	204	4.9%	263	9.5%
60 to 64	429	5.5%	40	4.3%	192	4.6%	197	7.1%
65 to 69	334	4.2%	48	5.2%	148	3.5%	138	5.0%
70 to 74	322	4.1%	32	3.5%	178	4.3%	112	4.1%
75 to 79	290	3.7%	32	3.5%	164	3.9%	94	3.4%
80 to 84	220	2.8%	20	2.2%	127	3.0%	73	2.6%
85 and over	172	2.2%	17	1.8%	113	2.7%	42	1.5%
Median Age	41.7		43.3		37.9		46.5	

Source: U.S. Census 2000

The median age of Walsenburg residents is less than that of the county. Retirees are drawn to the unincorporated areas of the county as demonstrated by the large percentage (36%) of those 50 to 74. Both counties have a higher median age than in the state as a whole. In 2000, the median age in Colorado was 34.3.

Table 6: Population by Race and Ethnicity, 2000

	Colorado		Huerfano County		Las Animas County	
	Pop.	%	Pop.	%	Pop.	%
Total population	4,301,261		7,862		15,207	
White Alone	3,558,579	83%	6,311	80%	12,581	83%
Black or African American alone	159,279	4%	204	3%	32	0%
American Indian and Alaska Native alone	43,101	1%	192	2%	412	3%
Asian alone	93,306	2%	24	0%	60	0%
Native Hawaiian and Other Pacific Islander alone	4,298	0%	9	0%	25	0%
Some other race alone	310,552	7%	728	9%	1,479	10%
Two or more races	132,146	3%	394	5%	618	4%
Total population: Hispanic or Latino	735,099	17%	2,774	35%	6,348	42%

U.S. Census, 2000

The populations of Huerfano and Las Animas County have a higher percentage of Native American people than other regions of the state as well as a higher percentage of the population that is Hispanic or Latino. The percentage of the population in Las Animas County of Hispanic ethnicity has been decreasing -- a trend contrary to the rest of the state. This is most likely a result of non-Hispanic retirees moving into the area.

HOUSEHOLD TRENDS AND CHARACTERISTICS

The number of households in Huerfano County has hovered around 3,000 for the past five years. While there was an increase of approximately 100 households from 2001 to 2003, household numbers have dropped again since. In Las Animas County, the number of households increased over the past five years and the county gained over 250 households since 2000.

Table 7: Households by Location, 2000 - 2004

	2000	2001	2002	2003	2004
Huerfano County	3,082	3,079	3,157	3,111	3,054
La Veta	429	426	432	428	419
Walsenburg	1,497	1,469	1,485	1,451	1,413
Unincorp. Huerfano	1,156	1,184	1,240	1,232	1,222
Las Animas County	6,173	6,315	6,433	6,505	6,407
Aguilar	243	246	247	246	226
Branson	37	38	39	40	44
Cokedale	62	63	64	65	64
Kim	38	39	40	42	42
Starkville	42	43	44	45	45
Trinidad	3,701	3,776	3,846	3,873	3,815
Unincorp. Las Animas	2,050	2,110	2,153	2,194	2,171
Region Total	9,255	9,394	9,590	9,616	9,461

Source: Colorado Department of Local Affairs Demography Section, CSI Data Analysis

Table 8: Household Composition and Size, Huerfano County, 2000

	Colorado	% in Range	Huerfano County	% in Range	La Veta	Walsenburg	Unincorp. County
Total Households	1,658,238		3,082		440	1,491	1,151
Two Parents with Children	413,065	25%	523	17%	91	246	186
One Parent with Children	134,692	8%	238	8%	33	144	61
Family with no Children	540,730	33%	1,170	38%	128	493	549
Householder living alone	435,756	26%	1,006	33%	167	551	288
Unrelated Roommates	133,995	8%	145	5%	21	57	67

Source: U.S. Census 2000

Table 9: Household Composition and Size, Las Animas County, 2000

	Las Animas County	% in Range	Trinidad	Aguilar	Branson	Cokedale	Kim	Starkville	Unincorp. County
Total Households	6,173		3,721	270	44	82	45	51	5,681
Two Parents with Children	1,224	20%	667	13	14	14	5	15	1,163
One Parent with Children	601	10%	460	32	6	3	0	3	557
Family with no Children	2,274	37%	1,203	141	10	34	11	21	2,057
Householder living alone	1,826	30%	1,224	76	14	27	29	10	1,670
Unrelated Roommates	248	4%	167	8	0	4	0	2	234

Source: U.S. Census 2000

Tables eight and nine show that Huerfano and Las Animas Counties have fewer families with children compared to other parts of Colorado. This difference is most noticeable in

Huerfano County, where only 25 percent of all households have children. There are many single individuals living in these counties and couples who no longer have children at home. This data corresponds to the components of population change data indicating there will be negative natural increases in population in the region and population growth will be based on in-migration.

Table 10: Household Tenure by Location, 2000, 2003

	2000				2003		
	Occ. Hsng Units	Owner Occupied	Renter Occupied	Percent Owners	Occ. Hsng Units	Owner Occupied	Renter Occupied
Huerfano County	3,082	2,177	905	70.6%	3,111	2,197	914
La Veta town	440	306	134	69.5%	428	298	130
Walsenburg city	1,497	993	504	66.3%	1,451	962	489
Unincorporated	1,151	895	256	77.8%	1,232	958	274
Las Animas County	6,173	4,344	1,829	70.4%	6,505	4,578	1,927
Aguilar town	270	173	97	64.1%	246	158	88
Branson town	44	21	23	47.7%	40	19	21
Cokedale town	82	57	24	69.5%	65	45	20
Kim town	45	40	5	88.9%	42	37	5
Starkville town	51	43	8	84.3%	45	38	7
Trinidad city	3,721	2,404	1,317	64.6%	3,873	2,502	1,371
Unincorporated	1,960	1,606	354	81.9%	2,194	1,798	396

Source: Colorado Department of Local Affairs, CSI Data Analysis

The homeownership rate varies greatly throughout both Huerfano and Las Animas Counties depending upon the community. In the smaller communities of Las Animas County, the homeownership rate is very high with the exception of Branson. The unincorporated areas of both counties have very high homeownership rates while Trinidad and Walsenburg have low homeownership rates. Factors contributing to this discrepancy include housing cost in different areas, limited availability of rental units in smaller communities or in rural areas of the counties and the influx of new households able to purchase or build housing units outside incorporated areas of the counties. The low homeownership rates in both Trinidad and Walsenburg are a concern.

Table 11: Household Projections, 2005 - 2030

	Number of Households					
	2005	2010	2015	2020	2025	2030
Huerfano County	7,330	8,234	9,069	9,890	10,673	11,111
Las Animas County	15,941	17,527	19,203	20,907	22,412	23,693
	Percent Change					
	00-05	05-10	10-15	15-20	20-25	25-30
Huerfano County	1.4%	2.1%	1.7%	1.6%	1.4%	0.7%
Las Animas County	1.9%	1.8%	1.8%	1.6%	1.3%	1.1%

Source: Colorado Department of Local Affairs, CSI Data Analysis

Table 11 estimates the number of households in each county for the next 25 years, as well as the growth rate of households during this time period. If the trend toward smaller households moving into the two counties continues, the actual number of households over time may be larger, though population growth estimates would remain the same. The rate of growth is expected to be higher in the next 10 years than in the years after 2015.

Table 12: Households by Tenure by Age, Huerfano County, 2000

	Huerfano County	La Veta	Walsenburg	Unincorp. Areas	HO Rate
Total:	3,082	440	1,491	1,151	
Owner occupied:	2,177	306	976	895	
Householder 15 to 24 years	32	2	30	0	32%
Householder 25 to 34 years	145	12	75	58	43%
Householder 35 to 44 years	340	67	117	156	63%
Householder 45 to 54 years	427	80	148	199	70%
Householder 55 to 59 years	230	34	73	123	78%
Householder 60 to 64 years	185	12	93	80	89%
Householder 65 to 74 years	414	46	208	160	83%
Householder 75 to 84 years	305	41	154	110	82%
Householder 85 years and over	99	12	78	9	80%
Area Homeownership Rate	70.6%	69.5%	65.5%	77.8%	
					Rent Rate
Renter occupied:	905	134	515	256	
Householder 15 to 24 years	67	7	47	13	68%
Householder 25 to 34 years	195	26	132	37	57%
Householder 35 to 44 years	199	31	112	56	37%
Householder 45 to 54 years	181	26	68	87	30%
Householder 55 to 59 years	65	7	49	9	22%
Householder 60 to 64 years	24	7	6	11	11%
Householder 65 to 74 years	83	7	45	31	17%
Householder 75 to 84 years	67	10	45	12	18%
Householder 85 years and over	24	13	11	0	20%

Source: U.S. Census 2000

Table 13: Households by Tenure by Age, Huerfano County, 2000

	Las Animas County	Aguilar	Branson	Cokedale	Kim	Starkville	Trinidad	Unincorp. Areas	HO Rate
Total:	6,173	270	44	82	45	51	3,721	1,960	
Owner occupied:	4,344	173	21	57	40	43	2,404	1,606	
Householder 15 to 24 years	46	4	0	0	0	0	30	12	19%
Householder 25 to 34 years	299	5	0	0	5	6	168	115	47%
Householder 35 to 44 years	687	10	10	4	8	9	421	225	60%
Householder 45 to 54 years	1,019	37	0	14	15	8	571	374	74%
Householder 55 to 59 years	319	19	2	8	0	9	107	174	78%
Householder 60 to 64 years	323	14	2	3	5	0	148	151	80%
Householder 65 to 74 years	769	39	3	8	2	0	442	275	85%
Householder 75 to 84 years	701	38	4	17	5	7	387	243	83%
Householder 85 years and over	181	7	0	3	0	4	130	37	82%
Homeownership Rate	70.4%	64.1%	47.7%	69.5%	88.9%	84.3%	64.6%	81.9%	
									Rent Rate
Renter occupied:	1,829	97	23	25	5	8	1,317	354	81%
Householder 15 to 24 years	201	3	0	3	0	0	171	24	53%
Householder 25 to 34 years	333	23	0	4	0	4	229	73	40%
Householder 35 to 44 years	449	19	9	9	3	3	307	99	26%
Householder 45 to 54 years	351	14	6	3	0	0	252	76	22%
Householder 55 to 59 years	92	8	3	0	0	1	52	28	20%
Householder 60 to 64 years	82	3	2	0	2	0	57	18	15%
Householder 65 to 74 years	141	21	0	2	0	0	101	17	17%
Householder 75 to 84 years	141	3	0	4	0	0	118	16	18%
Householder 85 years and over	39	3	3	0	0	0	30	3	0%

Source: U.S. Census 2000

As is the case in most communities, the homeownership rate in Region 14 is higher for older households than for younger households. While the most significant reason for this is the fact that younger households do not have the savings to buy a home or work history to earn higher wages, the gap in both counties between those age 44 and younger and those who are older is pronounced. While older homeowners purchased homes when prices were more affordable, younger households find themselves lacking the wages to buy market rate homes, or are unable to save the 20 percent downpayment needed to buy a home through local lending institutions while still covering all other living expenses.

Table 14: Average Household Size by Tenure, 2000

	Huerfano County	Las Animas County	Colorado
All Households	2.26	2.40	2.53
Owners	2.25	2.45	2.67
Renters	2.27	2.27	2.26

Source: U.S. Census 2000

Table 14 illustrates that households in Las Animas County are larger than in Huerfano County, which is most likely a factor of age and the presence of children. Huerfano County has fewer households with children than Las Animas County. The difference in household size by tenure is barely noticeable in Huerfano County, while owner households are slightly larger in size in Las Animas County. This is consistent with state data, and indicates that more families own homes than singles or couples without children in Las Animas County. Both counties average household size is significantly below state averages, again indicating the lower rate of households with children.

LOCAL ECONOMY AND EMPLOYMENT

This section of the report will examine employment trends and wage data for Huerfano and Las Animas Counties. This information is used to estimate the number and type of new housing units that may be needed as well as the price ranges necessary to meet the housing needs of the area workforce.

LABOR FORCE

Table 15: Labor Force Growth: 2000 – 2030

Huerfano County	2000	2005	2010	2015	2020	2025	2030
Total Jobs	3,041	3,441	3,931	4,140	4,325	4,528	4,756
Persons Holding Jobs within the County	2,768	3,142	3,599	3,777	3,926	4,108	4,322
Persons working at jobs out of the County	-1,177	-1,059	-1,275	-1,661	-2,047	-2,192	-2,201
Total Residents Holding Jobs	3,944	4,201	4,874	5,439	5,973	6,299	6,523
Civilian Labor Force	4,165	4,446	5,145	5,694	6,259	6,606	6,844
Civilian Noninstitutionalized Pop. Age 16+	6,433	7,071	7,750	8,461	9,274	9,893	10,324
Estimated Unemployment Rate	5%	6%	5%	4%	5%	5%	5%
Percent of Adult Population Working	61%	59%	63%	64%	64%	64%	63%
Las Animas County	2000	2005	2010	2015	2020	2025	2030
Total Jobs	6,590	7,093	7,754	8,285	8,745	9,107	9,629
Persons Holding Jobs within the County	6,073	6,544	7,146	7,608	7,991	8,303	8,776
Persons working at jobs out of the County	-762	-541	-1,067	-1,709	-2,378	-2,779	-3,029
Total Residents Holding Jobs	6,835	7,085	8,214	9,318	10,369	11,082	11,806
Civilian Labor Force	7,149	7,365	8,523	9,615	10,706	11,448	12,200
Civilian Non-institutionalized Pop. Age 16+	11,900	12,762	13,891	15,223	16,753	17,959	19,119
Estimated Unemployment Rate	4%	4%	4%	3%	3%	3%	3%
Percent of Adult Population Working	57%	56%	59%	61%	62%	62%	62%

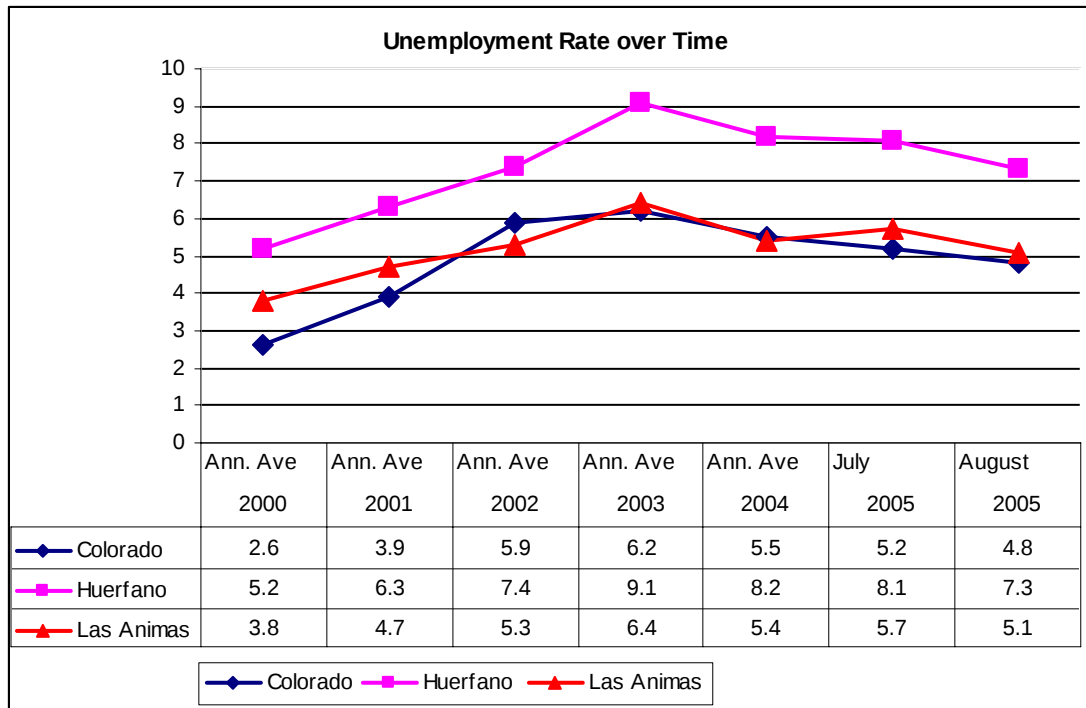
Source: Center for Business and Economic Forecasting

The Center for Business and Economic Forecasting estimates growth in jobs and the labor force for these Colorado counties. In both counties, the number of persons commuting out of town for work is expected to increase over time. In 2000, those commuting out of Huerfano County worked primarily in Pueblo County or in Las Animas County. From Las Animas County, workers were commuting to Huerfano County or to Colfax, New Mexico.

It is interesting to note that the number of persons holding jobs in each county is less than the number of jobs, indicating that many people choose to work more than one job or must hold multiple jobs to make a living.

There are also many adults living in each community who do not work. This is another indication of the rising retiree population in both counties.

Chart 1: Unemployment Rate, 2000 - 2005



Source: Colorado Labor Market Information, 2005

Las Animas County's unemployment rate has tracked very closely to the statewide annual average rate during recent years. Growth in the oil and gas industry in Las Animas County is a major factor in keeping the rate down.

In Huerfano County, the rate has been consistently higher than Las Animas County or Colorado. In August 2005, Huerfano County's unemployment rate was 7.3 percent -- 2.5 percent higher than in the state and 2.2 percent higher than in Las Animas County. This data is consistent with findings from CSI interviews with local government and industry leaders. Community leaders in Huerfano County stressed the need for more jobs as a priority for the county.

EMPLOYMENT AND WAGES

The employment base of Huerfano and Las Animas Counties differ, as do the prevailing wage rates for many sectors. Wages are higher in Las Animas County than in Huerfano County for many sectors. Although the retail trades, accommodations and food services and government provide slightly higher wages in Huerfano County. The largest employment sectors in Huerfano County are retail trade, health care and social assistance, and government. The highest paying sectors include mining, wholesale and retail trade,

and government jobs. Jobs at the prison are included in Management Companies, Administrative and Waste Services.

Table 16: Employment and Average Wages by Industry Sector, First Quarter 2005

Sector Description	Huerfano	% of Total	Average Wage	Las Animas	% of Total	Average Wage
Agriculture, forestry, fishing and hunting	27	2%	\$15,652	29	1%	\$ 20,384
Mining	14	1%	\$105,144	239	4%	\$ 41,288
Utilities	0	0%	NA	18	0%	\$ 54,808
Construction	39	2%	\$22,516	390	7%	\$ 27,196
Manufacturing	91	5%	\$19,604	138	3%	\$ 21,788
Wholesale Trade	9	1%	\$33,072	118	2%	\$ 30,680
Retail Trade	206	12%	\$33,072	677	13%	\$ 19,708
Transportation and Warehousing	0	0%	NA	138	3%	\$ 48,256
Information	20	1%	\$22,880	48	1%	\$ 25,220
Finance & Insurance	37	2%	\$25,844	173	3%	\$ 30,524
Real Estate, Rental and Leasing	17	1%	\$10,972	59	1%	\$ 21,840
Professional and Technical Services	31	2%	\$20,800	90	2%	\$ 23,972
Mgmt. Companies/Admin. & Waste Svcs.	214	12%	\$ 24,899	107	2%	\$ 19,552
Educational Services	0	0%	NA	26	0%	\$ 10,504
Health Care & Social Assistance	405	23%	\$22,620	471	9%	\$ 24,076
Arts, Entertainment & Recreation	15	1%	\$20,176	42	1%	\$ 12,584
Accommodation & Food Services	159	9%	\$10,296	513	10%	\$ 9,308
Other Services	14	1%	\$21,528	171	3%	\$20,124
Government	472	27%	\$27,976	1,906	36%	\$26,884
Non-Classifiable	0	0%	NA	0	0%	NA

Source: Colorado Department of Labor and Employment, 1st Quarter 2005

In Las Animas County, the largest employment sectors include retail trade, accommodations and food services, and the government. In Las Animas County, prison jobs are included in the government sector. The highest payment sectors differ from those in Huerfano County and include utilities, transportation and warehousing, mining, finance and insurance. Some of the sectors with the most employment in Las Animas County have low wages.

Table 17: Comparative Wages by Industry Estimates, First Quarter 2005

Sector Description	Colorado	Huerfano	Las Animas
Agriculture, forestry, fishing and hunting	\$ 23,348	\$ 15,652	\$ 20,384
Mining	\$ 88,920	\$ 105,144	\$ 41,288
Utilities	\$ 72,228	NA	\$ 54,808
Construction	\$ 38,376	\$ 22,516	\$ 27,196
Manufacturing	\$ 52,208	\$ 19,604	\$ 21,788
Wholesale Trade	\$ 57,200	\$ 33,072	\$ 30,680
Retail Trade	\$ 24,440	\$ 33,072	\$ 19,708
Transportation and Warehousing	\$ 36,608	NA	\$ 48,256
Information	\$ 73,476	\$ 22,880	\$ 25,220
Finance & Insurance	\$ 68,952	\$ 25,844	\$ 30,524
Real Estate, Rental and Leasing	\$ 112,996	\$ 10,972	\$ 21,840
Professional and Technical Services	\$ 29,172	\$ 20,800	\$ 23,972
Management of Companies & Enterprises	\$ 29,172	NA	NA
Administrative & Waste Services	\$ 35,360	NA	\$ 19,552
Educational Services	\$ 30,004	NA	\$ 10,504
Health Care & Social Assistance	\$ 35,360	\$ 22,620	\$ 24,076
Arts, Entertainment & Recreation	\$ 24,440	\$ 20,176	\$ 12,584
Accommodation & Food Services	\$ 14,716	\$ 10,296	\$ 9,308
Other Services	\$ 27,092	\$ 21,528	\$ 20,124
Government	\$ 40,768	\$ 27,976	\$ 26,884
Non-Classifiable	\$ 40,352	NA	NA

Source: Colorado Department of Labor and Employment, 2005

Wages in Huerfano and Las Animas County are below state averages for most sectors, though there are a few exceptions. Retail trade and mining wages in Huerfano County are above the state average. In Las Animas County, transportation and warehousing wages are higher than the state average for that sector. Low wages and incomes make it difficult to afford housing in a market experiencing price pressure from people with higher incomes moving in from outside the community.

The good news for Region 14 is that average wage increases have been higher than Colorado averages during the past few years. Jobs in the oil and gas industry have helped boost average wages in Las Animas County.

Table 18: Comparative Average Wages 2001 & 2004

	2001	2004	Annual Rate of Increase
Colorado	37,960	39,260	1.14%
Huerfano County	20,904	23,036	3.40%
Las Animas County	22,308	24,960	3.96%

Source: Colorado Department of Labor and Employment, 2005

EMPLOYMENT TRENDS

Since 1995, total estimated jobs in Huerfano County have fluctuated. In the late 1990s, employment grew in the county with the addition of a state prison. Since 1998, the county has been losing jobs, with the biggest loss in 2003. The unemployment rate has also increased, and the corresponding number of unemployed persons. Interestingly, the labor force grew during the early part of the decade despite a loss of jobs in the county.

Table 19: Labor Force & Employment Trends, 1995-2003

Huerfano County									
Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003
Estimated Total Jobs	2,451	2,704	3,076	3,339	3,178	3,132	3,111	3,243	2,746
Annual Change		10%	14%	9%	-5%	-1%	-1%	4%	-15%
Est. Proprietors	688	759	863	937	892	879	873	951	614
Percent Proprietors	28.1%	28.1%	28.1%	28.1%	28.1%	28.1%	28.1%	29.3%	22.4%
Wage & Salary Jobs	1,763	1,945	2,213	2,402	2,286	2,253	2,238	2,293	2,132
Labor Force - LAUS	3,142	3,275	3,631	4,024	3,743	3,594	3,552	3,920	3,832
Unemployed Persons	218	216	185	273	198	190	198	238	267
Unemployment Rate	6.94	6.60	5.10	6.78	5.29	5.29	5.57	6.07	7.00
Las Animas County									
Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003
Estimated Total Jobs	5,787	5,758	5,922	6,389	6,460	6,677	6,908	7,208	7,080
Annual Change		-1%	3%	8%	1%	3%	3%	4%	-2%
Est. Proprietors	819	815	838	904	914	945	977	1,019	1,010
Percent Proprietors	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.3%
Wage & Salary Jobs	4,968	4,943	5,084	5,485	5,546	5,732	5,931	6,189	6,070
Labor Force - LAUS	6,385	6,393	6,332	6,825	6,625	6,720	6,942	7,555	7,731
Unemployed Persons	337	620	406	430	343	296	295	319	402
Unemployment Rate	5.3	9.7	6.4	6.3	5.2	4.4	4.2	4.2	5.2

Source: Prepared by CBEF for the Colorado Demography Section, Department of Local Affairs

In Las Animas County, the number of jobs has risen steadily since 1995, though there was a loss of just over 120 jobs in 2003. The number of proprietors has also risen steadily along with wage and salary jobs. The labor force has increased, though the decrease in the unemployment rate in the county indicates many unemployed workers found jobs during this decade.

As was shown earlier in this section, the number of jobs and the labor force are expected to grow in both Huerfano and Las Animas Counties, and the unemployment rate in each community should remain stable.

HOUSING PRODUCTION

This section of the report will focus on the current housing stock as well as recent housing construction by types of units and price ranges in each county, the City of Trinidad and City of Walsenburg. This section looks at units for sale and for rent, housing conditions, housing types and other characteristics. This data will be used to estimate new housing production needs in the county.

NUMBER AND TYPES OF HOUSING UNITS

As is true in most rural areas in the west, the housing stock in Huerfano and Las Animas Counties is primarily single family homes. Seventy-three percent (73%) of all homes in Huerfano County are single family homes. Another 15 percent are mobile or manufactured homes. There are very few single family attached homes in the county. Duplexes, tri-plexes and four-plexes make up six percent of the housing stock. There are very few larger multifamily housing complexes and most were built by the housing authority or economic development group. This distribution is similar throughout the county, though almost all housing with five or more units (almost exclusively rentals) is located within La Veta and Walsenburg.

Table 20: Housing Units by Type of Unit, Huerfano County, 2000

	Huerfano	%	La Veta	Walsenburg	Unincorp.
Total	4,599		559	1,713	2,327
Single Family Detached	3,352	73%	385	1,274	1,693
Single Family Attached	99	2%	7	72	20
2 units	120	3%	13	92	15
3 or 4	154	3%	10	43	101
5 to 9	110	2%	30	62	18
10 to 19	43	1%	19	24	0
20 to 49	13	0%	0	6	7
50 or more	0	0%	0	0	0
Mobile home	669	15%	90	140	439
Boat RV Van etc	39	1%	5	0	34

Source: U.S. Census 2000

In Las Animas County, the housing stock is similar to that in Huerfano County. Most are single family detached homes or mobile homes. Almost all higher density rental housing is located in Trinidad.

Table 21: Housing Units by Type of Unit, Las Animas County, 2000

	Las Animas	%	Aguilar	Branson	Cokedale	Kim	Starkville	Trinidad	Unincorp.
Total	7,629		326	56	98	56	62	4,106	2,925
Single Family Detached	5,592	73%	245	39	90	41	46	2,969	2,162
Single Family Attached	162	2%	8	0	0	0	0	127	27
2 units	214	3%	3	0	4	0	0	199	8
3 or 4	198	3%	21	0	0	0	0	166	11
5 to 9	198	3%	0	0	0	0	0	198	0
10 to 19	150	2%	2	0	0	0	0	148	0
20 to 49	48	1%	0	0	0	0	0	35	13
50 or more	38	0%	0	0	2	0	0	36	0
Mobile home	978	13%	47	17	2	15	16	220	661
Boat RV Van etc	51	1%	0	0	0	0	0	8	43

Source: U.S. Census 2000

As tables 22 and 23 show, the median age of housing in both Huerfano and Las Animas Counties is over 40 years old. In Huerfano County, the number of newer homes being built in the unincorporated areas have brought the median age of all homes down. In Walsenburg, there has been little construction in the past 20 years, and 47 percent of all homes were built before 1940.

Table 22: Housing Units by Year Constructed, Huerfano County, 2000

	Huerfano County	%	La Veta	Walsenburg	Unincorp.
Total:	4,599		559	1,713	2,327
Built 1999 to March 2000	205	4.5%	19	17	169
Built 1995 to 1998	477	10.4%	32	73	372
Built 1990 to 1994	193	4.2%	23	28	142
Built 1980 to 1989	640	13.9%	122	55	463
Built 1970 to 1979	695	15.1%	76	154	465
Built 1960 to 1969	320	7.0%	25	171	124
Built 1950 to 1959	249	5.4%	16	120	113
Built 1940 to 1949	424	9.2%	26	302	96
Built 1939 or earlier	1,396	30.4%	220	793	383
Median Year Built	1967		1967	1942	1970

Source: U.S. Census 2000

In Las Animas County, the housing stock in the incorporated areas of the county is older than Huerfano County. The City of Trinidad has developed more new housing units than Walsenburg in the past 10 to 20 years, yet 45 percent of Trinidad's housing stock was built before 1940. Again, newer housing units have been built in the unincorporated areas of the county. Very few housing units have been built in the small incorporated areas since 1980.

An aging housing stock can be a problem for residents in many ways. Older homes tend to be less energy efficient, causing residents to pay higher heating bills. Older homes also need more rehabilitation and upgrades. System updating is often needed to qualify for many loan products.

Table 23: Housing Units by Year Constructed, Las Animas County, 2000

	Las Animas County	%	Aguilar	Branson	Cokedale	Kim	Starkville	Trinidad	Unincorp.
Total:	7,629		326	56	98	56	62	4,106	2,925
Built 1999 to March 2000	208	2.7%	1	0	0	0	0	58	149
Built 1995 to 1998	491	6.4%	3	6	0	0	4	146	332
Built 1990 to 1994	446	5.8%	0	0	0	0	11	148	287
Built 1980 to 1989	664	8.7%	6	6	2	5	3	308	334
Built 1970 to 1979	1,092	14.3%	85	11	0	13	0	553	430
Built 1960 to 1969	415	5.4%	11	2	0	6	0	232	164
Built 1950 to 1959	724	9.5%	12	4	0	7	4	486	211
Built 1940 to 1949	529	6.9%	16	3	7	23	4	347	129
Built 1939 or earlier	3,060	40.1%	192	24	89	2	36	1,828	889
Median Year Built	1953		1940	1953	1940	1954	1940	1946	1978

Source: U.S. Census 2000

HOUSING PRODUCTION

Tables 24 and 25 display four years of building permit data for each county and incorporated area reporting permit data to the State.

Table 24: Huerfano County, Recent Housing Development

Huerfano County					
	2000	2001	2002	2003	2004
Total Units	96	93	62	51	52
Units in Single-Family Structures	96	91	60	51	52
Units in All Multi-Family Structures	0	2	2	0	0
Units in 2-unit Multi-Family Structures	0	2	2	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0
Unincorporated Areas					
	2000	2001	2002	2003	2004
Total Units	92	89	57	48	48
Units in Single-Family Structures	92	89	55	48	48
Units in All Multi-Family Structures	0	0	2	0	0
Units in 2-unit Multi-Family Structures	0	0	2	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0
La Veta					
	2000	2001	2002	2003	2004
Total Units	4	3	5	3	4
Units in Single-Family Structures	4	1	5	3	4
Units in All Multi-Family Structures	0	2	0	0	0
Units in 2-unit Multi-Family Structures	0	2	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0
Walsenburg					
	2000	2001	2002	2003	2004
Total Units	0	1	0	0	0
Units in Single-Family Structures	0	1	0	0	0
Units in All Multi-Family Structures	0	0	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0

Source: U.S. Census, SOCDS Data

In Huerfano County, almost all new construction is happening in the unincorporated areas of the county. La Veta witnessed minor construction activity, but Walsenburg has seen none. Development in the unincorporated areas of the county seems to be slowing, though the Black Diamond subdivision and available lots may change this trend. All development in Huerfano County since 2000 has been of single family homes.

Table 25: Las Animas County, Recent Housing Development

Las Animas County					
	2000	2001	2002	2003	2004
Total Units	83	78	107	74	46
Units in Single-Family Structures	83	78	107	74	46
Units in All Multi-Family Structures	0	0	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0
Unincorporated Areas					
	2000	2001	2002	2003	2004
Total Units	53	39	68	41	35
Units in Single-Family Structures	53	39	68	41	35
Units in All Multi-Family Structures	0	0	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0
Trinidad					
	2000	2001	2002	2003	2004
Total Units	30	39	39	33	10
Units in Single-Family Structures	30	39	39	33	10
Units in All Multi-Family Structures	0	0	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0

Source: U.S. Census, SOCDS Data

Development in Las Animas County has been limited to single family homes since 2000. More permits have been pulled for units being developed in the unincorporated areas of the county than in Trinidad, but approximately one third of all permits are being pulled in the city limits. This should change with the development of the Cougar Canyon subdivision and other areas within the city limits of Trinidad.

HOUSING SALES DATA

CSI has prepared the following report section using information from the local MLS data system on sales listings and sales. As shown in Table 26, sales activity has been picking up in the region over the past few years. CSI estimate the number of sales in 2005 will be almost 25 percent higher than in 2004, when sales were 60 percent higher than the year before.

Table 26: Sales Volume Over Time

	<u>2003</u>	<u>2004</u>	<u>2005</u> <u>(est.)</u>
Las Animas/Huerfano	125	204	254

Source: MLS Data

Table 27: Home Price Data, Sales September 2003 – September 2005

	<u>Number</u> <u>Sales</u>	<u>Average</u> <u>Sold Price</u>	<u>Median</u> <u>Sold Price</u>	<u>Avg.</u> <u>Price/SF</u>	<u>Avg.</u> <u>Sq. Ftg.</u>	<u>Avg.</u> <u>Bedrooms</u>	<u>Avg.</u> <u>Baths</u>
Huerfano County	98	\$133,835	\$93,250	\$75	1,545	3	3
Walsenburg	59	\$79,666	\$58,900	\$54	1,487	3	2
Cuchara	9	\$175,000	\$170,000	\$147	1,298	3	2
LaVeta	19	\$180,884	\$160,000	\$103	1,760	3	2
	<u>Number</u> <u>Sales</u>	<u>Average</u> <u>Sold Price</u>	<u>Median</u> <u>Sold Price</u>	<u>Avg.</u> <u>Price/SF</u>	<u>Avg.</u> <u>Sq. Ftg.</u>	<u>Avg.</u> <u>Bedrooms</u>	<u>Avg.</u> <u>Baths</u>
Las Animas County	388	\$135,694	\$120,000	\$78	1,733	3	2
Trinidad	321	\$133,459	\$120,000	\$78	1,736	3	2
Aguilar	12	\$84,308	\$72,500	\$63	1,305	2	1
Cokedale	5	\$73,680	\$59,500	\$52	1,028	2	2
Weston	10	\$236,980	\$185,000	\$106	1,877	3	2
Other Towns/Rural	40	\$151,479	\$142,200	\$87	1,883	3	2

Source: MLS Data, CSI Data Analysis

Table 27 presents historic sales data for each county, incorporated areas and unincorporated areas of each county. While every attempt was made to correctly geographically classify sales, some units that were labeled as being within incorporated areas may actually be located outside city or town boundaries. This is especially true in Huerfano County; where many units were listed within Walsenburg, though discussions with realtors indicate most sales activity is occurring outside town.

Geographic price discrepancies are especially noticeable in Huerfano County, where sales outside Walsenburg had a much higher closing price and price per square foot than within town. This is consistent with information gathered from interviews with local realtors and from viewing the housing stock in Walsenburg, which tends to be smaller and older, compared to that in the rural areas of the county where large, more expensive homes are being built.

Most housing units sold in Huerfano County are three bedroom and two bathroom units. The average square footage of all units sold during this two year period was 1,545. In Las Animas County, the average price of homes is similar to Huerfano County. The median price, however, is noticeably higher, as is the price per square foot. Homes tend to be a bit larger than in Huerfano County, especially in the rural areas.

The bulk of sales in Las Animas County have been within the city limits of Trinidad. Prices, however, are not highest in Trinidad. The highest prices and price per square foot are in Weston, other small towns and the rural areas of the county. These homes are also larger.

Table 28: Current Listings

Huerfano County	Number on <u>Market</u>	Average <u>Price</u>	Median <u>Price</u>	Ave. <u>PPSF</u>	Ave. Days on <u>Market</u>	Ave Sq. <u>Ft.</u>	Ave. <u>Bdrms.</u>	Ave. <u>Baths</u>
Single Family Homes	58	\$199,205	\$182,200	\$105	181	1,855	3	2
Manufactured Homes	7	\$120,857	\$135,000	\$77	221	1,684	3	2
Townhomes/Attached	NA	NA	NA	NA	NA	NA	NA	NA
Huerfano County	65	\$190,330	\$149,500	\$101	186	1,810	3	2
Walsenburg	37	\$139,176	\$123,900	\$82	182	1,704	3	2
Cuchara	6	\$371,500	\$320,500	\$169	240	1,757	4	2
LaVeta	19	\$209,420	\$207,000	\$115	193	1,833	3	2
Gardner	3	\$331,633	\$280,000	\$125	95	2,651	5	3

Las Animas County	Number on <u>Market</u>	Average <u>Price</u>	Median <u>Price</u>	Ave. <u>PPSF</u>	Ave. Days on <u>Market</u>	Ave. Sq. <u>Ft.</u>	Ave. <u>Bdrms.</u>	Ave. <u>Baths</u>
Single Family Homes	113	\$206,507	\$159,900	\$118	179	1,799	3	2
Manufactured Homes	18	\$165,397	\$149,900	\$85	221	1,948	4	2
Townhomes/Attached	NA	NA	NA	NA	NA	NA	NA	NA
Las Animas County	134	\$200,273	\$159,000	\$108	183	1,889	3	2
Trinidad	106	\$197,800	\$159,900	\$104	187	1,918	3	2
Aguilar	4	\$325,000	\$293,000	\$151	267	2,148	3	2
Cokedale	6	\$82,350	\$80,150	\$74	226	2,684	2	1
Weston	11	\$232,842	\$181,950	\$122	95	1,907	3	2
Other Towns	7	\$209,950	\$164,950	\$128	193	1,815	3	2

Source: MLS Data, CSI Data Analysis

Most listings in both counties are for single family homes with three bedrooms and two bathrooms. The bulk of listings are from the larger communities of Walsenburg and Trinidad. Units have stayed on the market for quite a while in both counties, which could be a reflection of steep price increases, a slow market or housing conditions.

Price per square foot varies greatly by community in both counties, with highest prices and price per square foot in the more rural areas. Many of these areas, like Cuchara, are dominated by large second homes or newly constructed luxury homes for retirees.

Table 29: Changes in Pricing, Current Listing Prices v. Historic Sales Prices

	<u>Average Sold Price</u>	<u>Median Sold Price</u>	<u>Average Price Per S.F.</u>
Huerfano County	42%	60%	34%
Walsenburg	75%	110%	51%
Cuchara	112%	89%	15%
LaVeta	16%	29%	12%
Las Animas County	48%	33%	38%
Trinidad	48%	33%	34%
Aguilar	285%	304%	138%
Cokedale	12%	35%	44%
Weston	-2%	-2%	16%
Other Towns/Rural	39%	16%	48%

Source: MLS Data, CSI Data Analysis

Current list prices for homes on the market in both counties are significantly higher than closing prices from the past two years. Many of these homes are being sold to households moving into the area with enough cash to pay higher prices. Retirees selling homes in higher cost housing markets can afford to pay higher prices in Huerfano or Las Animas Counties. Housing built in rural areas targeted to these households is probably bringing up the average and median prices, and the average price per square foot.

The amount of time that homes stay on the market, however, may indicate inflated list prices for homes on the market and owners may wait for higher prices which they may never get.

RENTAL HOUSING COST AND CONDITIONS

The Community Strategies Institute conducted a rent cost and vacancy survey in October 2005 for this report. The survey targeted established rental properties, property management companies or real estate firms managing small properties, and individual property owners. The survey captured 29 percent of all rental units in Huerfano County (291) and 21 percent of all rental units in Las Animas County (471).

Rental housing is concentrated in Walsenburg and Trinidad. Rental unit types vary and affordable rental units are located in denser properties than the private rental stock in both counties. The income restricted or affordable rental stock is also a very high percentage of the rental housing units in each community representing 76 percent of units surveyed in Huerfano County and 73 percent of units surveyed in Las Animas County. The survey was completed by all owners of larger rental complexes in each town, and by many owners and managers of single family homes, duplexes and other low density attached housing units.

Most rental units in Huerfano County are located in duplexes and triplexes. There are a few privately-owned, larger 5+ unit properties. For the most part these properties are owned by the Walsenburg Housing Authority or are income restricted properties. Fifty percent of the properties included in the survey are over 40 years old. The only units built in the past 20 years are publicly owned affordable units with the exception of a few manufactured housing units owned by individuals.

Most properties only offer water, sewer and trash as covered utilities. A few private properties do include heat and electricity in the rent. There is an average monthly turnover rate of five percent in Huerfano County. The rate is inflated by high turnover in three bedroom units, and is actually much smaller for one and two bedroom units.

Table 30: Rental Survey Results, Huerfano County, 2005

Type of Property	Percent of Properties
Single family residences	14%
duplex/tri-plexes	43%
4 plex/townhome	1%
multi-unit property (5+ units)	39%
mobile homes	3%

Age of Property	Percent of Properties
0 - 10 Years	20%
11 - 20 Years	10%
21 - 30 Years	10%
30 - 40 Years	10%
Over 40 Years	50%

Average Units Sizes	Square Feet
Efficiency	600
One Bedroom	625
Two Bedroom	911
Three Bedroom	900
Four Bedroom	1,087

Utilities Included	Percent of Properties
Gas Heat	9%
Other Gas	9%
Water/Sewer	36%
Electric Heat	0%
Other Electric	9%
Trash	36%

Average Turnover Per Month	Units
Efficiency	0.30
One Bedroom	1.08
Two Bedroom	1.67
Three Bedroom	3.00
Four Bedroom	NA
Overall Turnover Rate	5.0%

Source: Community Strategies Institute

In Las Animas County, like Huerfano County, most rentals are duplexes or tri-plexes. The 39 percent of rentals in complexes with five or more units are primarily affordable or income restricted properties in Trinidad, though the survey did include some larger privately owned properties.

It is also the case that rental units in Las Animas County tend to be older, with almost 50 percent being 40 years or older. The only units less than 30 years old in the survey are income restricted. Again, most property owners only include water, sewer and trash in the rent and tenants must pay for their own electricity and heat. Those that do offer electricity or heat are almost exclusively in the private rental market.

The turnover rate in Las Animas County is higher than in Huerfano County, but again, three bedroom units have more turnover than one bedroom or efficiency units and inflate this rate.

Table 31: Rental Survey Results, Las Animas County, 2005

Type of Property	Percent of Properties
Single family residences	11%
duplex/tri-plexes	51%
4 plex/townhome	13%
multi-unit property (5+ units)	25%
mobile homes	0%

Age of Property	Percent of Properties
0 - 10 Years	7%
11 - 20 Years	7%
21 - 30 Years	27%
30 - 40 Years	13%
Over 40 Years	47%

Average Units Sizes	Square Feet
Efficiency	485
One Bedroom	715
Two Bedroom	1,018
Three Bedroom	875
Four Bedroom	1,413

Utilities Included	Percent of Properties
Gas Heat	11%
Other Gas	7%
Water/Sewer	33%
Electric Heat	4%
Other Electric	11%
Trash	33%

Average Turnover Per Month	Units
Efficiency	0.50
One Bedroom	1.06
Two Bedroom	2.20
Three Bedroom	5.00
Four Bedroom	1.00
Overall Turnover Rate	7.0%

Source: Community Strategies Institute

Table 32 shows the average rents of units included in the rent and vacancy survey, and current vacancy rates by bedroom sizes for each county. The overall vacancy rate for units surveyed in Huerfano County was seven percent and three percent in Las Animas County. A rate of five percent is considered market equilibrium. The vacancy rate in Huerfano County, coupled with comments from interviews with the Walsenburg Housing Authority and other property owners, conclude this market is not very tight, and renters

can find units when they are in the market. In Las Animas County, however, the market is tight, and renters may have a hard time finding a unit when they are in the market.

It is interesting to note that four bedroom rents in Huerfano County are lower than three bedroom rents in both counties. This is because only one of the four bedroom units surveyed was owned by a private party, so the rents shown are capped for affordability. The three bedroom units included in the survey were a mix of affordable and market rate units.

The high vacancy rate for four bedroom units in Huerfano County is actually only one of seven units surveyed, and the 18 percent vacancy rate for efficiencies represents two vacancies of 11 surveyed. The majority of units in both counties have one or two bedrooms.

Table 32: Rents and Vacancies 2005

Huerfano County	Average Rent	Vacancy Rate
Efficiencies	\$ 124	18%
One Bedroom	\$ 305	7%
2Bdrm/1 Bath	\$ 379	9%
2 Bdrm/2 Bath	\$ 288	0%
3 Bedroom	\$ 572	2%
4 Bedroom	\$ 489	14%
Las Animas County	Average Rent	Vacancy Rate
Efficiencies	\$ 313	0%
One Bedroom	\$ 414	2%
2Bdrm/1 Bath	\$ 483	1%
2 Bdrm/2 Bath	NA	NA
3 Bedroom	\$ 572	6%
4 Bedroom	\$ 489	33%

Source: Community Strategies Institute

Rents are much higher in Las Animas County than in Huerfano County, and the vacancy rates are much lower overall. The vacancy rate for four bedroom units in Las Animas County is very high, but the survey included only nine four bedroom units, three of which were vacant. There were no two bedroom two bath units surveyed in Las Animas County.

CSI also conducted a survey of mobile home park space rents and vacancies. A total of 223 spaces in six parks were included in the survey. The overall vacancy rate in these parks was low. The vacancy rate for the two parks surveyed in Walsenburg was zero percent (0%). The vacancy rate in Las Animas County was two percent (2%). This represents three total spaces available for rent in the two county area. The average space

rent in both communities is \$150 per month. Parks vary in age, but most are 30 to 40 years old. Three parks rent units as well as spaces, though there are less than 20 units rented in all parks.

AFFORDABLE RENTAL PROPERTIES

CSI identified 650 affordable rental units (with income and rent restrictions) within the two counties: 292 in Huerfano County and 521 in Las Animas County. Survey results include 590 of these units. While most affordable units are located within the city limits of Walsenburg and Trinidad, there is one 46 unit property located in La Veta. Most of the affordable housing stock in Las Animas County was built 20 to 40 years ago, while the affordable housing stock in Walsenburg is younger. Some public housing units were built in the 1990s and the Spanish Peaks Apartments tax credit property was constructed within the last 10 years.

Income restricted rental units are a very large part of the rental housing market in both counties. In Huerfano County, affordable units make up 29 percent of the entire rental stock, while they make up 22 percent of the rental stock in Las Animas County. None of the properties have long waiting lists and neither housing authority interviewed thought there was a need for development of more affordable housing.

However, there is a need for more Section 8 Rental Assistance, according to the Walsenburg Housing Authority. The Walsenburg Housing Authority currently has 45 rental assistance vouchers and the Trinidad Housing Authority has 83. Both have waiting lists for participation in this program.

Most affordable rental units provide rental assistance for families or individual tenants. This means tenants pay only 30 percent of their income for rent and utilities. Only the Spanish Peaks Apartments has below market rents without additional assistance.

There are no additional rental properties of substantial size in the development pipeline in either county, neither affordable or market rate. The two nonprofit housing providers in the area, the Trinidad Housing Authority and the Walsenburg Housing Authority, have no development plans at this time.

Table 33: Subsidized Rental Properties

	# of Units	Households Served	Rental Assist.	Income Restrict.	Location
Corazon Square - Elderly	50	Elderly/Disabled	Yes	50% AMI	Trinidad
Western Apartments	60	Family/Elderly/Disabled	Yes	50% AMI	Trinidad
North Avenue Apartments	24	Elderly/Disabled	Yes	50% AMI	Trinidad
Casa Village I	45	Family	Yes	Moderate 12 mkt rate	Trinidad
Casa Village II	22	Family	Partial	restricted	Trinidad
Trinidad Apartments	24	Family	Yes	Moderate	Trinidad
Scattered Site Public Housing Units	198	Family/Elderly/Disabled	Yes	50% AMI	Trinidad
Pleasant View Apartments	46	Family/Elderly/Disabled	Yes	80% AMI	La Veta
Spanish Peaks Apartments	30	Family	No	60% AMI, mkt	Walsenburg
Walsenburg HA scattered site PH	129	Family/Elderly/Disabled	Yes	50% AMI	Walsenburg
Walsenburg HA - City Property	4	Family/Elderly/Disabled	Yes	50% AMI	Walsenburg
Walsenburg HA - Aguilar PH Units	18	Family/Elderly/Disabled	Yes	50% AMI	Walsenburg
Total	650				

Source: Community Strategies Institute

COMMUNITY SURVEY

METHODOLOGY

The Community Strategies Institute created and distributed an online survey to collect primary data from the community. A hard copy of the survey was made available at the Spanish Peak Library in Walsenburg and at the South Central Council of Governments office in Trinidad. Two hundred and five individuals responded to the survey.

SURVEY HIGHLIGHTS

- Forty-nine percent of survey respondents rate the overall availability and affordability of housing within their communities as FAIR.
- Seventy-six percent own their homes.
- Seventy-six percent live in a household with three or fewer people.
- Sixty-six percent live in a single-family unattached home.
- Thirty percent indicate the condition of their home is FAIR or POOR and will require a substantial investment to repair.
- Sixty-one percent are concerned about the condition of existing housing units within their community.
- Eighty-three percent believe the availability and affordability of housing is an issue for their community.
- Seventy-seven percent have lived in either Las Animas or Huerfano counties for over six years.
- Eighty-seven percent of those responding believe there is a lack of special needs housing within the region.

SURVEY DETAILS

Household Profile

The majority of survey respondents live in either Walsenburg or Trinidad. Walsenburg's population makes up 16 percent of the regional population and 21 percent of the overall survey responses. Trinidad's population comprises 39 percent of the regional population and 51 percent of the overall survey responses. Overall, 32 percent of the surveys came from Huerfano County and 68 percent came from Las Animas County. This ratio is consistent with that of the overall population ratio for the region.

Table 34: Location of Households Responding to Survey Compared to Population

	2004 Population		2005 Survey	
	Population	%	Survey Responses	%
Huerfano County	7,969	33%	65	32%
La Veta	901	4%	15	7%
Walsenburg	3,993	16%	42	21%
Unincorp. Huerfano	3,075	13%	8	4%
Las Animas County	16,242	67%	136	68%
Aguilar	554	2%	5	2%
Branson	85	0%	0	0%
Cokedale	146	1%	2	1%
Kim	73	0%	0	0%
Starkville	137	1%	3	1%
Trinidad	9,344	39%	102	51%
Unincorp. Las Animas	5,903	24%	24	12%
Region Total	24,211		201	

Overall, 73 percent of survey respondents were homeowners, while 27 percent were renters. As a percentage of the overall population, homeowners are slightly overrepresented in the survey.

Table 35: Homeowner v. Renter Households

	2003 Data	2005 Survey
<i>Huerfano County</i>		
Owners	70%	72%
Renters	30%	28%
<i>Las Animas County</i>		
Owners	70%	79%
Renters	30%	21%

Thirty-seven percent of all survey respondents live in two-person households, 21 percent live in three-person households and 18 percent live in one-person households. The following table provides a breakdown of household composition by size and location.

Table 36: Household Size

	N	%		N	%
<i>Huerfano County</i>			<i>Las Animas County</i>		
One Person Household	15	23%	One Person Household	21	16%
Two Person Household	23	36%	Two Person Household	48	36%
Three Person Household	9	14%	Three Person Household	33	25%
Four Person Household	10	16%	Four Person Household	14	10%
Five Person Household	4	6%	Five Person Household	9	7%
Six Person Household	3	5%	Six Person Household	4	3%
Seven or More Person Household	0	0%	Seven or More Person Household	5	4%
	64	100%		134	100%

Perception of Housing Quality, Availability and Affordability

When asked about the quality, availability and affordability of housing within their community, residents overwhelmingly answered FAIR or POOR. In Walsenburg, 76 percent of respondents answered FAIR or POOR to the question. In Trinidad, 80 percent of respondents answered FAIR or POOR to the question.

Table 37: Perception of Housing Quality, Availability and Affordability

	Ttl.	Poor		Fair		Good		Excellent	
		N	%	N	%	N	%	N	%
Walsenburg	42	11	26%	21	50%	4	10%	2	5%
Huerfano Co. Ttl.	65	16	25%	31	48%	12	18%	2	3%
Trinidad	102	32	31%	50	49%	15	15%	3	3%
Las Animas Co. Ttl.	136	43	32%	65	48%	22	16%	3	2%

Condition of Dwelling Unit

While the overall impression of the housing stock within the two counties receives a low rating, people are more positive when asked to rate the condition of their own dwelling. Seventy percent of respondents indicated their homes were in GOOD or EXCELLENT condition, while 30 percent indicated their homes to be in FAIR or POOR condition. However, those living in mobile homes expressed the most concern with the condition of their dwelling – with 55 percent of respondents indicating their mobile homes were in FAIR or POOR condition.

Table 38: Condition of Dwelling by Housing Type

	Total	Condition of Home							
		Excellent		Good		Fair		Poor	
		N	%	N	%	N	%	N	%
Total	197	54	27%	83	42%	50	25%	10	5%
Single-Family Unattached Home	130	36	28%	50	38%	36	28%	8	6%
Manufactured Home on Permanent Foundation	29	8	28%	16	55%	5	17%	0	0%
Mobile Home	11	0	0%	5	45%	4	36%	2	18%
Townhouse/Other Attached Unit	3	1	33%	2	67%	0	0%	0	0%
Apartment	11	5	45%	3	27%	3	27%	0	0%
Other	13	4	31%	7	54%	2	15%	0	0%

Surprisingly, those owning their homes and those renting were very similar in their responses to the question of housing condition. Sixty-nine percent of home owners indicated their homes were in EXCELLENT or GOOD condition, while seventy percent of renters indicated the same.

Table 39: Condition of Dwelling as Perceived by Owners and Renters

	Total	Condition of Home							
		Excellent		Good		Fair		Poor	
		N	%	N	%	N	%	N	%
Total	196	53	27%	83	42%	50	26%	10	5%
Rent	47	12	26%	21	45%	13	28%	1	2%
Own Home	149	41	28%	62	42%	37	25%	9	6%

Seventy-nine percent of survey respondents indicated they are satisfied with their current housing situation. However, the renter population is far more likely to be dissatisfied with their housing situation than owners.

Table 40: Housing Satisfaction

	Total	Satisfied with housing situation?			
		Yes		No	
		N	%	No	%
Total	178	140	79%	38	21%
Rent	43	26	60%	17	40%
Own Home	135	114	84%	21	16%

Cost Burden

Home owners responding to the survey pay an average of \$746 monthly for housing expenses (mortgage + utilities), while renters pay an average of \$617 for housing expenses.

Table 41: Monthly Housing Expenses

	Owners		Renters	
	Monthly Mortgage	Utilities	Monthly Rent	Utilities
Average	\$558	\$215	\$477	\$147
Median	\$450	\$188	\$450	\$138

Home owners in the survey earn an average of \$49,382 annually in contrast to the average renter income of \$29,729.

Table 42: Average Income of Owner and Rental Households

	Average Income	
	Owners	Renters
Annual	\$49,382	\$29,729
Monthly	\$4,115	\$2,477

The survey sample was used to determine what percentage of the population was cost burdened with regard to housing. This calculation is made by dividing a household's housing costs (rent or mortgage payment and utility expenses) by their income. If a household spends in excess of 30 percent of income on housing, they are considered cost burdened.

Fifty-eight percent of renter households in the survey are cost burdened, while 17 percent of owners pay more than 30 percent of their income toward mortgage and utility expenses. The number of households becoming rent burdened will likely increase as energy costs rise.

Table 43: Income Distribution and Housing Cost Burden

	Owners		Renters	
Income	N	%	N	%
Under \$10,000	11	7%	8	19%
\$10,001 - \$20,000	8	5%	22	51%
\$20,001 - \$30,000	21	14%	3	7%
\$30,001 - \$40,000	16	11%	5	12%
\$40,001 - \$50,000	34	22%	1	2%
\$50,001 - \$60,000	13	9%	1	2%
\$60,001 - \$80,000	26	17%	3	7%
Over \$80,000	23	15%	0	0%
Total Sample	152	100%	43	100%
Overall % cost burdened	17%		58%	

Twenty-nine percent of all households indicated they would move to another type of housing if something appropriate became available – a move to homeownership, to senior housing or to a larger home.

Table 44: Future Housing Plans

	Do you have future plans to move into another type of housing if something appropriate becomes available?					
	Yes			No		
	Total	N	%	N	%	
Total	201	58	29%	78	39%	
Rent	48	25	52%	6	13%	
Own Home	153	33	22%	72	47%	

Employment and Commuting Patterns

Survey respondents indicated they were employed in education (51%), professional and technical services (14%), health care, child care, residential care and social work (14%), government administration, police, fire and corrections (8%), retail sales (6%) or mining, oil and gas extraction (5%).

Sixty-four percent indicate they commuted less than five miles to work – only nine percent travel distances exceeding 25 miles. It is not surprising that 87 percent of all respondents indicate they are able to live as close to work as they would like.

Housing as a Community Issue

Seventy-seven percent of respondents believe that the availability and affordability of housing within the community is an issue. Length of tenure within the community does not alter this perception, as 90 percent of residents living within Las Animas or Huerfano Counties for 11 to 20 years believe the community has an issue with housing. Eighty-nine percent of those who have lived in either Las Animas or Huerfano Counties for less than one year also believe that housing availability and affordability is a community issue.

Table 45: Housing Availability and Affordability

Do you think the availability and affordability of housing in your community is an issue?					
	Total	Yes		No	
		N	%	N	%
Total	175	135	77%	28	16%
Less than 1 year	9	8	89%	0	0%
1 - 5 years	31	24	77%	4	13%
6 - 10 years	35	24	69%	9	26%
11 - 20 years	30	27	90%	2	7%
Over 20 years	70	52	74%	13	19%

Special Needs Housing

Sixty-two respondents indicated they live with someone who is disabled or has special housing needs. Of these, 87 percent believe that the stock of service-enriched housing is inadequate to meet this need. Fifty-seven percent indicated that housing for those needing assistance with daily living was important. Forty-four percent indicated that housing providing assistance with medication or health care was lacking. Forty-three percent identified a need for wheel-chair accessibility inside or outside the home. Thirty-six percent also identified a need for interior remodeling to meet the needs of the disabled or elderly population. Survey respondents were allowed to identify more than one modification in response to the question.

Table 46: Special Needs Housing

Housing modifications/living arrangements desired by the special needs individuals you know.			
	N	%	
Assistance with Daily Living Activities	35	57%	
Assistance with Medication or Health Care	27	44%	
Wheel-chair Accessibility Inside or Outside Existing Home	28	43%	
Interior Remodeling	22	36%	
Addition to Existing Home	9	15%	
Other, Please Specify	8	13%	

HOUSING NEEDS ASSESSMENT

In this section of the report, an analysis of the need for more housing opportunities 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

In 2000, the median income in Huerfano County was \$26,162. The median income for renter households was \$19,005, and \$28,916 for owners. The median income in La Veta was higher for both renters and owners than in Walsenburg -- and La Veta owners had the highest incomes of all areas. Walsenburg's incomes were much lower for both owners and renters.

The median income in Las Animas County in 2000 was \$28,111. The owner median was \$30,938 and renter median was \$17,337. In Las Animas County, the highest incomes were in Starkville, where the median income was \$43,542. Renter incomes in Trinidad were the lowest in the entire region.

Table 47: Median Incomes by Tenure, 2000

	Total	Owner	Renter
Huerfano County	\$26,162	\$28,916	\$19,005
La Veta	\$29,737	\$35,357	\$18,333
Walsenburg	\$22,456	\$25,262	\$17,337
Las Animas County	\$28,111	\$32,766	\$17,318
Aguilar	\$23,125	\$28,194	\$15,417
Branson	\$24,375	\$30,938	\$22,031
Cokedale	\$24,286	\$24,464	\$19,583
Kim	\$25,938	\$24,167	\$50,417
Starkville	\$43,542	\$55,625	\$30,000
Trinidad	\$26,398	\$33,633	\$14,666

Source: U.S. Census 2000

It is important to note the differences between owner and renter incomes when planning for new housing or housing programs. In most communities, renters earn less than owners and need housing options to meet their needs. Homebuyer programs targeted to renter households must take renter incomes into consideration.

HOUSEHOLD INCOME PROJECTIONS

In Huerfano County, there are over 300 renter households at 50 percent or less of the area median income in 2005. In Las Animas County, there are over 700 renter households

that earn 50 percent of the area median income or less. Those earning over 60 percent of the area median income could afford to become homeowners if homes were affordably priced and in decent condition.

Table 48: Renter Households by Income, 2005 Projections

Renter Households	Huerfano Income Ranges	Las Animas		
		Huerfano	Income Ranges	Las Animas
0-30%	\$11,430	186	\$12,090	409
30-50%	\$19,050	154	\$20,150	311
50-60%	\$22,860	74	\$24,180	120
60-80%	\$30,480	138	\$32,240	512
80-100%	\$38,100	142	\$40,300	74
TOTAL		694		1,427

Source: HUD, Colorado Division of Housing, CSI Analysis

There are many low and moderate income owner households in both Huerfano and Las Animas Counties. In Huerfano County, almost 700 owner occupied households have incomes at or below 80 percent of the area median income. In Las Animas County, there are almost 1,400 owner households at or below 80 percent of the area median income. These homeowners are eligible to participate in the homebuyer rehabilitation program offered by the South Central Council of Governments. Those at the lowest income levels often have trouble paying for upkeep and maintenance of their homes along with other living expenses.

Table 49: Owner Households by Income, 2005 Projections

Owner Households	Huerfano Income Ranges	Las Animas		
		Huerfano	Income Ranges	Las Animas
0-30%	\$11,430	214	\$12,090	668
30-50%	\$19,050	393	\$20,150	566
50-60%	\$22,860	161	\$24,180	307
60-80%	\$30,480	262	\$32,240	572
80-100%	\$38,100	296	\$40,300	812
TOTAL		1,326		2,925

Source: HUD, Colorado Division of Housing, CSI Analysis

EXISTING HOUSING NEEDS

The difference between the number of households within a certain income range and the number of housing units affordable to them is called the housing gap. The following section will illustrate the existing housing gap in Huerfano and Las Animas Counties.

Rental Housing Needs

An important indicator of affordable housing need is the number of rent burdened households in the country. The 2000 census provides information about the percent of each household's income used to pay for housing expenses. Those that pay more than 30 percent of their income for housing expenses such as rent and utilities are considered "rent burdened." Table 50 shows the number of renter households in various income ranges that were cost burdened in 2005. The majority of cost burdened households in Huerfano County earn between 0 and 50 percent of the area median income. In Las Animas County, the same is true.

Table 50: Cost Burdened Renter Households, 2005

Households	Huerfano	HH paying 30% or more of income on rent	Las Animas	HH paying 30% or more of income on rent
0-30%	186	143	409	293
30-50%	154	99	311	192
50-60%	74	51	120	79
50-80%	138	65	512	231
80-100%	142	NA	74	NA
TOTAL	694		1,427	

Source: HUD, Colorado Division of Housing, CSI Analysis

As stated earlier in the report, almost all of the rental housing stock is located in Walsenburg and Trinidad. There is one affordable rental property in La Veta. This analysis will look at the need for additional rental housing units in each county.

According to local landlords, rents in both Walsenburg and Trinidad have not increased dramatically in the past few years. The vacancy rate of seven percent (7%) in Walsenburg indicates the rental market is not tight. The Walsenburg Housing Authority has done well keeping affordable housing units filled, but they do not have large waiting lists and indicated they do not see a need for more units at this time.

In Trinidad, the vacancy rate does indicate a tight market, and local landlords and community leaders indicate it is hard to find decent rental units in the private market. The low vacancy rate does show a need for more rental units with a mix of very low and market rate rents.

The gap analysis chart below shows the number of renter households in various income ranges in 2005, 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 on the market. The supply gap 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 2.5 person household, reflective of the average renter household size.

In both counties, the average market rents for housing units are lower than many renter incomes, which shows up as an oversupply of housing in various income ranges on the gap chart.

In Huerfano County, the rental unit gap for households earning below 30 percent AMI is 148. However, there are more than 148 publicly owned units with rental assistance available to tenants allowing them to only pay 30 percent of their income for rent, and are included as units affordable at 30 to 50 percent of the AMI.

On the other end of the income spectrum are renters who can afford units with higher rents than those currently in the market. These households, however, can live in units with lower rents that are affordable to 30 to 50 percent of the AMI.

In Las Animas County, the same can be seen in the gap chart. While there is a gap in the number of units at 0 to 30 percent AMI, there are also more than 267 units in the market that provide tenants with rental assistance. Higher income renters can rent units at the 30 to 50 percent AMI range and save money.

In Las Animas County, there may be a market for some upper end units -- since the vacancy rate is very low, there are new workers moving into the community with higher wage oil and gas industry jobs. These people may have an appetite for units with more amenities. Conversations with locals in Trinidad indicate there would be a market for higher end rentals of better quality than most of the current rental stock.

While the Gap Analysis shows many units available in Las Animas County, the vacancy rate indicates there may be fewer available than our analysis shows. CSI bases the Gap Analysis on the count of rental units in the community in 2000. Because the Las Animas rental market has been based on a high number of single family homes, it is possible that units have been sold to owner occupants that were formerly rental units, which would cause the number of units available for rent to decline.

Table 51: Gap Analysis for Rental Housing Units, 2005

	Income Limit	Huerfano	Affordable Price	Units Affordable	Gap
0-30%	\$11,430	186	\$286	34	152
30-50%	\$19,050	154	\$476	743	-589
50-60%	\$22,860	74	\$572	45	29
50-80%	\$30,480	138	\$762	3	135
80-100%	\$38,100	142	\$953	0	142

	Income Limit	Las Animas	Affordable Price	Units Affordable	Gap
0-30%	\$12,090	409	\$302	121	288
30-50%	\$20,150	311	\$504	1293	-982
50-60%	\$24,180	120	\$605	344	-224
50-80%	\$32,240	512	\$806	55	457
80-100%	\$40,300	74	\$1,008	8	66

Source: CSI, Colorado Division of Housing

Ownership Housing Needs

Demand for new for-sale product comes from households living and renting within the counties and from households moving into the area. In both Huerfano and Las Animas Counties, the homeownership rate for younger households is 20 percent less than for households age 35 and older. Many renter households could buy a home if prices were more affordable to them or there were more decent units on the market. As home prices increase, especially in Las Animas County, it becomes harder for renter households to make the leap to homeownership.

Table 52: Gap Analysis for Housing Units for Sale

	Income Limit	Huerfano	Affordable Price	Units Affordable	Gap
0-30%	\$11,430	186	\$40,946	10	176
30-50%	\$19,050	154	\$68,243	14	140
50-60%	\$22,860	74	\$81,891	8	66
60-80%	\$30,480	138	\$109,188	16	122
80-100%	\$38,100	142	\$136,485	18	124

	Income Limit	Las Animas	Affordable Price	Units Affordable	Gap
0-30%	\$12,090	409	\$43,310	2	407
30-50%	\$20,150	311	\$72,183	24	287
50-60%	\$24,180	120	\$86,620	16	104
60-80%	\$32,240	512	\$115,493	32	480
80-100%	\$40,300	74	\$144,366	26	48

Source: CSI, Colorado Division of Housing

Table 52 shows the gap between the number of renter households at various income levels and the number of affordable housing units CSI estimates will be on the market during a one year period. Units on the market are based upon active listings and are a projection of the number of homes that will be on the market in those price ranges in 12 months, based upon data about the amount of time homes stay on the market in each county.

Households with incomes at or below 30 percent of the AMI can afford a few homes on the market in each county – most are older manufactured housing units. These households could benefit from self-help housing models such as Habitat for Humanity or Rural Self-Help. In Trinidad, the Colorado Rural Housing Development Corporation (CRHDC) out of Alamosa builds between 10 to 15 self-help units a year in Trinidad. These programs direct funding to very low income households who spend considerable time building their own homes.

The households at 31 to 50 percent AMI and 51 to 80 percent AMI are perfect candidates for homebuyer assistance programs. Local lenders in Las Animas County are not taking advantage of affordable mortgage products such as CHFA loans or Rural Development 502 direct or loan guarantees. In Huerfano County, one lender applied for Federal Home Loan Bank down payment assistance funds to help low and moderate income buyers, but the other lending institution has not. Accessing more of these programs would help low and moderate income renters make the leap to homeownership.

There is a gap in housing stock affordable to renters in the 51 to 80 percent AMI range, which is the range most often targeted by affordable housing programs. This gap is especially large in Las Animas County. More homes are needed priced at \$115,000 or less.

Conversations with local lenders and realtors in both communities indicate that the condition of the housing stock on the market and affordable is a major obstacle to getting more low and moderate buyers into homes of their own. Often affordable homes will not pass inspections required by Rural Development or CHFA for their loan products. The condition of the local housing stock will have to be addressed in order to help these households become homeowners.

Housing Needs From Employment and Household Growth

As shown in the Household section of this report, both Huerfano County and Las Animas County are expected to attract new households during the next decade. In Huerfano County, if current in-migration patterns stay the same, households will not affect the market for homes within Walsenburg, but will buy and build homes in the unincorporated areas of the county. In Las Animas County, new residents moving into the county for jobs in the oil and gas industry and others will affect the housing market by pushing up

the price of both rentals and units for sale. A lack of water in unincorporated areas is pushing new development into the City of Trinidad.

These new households will require an expansion of the housing stock around Trinidad both for rentals and units for sale. This influx will pressure prices, which will make it harder for the local labor force to afford units in town. This pressure on the Las Animas County housing market will become more intense by the continued influx of retiree households coming from other areas of the country. Already, the trend toward a more gentrified and wealthy community can be seen in existing data trends in Las Animas County.

In Trinidad, the number of households that have moved into the area from other parts of the county is growing. Between 1990 and 2000, the number of households that lived in the community five years prior went from 85 percent to 79 percent, as can be seen from the following table. Many people are moving into Trinidad from the southern and western parts of the country. This trend is expected to continue.

Table 53: Residence Five Years Prior, Trinidad, 1990 - 2000

	1990		2000	
Same House Five Years Ago	4,903	60.8%	4,850	56.4%
Different house in United States in 1985:				
Same county	1,942	24.1%	1,891	22.0%
Different county:				
Same State	681	8.4%	616	7.2%
Different State:				
Northeast	25	0.3%	12	0.1%
Midwest	96	1.2%	186	2.2%
South	118	1.5%	292	3.4%
West	215	2.7%	450	5.2%
Abroad Five Years Before				
Puerto Rico	0	0.0%	154	1.8%
U.S. outlying area	0	0.0%	0	0.0%
Foreign country	82	1.0%	154	1.8%
Total:	8,062		8,605	

Source: U.S. Census 1990 and 2000

Table 54 also shows the influx of new residents into Trinidad – these newcomers are both owners and renters. The percentage of owners living in the community from two to five years has changed dramatically – from 12.4 percent in 1990 to 20.3 percent in 2000. The number of owner households increased by almost 300 during that decade.

Table 54: Tenure by Year Householder Moved Into Unit, Trinidad, 1990 - 2000

1990			2000	
Owner occupied:				
Previous Year	151	7.1%	202	8.4%
Two to 5 years ago	266	12.4%	487	20.3%
Six to 10 years ago	249	11.6%	320	13.3%
Eleven to 19 years ago	476	22.3%	433	18.0%
Twenty to 29 years ago	336	15.7%	342	14.2%
30 years ago or prior	661	30.9%	620	25.8%
Total	2,139		2,404	
Renter occupied:				
Previous Year	530	41.7%	556	42.2%
Two to 5 years ago	405	31.8%	469	35.6%
Six to 10 years ago	164	12.9%	151	11.5%
Eleven to 19 years ago	113	8.9%	87	6.6%
Twenty to 29 years ago	22	1.7%	19	1.4%
30 years ago or prior	38	3.0%	35	2.7%
Total	1,272		1,317	

Source: U.S. Census 1990 and 2000

Over the past 30 years, new owners and residents are changing the economic makeup of Trinidad and Las Animas County. Per capita net earnings and per capita personal income in Las Animas County have decreased in comparison to trends in Colorado for the same income categories. However, per capita retirement income and other transfer payments are much higher in Las Animas County than in the rest of the state, and this source of income in the county continues to grow at a much higher level than the state.

The following chart shows much of the Las Animas County income is coming into the county from sources other than local jobs, and this trend continues to grow. In 2003, Las Animas County ranked 35th for personal income in Colorado, a change from 31st in 1993. Net earnings from jobs in the county continues to lag behind the rest of the state while personal income continues to grow due to new retirees moving into the county.

Table 55: Change in Income Sources, Las Animas County, 1980 – 2000

	Las Animas County			Colorado			Las Animas % of CO		
	1980	1990	2000	1980	1990	2000	1980	1990	2000
Per capita personal income	7,933	12,174	19,880	10,746	19,575	33,370	73.8%	62.2%	59.6%
Per capita net earnings	4,777	5,886	10,018	8,115	13,779	24,573	58.9%	42.7%	40.8%
Per capita personal current transfer receipts	1,812	3,498	5,775	910	1,891	2,799	199.1%	185.0%	206.3%
Per capita income maintenance	249	476	559	96	178	235	259.4%	267.4%	237.9%
Per capita unemployment insurance benefits	40	53	45	36	49	35	111.1%	108.2%	128.6%
Per capita retirement and other	1,523	2,969	5,170	778	1,665	2,529	195.8%	178.3%	204.4%
Per capita dividends, interest and rent	1,344	2,789	4,086	1,721	3,905	5,998	78.1%	71.4%	68.1%
Average earnings per job (dollars)	12,404	17,559	21,984	15,524	24,690	39,869	79.9%	71.1%	55.1%
Average wage and salary disbursements	11,477	16,049	21,618	14,227	22,430	36,478	80.7%	71.6%	59.3%
Average nonfarm proprietors' income	7,500	13,698	17,610	10,089	13,648	26,788	74.3%	100.4%	65.7%

Source: Bureau of Economic Analysis

New retired residents moving into both Huerfano and Las Animas Counties will continue to influence the composition of the housing stock and threshold for prices, with the biggest impact occurring in Trinidad.

Special Populations Housing Needs

Some population groups require specialized housing choices to meet specific physical and other needs. Seniors, for example, may require housing that is more accessible, or offers housekeeping and personal care support. Persons with physical disabilities often need units that are accessible to wheelchairs or have other modifications. 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 in Huerfano and Las Animas County.

Seniors

Both Huerfano and Las Animas Counties have growing senior populations. There are many aging residents in the area and seniors are moving into both communities from other areas of the state and country. There is no senior housing campus in either county addressing the unique housing needs of seniors. The affordable rental units targeted to seniors are full in both counties. In Huerfano County, the Walsenburg Housing Authority has some public housing units targeted specifically to seniors and others that seniors choose to live in. These seniors are able to pay 30 percent of their income for rent and utilities. In Las Animas County, the Corazon Square Apartments and North Avenue Apartments target seniors and persons with disabilities. These properties have a total of 74 units. Seniors are also able to live in other affordable properties in Trinidad.

According to the Walsenburg Housing Authority, most seniors choose to use home health care services and are able to stay in their homes with this assistance. Both counties have

home health care services available for local residents. According to table 56, below, there are 156 seniors in Huerfano County with self-care limitations and another 809 in Las Animas County. Most are owners, and many of these seniors have low or moderate incomes. As these seniors continue to age and others move into the region, more senior services and housing options may need to be explored.

There are no assisted living facilities in Huerfano County that offer senior residents assistance with activities of daily living such as bathing, meals or housecleaning. There are two in Las Animas County, the Fishers Peak Assisted Living center and the Helping Hands Assisted Living Center. Helping Hands is licensed for 12 beds and has an average occupancy of 10. They are licensed for six Medicaid beds but usually care for more than six Medicaid clients. The center has an occupancy rate of 80 percent or more, but has no waiting list. The facility has been open for 23 years.

Fishers Peak is licensed for 16 beds and is usually 75 percent occupied with 10 to 12 occupied beds. The facility does not take Medicaid, only insurance and private pay. Fishers Peak staff indicated they are exploring relocating the facility to a more modern building and are interested in designing a facility with congregate, assisted living and skilled nursing care.

There are three nursing homes in the region, two in Las Animas County and one in Trinidad. The Colorado State Veterans Nursing Home has 118 beds available to vets, spouses of vets and parents whose children have been killed in action. Approximately 10 to 20 percent of residents are from the local community, but can only use the nursing home if they fit the criteria. The other nursing home in Walsenburg is the Walsenburg Care Center and is licensed for 42 beds. The facility, which does take Medicaid, has 32 residents. This is their typical occupancy level.

The Colorado State Government Trinidad Nursing Home serves residents of Las Animas County with nursing home care. The facility is licensed for 158 beds and has 99 residents currently. The facility does take Medicaid. Last year they had 112 residents. Staff report that residency has diminished over the past few years. The lack of a surgeon at the local hospital has forced people who would otherwise use the nursing home for respite care to go to Pueblo or other areas for surgery and respite care. The nursing home now offers adult day services, a program which is popular and growing.

None of the facilities identified in this report are operating at capacity, though many think that the need for senior residential programs will grow as older populations increase.

Table 56: Senior Population Profile 2005

	Huerfano County			Las Animas County		
	Total Senior Households in 2005	Percent with Self Care Limitations	Number with Self-Care Limitations	Total Senior Households in 2005	Percent with Self Care Limitations	Number with Self-Care Limitations
Owners						
0 - 30% MFI	111	39%	44	390	27%	106
31 - 50% MFI	199	17%	34	279	44%	122
51 - 80% MFI	247	12%	31	336	38%	128
80% MFI +	534	15%	81	909	34%	309
TOTAL	1,150	17%	190	1,915	35%	665
Renters						
0 - 30% MFI	39	25%	10	115	52%	60
31 - 50% MFI	42	39%	16	69	34%	24
51 - 80% MFI	39	68%	27	84	25%	21
80% MFI +	52	27%	14	78	51%	40
TOTAL	195	34%	66	347	42%	144

Source: HUD Special Census Tabulations, CSI

Persons with Disabilities

Often persons with self-care limitations cannot participate fully in the workforce, have low incomes and need housing assistance. Assistance ranges from housing affordable on fixed incomes (ie. Social Security Disability), to housing units with modifications for wheelchair access, to group homes for those with mental illness or developmental disabilities.

Neither Huerfano nor Las Animas Counties have an agency to specifically serve persons with physical disabilities. Both the Walsenburg and Trinidad Housing Authorities provide affordable rental housing units to low income persons with physical disabilities. The table below shows the number of persons in each county that have self-care limitations (excluding elderly). Those renters with incomes below 50 percent of the area median income most likely need some sort of housing assistance payments to pay for housing. Owners with incomes at 80 percent or below the area median income may need assistance making modifications to their homes for health and safety issues.

Table 57: Persons with Self-Care Limitations 2005

	Huerfano County			Las Animas County		
	Percent with Self Care Limitations	Number with Self-Care Limitations	Total Households	Percent with Self Care Limitations	Number with Self-Care Limitations	Total Households
Owners						
0 - 30% MFI	50%	52	103	46%	129	278
31 - 50% MFI	38%	73	194	37%	105	287
51 - 80% MFI	39%	69	176	19%	105	543
80% MFI +	19%	198	1,042	16%	354	2,225
TOTAL	27%	393	1,456	21%	692	3,332
Renters						
0 - 30% MFI	33%	48	146	24%	70	294
31 - 50% MFI	20%	22	112	28%	67	242
51 - 80% MFI	23%	40	173	17%	96	548
80% MFI +	11%	44	412	12%	66	563
TOTAL	19%	155	821	18%	299	1,648

Source: HUD Special Census Tabulations, CSI

The Southern Colorado Developmental Disability Services/Las Animas County Rehabilitation Center owns three group homes targeted to persons with developmental disabilities. They have a total of 20 beds in Trinidad and four additional beds in Walsenburg. The agency staff indicated they stay full but do not have a waiting list for these group homes. Their clients who are able to live independently can find affordable rental units in existing affordable complexes. The agency tries to help those who are able move into homeownership. They state that it is hard to find housing units for sale that are affordable to this very low income population.

Homeless Populations

The Advocates for Domestic Assault Shelter is located in Trinidad and serves victims of domestic violence. There are a number of other social service agencies in the area providing other types of assistance to households in need including the Salvation Army, the Open Door Soup Kitchen, The Lord's Pantry and Jesus Christ Caring Place food banks, and the Las Animas County VA Service Center. The county social services offices assist with many service needs as well.

RECOMMENDATIONS

A review of the data analysis in the previous section of this report reflects Las Animas and Huerfano housing markets, which are stable without extreme pressures from new sources of demand. While the population is growing, the growth is steady enough that the market has not become overheated. However, the anecdotal data gathered from community surveys and interviews with community opinion leaders indicate that within Region 14, a majority of respondents believe that suitable housing opportunities are unavailable and/or unaffordable for many households in the region.

The prices of homes for sale in the two counties have risen steadily for the past several years. Those increases have not been extreme when compared to other communities in Colorado. However, in order to assess the affordability of housing, wages must also be factored in to the equation. Comparisons of money earned per job in Las Animas County during the past thirty years reveal that income based on wages has remained virtually flat in inflation-adjusted dollars. In 1970, the earnings per job, as calculated by the Federal Bureau of Economic Analysis were \$23,911. In 2002 the number had declined to \$23,411. Since the state recession in 2001-2002, that number has improved slightly. Huerfano County shows a similar trend with the decrease in earnings per job being greater than in Las Animas County.

There are a number of distinctions that economic analysts make in describing the income that individuals, families and communities report. The earnings per job descriptor is useful in determining what percentage of income in a community comes from employment and what percentage come from other sources such as rents/royalties, and other transfer payments such as pensions, interest earnings, and earnings from securities investments.

Earnings-per-job says something about the type of employment opportunities available in the community. Changes over time have resulted in a slightly higher number of jobs -- but those jobs pay less on average than the jobs in the community thirty years ago. Two thirds of the mining industry jobs have disappeared over the past thirty years. Mining jobs paid a higher wage than those added in the service and retail sectors of the local economies. When a comparison is made between the growth in wages and the increases in the cost of housing, it is clear that even with modest rates of appreciation, the cost of housing has surpassed the ability of many local wage earners to keep up.

There are two significant drivers influencing the demand for housing. Much of the population growth is attributable to more retirees moving into Region 14. In most cases, those retirees are choosing to live in smaller towns in Colorado because they like the pace of life and the cost of living. In addition, those retirees value the very moderate four season climate that makes Colorado attractive to migrants whether they are young or old. Those new residents are not as dependent on local employment opportunities to support their lifestyle. Many are leaving more expensive real estate markets in which they have enjoyed substantial appreciation in the value of their homes. Once they sell their old

home and pocket the gains, they are able to move to Huerfano or Las Animas Counties and easily afford the real estate because of lower prices and because they bring enough equity from a previous sale to afford the real estate available in the local markets. With more dollars in hand, migrants can outbid local buyers because they are not depending on the wage structure of the local economy to determine if a home is affordable.

Many of these new residents are seeking a rural setting away the stresses of in-town living. However, the Trinidad market has been impacted by a number of retirees who have chosen to live within the city limits. This has placed upward pressures on housing prices within the City of Trinidad as well as in Las Animas County. Huerfano County has not experienced the same phenomenon. The retirees moving into the County have not moved into the incorporated areas of Walsenburg in the same numbers as they have in the unincorporated areas of the county.

A second driver of the increase in housing prices is attributable to the increase in the number of jobs in the oil and gas industry. This demand factor is difficult to predict. The jobs tend to be somewhat transient. The same worker may be involved in a drilling project this year in Las Animas County. Next year, the drilling rig may be moved to another field in another county or state. That worker may move with the rig and therefore have a relatively short residence period in Region 14. Other service workers who operate and maintain the well head may choose to live in Huerfano or Las Animas Counties. However, that worker's assignment may extend to a service area that covers a larger geographic area than his/her county of residence. Often these workers do not develop many ties within a community and see the community as simply a place to eat and sleep in between work shifts. Both types of oil workers look upon their place of residence as temporary. They are drawn toward the type of housing products that require less upkeep and that do not necessitate long term commitments such as leases or mortgages.

Motels and hotels often become the housing product of choice for mobile workers. However, those workers also come to find that hotel living is more expensive than leasing or purchasing a home. In order to cut costs, workers will rent homes and apartments as a way to decrease their shelter expense. Those workers often receive a corporate housing allowance and if that is not the case, their hourly wages are high enough they can easily outbid others in the local housing markets. High salaried oil and gas employees are contributing to high rental rates and low vacancies. With strong demand on a limited housing inventory, it does not take much to price local wage earners out that market.

These challenges are similar to those facing a number of communities in the western United States. Extraction industries and service industries can place heavy burdens on the housing supply and the government services needed to support the houses. The boom and bust nature of the resource economy creates high housing prices and then when the particular boom subsides, if the supply has grown to meet demand, there can be a surplus of housing. For many westerners it is puzzling that building site prices are quite

expensive even in southern Colorado communities when there is literally hundreds of miles of vacant land surrounding the developed areas.

For the most part, jobs in the resource-based industries are well paid. As the employment and wage data cited earlier reveals, many county residents have adequate incomes to afford the available housing. However, many other wage earners have a difficult time obtaining a suitable apartment to rent or home to buy. While housing producers are able to respond to the demand in higher income sectors, it is more difficult to provide the broader continuum of housing products including modern rentals with amenities, housing for the elderly, affordable rental and homeownership opportunities for those with modest incomes and in some cases physical challenges.

The CSI analysis of housing conditions in Region 14 shows that the majority of consumers are able to meet their needs. However, the market is failing to meet the needs of a number of households. Those cases of market failure will not be overcome by simply building more houses or hoping for a decrease in interest rates. A broad based, long-term approach to local housing policies and efforts will be needed to better match up the housing needs not met by the private market with a broader range of choices. Neither Huerfano nor Las Animas County has developed the public or private capacity to solve some of the more unique housing challenges. The local housing authorities function in a limited role and focus their efforts on managing existing units. Building a more diversified capacity will be the first step in any set of recommendations for future action.

The term “building capacity “ means assembling a group of local “spark plugs” which gather the resources to fire up both the private and public sectors to pursue common goals. There are a number of tasks to be done and all individuals and groups who desire to be “sparkplugs” will be able to pursue an objective consistent with their own interests and perspective. The South Central Colorado Council of Governments (SCCOG) is an important regional “spark plug.” The SCCOG has been involved with affordable housing programs in the region for over two decades. For a number of years, the SCCOG operated an energy conservation program providing conservation improvements to extremely low-income households. The SCCOG has a long history of providing health and safety improvements through low-interest loans to low- and very low- income homeowners. Those loans are made to households, who because of limited income, or other underwriting standards, cannot obtain bank financing.

In order to organize and prioritize tasks, there are some broad goals which need to be in place before specific actions, players and resources can be identified. These goals deserve active discussion and review by the community. The following goals are a suggested list that, if embraced by the community, will direct future effort. In this section of the report, these goals are framed as broad concepts that apply to either one or both counties. Because both counties have a population center that includes a substantial number of residents in the county, there will be some recommendations targeted specifically toward that population center.

Proposed Housing Goals

- I. Provide a full range of housing choices in Las Animas and Huerfano Counties. 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.
- II. Promote the preservation of the existing housing stock and older neighborhoods by improving the housing and upgrading neighborhood infrastructure and conditions.
- III. Create innovative partnerships between government and the private sector by creating ordinances, plans and policies that expand housing opportunities and support economic diversity.
- IV. Facilitate and support housing activities carried out by community groups and individuals.

A thorough discussion of these goals 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 the monthly household gross income. What this means is that a homeowner with an income below 80 percent of the median income 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 that is less than 80 percent of the median income 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.

Examples: A family of three wishing to purchase a home in Trinidad with 80 percent of the median income (\$32,240) could afford to pay up to \$144,366. Their payment could be up to \$806.00 per month for their PITI.

A family of three wishing to purchase a home in Walsenburg with an income equal to 80 percent of the median income (\$30,480) would be able to spend \$135,485 to purchase a house and be able to pay \$696 per month for PITI.

This affordability threshold was established based on research of consumer expenditures. 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 to balance its budget between shelter and other essentials, housing expenditures need to be limited to the 30 percent level. For many households with incomes exceeding 80 percent of median income, there is adequate money in the domestic budget to afford the 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. For instance, HUD lists an income of \$38,800 as the cut off point for a three person household at 80 percent of the median. This limit applies to both Huerfano and Las Animas Counties even though the two counties have different median incomes.

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 more 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 fall of 2005. 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 Las Animas and Huerfano Counties. 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.**

In order to minimize confusion about whether the reference covers Huerfano or Las Animas County, the narrative will address each county separately.

Huerfano

This goal speaks to the number and quality of housing choices available in the county. Walsenburg's population center contains most of the multi-family housing in the county and the data and survey responses indicate a stable demand for rental dwellings for the lowest income residents with incomes below 40 percent of the AMI. More of these units should be handicap accessible. There is not a demand for construction of more low income rental units at this time.

Most of the new residential construction taking place in Huerfano County is occurring in the unincorporated areas of the county and in the smaller towns. The demand for new homes is driven by new residents who are locating their homes for recreational amenities rather than employment opportunities. While Walsenburg is the employment and population center of the county, the city has seen very little new residential construction and visually appears to be suffering from disinvestment. The existing housing stock is smaller and suffers from exterior neglect. The economic/demographic data shows a significant number of working families who could become homeowners and afford the prices of the homes offered for sale in the community. Many of the homes need substantial repair and modernizing to meet minimum inspection standards for mortgage financing. The homes could be upgraded and still remain affordable for first time home buyers. It will be difficult for any speculative new home construction to occur within Walsenburg until the existing housing stock can be improved and carry appraisal values to support loans on newly constructed homes.

Many of the existing owner occupied homes need the modernization and exterior repair. The regional rehabilitation program has been successful at targeting individual households for assistance. However, single home projects may not have the same community impact as a project targeting a several square block area or neighborhood. Walsenburg sees a high volume of traffic on the I-25 business loop and the major highway to the south, Highway 160. Many of the commercial buildings along these roadways also show signs of disinvestment. A targeted revitalization effort to improve the appearance of both commercial and residential buildings along the highways could result in more commercial activity and employment. Much of the traffic flowing through the community is recreational. A visually appealing built environment may be the impetus for more travelers to stop and explore shops and restaurants along the roadway.

Increasing the appeal of Walsenburg is also an important benefit for residents. When new families explore the area considering relocating for employment opportunities, those families will likely choose other nearby communities if they form the impression that the town is under economic duress. The physical environment and availability of services is also important to employers. Employers know that it is difficult to recruit excellent employees to work in a community if those employees and their families don't have access to quality neighborhoods, schools and commercial services. Employers looking to expand or relocate a business will choose communities which score higher on "curb appeal" factors.

Las Animas

Las Animas County has a more diversified employment base than does Huerfano. However, the larger county also shares some characteristics which influence the demand for and supply of housing. Las Animas has slowly made the transition from a mining and agricultural economy into one that relies on tourism and energy extraction. That transition has been difficult for local wage earners. The earnings per job have not increased in real dollars since 1970. The number of jobs has risen at a slow steady rate

but those newer jobs do not pay as well as those lost. Tourism produces a large number of jobs because most of those jobs provide some kind of person to person service such as cooking and serving food, renting hotel rooms or providing service in a retail establishment.

The other major multiplier in a tourism based economy is the economic activity generated by real estate. Most times, households travel to a community or geographic area as tourists to enjoy the scenery and natural wonders. They return to become residents so they can enjoy the area on a year round basis. New residents who are not dependent on the local economy form a substantial segment of real estate demand in Las Animas County. Those new residents are coming with higher incomes and greater purchasing power than that found among many local residents. The available building sites are purchased by newcomers and as they build custom homes on those sites, the real estate values in the community begin to escalate. As new construction is pushed out of the reach of many in the market, existing older homes increase in value as a substitute housing option.

When demand heats up for existing housing, not only does it become less affordable for some income ranges, but demand can also result in neglect. Many owners realize they can obtain nearly as much for their property even in poor condition, so there is less incentive to maintain the homes. Investors, who have purchased single family homes as speculative investments and use them for rentals, are not likely to maintain the exteriors of the homes to the same standards as those of owner occupants. Habitability regulations for rental units could improve both the quality and appearance of properties used as rentals. The increased sale of existing housing has also resulted in fewer available rental units. CSI analysis indicates that a number of single family homes that were part of the rental inventory have been removed from that supply because investors sold those units to owner occupants.

In examining the characteristics of the rental housing stock, which is predominantly located in Trinidad, it becomes obvious that single family units form a significant part of the rental inventory. This historic trend is changing as more families purchase and improve homes that were previously rentals held by investors or owners who moved away or moved up. The CSI survey of rental units shows that the supply of affordable income restricted rentals is in balance with demand. Future affordable development should focus on units for special populations including those with physical challenges and households transitioning from homelessness or domestic violence.

There is also a community need for newly constructed rental units with modern amenities such as a club house, individual laundry hook ups, a work out facility, etc. These units should have larger square footage and should be suitable for singles and families who have not yet purchased a home. Based on income and rent rates, there is an unmet demand for over 275 rental units that would bear rent and utility rates ranging from \$760 to \$953 a month. While not everyone who can afford that rent would choose to pay that much, current demand would support more development. New high class market rate

units could be added to the inventory over time. An initial development of 24 to 32 units would lease up within 18 to 24 months. It has been some time since non-subsidized rental units have been constructed. The few market rate rental complexes are in need of modernization. Upgrading the existing rental stock will be important as new units move in to the market.

Senior housing needs are an emerging concern. The existing senior units are full. As more retirees move into the Trinidad area, there will be increased demand for senior apartments and efficiency units which provide assistance with the activities of daily living. Seniors often prefer to live in attached housing restricted for seniors – such as a campus setting offering varied housing types to accommodate the senior's ability to age in place. A senior living campus typically includes independent apartments, an assisted living residence and as frailty or illness dictates, a nursing home. The housing options would ideally be located near a senior center or perhaps on the grounds of the hospital facility. There may be opportunities to utilize land around existing facilities for a continuum of senior housing types.

Within the next three years, an in-depth study of senior housing needs could supply information to direct a coordinated approach for future development. A senior housing effort could start with the addition of some new senior apartments. Current demand would easily support a small increase, probably less than 24 units. There are likely a number of senior homeowners in Trinidad and the surrounding area who would sell their present residence in order to move to a complex with less upkeep and more opportunities for socializing. If seniors had access to a housing product tailored to their needs, it could free up additional houses for younger families wishing to become homeowners.

CSI analysis indicates there are opportunities for increasing the number of homeowners. Younger working families appear to have the greatest challenge in moving to homeownership. The community opinion survey identifies a significant group of respondents who indicate their prime housing objective is to become a homeowner. Trinidad has a lower homeownership rate than the county as a whole. The age of the population in Trinidad is younger than in the county. Looking at the table, "Gap Analysis for Housing Units for Sale," there is demand for over five hundred units priced between \$86,620 and \$144,356. Given a median sold price of \$120,000 in Trinidad, the typical site built detached home may be too expensive for those buyers needing homes in the lower end of the price ranges listed above. The current MLS listings are higher in price than the median sold price.

CSI tabulations show a second segment of potential homebuyer demand for 694 units with a purchase price of \$43,000 to \$72,000. There is very little inventory in the market with an asking price in this range. In order to achieve the needed affordability, manufactured and attached units could be offered at prices below the median sales price for detached. Enhanced manufactured units on smaller leasehold or coop lots can be developed in Trinidad for a price within the grasp of many of these lower income potential homebuyers. In order to preserve affordability and qualify households with

modest income, a lease/purchase manufactured product may achieve the needed affordability both for purchase and monthly payments.

Clearly both supply data and consumer responses in the survey support the need to increase the inventory of for-sale units. Factors other than supply contribute to successful sales. In order to improve the supply of units at the needed price points, various types of public investment will be required. That public investment may take the form of waivers and deferrals of various fees or land donations, or changes in regulations or assistance with infrastructure costs or other cash and non-cash assistance from government and business.

National research shows that potential homeowners often lack the savings needed for a down payment. Depending on income and family circumstances, many households spend all their disposable income on daily essentials -- leaving little for savings. In order to create more homeownership, many communities provide down payment assistance programs. Often, employers in the community develop down payment assistance for their employees. Employers usually work with a community group to administer a program but provide funding for use by their employees. In most cases, the assistance is offered in the form of loans secured with a soft second mortgage on the purchased property. These loans are usually repaid over a period of five to 10 years. In Colorado, the Colorado Division of Housing and the Colorado Housing Finance Authority (CHFA) both provide resources for community-sponsored down payment assistance programs.

CSI research shows there is a shortage of suitable homes for purchase by first time homebuyers. Another barrier to homeownership is the lack of lenders in Las Animas County using federal lending products such as FHA loans or tax exempt bond funded loans such as those originated through the Colorado Housing Finance Authority. CHFA lists only one lender offering its loans in Trinidad. Most first time homebuyers do not have the cash or the savings to put up 20 percent of the sale price for a down payment. Local lenders holding home loans in their own portfolio typically approve loans with an 80/20 loan to value ratio. CHFA, Rural Development and Fannie Mae all have lending products which allow for little or no downpayment from the first time buyer. With a suitable credit score, CHFA can also provide down payment assistance which can have the affect of lowering the loan amount so that a household may qualify to purchase a slightly more expensive house than they would qualify for based on their income. Having more flexible lending products available in Trinidad would stimulate home sales and allow more families to qualify for loans.

First time owners benefit from homebuyer education. Most successful down payment assistance efforts require mandatory classes to educate buyers on the realities of purchasing, financing and maintaining a home. Because of regulatory complexities involved with a home purchase, homebuyers are more motivated and confident in pursuing a purchase once they understand the process. Research data also shows that foreclosure rates are lower among homeowners who have completed homebuyer courses. A down payment assistance program should form partnerships with other lenders,

realtors, and community groups to sponsor an active homebuyer training and mortgage counseling program.

Housing Preservation

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

Huerfano and Las Animas Counties share the heritage of an aging housing stock. Both counties have municipalities with older neighborhoods. New residential and commercial development is occurring away from the center of the municipalities closer to the transportation corridors. The two population centers in both counties, Trinidad and Walsenburg are challenged for effective strategies to improve the infrastructure and the housing quality in their oldest neighborhoods.

Huerfano

CSI finds that preserving and improving the existing housing stock in the population center of Walsenburg to be the most pressing housing issue in the county. Based on quantitative analysis, survey results and discussions with community representatives, most other housing needs are being met. The quality of the residential buildings and commercial buildings are both barriers to increased population and employment in Walsenburg. The city has not been able to take full advantage of new employment in the area. More employees of the private correctional facility would live in Walsenburg if there were better quality homes supported by a wider array of commercial services. Poor quality housing and lack of services become a chicken and egg dilemma. If there are not enough residents to support more businesses, how can the community encourage businesses to provide a wider array of goods and services?

Those whose interest centers on housing and those whose interest centers on business development will need to work closely to achieve progress. While there have been some limited efforts to upgrade the fronts of some main street commercial buildings, those efforts have not been comprehensive enough to substantially change the perceptions of the first time visitor. Walsenburg appears ripe for the creation of a redevelopment/revitalization effort focusing on both commercial and residential properties. There are some legal entities that could be created to facilitate the use of a broader array of financing tools to raise the capital necessary to have an impact. Under Colorado Statute, an Urban Renewal Authority has the ability to issue tax exempt bonds which could be used as one source of the long term financing of projects.

As interest rates continue their upward trend, tax exempt bonds may be attractive to both borrowers and investors. For borrowers, the interest rate they would pay on improvement loans would be less than the interest rate charged on non-tax exempt financing. For

investors, the spread between tax exempt and non-exempt may produce a better return depending on the tax bracket of the investor. There also may be the opportunity to place tax exempt bonds with local or regional financial institutions. Certain double tax exempt bonds may be purchased by a financial institution directly. In that case, the bank, in return for providing capital to a publicly sanctioned project, receives exemption for the interest earned on that particular debt instrument. In most cases a large bond can be issued and then the underlying collateral exists in the form of secured liens on individual properties owned by both homeowners and business owners.

Recent statutory changes make it more difficult for communities to utilize the powers of an Urban Renewal Authority. However, if the Authority creates programs and plans that rely on the voluntary participation of property owners, little legal complication results. A cost benefit analysis would assist local supporters in identifying the most feasible target area for inclusion in an Urban Renewal zone. Depending on the level of financial resources, the zone should not be too large in land area. It is preferable to identify a smaller area and be able to produce a radical visual and activity impact. For instance, it may be feasible to identify an eight block square area in the heart of central Walsenburg. The area might include the commercial buildings on both sides of Main Street and the residential areas on each block directly east and west of Main. With concentration of both design and planning resources, a visible, tangible result should be achieved within a two year period of implementation.

On the commercial side, attention should be paid to both existing businesses and vacant buildings. In the vacant buildings, certain improvements could be added to attract new owner/operators/lessees who would want to operate a restaurant or other retail business identified as needed in the central commercial area. The physical improvements could be in place so that the new proprietor would only have to concentrate on the operational aspects of the business and not the remodeling needs of the venue.

A similar approach could be made with the targeted housing improvement area. Owners interested in updating their properties could receive low interest improvement loans to make needed upgrades. The renewal authority could assist with architectural designs and construction management of projects. The authority could purchase some homes and upgrade them on a speculative basis. Those homes could then be offered for resale to working families wishing to become homeowners and long-term residents of the community. The authority could also provide flexible loan terms to owners of rental properties wishing to improve their properties. In order for there to be a substantial change in the quality and appearance of the target area, no building should be ignored. The implementing agency of such a plan would need complete flexibility in designing approaches and financing terms to accommodate the different situations of a variety of owners. Short of compelling individual property owners to fix up their property, the authority would need the right kind of resources to induce owners to participate.

This effort would only be effective if it is coordinated with ongoing efforts to encourage business retention and expansion. If existing vacant commercial buildings were

upgraded, those upgrades should be done with the knowledge of what type of business might utilize the finished space. For instance, a space might be redone for a retail front but there may be a woodworking shop which wants space but cannot use the upgraded space without further upgrades. Any revitalization campaign will need both a housing and a business recruitment effort.

The housing activities should include options for both lower income households and higher income households. In order to provide comprehensive assistance and comply with some of the restrictions on public funds, the revitalization program will need the support and cooperation of private local and state financial organizations. Those organizations will provide capital for the improvements to homes and businesses which do not comply with the income and regulatory restrictions placed on the public money. In some cases public and private money could be blended to produce loan packages with interest rates substantially lower than current market rates. During the program design phase, implementers will need to conduct in-depth research among property owners to design procedures and products to meet their needs. On the housing side both investor owned and owner occupied properties should be targeted. Federal HOME funds may be used for both owner occupied and rental rehabilitation housing efforts.

In addition to the targeted revitalization efforts, the current county-wide owner occupied housing rehabilitation program should be expanded. Many homes throughout the city limits of Walsenburg and in the surrounding county areas could be improved. As more homes are upgraded, increased values will support new mortgage loans and strengthen the overall vitality of property valuations from a mortgage lender's perspective.

Las Animas

Trinidad benefits from a very attractive, historic downtown area. Over the years, retail activity in the downtown neighborhood has moved up and down with the larger economy. Currently, the downtown area includes small specialty shops, bars and restaurants and some service businesses including banks and professional offices. There are not enough downtown residents to support current retail establishments. Having an anchor downtown population is critical to the economic viability of the historic district. Larger retail and service establishments are locating closer to the Interstate. Many consumers will make infrequent trips to the downtown area, primarily for entertainment visits. Creating an anchor population in the central neighborhood is one way to mitigate the growing trend to locate high volume businesses away from the historic area.

While the building fronts of many of the buildings have received extensive preservation work, the upper floors remain vacant. These empty spaces could be developed into attractive residences. In order to make the spaces viable dwellings, energy conservation improvements would have to be a priority. Older buildings are often not designed or constructed for energy efficiency. Sometimes the need for efficiency outweighs the more esoteric aspects of historic preservation. In order to minimize the utility/operating costs of the downtown buildings, energy retrofits should include insulated window glass,

insulation placement on all interior surfaces of the building exposed to the outside, high efficiency central heat boilers, and the use of active solar systems for domestic hot water and supplemental heat.

A thorough analysis should be completed to develop finance mechanisms to complete the redevelopment of the empty space into residential use. That analysis should identify barriers associated with any funding source. For instance, State Historic Fund Guidelines may limit options on how to effectively weather proof old windows. Federal CDBG money may require costly structural changes to the buildings to meet Americans with Disabilities (ADA) guidelines. There are many challenging regulatory issues involved in retrofitting historic buildings. While these various regulations can add to the cost of a project, there have been successful conversions in many communities across the United States. A key feature of successful efforts revolves around a project implementation team that looked creatively at each challenge and developed finance or construction alternatives around each barrier. In the case of the downtown area, private and municipal funds will be essential to fill holes created by the regulatory limitations of other funds.

Once a definite program and plan is developed, the approach should be expanded to improve both the houses and the infrastructure on the streets backing the south side of Main Street. There are areas in the center of Trinidad lacking curbs and gutters as well as sidewalks. Those items will help define the neighborhood and convey a sense of stability. Without infrastructure improvements, the neighborhoods appear in a transitional state. It appears that disinvestment is occurring perhaps because the downtown commercial activities are encroaching into the neighborhood.

This neighborhood would also benefit from a targeted housing improvement effort. The neighborhood is unique because it contains a variety of dwellings. Some are larger, others are older, others still exhibit the materials used in their construction in the early 20th century. The variety of structures is visually interesting. However, the neighborhood has a run down appearance because the level of maintenance from home to home is very different. On one block there may be a well kept small home sitting next to a large home with the shingles blowing off the roof. For the casual visitor it is difficult to tell if the neighborhood is suffering from blight or if gentrification is occurring.

The neighborhood is located near the major employment centers in Trinidad. If there were a clearer sense that the neighborhood was prospering, more families would reside there so that they could be within walking distance of jobs. With better infrastructure and better maintained homes, downtown businesses would benefit because more people would be circulating through the area on foot.

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 gets built, 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. All of those decisions at the various levels of government influence the price and availability of housing.

Both Huerfano County and Las Animas County residents are fortunate that the 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. In previous decades the relationship between salaries and home prices was more favorable to buyers. Because of some structural changes in the local economies and different demographic trends, the unregulated housing market is not able to effectively respond to all segments of housing demand. There are actions and policies which are used regularly by local jurisdictions to enhance housing choice for residents.

Generally the 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. In Las Animas County, growth has been steady enough that not all rural residents can drill a well and provide their own water. Many residents have to transport water to refill storage cisterns. As the rural population increases, a higher level of regulation may be required to mediate the impacts of growth. More homes will place greater stress on existing water supplies, roads and limit the ability of individual sewer systems to effectively recycle wastewater into the earth.

Because water is becoming a challenge for rural residents, more developments will see the advantage of annexing into the City of Trinidad in order to obtain utility service. The City will be updating its comprehensive plan in the near future. That plan should address the city position on how far it is willing to annex land and provide services for new development. The city will also have substantial control over where the new development occurs simply by denying or approving annexations within a certain area. These powers are all very significant in defining a future City of Trinidad. The City will have to invest significant time and allow widespread citizen input on the topic of annexation so that a firm consensus exists when it is time to approve or disapprove specific requests.

Las Animas County will be placed in the unenviable position of trying to control or lessen the impacts of continued gas exploration and production activities on residential

property. If the pace of development occurs at the present level for some years, the desirability and thus the demand for rural housing may decline. The rural housing model may evolve into one in which highly developed lots are offered for sale by a master developer who provides central water and sewer and also controls the mineral rights so that residents are buffered from industrial intrusions.

Huerfano County will continue to see further residential development in the unincorporated areas. The County and City of Walsenburg will have to examine the opportunities for development on the perimeter of the city limits to determine whether the City of Walsenburg is willing to entertain annexation requests. The availability of treated water and central sewer will become more important as rural water supplies become overused.

The City of Walsenburg would benefit by investing in improvements to its utility systems so that development can occur in the current city limits as well as in those areas directly adjoining present boundaries. The northern area of Walsenburg contains unique development potential because of its proximity to the I-25 corridor. While this area is appealing for light industrial and commercial development, businesses would be more inclined to locate in that area if employees could reside in better quality housing in existing Walsenburg neighborhoods. If the Walsenburg housing is not improved, the families of employees may choose to live in other communities easily accessible off I-25. If the city determines that some annexations would be appropriate, the county should facilitate those future possibilities by patterning its development regulations along those of the City in a jointly designated planning area.

For both Huerfano and Las Animas counties the municipalities have a greater play in potential actions and policies around housing needs. For this reason the narrative in this section will focus primarily on Walsenburg and Trinidad.

Both communities have a great need for an aggressive revitalization effort centering on the older central business and residential areas. In order to have any significant impact, such an effort in both towns will require substantial financial resources. Part of the issue to be addressed is how to raise the needed financing. Both housing authorities and urban renewal authorities have the legal ability to issue certain types of tax exempt bond financing. Because the income earned by investors in the bonds is free of federal and state taxes, the interest rates offered to borrowers are lower than those found on non exempt bonds. In addition to bond financing, other sources will have to include federal and state grants and loans, local contributions, private financing from banks and property owners. Within the targeted areas, there may be the need to update health and safety standards and abandoned building ordinances. Combining regulatory approaches with incentive-based plans often produces better outcomes. If a building owner needs to make health and safety improvements, providing the opportunity to do so with below market financing often tips the scale in favor of participation in a revitalization project.

In addition to cash sources, there are a number of non cash incentives that municipalities should consider to lower costs and provide incentives for private owners to respond to the town's vision for the targeted areas. Those incentives might include waiver or deferral of certain fees such as water and sewer tap fees, building permit, excise taxes, etc. In order to apply those incentives equitably, the city will need to develop a clear policy outlining the eligibility criteria for the concessions. In both communities it will be important to establish a broad advisory committee to provide direction to the implementing authority. The revitalization effort is designed to both stimulate commerce and improve the housing supply. Advice from experts in all fields will be needed to frame a project scope and plan supported and utilized by the largest number of residents.

In addition to targeting resources to the central business area, the City of Trinidad has the ability to provide significant assistance to developers and organizations wishing to address some of the needs outlined in this report. Since the City operates the only central water and sewer system in the county, developers wishing to provide housing for those with modest incomes will turn to building sites within the city limits in order to utilize those city services. The City has the ability to provide certain incentives in the form of fee waivers or deferrals if projects reflect targeted goals. In order to identify such projects, the City could utilize the comprehensive plan update as a way to address the housing needs of residents not served by the market.

Given the cost of land, infrastructure and construction, manufactured housing on small lots is a product which can be affordable to households on limited budgets. A manufactured housing community which includes both leased and owned lots would be well received in the market. The City could encourage such a project and work closely with either a for profit or non-profit developer to create a development that was cost effective but also enhanced surrounding land uses. Manufactured home communities can be controversial development projects, but if the City were to work cooperatively on the front end to achieve a quality design, such a project could provide affordable housing and upgrade some areas within the city limits.

In addition to providing incentives, the City of Trinidad should also examine its overall land use and determine if there is adequate land zoned for multi-family use. Without land allowing rental apartments as a use by right, many developers will decline to endure a zoning review process that might result in rejection of a project. Additionally, the largest segment of identified need in this report targets younger households desiring to become homeowners. In order to produce new homes affordable to those in the income ranges listed above, land costs need to be minimized. Adjusting to the new economic realities in the west may require first time homebuyers to start out in smaller homes on smaller lots. City regulations need to be flexible enough that developments can be approved using higher densities per acre of ground.

The City of Trinidad has provided some surplus lots to affordable housing developers. In order to encourage those donations, the City could inventory its holdings and determine what other lots might be available for donation to certain groups. City public

facility and planning staffs could work together and identify pieces of land that might be available for development within the city limits if certain access or site problems could be mitigated.

Overall the City of Trinidad has been supportive of previous affordable housing efforts. In some respects the City plays a reactive role. It is not the City role to be the developer or advocate for various projects. That capacity and ability must come from the community at large. The City can nurture and support that community initiative by providing resources and creating a regulatory environment to encourage certain efforts based on the priorities.

Community Support

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

The survey data and local discussions acknowledge that many citizens with limited means have housing problems in Region 14. The federal government and state agencies have resources to assist with these needs. A community needs a local implementer(s) to design programs, sponsor and own developments, coordinate and cultivate local resources. Within the region there are two local implementers which deal with HUD's rental assistance program and manage some senior and low income rental units. Neither of those organizations have plans for future development activities.

The Trinidad Housing Authority is in a transitional mode. Its long time Executive Director retired and presently a replacement has not been hired by the housing authority board. This may be a good opportunity to consolidate the housing effort in Las Animas County by creating a management contract with SCCOG for the staff operations of the city housing authority. The housing authority board would still set the agenda and establish the program of work. However, the existing housing authority employees would be transferred to the COG. Executive management would be consolidated within COG staff. This change would have the affect of lowering the administrative overhead for housing programs and combining the housing activities under one agency. As Section 8 administrative funds continue to dwindle, the more efficient management structure could help keep the program in tact. The COG, as a multi-jurisdictional entity, would be in an excellent position to deliver the Section 8 Rental Assistance Program to the remainder of Las Animas County. Currently Las Animas County residents are served by the Walsenburg Housing Authority.

The South Central Council of Governments provides housing rehabilitation loans to low income homeowners in the two counties. The SCCOG also performs application intake services for poverty level households applying for energy conservation improvements. Those services are performed out of Pueblo. Because of the centralized nature of the energy conservation program, crews travel to Region 14 for a few weeks a year to

complete the allotted number of units. While this business model may save the state money, it is not the most effective for community groups or those needing the service.

The City of Trinidad is in a difficult position as the owner of the natural gas and electric utility and the current steep price increases in the commodity markets will be passed on to city residents and citizens. Those citizens, both at the poverty level and at incomes levels above that could benefit from local energy conservation services. The City of Trinidad, with the natural gas suppliers and the SCCOG could explore a local program that would provide those services either through the current provider in Pueblo or by creating their own local crew. Additionally, the City of Trinidad and suppliers could provide capital out of the utility fund to SCCOG so that emergency loans could be made to households in danger of having their electric or gas service suspended for non-payment. SCCOG has the experience and infrastructure to manage such a program.

Recently, SCCOG sponsored the formation of a Community Housing Development Organization (CHDO). The CHDO entity is a unique type of non-profit corporation and is eligible to receive certain types of financial assistance through the federal HOME program administered by the Colorado Division of Housing. SCCOG has recruited a start up board of directors. The board will have representation from both Huerfano and Las Animas Counties and the municipalities. One third of the board members will be local government representatives, one third private sector representatives and one third will represent low income populations. Once a CHDO work plan is drafted, staff will be hired to implement that work plan. The findings and recommendations contained in this assessment will be one source for the creation of a CHDO work plan.

A CHDO work plan may cover a wide range of activities. A CHDO can be involved in community education and outreach. CHDOs may undertake a variety of development tasks such as building houses or apartments for households with modest incomes. CHDOs may operate various financial assistance programs providing loans and down payment assistance for rehabilitation and homeownership. CHDOs may buy and sell or manage property. CHDOs may engage in joint ventures and partnerships with other non-profit or for profit entities. CHDOs may participate in housing activities that are not exclusively targeted to a particular income group.

The CHDO organization can be effective in serving as a catalyst and implementer in a variety of contexts. But the CHDO will only be successful if it can build relationships with other local organizations including local governments and businesses. There are many opportunities for organizations to come together in partnership to accomplish goals. The existing organizations (including housing authorities, human service providers and others) have an important role in growing the capacity in the region in order to improve the economy and the lives of citizens in Huerfano and Las Animas Counties.

Based on the research incorporated into this assessment, CSI believes that the South Central Colorado Housing Development Organization (SCCHDO) should become the primary initiator of new housing programs and projects in the region. The SCCHDO

could take the lead in the housing revitalization efforts in both Walsenburg and Trinidad. The SCCOG should consider moving its housing rehabilitation program and staff into the CHDO entity. Other items for a work plan will be presented in the next section of this report.

The critical success factors boil down to two concerns. The Board of Directors needs to be an active board which oversees staff actions on a day to day basis. As a start up, the CDHO will need the active support of board members from both Huerfano and Las Animas Counties. Those directors will have to do the heavy lifting to solicit local resources to support the CHDO work plan. Unless the board is fortunate enough to hire competent local staff, CHDO personnel who are new to the communities will need time to build up relationships in local communities. Until those relationships are firm, CHDO board members will have to provide that critical link with residents.

The second concern lies with the board hiring decisions. The housing market and particularly affordable housing programs are extremely complex. It is essential that the initial CHDO staff have a good background in the housing finance and development process. They also must have knowledge of how to build local support for affordable housing. Additionally, CHDO employees need to have a working knowledge of the federal and state housing program guidelines. The job of CDHO Director is not suited for “on the job training.” Whoever is hired for this position must have the technical and personal skills to produce an outcome rather quickly.

In order to support a continuum of affordable housing efforts, resources must be combined from a number of smaller efforts. Most affordable housing programs and projects include a mechanism to allow the implementing agency to recover some of its costs. Usually no single program pays enough to cover all the expenses related to a region-wide housing agenda. It takes contributions from a number of programs and sources to build a budget to pay all the expenses. Most self-sufficient housing agencies earn that support from multiple sources. In order to build an agency that is viable for the long term, it is important to concentrate a number of revenue generating activities under one roof.

As federal budget constraints shrink the funds available, it will be important for the SCCHDO to be an entrepreneurial organization. The board and staff will have to develop a work plan that is essentially a business plan. The CHDO will need to respond to real needs in the communities it serves but it must form those responses in a businesslike manor. If the CHDO loses money and ceases to operate, no one will be served.

At this point in time, the most pressing and obvious needs in the region revolve around homeownership opportunities. In terms of the programmatic plan, initial efforts should focus on efforts to produce affordable first time homeownership opportunities. The following suggested action items will list possible options for addressing those needs. As the SCCHDO staff and board form an effective working relationship, other needs can be addressed such as the need for rental housing, downtown revitalization, etc.

Region 14 Housing Assessment Action Plan

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

AAA	Area Agency on Aging
AADA	Advocates Against Domestic Assault, Trinidad
CARHOF	Colorado Association of Realtors Housing Opportunity Fund
CHFA	Colorado Housing and Finance Authority
Continuum of Care	Local human services and housing providers who assist homeless
CRHDC	Colorado Rural Housing Development Corporation, Denver
CTPHA	City of Trinidad Housing Authority
DOH	Colorado Division of Housing, Denver
DOLA	Dept. of Local Affairs, Denver
EDC	Economic Development Commission, Denver
EOC	Energy Outreach Colorado, Denver
HUD	U.S. Dept of Housing and Urban Development, Denver Regional Office
Huerfano EDC	Huerfano Economic Development Corporation, Walsenburg
OEC	Governor's Office of Energy Conservation, Denver
RCAC	Rural Community Assistance Corporation, Denver Office
SCCHDO	South Central Community Housing Development Organization, Trinidad
SCCOG	South Central Council of Governments, Trinidad
T-LA EDC	Trinidad/Las Animas Economic Development Corporation, Trinidad
USDA/RD	U.S. Dept. of Agriculture, Rural Development, Denver State Office

Housing Goal 1, Action Steps for Housing Choices

Provide a full range of housing choices in Las Animas and Huerfano Counties. 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.

Actions		Priority	Time Frame	Players	Cost
a.	Develop a Class A, 24-unit market rental complex.	M	2-3 years	Private sector, local government, SCCHDO, CHFA, DOH	\$\$\$\$\$
b.	Place in operation a Region 14 first time homebuyer down payment assistance/homebuyer education/mortgage counseling program.	H	1-2 years	SCCHDO, local government, employers, CHFA,DOH,HUD,CARHOF	\$\$
c.	Initiate actions to encourage builders to increase the supply of attached and detached homes in the \$86,000 to \$144,000 price range.	H	1-2 years	Local governments, SCCHDO, Private Sector	\$
d.	Senior groups in Las Animas County should work with community leadership to fund an assessment of senior housing and long-term care needs. The study should prepare demand forecasts for non-subsidized senior housing options.	M	2-3 years	Seniors, AAA, Private sector, care providers, Local Governments	\$\$
e.	Examine ways to broaden the Habitat for Humanity program in Las Animas County and link Habitat effort with USDA/CRHDC self-help home building program in the county.	L	2-3 years	Habitat for Humanity, CRHDC, USDA county office	\$
f.	Develop and build a 24 unit senior rental complex within walking distance of other senior services.	M	2-3 years	SCCHDO,SCCOG, seniors, local governments, DOH, CHFA	\$\$\$\$\$
g.	Develop and build a 40 unit manufactured housing community in Trinidad with lease and for sale opportunities within the development. Utilize a lease purchase model to move households into ownership. Limit leased lots to no more than 1/3 of available lots.	H	3 yrs.	SCCHDO, local government, CHFA, DOH, private sector, USDA	\$\$\$\$\$
h.	Build or purchase 12 1-3 bedroom units to be made available for short term rentals, less than a two year lease, for those transitioning from homelessness and/or displacement due to domestic violence.	H	3 yrs.	SCCHDO, AADA, Continuum of Care, local government, CHFA, DOH, private sector, USDA	\$\$\$\$\$
i.	Convene a community group of lenders, Realtors, builders, economic development representatives, to facility an expansion of mortgage lending opportunities in Las Animas County.	H	1-2 years	SCCHDO, CHFA, DOH, private sector Realtors and lenders, T-LA EDC, USDA	\$

Housing Goal 2, Action Steps for Housing Preservation

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

	Actions	Priority	Time Frame	Players	Cost
a.	Transfer SCCOG Rehabilitation Loan Program to SCCHDO for administrative efficiency.	H	1 yr.	SCCOG, SCCHDO, DOH, USDA	\$
b..	Establish a region wide rental property rehabilitation program and revolving loan fund	H	2-3 years	SCCHDO, local government, CHFA, DOH, private sector	\$\$\$\$\$
c.	Institute a central business district neighborhood revitalization program in Trinidad and Walsenburg. Program should interface with various entities to provide incentives and undertake regulatory actions to improve the quality of the residences and commercial buildings. A revitalization effort would include plans: (1) to enhance a village center appearance in the central commercial area. (2) To include more residential units in existing buildings. (3) Target public facility improvements and housing upgrades in neighborhoods adjoining commercial area. Revitalization efforts should be planned to utilize both owner occupied and rental rehabilitation capacity.	H	2-3 years	SCCHDO, local government, EDC, CHFA, DOH, private sector, USDA	\$\$\$\$\$
d.	Work with the City of Trinidad Utility Dept. to establish a local energy conservation program that would offer both building improvements and emergency loans for households facing disconnection.	H	1 yr.	SCCHDO, local government, Frontier Energy, OEC, private sector, EOC	\$\$\$

Housing Goal 3, 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	Cost
a.	In Trinidad and Walsenburg, establish criteria to allow the inclusion of accessory dwellings in new and existing dwellings where the impacts can be reasonably accommodated both for safety and design.	M	2 yrs.	Local government, private sector	\$
b.	Create planning agreements for areas adjacent to municipal boundaries with the goal of providing smoother annexation requests for delivery of municipal utilities from Trinidad and Walsenburg.	H	3 yrs.	Local government, private sector	\$
c.	Adopt a City of Trinidad Comprehensive Plan that directs city policies to foster more housing choices. Plan elements to include: (1) smaller lot sizes allowed on for sale units, (2) adequate land zoned for multi-family rental and manufactured housing, and (3) a commitment to annual public inventory of land approved for both single family and multifamily uses.	H	1 yr.	SCCHDO, local government, OEC, private sector, EOC, private sector	\$
d.	Adopt Trinidad policies governing development fee waivers/deferrals for housing priced at an affordable level to targeted income groups. Make transfers from General Funds or Utility funds if needed to backfill enterprise fund deficits.	H	1-2 years	Local government, private sector,	\$\$
e.	Trinidad and Walsenburg city governments should serve as the catalyst and convener for a neighborhood revitalization program to involve the private sector and the non-profit sector as partners. Local governments will provide resources, legal structure, and necessary assistance and support for the effort to improve housing and business conditions simultaneously.	H	3 yrs.	Local government, SCCHDO, EDC, USDA, CHFA, DOH, DOLA, T-LA EDC, Huerfano EDC, Chambers of Commerce	\$\$\$\$\$

Housing Goal 4, Action Steps for Community Support

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

	Actions	Priority	Time Frame	Players	Cost
a.	SCCOG should fill any vacant seats on SCCHDO board of directors.	H	1 yr.	SCCOG, private sector	\$
b.	SCCHDO board should create a business plan determining organization priorities for the next three years.	H	1-3 years	SCCHDO, local government, private sector, DOH	\$
c.	SCCHDO board should develop a recruitment and staffing plan to hire key personnel within one year.	H	1 yr.	SCCHDO, local government, private sector, DOH	\$\$\$
e.	SCCHDO should form the necessary agreements with local entities to secure at least \$60,000 for first year salary and operating expenses. This local seed money will be used to acquire matching funds from non-regional sources.	H	1 yr.	SCCHDO, local government, private sector, DOH, CHFA, HUD, RD	\$\$\$
d.	SCCOG, SCCHDO, Trinidad housing authority, City of Trinidad should work together to form a management agreement to provide for staff of PHA and CHDO.	H	1 yr.	SCCOG, SCCHDO, local government, CTPHA	\$
e.	As part of the planning process, SCCHDO should work with technical assistance providers to develop implementation plans for the programs and projects identified in the goals of this regional action plan.	H	1-3 years	SCCOG, SCCHDO, local government, private sector, DOH, HUD, RD, RCAC	\$\$\$