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# La Plata County Housing Needs Assessment

PREPARED FOR:

Regional Housing Alliance of La Plata County

Report:

11/17/2025

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## EXECUTIVE SUMMARY

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### LA PLATA COUNTY HOUSING NEEDS ASSESSMENT

# Report Organization:

- I. Socioeconomic Framework
- II. Housing Market Trends
- III. Housing Needs Analysis
- IV. Community Engagement Findings

*The La Plata County HNA has been updated to comply with SB24-174.*

## Housing Balance

A balanced housing stock accommodates a full “life cycle community”—where there are affordable housing options for each stage of life from career starters through centenarians—which in turn supports the local economy and contributes to La Plata County’s community culture.

## Introduction

The Housing Needs Assessment (HNA) was commissioned by the Regional Housing Alliance of La Plata County (RHA) to better understand housing needs in La Plata County—including market changes since the 2020 regional assessment. The HNA was designed to address and exceed the requirements of Senate Bill 24-174.

The results of this HNA will assist the RHA in developing strategies to help address housing needs throughout the county.

## Why Work to Address Housing Needs?

- Research consistently shows that a constrained housing market negatively impacts economic growth while stable and affordable housing are central to the health of individuals, families, and communities.
- Households living in stable housing are more likely to spend their incomes in the local economy through direct spending on goods and services.
- Housing investments that allow workers to live near their place of employment can reduce the impacts of traffic and commuting.
- Affordable housing is key to providing high quality public services as many essential workers (e.g., doctors, nurses, and teachers) often leave communities that do not have an adequate supply of housing in their price range.
- Generational wealth from affordable home ownership is a major contributor to positive outcomes for children. As housing and equity are passed down, young adults have the option to remain in the community and have families of their own.
- Housing investments and stable housing environments also bolster local revenue, increase job readiness, help renters transition to homeownership, lower public costs of eviction and foreclosure, and increase economic and educational opportunities for children.

# Defining Affordability

Affordability is often linked to the idea that households should not be cost burdened by their housing. A cost burdened household is one for which housing costs—rent or mortgage payment, taxes, and utilities—consume more than 30% of monthly gross income. The 30% proportion is derived from mortgage lending requirements and allows flexibility for households to manage other expenses (e.g., childcare, health care, transportation, food costs).

Eligibility for housing programs is determined by where a household's income falls within specific brackets determined by the U.S. Department of Housing and Urban Development (HUD). Brackets are set by Area Median Incomes (AMI). The AMI encompasses all of La Plata County (there is not an AMI for each individual municipality).

**Figure ES-1.**

**La Plata County Regional HUD AMI Thresholds (for 2-person households), 2024**

|                                                                              |                                                                                                                                                |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Income and affordability levels are shown for a household size of two</i> |                                                                                                                                                |
| <b>"extremely" low income</b><br><b>&lt; 30% AMI</b>                         | Income < <b>\$26,550</b> per year<br>Affordable rent: < <b>\$664/mo.</b>                                                                       |
| <b>"very" low income</b><br><b>30-50% AMI</b>                                | Income: \$26,550- <b>\$44,200</b> per year<br>Affordable rent: \$664 - <b>\$1,105/mo.</b><br>Affordable home: < <b>\$75,348</b>                |
| <b>"low" income</b><br><b>50-80% AMI</b>                                     | Income: \$44,200 - <b>\$70,750</b> per year<br>Affordable rent: \$1,105 - <b>\$1,769/mo.</b><br>Affordable home: \$75,348 - <b>\$187,803</b>   |
| <b>"median" to "moderate" income</b><br><b>80-120% AMI</b>                   | Income: \$70,750 - <b>\$106,080</b> per year<br>Affordable rent: \$1,769 - <b>\$2,652/mo.</b><br>Affordable home: \$187,803 - <b>\$337,638</b> |

Note: AMIs shown in the figure reflect a 2-person household in La Plata County. Affordable home price shows the Economic Development Alliance Home Ownership Reference Charts, which calculate affordable home purchase prices, assume (1) a 30-Year Fixed Mortgage Interest Rate of 7.06%, (2) ability to contribute 33% of income to housing costs, (3) a 3% down payment; and (4) ancillary costs (property taxes, insurance, HOA payments, etc.) are estimated using a HomesFund formula.

Source: HUD Income Limits, Economic Development Alliance Home Ownership Reference Charts, and Root Policy Research

# Socioeconomic Trends

*Economic growth outpacing housing supply; residents are aging and incomes are rising, but poverty disproportionately impacts certain groups.*

**Population and households:** La Plata County's population post-Covid has steadily grown following a period of little to no growth between 2018 and 2020. The county's senior population (over 65) is projected to increase from 20% of the population share in 2020 to 26% in 2050.

**Income and poverty.** Income shifts over the last decade show an increase in the number (and proportion) of households earning more than \$100,000 per year. This shift reflects income gains for some, coupled with an influx of higher income residents. Poverty in La Plata County is moderate at just over 11%, though some resident groups are disproportionately impacted by poverty.

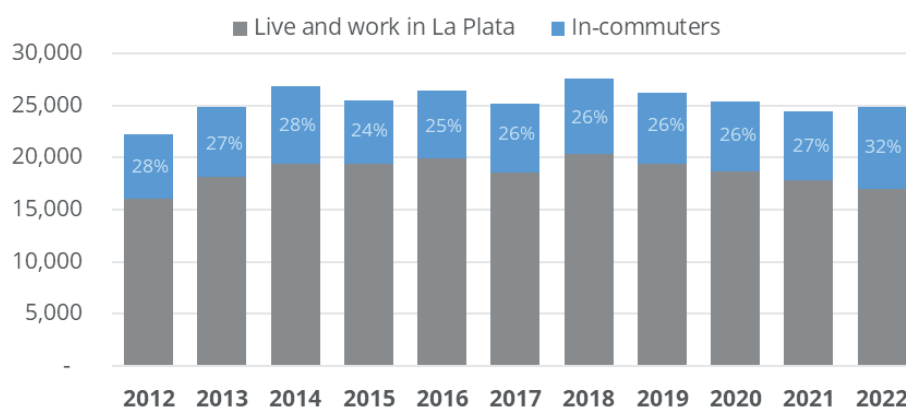
**Economic profile.** Job growth outpaced housing production over the past decade, leading to an undersupply of housing overall.

In-commuting as a percentage of primary jobs was fairly consistent between 2012 and 2021 (averaging about 27%), but may be on the rise, according to 2022 data, which shows nearly one-third (32%) of workers commuting from elsewhere. The most common counties where workers are commuting from are San Juan County in New Mexico (8%), Montezuma County (4%), and Archuleta County (2%).

**Figure ES-2.**  
**Employment and**  
**Commuting**  
**Patterns, La Plata**  
**County**

Source:

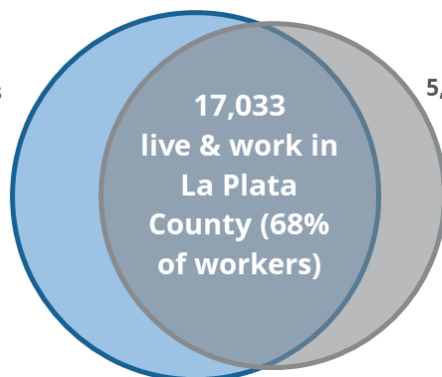
U.S. Census Bureau's Longitudinal  
Employer-Household Dynamics  
(LEHD) and Root Policy Research.



**7,836 workers are in-commuters**

**Originations: Where do La Plata  
County workers live?**

La Plata County (68%)  
San Juan County, NM (8%)  
Montezuma County (4%)  
Archuleta County (2%)  
El Paso County (1%)  
Montrose County (1%)



**5,841 residents are outcommuters**

**Destinations: Where do La Plata  
County residents work?**

La Plata County (75%)  
San Juan County, NM (3%)  
Montezuma County (2%)  
Mesa County (2%)  
Denver County (2%)  
Other Colorado Counties (6%)

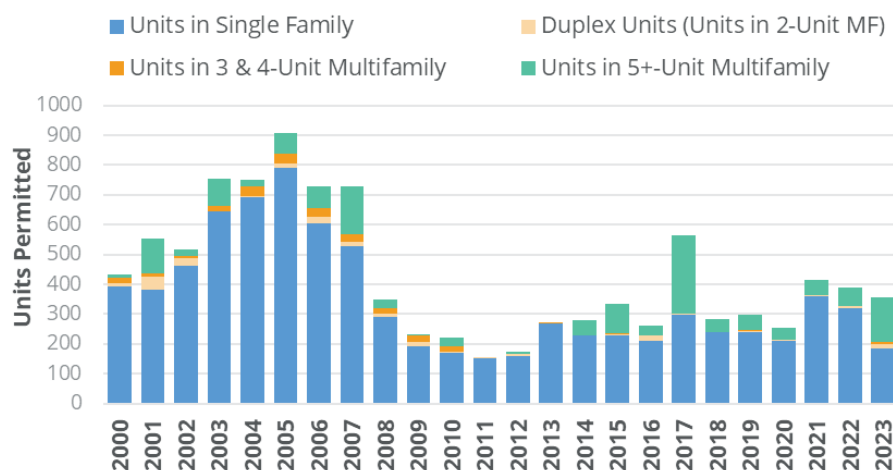
# Housing Stock and Market Trends

Steep price and rent increases outpace inflation. Single family detached is the dominant housing type, though multifamily production is up (concentrated in Durango).

**Housing stock and production.** The majority of La Plata County's housing stock is single-family detached products—however, recent permitting has shown an increase in multi-family housing types (concentrated in Durango).

The vast majority of La Plata's housing stock—82%—is occupied by permanent resident households. Of the remaining 18%, about half of units are vacant for “recreational, seasonal, or occasional use”—including short-term rentals.

**Figure ES-3. Units Permitted, La Plata County**



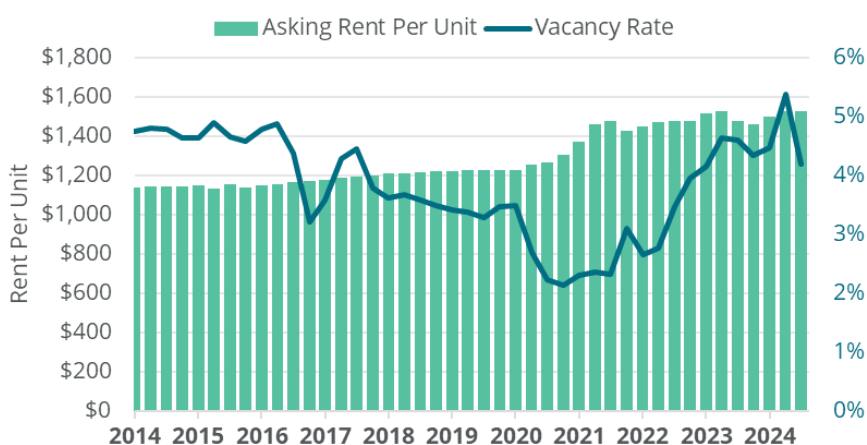
Source: U.S. Census Bureau's State of the Cities Data Systems (SOCDS) and Root Policy Research.

**Since 2012, job growth has outpaced new housing production**—in other words, housing supply is not keeping up with economic growth, creating additional pressure on the housing market and contributing to higher in-commuting.

**Rental market.** The median rent paid by renters, accounting for the use of regulated affordable units and vouchers is about \$1,350 (as of 2022). The current asking rent of market-rate units is about \$1,500 (median as of 2024). The increase in median rent outpaced income growth, compressing affordability for current renters.

Rental units in the county have increasingly shifted to higher price points over the last decade, resulting in a sharp decline in units affordable to low- and middle-income households. Just since 2017, the number of units priced below \$1,000 per month dropped by 1,300 units. Rental units priced over \$2,000 per month tripled and comprise about one third of the rental stock.

**Figure ES-4. Asking Rent and Rental Vacancy Rate.**

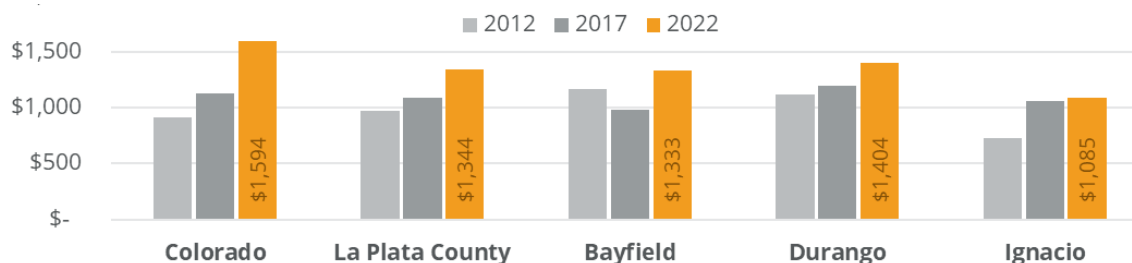


Source: Costar and Root Policy Research.

# Housing Stock and Market Trends (continued)...

Steep price and rent increases outpace inflation. Single family detached is the dominant housing type, though multifamily production is up (concentrated in Durango).

**Figure ES-5. Median Rent Paid (by Community), 2012, 2017, 2022**



Source: 2012, 2017, and 2022 American Community Survey (ACS).

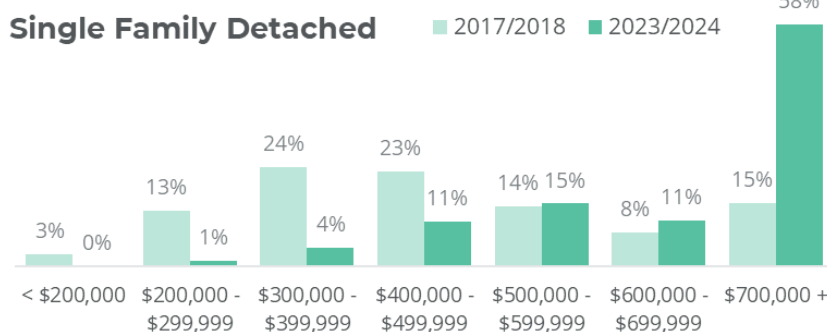
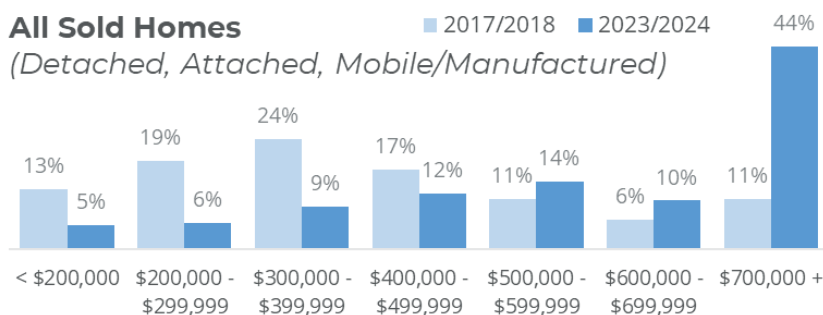
## Homeownership and sale market.

Seventy-one percent (71%) of La Plata County households own their home. Bayfield has the highest homeownership rate at 74% and Durango has the lowest at 55%.

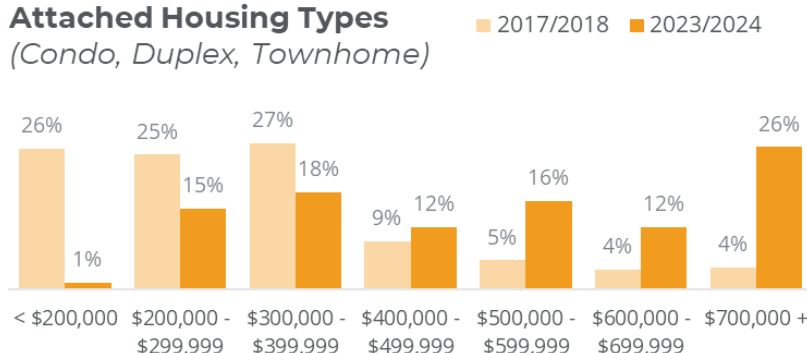
The median home *value* in the county (including all home types) was about \$666,000<sup>1</sup> in 2024—up 55% in the past five years and more than double the 2010 value.

Figure ES-6 shows the price distribution (by product type) of homes listed or sold in La Plata County in 2017/18 compared to 2023/24. Sales below \$500,000 have dramatically declined in recent years, comprising only 32% of homes sales in the county in 2023/24, down from 73% in 2017/2018.

**Figure ES-6. Distribution of Homes by Sale Price.**



**Attached Housing Types** (Condo, Duplex, Townhome)



Source: MLS and Root Policy Research.

<sup>1</sup> This median value is in line with data from the Durango Association of Realtors which reports the 2024 median sale price as \$675,827 (see <https://durangorealtor.com/market-stats/> for details and for regular updates).

# Housing Affordability & Needs (continued)...

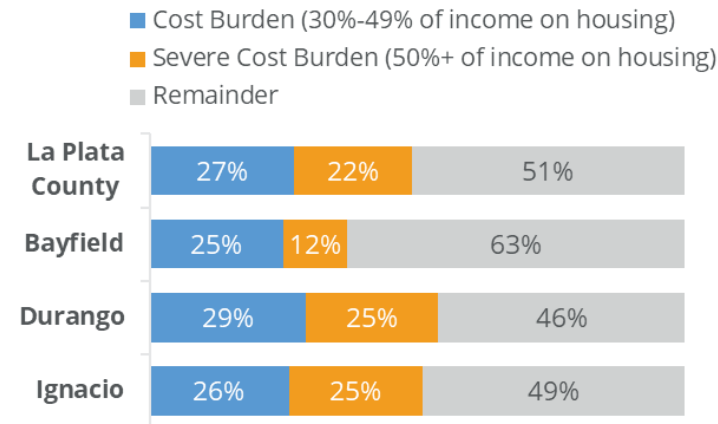
Changes in affordability, mismatches in supply and demand, and cost burden.

**Affordable rental inventory.** Income-restricted housing plays an important role in providing affordable rents to La Plata residents and workers with low to moderate incomes. In total, there are 808 income-restricted rental units across 19 properties in La Plata County.

**Cost Burden.** Thirty percent (30%) of all La Plata County households are cost burdened (even after accounting for income-restricted inventory). Rates of cost burden are higher among renters (see Figure ES-7): about half (49%) are either cost burdened (27%) or severely cost burdened (22%).

Over the past 10 years, the impact of cost burden has expanded to higher income renters than in the past. Recent trends show substantial increases in the proportion of renters who are considered cost burdened in the \$35,000 to \$75,000 income bracket.

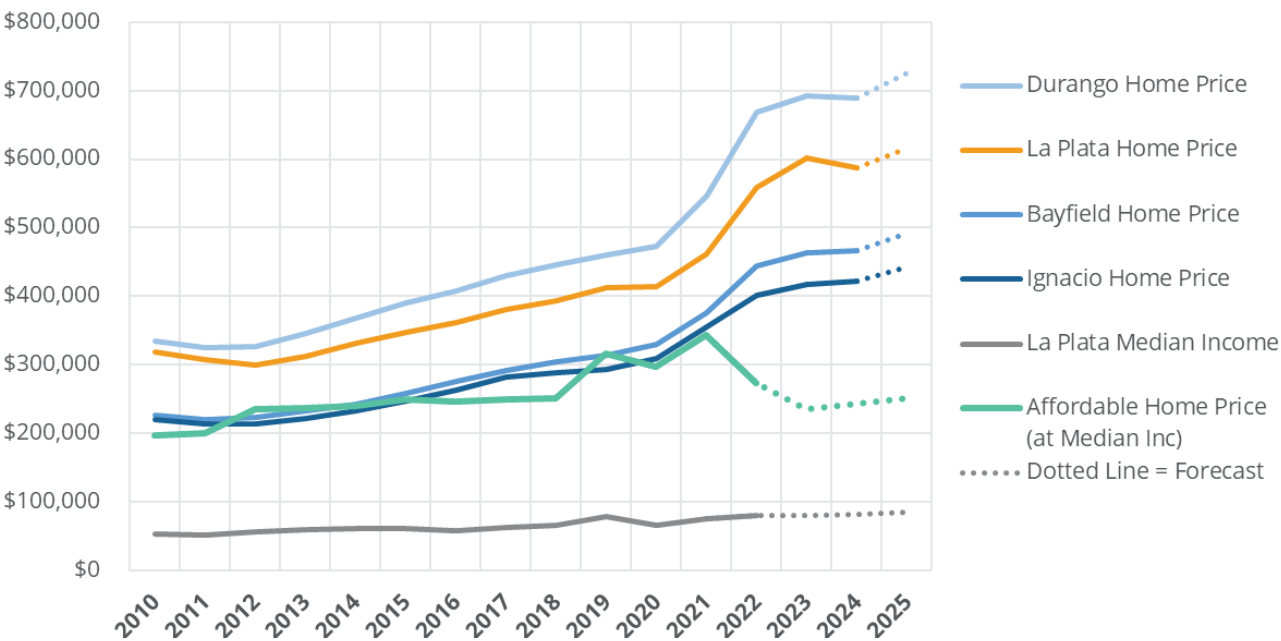
Figure ES-7. Renter Cost Burden



Source: 2022 ACS and Root Policy Research.

**Changes in affordability:** Increases in both rent and home prices exceeded the change in median incomes—compressing affordability for renters and buyers. Rising interest rates exacerbated affordability challenges for buyers.

Figure ES-8. Home Values vs Affordable Prices, 2010-2024



Notes: Purchasing power assumes that buyers spend 30% of their income on housing and have a 30-year mortgage with a 10% down payment. Ancillary costs (e.g., property taxes, insurance, HOA payments) are assumed to collectively account for 30% of monthly housing costs.

Source: Zillow Analytics, US Census Bureau, and Freddie Mac.

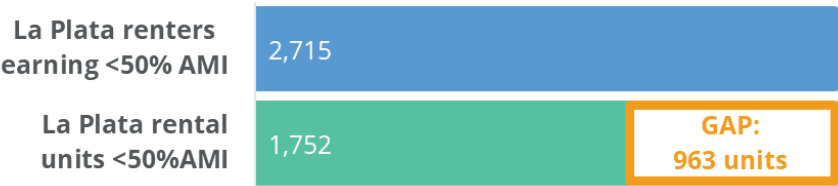
# Housing Affordability & Needs

Changes in affordability, mismatches in supply and demand, and cost burden.

**Affordability Needs—mismatches in supply and demand by price:** The affordability gaps analysis shows that affordability needs are concentrated below 50% AMI in the rental market and below 150% AMI in the for-sale market. There is an affordability shortage of nearly 1,000 units for renters earning < 50% AMI (even accounting for income-restricted rental units). These affordability needs can be addressed by new units at the needed price-points and/or subsidies of existing units.

**Figure ES-9. Rental Affordability Gaps.**

Source: 2022 ACS and Root Policy Research.



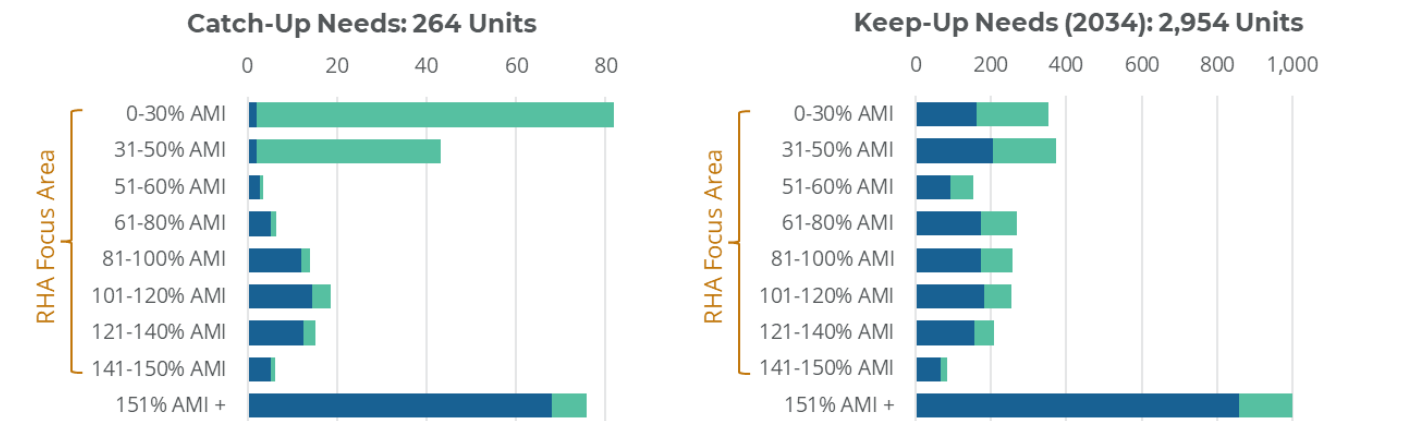
Currently, 2-person households need an income of 246% AMI to afford the median priced home. The greatest affordability shortage of for-sale homes is at incomes below 150% AMI (prices < \$450,000).

**Current (“Catch-Up”) and Future (“Keep-Up”) Housing Needs:** New units needed to ensure housing availability and stability for La Plata County households—as distinct from the new units or subsidies needed to make housing affordable to current households, discussed above—were calculated according to SB 24-174 guidelines.

- **Catch-up needs:** 264 units (124 for sale and 140 rental) are needed for current county residents.
- **Keep-up needs:** La Plata County needs to add 2,954 units (2,070 for sale and 884 for rent) in the next 10 years to keep up with projected population and job growth.

Figure ES-10 shows that for current and projected needs, rental needs are greatest at 0-50% AMI, while for sale needs are greatest above 150% AMI. While market rate development may produce ownership units above 150% AMI and rental units above 80% AMI, public assistance is needed to deliver ownership units below 150% AMI and rental units below 80% AMI (the affordability level most needed by renters). RHA’s focus area for housing investments will be units below 150% AMI.

**Figure ES-10. Current (“Catch-Up”) and Future (“Keep-Up”) Housing Units Needed.**



Source: 2022 5-year ACS, 2017-2021 HUD CHAS estimates, DOLA, and Root Policy Research.

# Community Perspectives

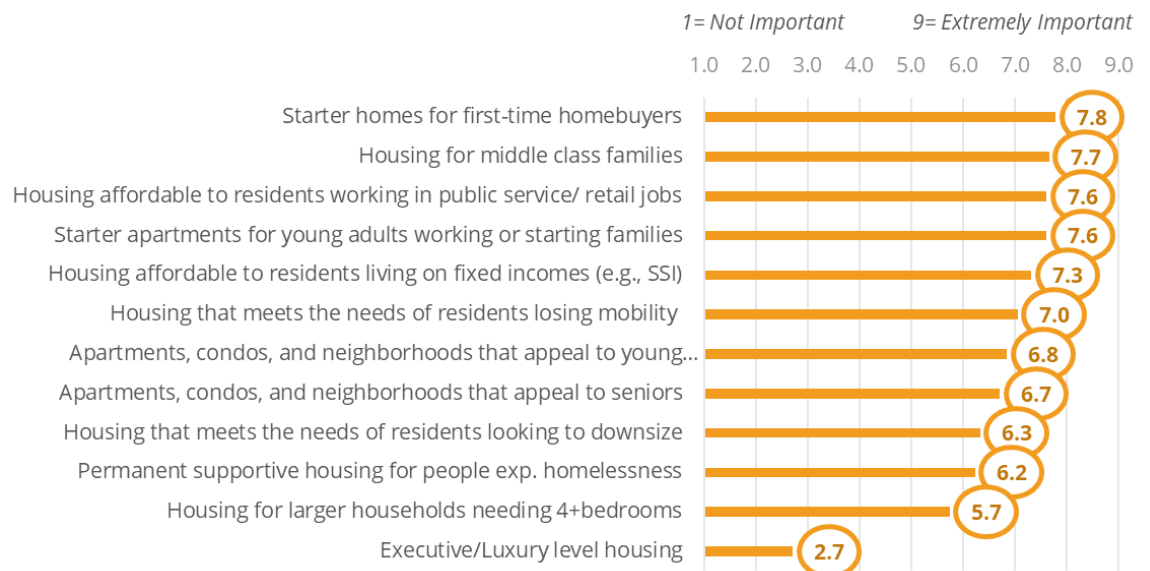
*Resident and in-commuter survey, stakeholder interviews and focus groups*

**Resident Survey.** Over 400 people responded to a resident / workforce survey on housing choices, challenges, and preferences in the community:

- Housing affordability was a key concern among residents, impacting housing choice (across income levels and tenure), financial security, and housing stability.
- La Plata County resident respondents are open to small-scale density housing products including duplexes, townhomes, tiny homes, and apartment buildings with 3 or less stories.
- Residents ranked housing for first time homebuyers, housing for middle class families, and workforce housing as the most important housing types to local housing supply.
- Residents responded favorably to a potential deed restricted model of affordable home ownership.

**Figure ES-11.**  
**Average**  
**Importance**  
**Rating of**  
**Housing**  
**Types**

Source:  
Root Policy Research  
from the 2024 La Plata  
County Housing Survey.



## Stakeholder interviews and focus groups:

- **Nonprofit service providers** emphasized the need for more affordable housing opportunities for families and people in the service industry. Other concerns included overcrowding, unique housing challenges for newly arrived immigrants, and conditions of manufactured home parks.
- **Employers** across a variety of industries say the housing shortage is a significant contributor to high employee turnover and labor shortage. Looking forward the business community is very concerned that the lack of housing in La Plata County will increasingly limit economic development and the diversity, quantity, and quality of services available to current residents.
- **Real estate professionals and housing developers** highlighted both market and policy barriers to creating affordable and diverse housing in the region, including infrastructure challenges/costs, construction defect laws (state-level), and local land use and zoning regulations. They would like to deliver more product and price-point diversity and offered a range of solutions to help address housing challenges.

# Displacement Risk Assessment

*Vulnerable populations, mobile homes, and disadvantaged areas*

SB 24-174 requires that jurisdictions study risk of displacement, defined as leaving your home or relocating your business because the property is being redeveloped or because the costs of living or doing business become unaffordable. Displacement can also result from discrimination, language or accessibility barriers, declining sense of belonging in one's neighborhood, loss of neighbors or community assets, or loss of a customer base.

**Displacement Measures.** An analysis of displacement measures found that:

- The county's largest populations that are vulnerable to displacement are low income households, cost burdened households (especially cost burdened *renter* households), occupants of housing units built before 1970, older (65+) residents, and BIPOC households.
- Other populations vulnerable to displacement in La Plata County are single-parent households, overcrowded households, residents with disabilities, residents with limited English proficiency, and residents without high school diplomas.
- These populations are vulnerable for reasons including: insufficient income to afford market rate housing, competing essential costs such as healthcare and childcare, living in areas that are more likely to face redevelopment pressures and housing units that are more likely to be in poor condition, facing discrimination, having complex support needs, and being priced out by rising rents.

**Resident, Stakeholder, and Service Provider Perspectives.** With respect to displacement risk, the community engagement process found that:

- Three quarters of resident survey respondents do not feel financially secure in their housing situation. One in four (24%) have put off needed medical treatment to manage housing costs.
- Families increasingly "double up," sharing the housing of others to manage costs.
- The county's most affordable housing units are often in poor condition. Renters and BIPOC households are substantially more likely than other households report that their homes are in fair or poor condition.
- High housing costs cause losses in workforce and high employee turnover, destabilizing local businesses.

**Mobile Homes.** Mobile homes make up approximately 12% of La Plata County's housing stock. Mobile homes provide an affordable source of homeownership but often leave their owner-occupants vulnerable to displacement: many mobile home owners do not own the lot under their homes and may face dramatic increases in the rent for their lots. Further, service providers reported that mobile homes are often in poor condition.

**Disadvantaged Areas.** The Climate and Economic Justice Screening Tool (CEJST) identifies southern La Plata County and an area west of Durango as "disadvantaged" primarily because these tracts include land of Federally Recognized Tribes, but also because these areas contain abandoned mine land, are highly vulnerable to wildfires, and have poor access to transportation.

## SECTION I.

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### SOCIOECONOMIC FRAMEWORK

# SECTION I.

## Socioeconomic Framework

This section provides an overview of demographic, economic, and household trends in La Plata County to establish the context for the housing market and housing needs analyses. Specifically, the section explores the following factors:

- Population shifts;
- Household type and size;
- Age;
- Race and ethnicity;
- Incidence of disability;
- Income and poverty;
- Education and employment; and
- Commuting/transportation patterns.

**Peer communities.** Comparison counties were chosen based on their size, proximity, and/or other comparable characteristics. These counties include Alamosa, Archuleta, Chaffee, Montezuma, Montrose, Routt, and San Juan, NM. Detail for Durango, Bayfield, and Ignacio with comparisons to common commuter towns of Cortez, Aztec and Farmington are provided to the extent that data are available.

### Primary Findings

- La Plata County's population is 56,557 residents<sup>1</sup>; a 10% increase over the past 10 years. The population post Covid has steadily grown following a period of little to no growth between 2018 and 2020. La Plata County's population growth exceeds neighboring Colorado counties with the exception of Archuleta County.
- La Plata County's senior population (over 65) is projected to increase from 20% of the population share in 2020 to 26% in 2050 while all other age groups will decline slightly or stay the same having implications for housing accessibility and healthcare needs.
- La Plata had a median<sup>2</sup> household income of \$81,936 in 2022, the highest of peer communities. Within the county, Bayfield has the highest household median income at \$84,609 followed by Durango (\$76,177) and Ignacio (\$62,833). Income shifts over the last decade show an increase in the number (and proportion) of households earning more than \$100,000 per year. This shift reflects income gains for some, coupled with an influx of higher income residents.

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<sup>1</sup> Based on American Community Survey 2022 5-year estimates.

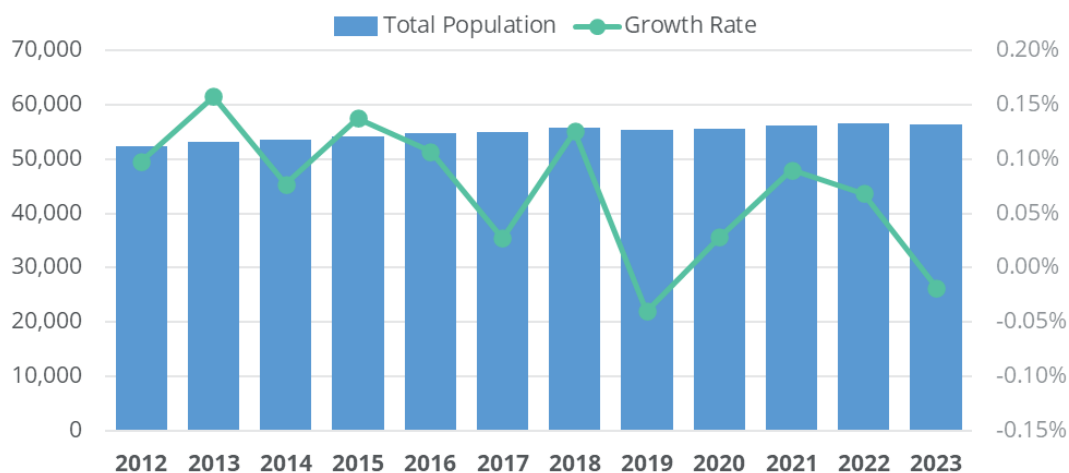
<sup>2</sup> Median is the middle value in a set of numbers. Throughout this report, median is the preferred metric for evaluating the typical value, rather than average, as median more effectively handles outlier values.

- Poverty in La Plata County is moderate at just over 11%, though some resident groups are disproportionately impacted by poverty. Durango and Ignacio have high childhood poverty rates at 23% and 26% respectively and roughly double the rate of peer counties in Colorado. Hispanic or Latino residents, single mothers, and residents with less than a high school degree also have disproportionately high poverty rates across the county.
- Nearly one-third of La Plata County workers do not live in the county. San Juan County in New Mexico and Montezuma County in Colorado are the most common locations of residency for in-commuters.

## Population and Households

La Plata County has about 56,600 residents, up from about 51,400 in 2012. As shown in Figure I-1, the county experienced a steady increase in population between 2012 and 2018. The population declined slightly in 2019 but then increased through 2022, with a slight drop again in 2023.

**Figure I-1.**  
**Population Growth, La Plata County, 2012-2022**



Source: Colorado Demography Office and Root Policy Research.

As shown in Figure I-2, population growth in La Plata County was higher than most peer counties with the exception of Archuleta County over the last decade. Population changes were notably low in Montezuma, Alamosa, and Montrose, with San Juan County in New Mexico consistently experiencing population loss over the decade.

Durango is the largest community in La Plata County accounting for about one-third of the county's population overall. Growth in incorporated areas (Durango, Bayfield, and Ignacio) exceeded growth in unincorporated areas over the past decade. Growth rate was highest in Ignacio, though it still has the smallest population (1,257 residents) in the County.

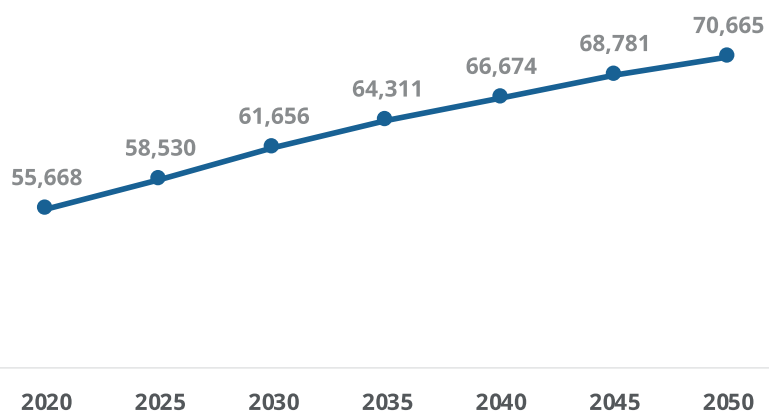
**Figure I-2.**  
**Total Population, La Plata County and Peer Communities, 2012-2022**

|                      | 2012          | 2017          | 2022          | 2012-2017    |           | 2017-2022    |           | 2012-2022<br>Change |
|----------------------|---------------|---------------|---------------|--------------|-----------|--------------|-----------|---------------------|
|                      |               |               |               | Num.         | Pct.      | Num.         | Pct.      |                     |
| <b>La Plata</b>      | <b>51,441</b> | <b>55,034</b> | <b>56,557</b> | <b>3,593</b> | <b>7%</b> | <b>1,523</b> | <b>3%</b> | <b>10%</b>          |
| <b>Durango</b>       | 16,936        | 17,986        | 19,148        | 1,050        | 6%        | 1,162        | 6%        | 13%                 |
| <b>Bayfield</b>      | 2,110         | 2,576         | 2,853         | 466          | 22%       | 277          | 11%       | 35%                 |
| <b>Ignacio</b>       | 864           | 883           | 1,257         | 19           | 2%        | 374          | 42%       | 45%                 |
| <b>Peer Counties</b> |               |               |               |              |           |              |           |                     |
| <b>Alamosa</b>       | 15,750        | 16,345        | 16,460        | 595          | 4%        | 115          | <1%       | 5%                  |
| <b>Archuleta</b>     | 12,109        | 12,592        | 13,509        | 483          | 4%        | 917          | 7%        | 12%                 |
| <b>Chaffee</b>       | 17,879        | 18,818        | 19,436        | 939          | 5%        | 618          | 3%        | 9%                  |
| <b>Montezuma</b>     | 25,424        | 25,770        | 26,464        | 346          | 1%        | 694          | 3%        | 4%                  |
| <b>Montrose</b>      | 42,823        | 40,908        | 43,799        | -1,915       | -4%       | 2,891        | 7%        | 2%                  |
| <b>Routt</b>         | 23,385        | 24,359        | 24,944        | 974          | 4%        | 585          | 2%        | 7%                  |
| <b>San Juan, NM</b>  | 128,600       | 128,221       | 121,798       | -6,802       | -5%       | -6,423       | -5%       | -5%                 |

Source: 2012, 2017, and 2021 5-year ACS and Root Policy Research.

**Population projections.** Population projections will play a significant role in La Plata County's housing planning efforts. Housing development has not kept pace with demand in the county over the past 2 decades, and as such, actual population growth is not likely to reach these projections as residents find housing in neighboring communities. Population growth rates are declining, impacting economic development including the diversity and accessibility of services that can be offered to residents in the community.

**Figure I-3.**  
**Population Projections, La Plata County, 2020-2050**



Source:  
 Colorado Demography Office  
 and Root Policy Research.

Between 2025 and 2050, the State of Colorado Demography Office estimates that La Plata County will increase its total population by more than 12,000 residents (or 21%). The rate

of growth is projected to be slightly higher over the next decade; however, realization of this increase will be highly dependent upon decisions made at the county and municipality level to address growth restricting processes and policies related to housing and economic development.

**Households.** In 2022, there were nearly 23,000 permanent resident households in La Plata County. Household growth in La Plata County was slightly less than that of total population growth—reflecting a possible trend towards more people per household.

Since 2012, La Plata County added 1,631 households for an overall percentage increase of 8% with steady growth across this timeframe. Archuleta and Chaffee Counties greatly outpaced La Plata County, with other peer counties adding significantly fewer households if not experiencing a reduction in households in the case of Montezuma and San Juan Counties (Figure I-4).

**Figure I-4.**

**Total Households, La Plata County and Peer Communities, 2012-2022**

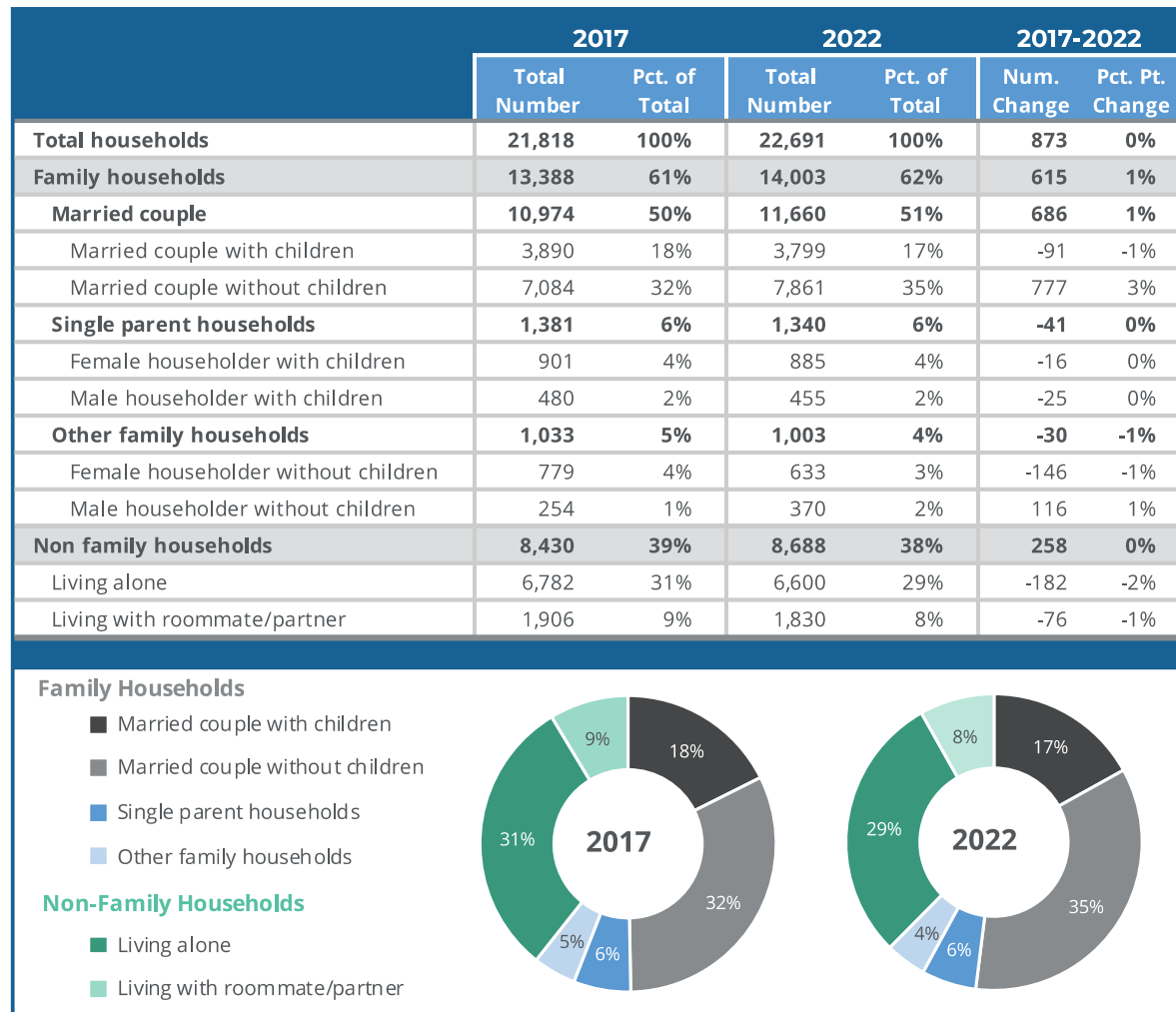
|                      | 2012          | 2017          | 2022          | 2012-2017  |           | 2017-2022  |           | 2012-2022<br>Change |
|----------------------|---------------|---------------|---------------|------------|-----------|------------|-----------|---------------------|
|                      |               |               |               | Num.       | Pct.      | Num.       | Pct.      |                     |
| <b>La Plata</b>      | <b>21,060</b> | <b>21,818</b> | <b>22,691</b> | <b>758</b> | <b>4%</b> | <b>873</b> | <b>4%</b> | <b>8%</b>           |
| <b>Durango</b>       | 6,849         | 6,998         | 8,139         | 149        | 2%        | 1,141      | 16%       | 19%                 |
| <b>Bayfield</b>      | 789           | 912           | 1,017         | 123        | 16%       | 105        | 12%       | 29%                 |
| <b>Ignacio</b>       | 360           | 354           | 462           | -6         | -2%       | 108        | 31%       | 28%                 |
| <b>Peer Counties</b> |               |               |               |            |           |            |           |                     |
| <b>Archuleta</b>     | 4,536         | 5,553         | 5,738         | 1,017      | 22%       | 185        | 3%        | 26%                 |
| <b>Alamosa</b>       | 5,853         | 6,049         | 6,471         | 196        | 3%        | 422        | 7%        | 11%                 |
| <b>Chaffee</b>       | 7,680         | 7,900         | 9,066         | 220        | 3%        | 1,166      | 15%       | 18%                 |
| <b>Montezuma</b>     | 10,883        | 10,520        | 10,520        | -363       | -3%       | 0          | 0%        | -3%                 |
| <b>Montrose</b>      | 16,732        | 16,951        | 17,042        | 219        | 1%        | 91         | 1%        | 2%                  |
| <b>Routt</b>         | 9,833         | 9,478         | 10,279        | -355       | -4%       | 801        | 8%        | 5%                  |
| <b>San Juan, NM</b>  | 41,791        | 41,999        | 41,049        | -742       | 0%        | -950       | -2%       | -2%                 |

Note: Due to rounding to whole percentage, 2012-2017 and 2017-2022 change does not always equal total change.

Source: 2012, 2017, and 2021 5-year ACS and Root Policy Research.

**Household composition.** As shown in Figure I-5, just over 60% of La Plata County households are “family households”. Roughly a third of households are married couples without children, and another third are single households. Approximately 20% of county households are married families with children. Household composition in La Plata County has remained static from 2017 to 2022.

**Figure I-5.**  
**Change in Household Composition, La Plata County, 2017 and 2022**



Source: 2017 and 2022 5-year ACS and Root Policy Research.

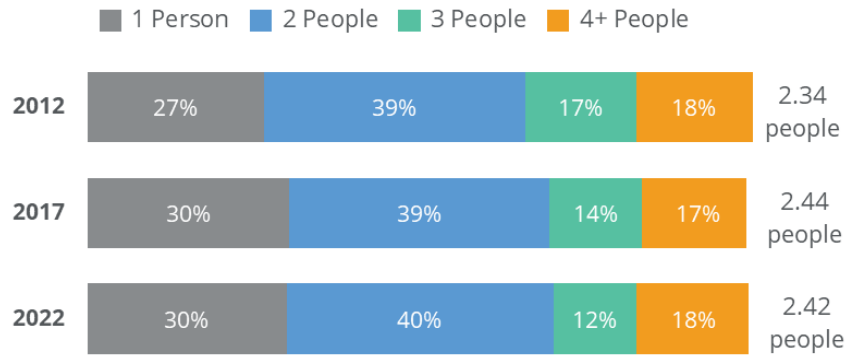
It is important to note the reduction of non-family households at the same time married households with children has increased, possibly indicating that housing in the county is most accessible for dual income households without children.

**Household size.** La Plata County has an average household size of 2.42 people, slightly larger than the average household size in 2012 at 2.34 people per household. Households have shifted little in terms of size particularly in the past 5 years, however, when looking further back to 2012, 3 person households slightly declined offset by an increase in the share of one person households (Figure I-6).

**Figure I-6.**  
**Number of People**  
**per Household, La**  
**Plata County,**  
**2012-2022**

Source:

2012, 2017, and 2022 5-year ACS  
and Root Policy Research.

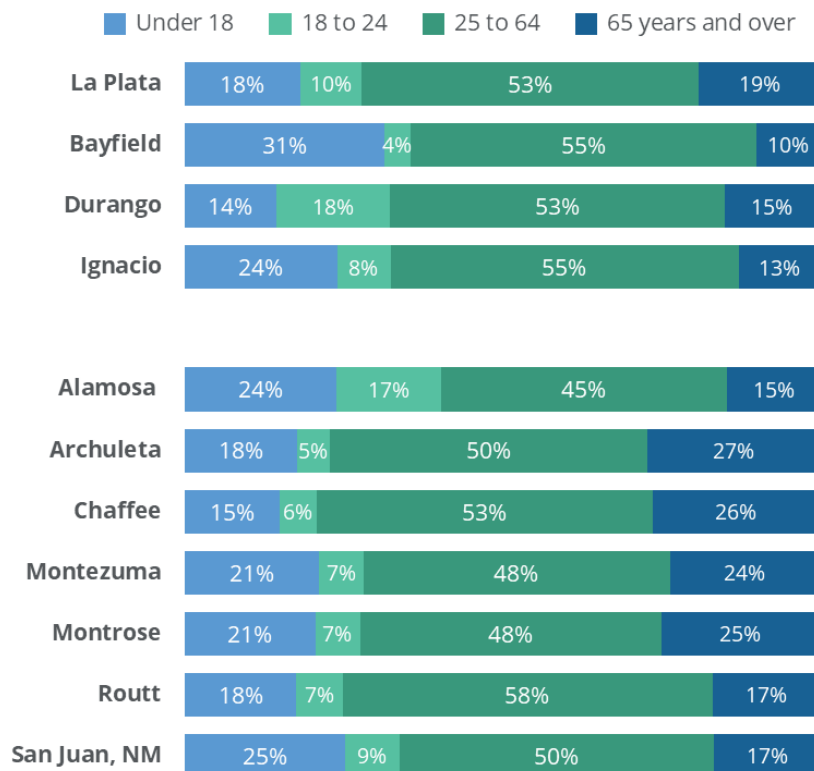


Owner households are larger than the average household size in the county at 2.46 people compared to only 2.22 people for the average renter household and 1.38 people for the average non-family household. Comparatively smaller household sizes for non-families are expected as these households are more likely to not have children and/or be living alone.

**Age profile.** Although La Plata County seniors account for 19% of the population currently, this age group is expected to grow to 26% by 2050. Nevertheless, compared to peer Colorado counties and San Juan, New Mexico, La Plata County is still relatively young. Within La Plata County, Bayfield has the highest proportion of children (under 18) and Durango has the highest proportion of 18-24 year olds (driven in part by the presence of Fort Lewis College).

**Figure I-7.**  
**Population**  
**by Age**  
**Cohort, La**  
**Plata County**  
**and Peers,**  
**2022**

Source: 2022 5-year  
ACS and Root Policy  
Research.

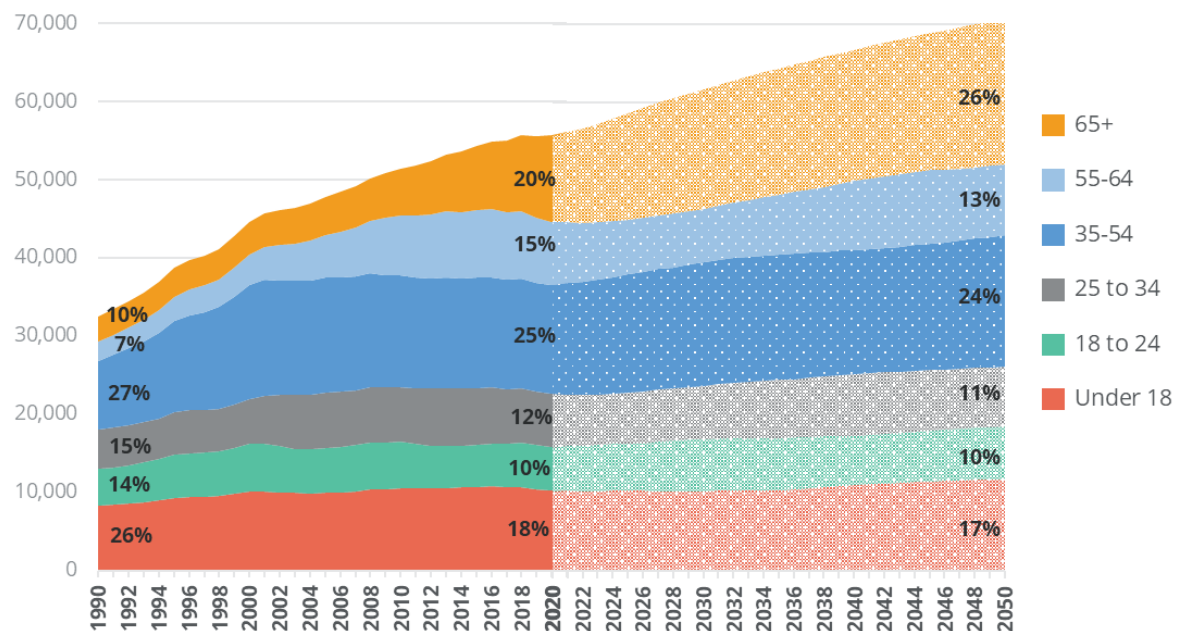


According to population and age forecasts from the Colorado Demography Office, La Plata County is projected to undergo some slight demographic shifts in the county's age profile. As shown in Figure I-8:

- Seniors are forecast to have the biggest change in population proportion in the county increasing from 20% of the population in 2020 to 26% by 2050.
- The population of working age residents (25 to 64) in the county is expected to decrease by approximately 5% over the next 30 years.
- The number of children (<18 years) and young adults (18 to 24) are expected to remain stable with only a 1% reduction over time.

**Figure I-8.**

**Population Projections by Age Cohort, La Plata County, 1990-2050**

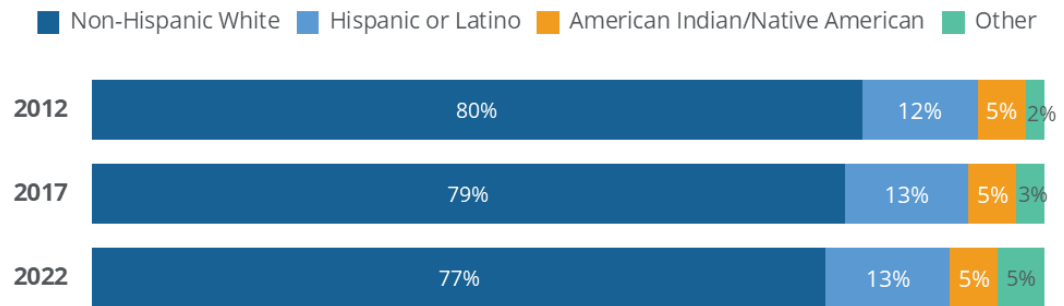


Note: Data are not available at the municipal level.

Source: Colorado Demography Office.

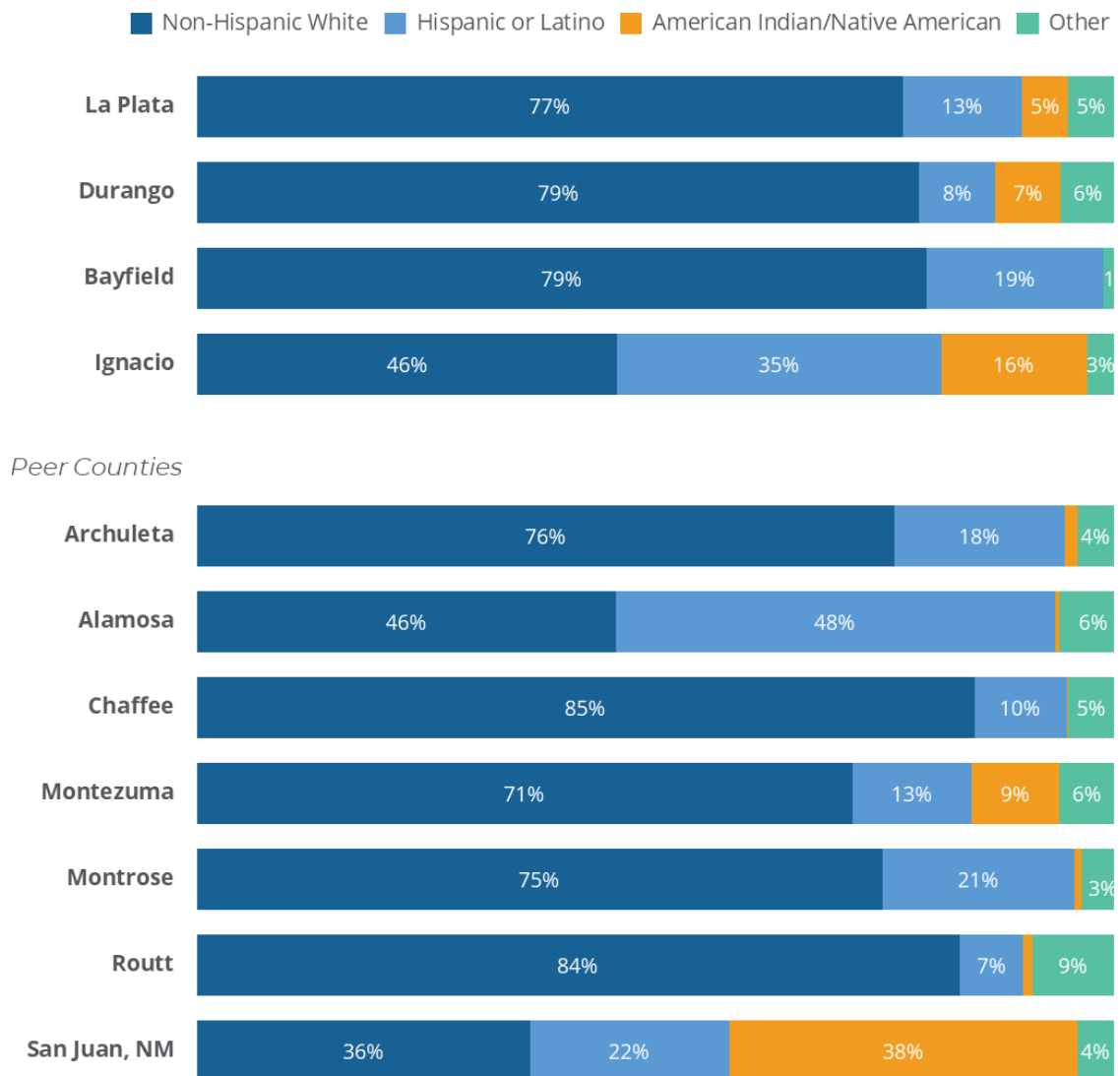
**Race and ethnicity.** Over three quarters (77%) of La Plata County's population identify as non-Hispanic White, 13% identify as Hispanic or Latino and 5% identify as American Indian/Native American. The racial and ethnic composition of residents in the County has experienced little change over the last decade with a minor shift in the share of residents identifying as more than one race/ethnicity (Figure I-9).

**Figure I-9.**  
**Population by Race and Ethnicity, La Plata County, 2012-2022**



Source: 2012, 2017, and 2022 5-year ACS and Root Policy Research.

**Figure I-10.**  
**Population by Race and Ethnicity, La Plata and Peer Communities, 2022**



Source: 2022 5-year ACS and Root Policy Research.

As shown in Figure I-10, La Plata County's racial/ethnic profile is most similar to Archuleta and Montrose Counties overall and less diverse than Alamosa, Montezuma, and San Juan, NM Counties. San Juan, NM has by far the most diversity with nearly two-thirds of the population identifying as Hispanic/Latino, American Indian/Native American and multiple race/ethnicities followed by Alamosa County in Colorado with less than half of residents identifying as non-Hispanic white.

**Residents with a disability.** Figure I-11 shows La Plata County's population with a disability by type and age.

**Figure I-11.  
Incidence of  
Disability by Age  
and Type, La  
Plata County,  
2022**

Source:  
2022 5-year ACS and Root  
Policy Research.

|                                       | Total         | With a Disability | Pct. With a Disability |
|---------------------------------------|---------------|-------------------|------------------------|
| <b>Total</b>                          | <b>55,580</b> | <b>5,640</b>      | <b>10%</b>             |
| <b>Under 18 years old</b>             | <b>10,194</b> | <b>384</b>        | <b>4%</b>              |
| With a hearing difficulty             |               | 20                | 0%                     |
| With a vision difficulty              |               | 47                | 0%                     |
| With a cognitive difficulty           |               | 233               | 3%                     |
| With an ambulatory difficulty         |               | 16                | 0%                     |
| With a self-care difficulty           |               | 155               | 2%                     |
| <b>18 to 64 years old</b>             | <b>34,866</b> | <b>2,775</b>      | <b>8%</b>              |
| With a hearing difficulty             |               | 597               | 2%                     |
| With a vision difficulty              |               | 658               | 2%                     |
| With a cognitive difficulty           |               | 1,337             | 4%                     |
| With an ambulatory difficulty         |               | 1,019             | 3%                     |
| With a self-care difficulty           |               | 406               | 1%                     |
| With an independent living difficulty |               | 998               | 3%                     |
| <b>Over 65 years old</b>              | <b>10,520</b> | <b>2,481</b>      | <b>24%</b>             |
| With a hearing difficulty             |               | 1,413             | 13%                    |
| With a vision difficulty              |               | 486               | 5%                     |
| With a cognitive difficulty           |               | 571               | 5%                     |
| With an ambulatory difficulty         |               | 830               | 8%                     |
| With a self-care difficulty           |               | 320               | 3%                     |
| With an independent living difficulty |               | 804               | 8%                     |

Ten percent of La Plata's total population (or 5,640 people) had some type of disability in 2022. Nearly a quarter of La Plata County residents with a disability are over the age of 65, the majority of which have an ambulatory and or hearing difficulty. Only 4% of children in La Plata County have a disability and 8% of working age residents have a disability.

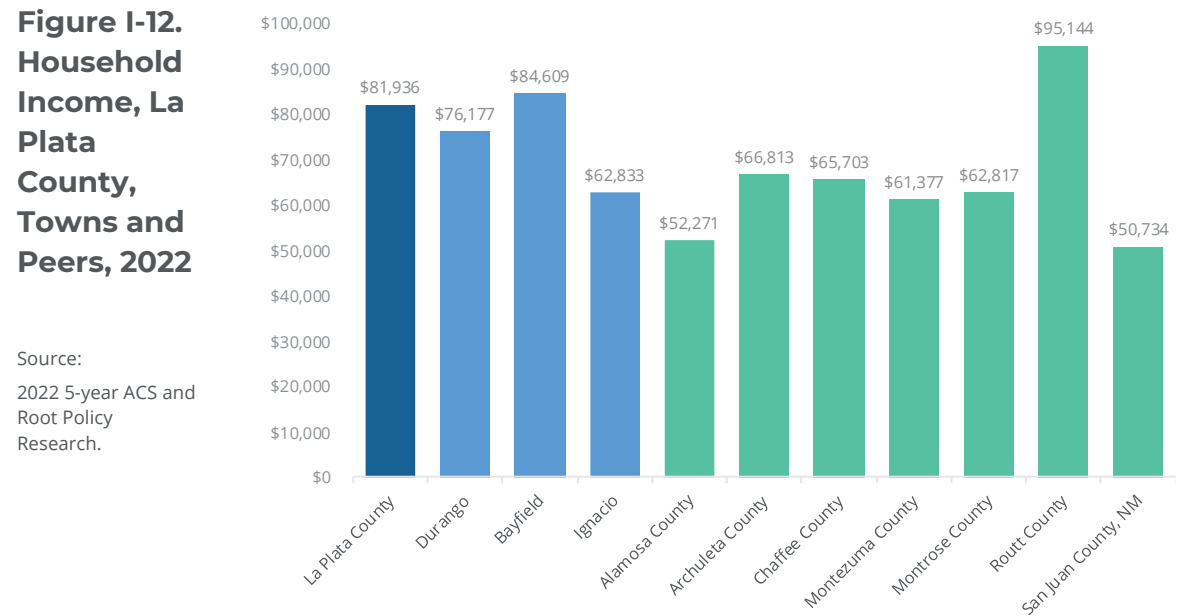
Independent living difficulties disproportionately impact seniors. These patterns are important for the County's planning efforts and housing priorities as it indicates the type of

housing La Plata County will need to accommodate resident’s needs, specifically accessibility improvements and accommodations (e.g., grab bars in the bathroom, service animals, entrance ramps, designated parking spot). As La Plata County’s population (and the surrounding areas) continue to age, the incidence of disability will likely increase, specifically for residents with ambulatory and independent living difficulties. Shifting demographics will result in changing housing and community needs such as accessible and visitable housing units and access to healthcare, as mentioned above.

## Income and Poverty

This section provides a comprehensive overview of income and poverty trends in La Plata County including changes in median household incomes by tenure and household characteristics as well as individual poverty rates. Trends and patterns are compared to surrounding counties, cities within the county and peer cities in neighboring counties when data is available.

**Household income.** La Plata County had a median household income of \$81,936 in 2022, up 43% since 2012 and the highest of peer counties.<sup>3</sup> Bayfield had a higher median income at about \$84,609 while San Juan County in NM has the lowest median among peer counties at about \$50,734 (Figure I-12).



<sup>3</sup> Throughout this report, incomes and housing prices are discussed in nominal dollars as opposed to inflation adjusted (“real”) dollars. We take this approach for a couple reasons: 1) it helps us more accurately isolate relative changes in local incomes and housing prices because inflation is both a regional measure and is directly impacted by housing price changes at a broad scale, which means inflation adjustments can actually mute or hide the real comparison between local prices and incomes; and 2) our experience is that most readers find nominal dollar amounts to be more intuitive than inflation-adjusted amounts. For reference, inflation, as measured by the Consumer Price Index (CPI) was 7% between 2012 and 2017 and 19% between 2017 and 2022 (and 27% for the collective period between 2012 and 2022).

**Income by household type and size.** Incomes vary by household size, type, and tenure (Figures I-13 and I-14). Married couple households in La Plata County have higher household incomes than other household types and experienced higher income gains than non-family households from 2017 to 2022. Higher incomes for family households, particularly married couples, are likely the result of having multiple earners.

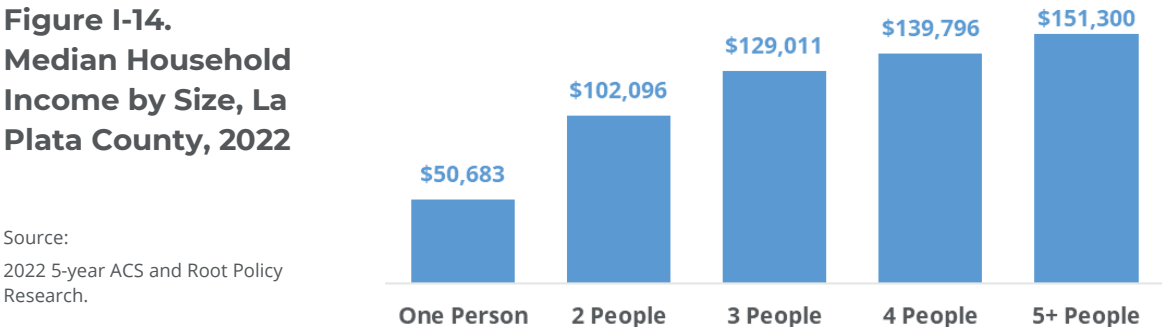
**Figure I-13.**  
**Median Household Income by Household Type, La Plata County, 2012-2022**

|                           | 2012     | 2017     | 2022      | 2012-2017     |                | 2017-2022     |                |
|---------------------------|----------|----------|-----------|---------------|----------------|---------------|----------------|
|                           |          |          |           | Amount Change | Percent Change | Amount Change | Percent Change |
| All households            | \$57,407 | \$62,533 | \$81,936  | \$5,126       | 9%             | \$19,403      | 31%            |
| Family households         | \$70,697 | \$78,735 | \$104,101 | \$8,038       | 11%            | \$25,366      | 32%            |
| Married couple households | \$79,433 | \$87,944 | \$113,428 | \$8,511       | 11%            | \$25,484      | 29%            |
| Non-family households     | \$37,782 | \$38,739 | \$48,429  | \$957         | 3%             | \$9,690       | 25%            |

Notes: Income shown in nominal dollars, not adjusted for inflation. For comparison, inflation was 7% between 2012 and 2017 and 19% between 2017 and 2022.

Source: 2012, 2017, and 2022 5-year ACS and Root Policy Research.

**Figure I-14.**  
**Median Household Income by Size, La Plata County, 2022**



Source:  
2022 5-year ACS and Root Policy Research.

As would be expected, one-person households have substantially lower incomes than larger households because, by definition, they include only one earner/worker. The average one-person household in La Plata County had a median household income of \$50,683 compared to \$102,096 for households with two people (Figure I-14).

**Income by tenure.** At the median, homeowners in La Plata County have income nearly double that of renters (\$96,611,000 compared to \$48,454), as shown in Figure I-15. Owners also experienced a greater percentage change in income (28% increase over the past 5 years) compared to only 19% increase for renters.

**Figure I-15.**  
**Median Household Income by Tenure, La Plata County, 2012-2022**

|                          | 2012     | 2017     | 2022     | 2012-2017 |        | 2017-2022 |        |
|--------------------------|----------|----------|----------|-----------|--------|-----------|--------|
|                          |          |          |          | Total     | Change | Total     | Change |
| <b>All households</b>    | \$57,407 | \$62,533 | \$81,936 | \$5,126   | 9%     | \$19,403  | 31%    |
| <b>Owner households</b>  | \$67,376 | \$75,242 | \$96,611 | \$7,866   | 12%    | \$21,369  | 28%    |
| <b>Renter households</b> | \$39,209 | \$40,636 | \$48,454 | \$1,427   | 4%     | \$7,818   | 19%    |

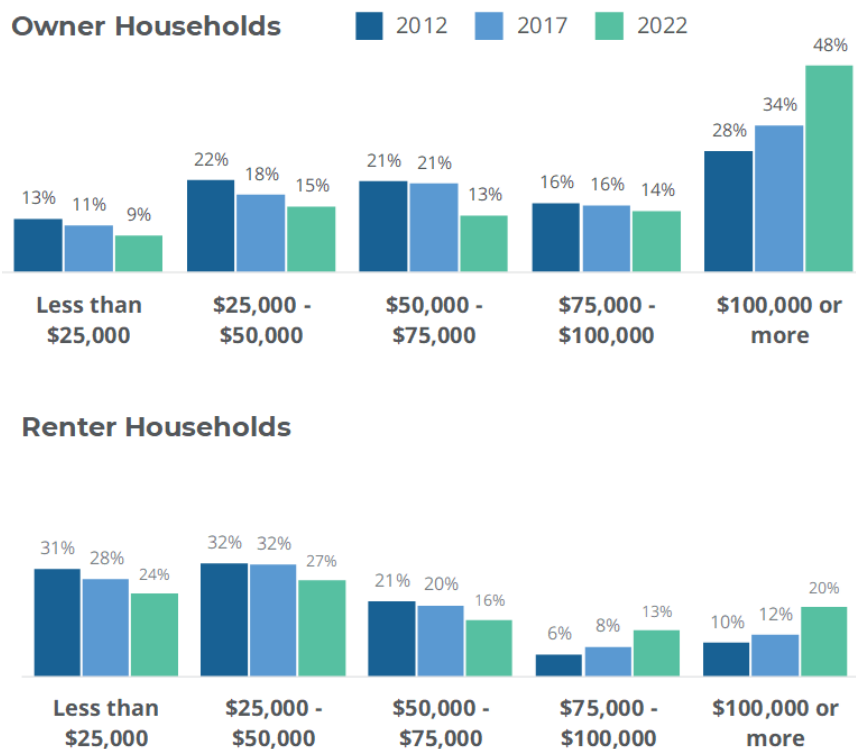
Note: Income shown in nominal dollars, not adjusted for inflation. For comparison, inflation was 7% between 2012 and 2017 and 19% between 2017 and 2022.

Source: 2012, 2017, and 2022 5-year ACS.

Over the last decade, incomes have shifted with fewer households in the less than \$50,000 annual income category and an increase of both owner and rental households in the over \$100,000 income category (Figure I-16).

**Figure I-16.**  
**Income Shifts by Tenure, La Plata County, 2012-2022**

Source:  
2012, 2017, and 2022 5-year ACS  
and Root Policy Research.



Renters and owners with incomes below \$75,000 all declined during this timeframe. Renters with higher incomes (>\$75,000) more than doubled from 16% in 2012 to 33% in 2022 signaling that homeownership which is typically accessible for this income range has become less attainable creating more competition for limited rental units available in the county. With a competitive housing market and limited affordable options, renters and

young adults/families with lower incomes will likely leave the city to find housing elsewhere.

**Poverty.** In 2022, an estimated 11% of La Plata County residents were living in poverty, a rate slightly higher than 2017 when the County’s poverty rate was estimated at 10%. As shown in Figure I-17 below, poverty rates for children under 17 are both the highest and have increased the most over the past 5 years. Poverty rates have remained stable for all other age categories.

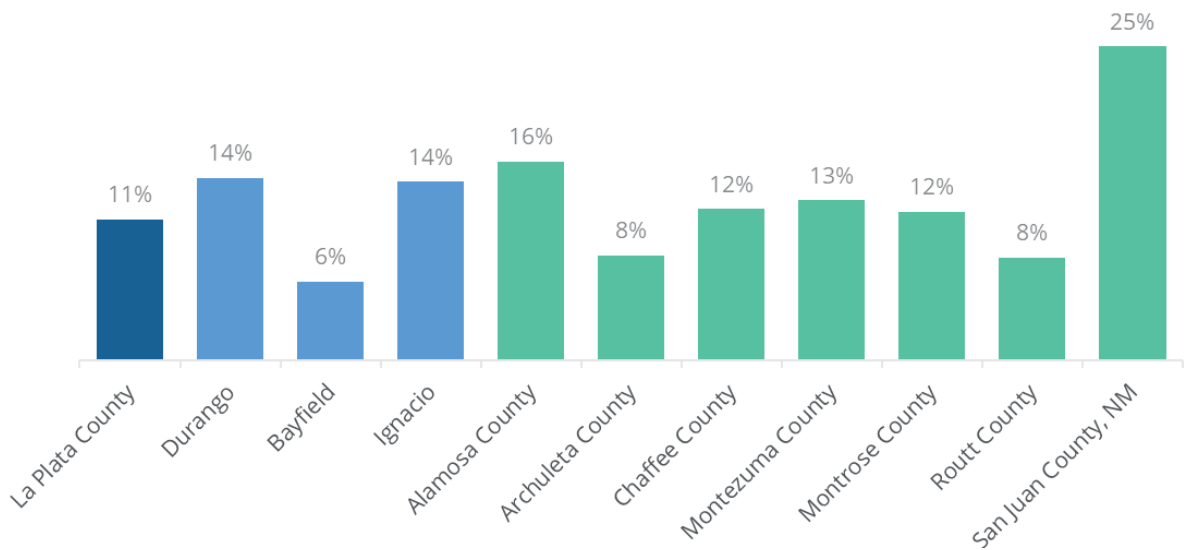
**Figure I-17.**  
**Poverty Rate by Age Cohort, La Plata County, 2017-2022**

Source:  
2017 and 2022 5-year ACS and Root Policy Research.

|                   | 2017 | 2022 | 2017-2022            |
|-------------------|------|------|----------------------|
|                   |      |      | Percent Point Change |
| Total population  | 10%  | 11%  | 1%                   |
| Under 5 years     | 6%   | 14%  | 8%                   |
| 5 to 17 years     | 10%  | 18%  | 8%                   |
| 18 to 34 years    | 17%  | 19%  | 2%                   |
| 35 to 64 years    | 7%   | 9%   | 2%                   |
| 65 years or older | 6%   | 5%   | -1%                  |

With the exception of Chaffee and San Juan Counties, poverty declined for all peer counties during this time period. A significant decline in poverty in Alamosa County occurred between 2019 and 2022 which could be attributed to pandemic era supports; progress that could be reversed with the expiration of assistance.

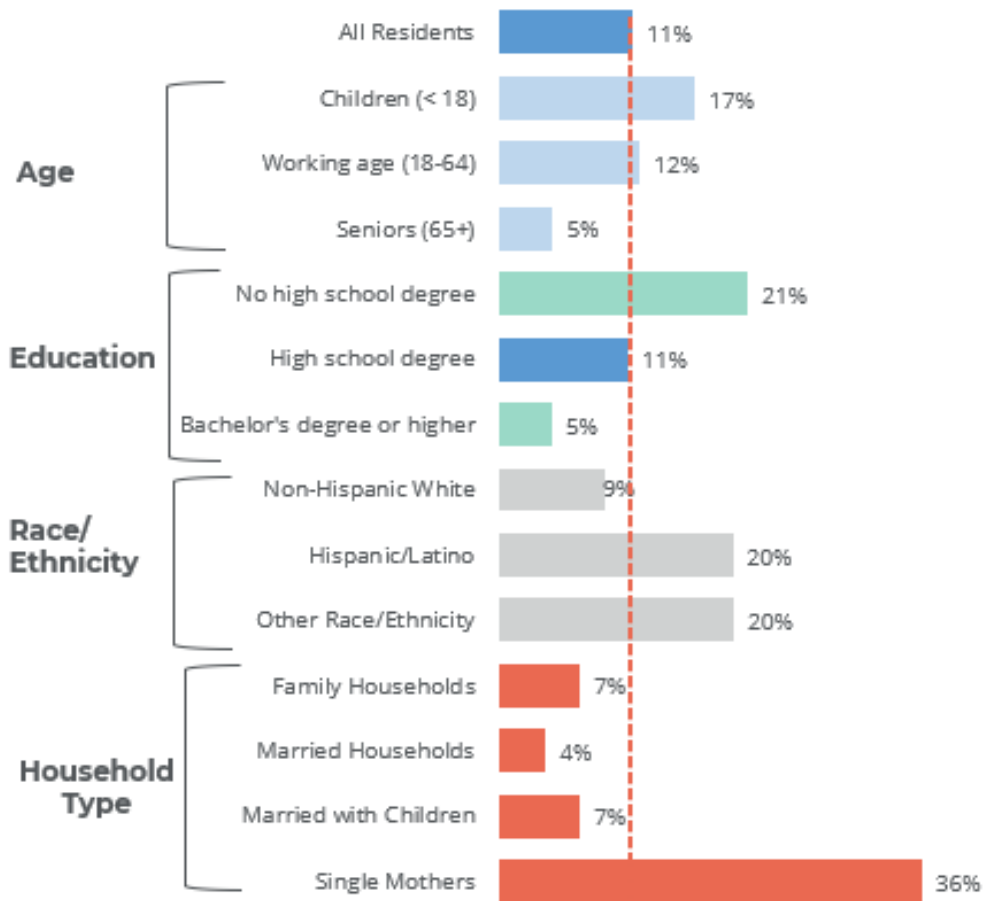
**Figure I-18.**  
**Poverty Rate, La Plata County and Peer Communities, 2017 and 2022**



Source: 2017 and 2021 5-year ACS and Root Policy Research.

Figure I-20 shows the poverty rate for La Plata County residents by socioeconomic characteristics. As previously indicated, children are more likely to experience poverty in the County than working age adults, seniors, and the general population.

**Figure I-19.**  
**Poverty Rate by Characteristics, La Plata County, 2022**



Source: 2022 5-year American Community Survey and Root Policy Research.

Other findings illustrated in Figure I-19 include:

- Around one in five residents without a high school degree have incomes below the poverty level.
- Racial and ethnic minorities experience poverty at a greater rate than non-Hispanic White residents.
- Single mothers are significantly more likely to have incomes below the poverty level with more than one third living in poverty. These trends are likely related to having fewer earners/workers in the household.

## Economic Profile

This section provides an overview of La Plata County's economic profile including jobs and workers, wages, and commute patterns. Overall, about 65% of the City's population over age 16 participates in the labor force—almost 30,000 residents—and the current unemployment rate is approximately 2%.

**Jobs and workers.** In 2023, there were approximately 36,000 jobs located in La Plata County an increase of 13% since 2012. Retail, health, and the accommodation and food services industries comprise the greatest share of jobs located in the county. Professional and business services jobs have shown the most growth in terms of the actual number of jobs over the past decade. These findings are shown in Figure I-20 below.

**Figure I-20.**  
**Jobs by Industry, La Plata County, 2012 and 2023**

|                                      | 2012          |                  | 2023          |                  | Change       |             |
|--------------------------------------|---------------|------------------|---------------|------------------|--------------|-------------|
|                                      | Total Number  | Percent of Total | Total Number  | Percent of Total | Num. Change  | Pct. Change |
| Agriculture                          | 927           | 3%               | 1,061         | 3%               | 134          | 14%         |
| Mining                               | 791           | 2%               | 517           | 1%               | -274         | -35%        |
| Utilities                            | 126           | 0%               | 153           | 0%               | 27           | 21%         |
| Construction                         | 2,855         | 9%               | 2,943         | 8%               | 88           | 3%          |
| Manufacturing                        | 679           | 2%               | 891           | 2%               | 212          | 31%         |
| Wholesale trade                      | 638           | 2%               | 714           | 2%               | 76           | 12%         |
| Retail Trade                         | 3,465         | 11%              | 3,848         | 11%              | 383          | 11%         |
| Transportation and warehousing       | 710           | 2%               | 1,001         | 3%               | 291          | 41%         |
| Information                          | 492           | 2%               | 471           | 1%               | -21          | -4%         |
| Finance activities                   | 1,143         | 4%               | 986           | 3%               | -157         | -14%        |
| Real estate                          | 1,228         | 4%               | 1,467         | 4%               | 239          | 19%         |
| Professional and business services   | 2,051         | 6%               | 2,828         | 8%               | 777          | 38%         |
| Admin and waste                      | 1,176         | 4%               | 1,488         | 4%               | 312          | 27%         |
| Education                            | 434           | 1%               | 612           | 2%               | 178          | <1%         |
| Health Services                      | 3,451         | 11%              | 3,862         | 11%              | 411          | 12%         |
| Arts                                 | 1,132         | 4%               | 1,453         | 4%               | 321          | 28%         |
| Accommodation and food               | 3,183         | 10%              | 3,605         | 10%              | 422          | 13%         |
| Other services, except public admin. | 1,659         | 5%               | 1,787         | 5%               | 128          | 8%          |
| Public Administration / Government   | 5,737         | 18%              | 6,156         | 17%              | 419          | 7%          |
| <b>Total Employment</b>              | <b>31,921</b> | <b>100%</b>      | <b>36,027</b> | <b>100%</b>      | <b>4,106</b> | <b>13%</b>  |

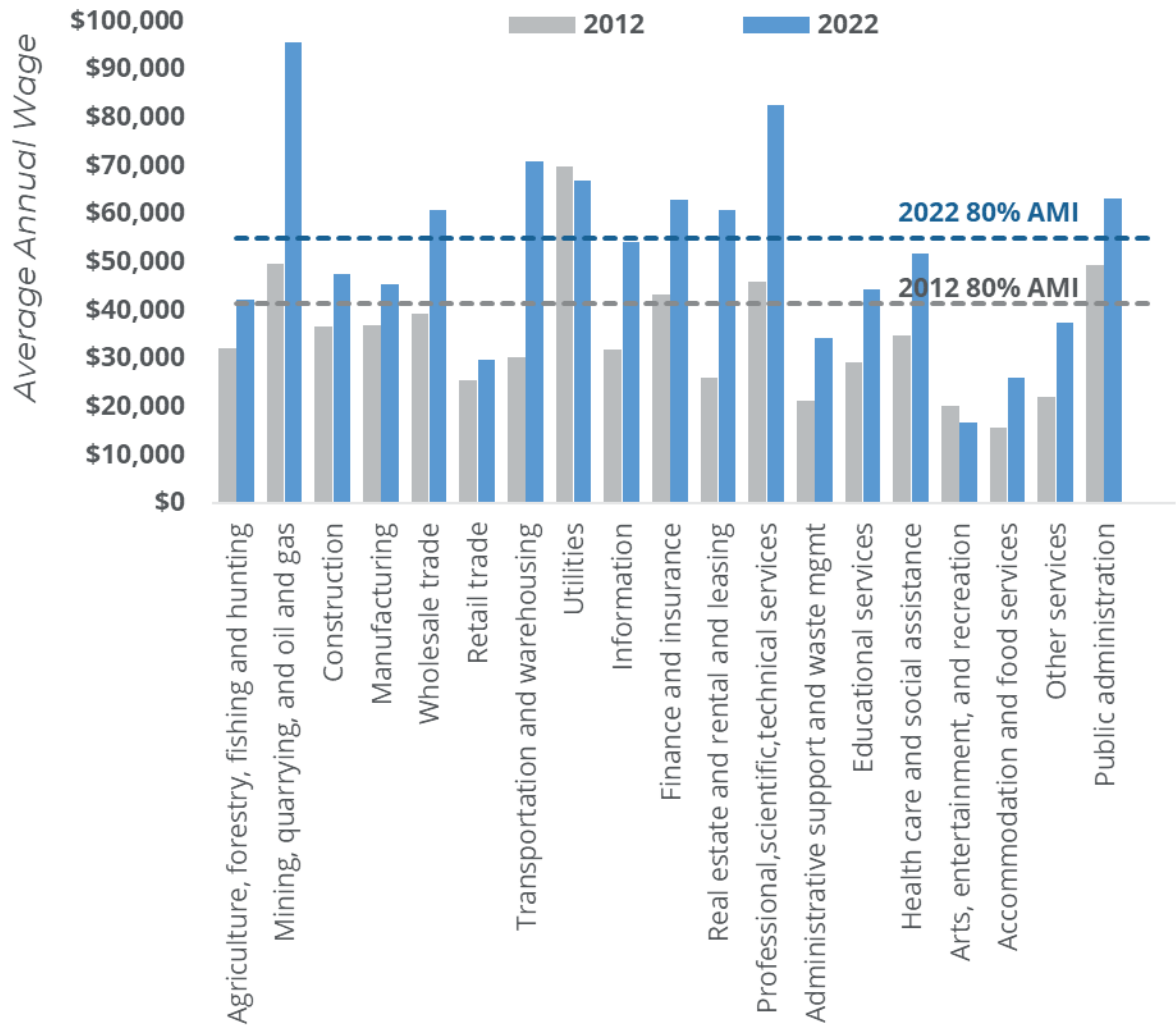
Note: Data are shown for all jobs including the private and public sectors. Industries classified according to NAICS.

Source: Colorado Department of Local Affairs (DOLA) 2012 and 2023.

The average worker in La Plata County earned \$54,820 in 2022, an increase of 35% over the last decade. Average wages are lowest for workers in the accommodation and food service industry (around \$21,000/year) which comprise 12% of La Plata County's jobs.

As shown in Figure I-21, workers in mining/gas and professional/technical jobs have notably higher wages in 2022. The figure also includes HUD's 80% Area Median Income limit (AMI) for 2012 in gray and 2022 in blue for comparison to actual wages. HUD AMI is used for income qualification of various housing programs and the 80% limit is often used to designate "workforce housing programs;" more detail on AMI in subsequent sections).

**Figure I-21.**  
**Average Annual Wages by Industry, La Plata County, 2012 and 2022**

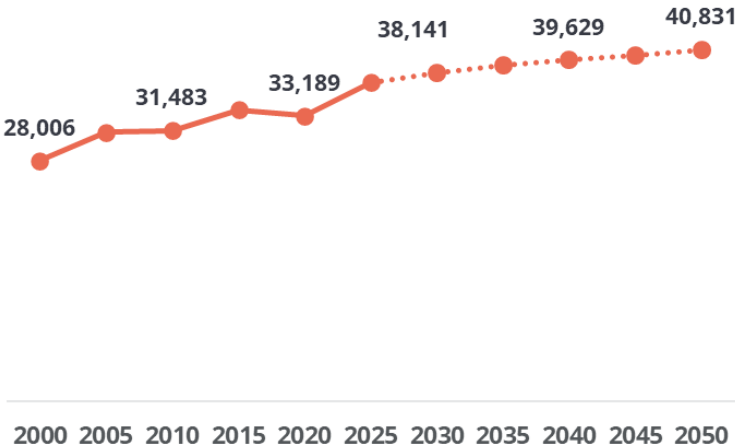


Notes: Industries are classified according to North American Industry Classification System (NAICS).

Source: 2012, and 2022 5-year ACS.

Job growth in La Plata County is forecast to increase only slightly over the next 30 years to approximately 40,000 jobs in 2050; an increase of approximately 13%. Whether this growth is realized will be dependent on whether local businesses continue to expand and the ability of the region to incentivize and attract new businesses. Availability of workforce and affordable housing will be critical to maintaining the current services available to county residents and attracting new investment in the county going forward.

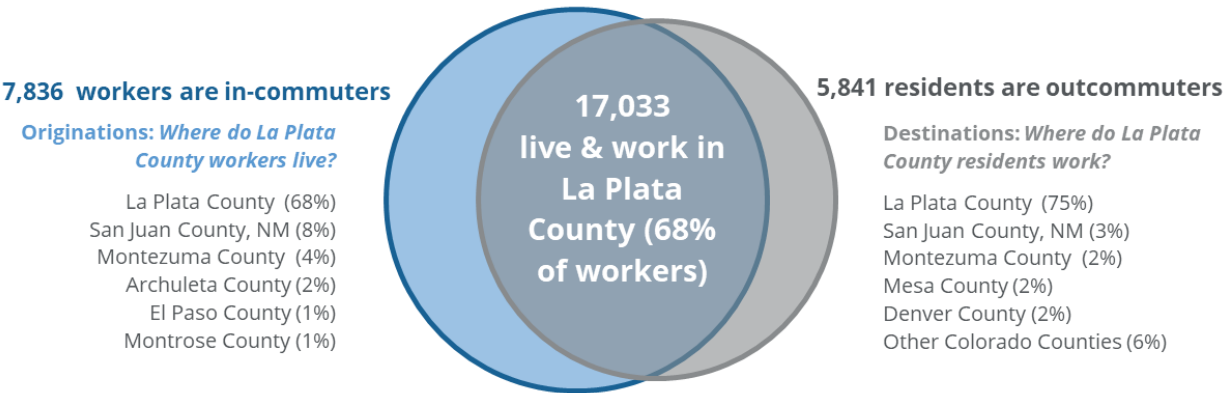
**Figure I-22.**  
**Projected Job**  
**Growth, La Plata**  
**County, through**  
**2050**



Source: Colorado Department of Local Affairs, 2000-2050.

**Commuting patterns.** Nearly one-third of La Plata County’s workers (32%) do not live in the county (Figure I-24). The most common counties where workers are commuting from are San Juan County in New Mexico (8%), Montezuma County (4%), and Archuleta County (2%).

**Figure I-23.**  
**Commute Patterns, La Plata County, 2022**



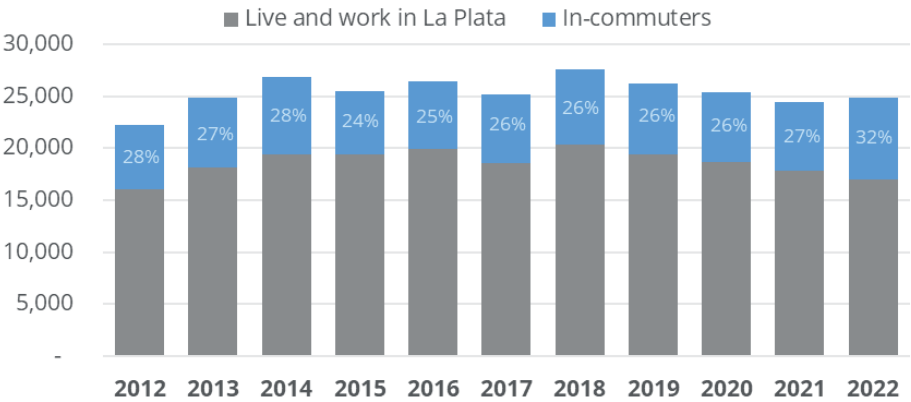
Note: Data reflect primary jobs so may not total to the same job numbers as previous figures. Data are shown for all workers including the public and private sectors.

Source: LEHD 2022 and Root Policy Research.

Figure I-24 shows commute patterns over time in La Plata County. In-commuting as a percentage of primary jobs was fairly consistent between 2012 and 2021, but may be on the rise, according to 2022 data (the most recent available).

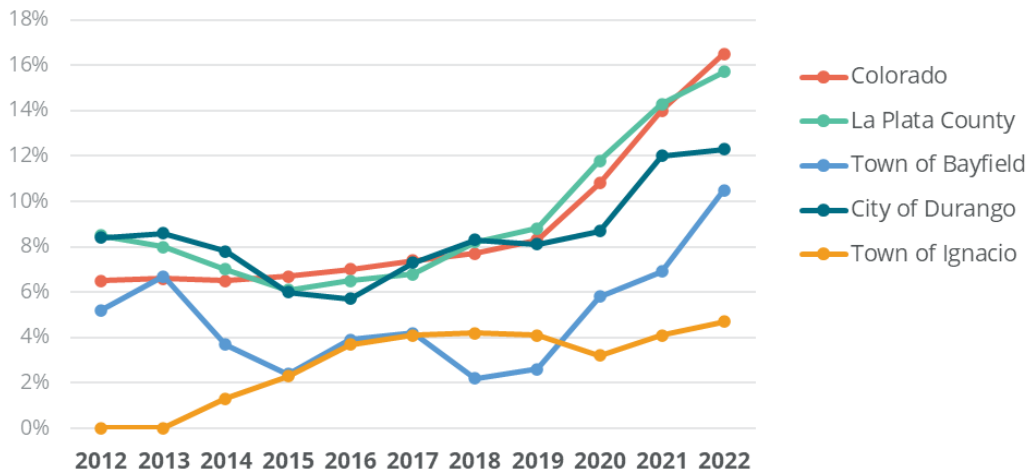
**Figure I-24.**  
**Total**  
**Employment**  
**Vs. Commute**  
**Patterns, La**  
**Plata County,**  
**2012-2022**

Source:  
(LEHD and Root Policy  
Research.



**Remote workers.** Since 2019, there has been a sharp increase in the number (and proportion) of employees working primarily from home. This trend can create changes in a housing market by decoupling housing demand from local employment and by creating new preferences in housing stock (e.g., home office space). Figure I-25 shows the trends in the proportion of residents working from home in Colorado and La Plata County. Generally, La Plata County trends have closely tracked statewide trends over the past decade.

**Figure I-.**  
**Residents Working from Home, 2012-2022**



Source: 2012-2022 ACS and Root Policy Research.

## SECTION II.

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### HOUSING MARKET TRENDS

## SECTION II.

# Housing Market Trends

Section II of the Housing Needs Assessment provides an analysis of La Plata County's housing stock, rental and for-sale market, as well as residential development patterns. An inventory of the county's income-restricted housing units is provided at the end of the section.

### Primary Findings

- The majority of La Plata County's housing stock is single-family detached products—however, recent permitting has shown an increase in multi-family housing types (concentrated in Durango).
- The vast majority of La Plata's housing stock—82%—is occupied by permanent resident households. Of the remaining 18%, about half of units are vacant for “recreational, seasonal, or occasional use”—including short-term rentals.
- Since 2012, job growth has outpaced new housing production—in other words, housing supply is not keeping up with economic growth, creating additional pressure on the housing market and contributing to higher in-commuting.
- Seventy one percent (71%) of La Plata County households own their home. Bayfield has the highest homeownership rate at 74% and Durango has the lowest rate at 55%.
- The median rent paid by renters, accounting for the use of regulated affordable units and vouchers is about \$1,350 (as of 2022). The current asking rent of market-rate units is about \$1,500 (median as of 2024). The increase in median rent outpaced income growth, compressing affordability for current renters.
- Rental units in the county have increasingly shifted to higher price points over the last decade, resulting in a sharp decline in units affordable to low- and middle-income households. Just since 2017, the number of units priced below \$1,000 per month dropped by 1,300 units. Rental units priced over \$2,000 per month tripled and comprise one third of rental stock in 2022.
- The median sale price in the county across 2023/24 was about \$650,000 (including all home types)—up 71% since 2017-2018 when the median was around \$375,000. For sale homes priced below \$500,000 have dramatically declined, comprising only 32% of homes sales in the county in 2023/24, down from 73% in 2017/2018.

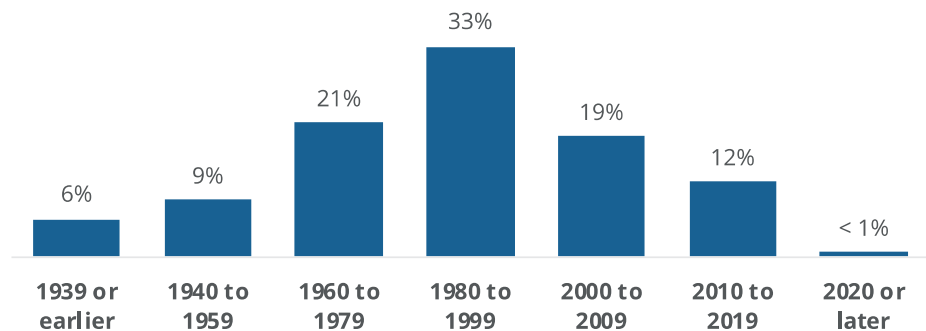
- Income-restricted housing units play an important role in providing affordable rents to La Plata County residents and workers with low to moderate household incomes. There are a total of 808 income-restricted rental units across 19 properties in La Plata County.

## Housing Stock

This section presents the characteristics of La Plata County's housing stock compared to peer communities in Colorado and communities in New Mexico that are housing La Plata County workers. The County's housing stock is evaluated by total housing units, age of housing, housing types and size, and vacancy rates for owner and renter occupied housing.

**Age of housing.** Housing age diversity in La Plata County is similar to peer communities, with the vast majority of units being built more than 25 years ago as shown in Figure II-1 below.

**Figure II-1.**  
**Share of**  
**Housing by**  
**Year Built, La**  
**Plata County,**  
**2022**



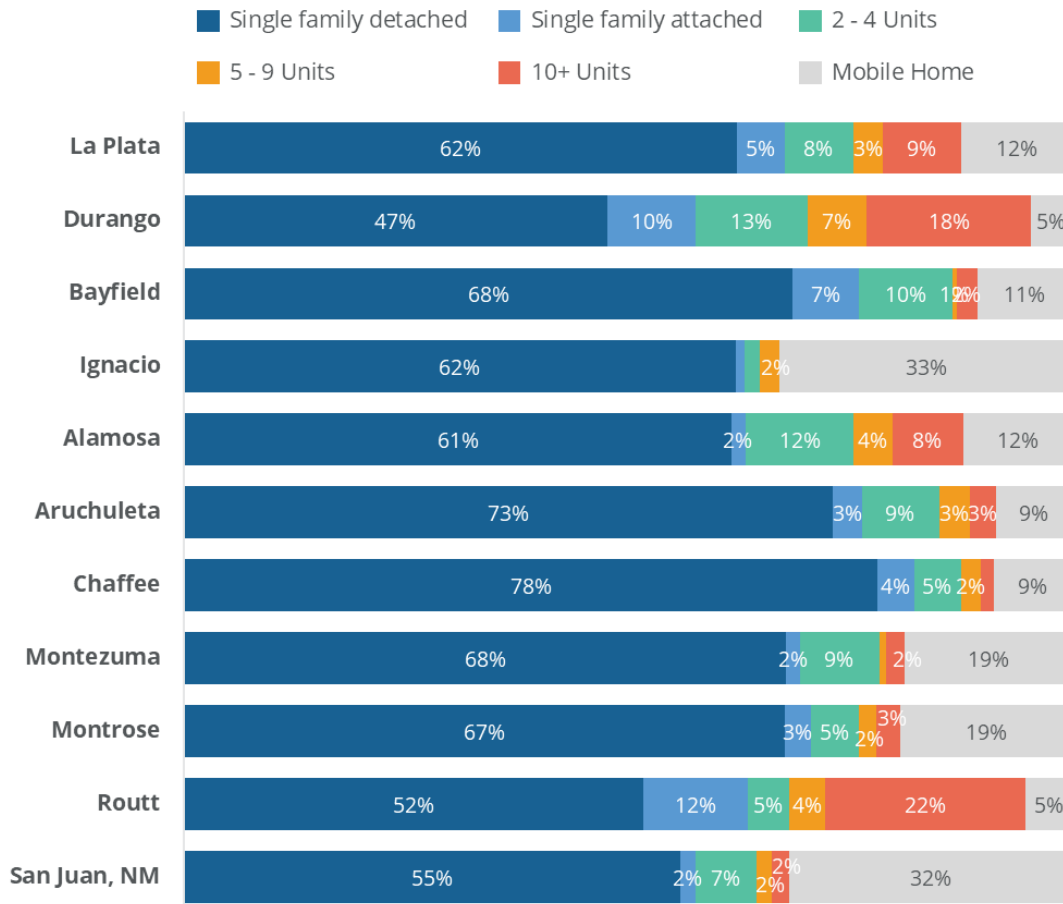
Source:  
2022 5-year ACS and  
Root Policy Research.

As La Plata County has a large inventory of housing stock dated prior to 1991 when accessibility requirements were established for residential multifamily construction, a large share of units are likely in need of accessibility features and updates in general (e.g., grab bars in the bathroom, stepless entry), especially as the population continues to age.

**Housing types.** Most of La Plata County's housing stock is comprised of single family detached units (62%). Another 16% is "missing middle" density, or small-scale density housing: single family attached, duplexes, triples, fourplexes, and small multifamily (structures with fewer than 10 units per building). Nine percent (9%) of homes are in multifamily structures with 10 or more units per building, and 12% of homes are mobile/manufactured home structures.

Figure II-2 shows the housing stock by units in structure for La Plata and its communities, along with comparison counties. Durango has the most diversity in housing types (not surprisingly, since it is the largest city). Among peer counties, Routt County has the most product diversity (driven primarily by the development patterns in Steamboat Springs).

**Figure II-2.**  
**Share of Housing Stock by Structure Type, La Plata County/Communities,**  
**and Peer Counties**



Note: An attached single family home is one dwelling unit on a single lot (shares walls with another dwelling). Multi-unit properties have 2 to 4 units on a single lot.

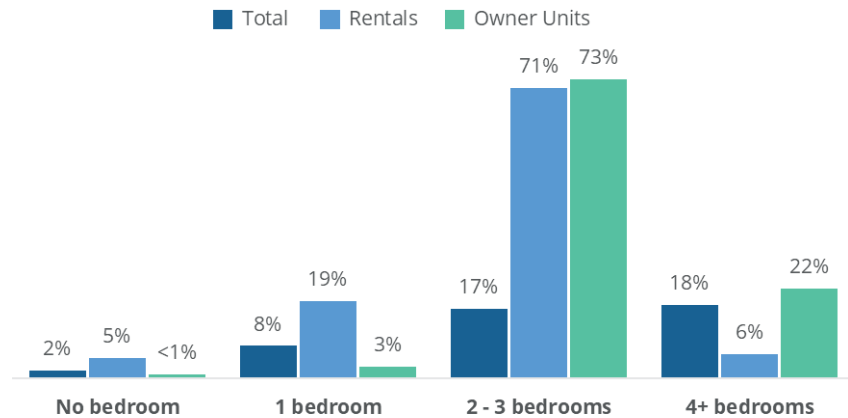
Source: 2022 5-year ACS and Root Policy Research.

**Unit size.** The vast majority of renters and owners in La Plata County live in homes with 2-3 bedrooms. As shown in Figure II-3 below, homeowners are more likely to occupy larger units—22% live in units with four or more bedrooms compared to 6% of renters. Renters tend to occupy smaller units with 24% living in either studios or 1-bedroom units.

The average number of people per household is 2.39 in La Plata County. Owner households have 2.46 people on average, compared to 2.22 people for the average renter household.

**Figure II-3.**  
**Housing Units**  
**by Bedrooms**  
**and Tenure, La**  
**Plata County,**  
**2022**

Source:  
 2022 5-year ACS and Root  
 Policy Research.



**Residential development.** Figure II-4 shows permitting trends for residential developments in La Plata County as a whole, Durango, Bayfield, and unincorporated areas of La Plata County. Development activity countywide has not fully rebounded to its pre-Recession levels (prior to 2007).

Although La Plata County's current housing structure mix has traditionally been weighted toward single-family detached products, permitting in 2024 indicated an increase in 2-unit structures and multi-family, particularly in Durango.

**Figure II-4.**  
**Building Permits by Number of Units in Structure, La Plata County and**  
**Jurisdictions, 2000-2023**

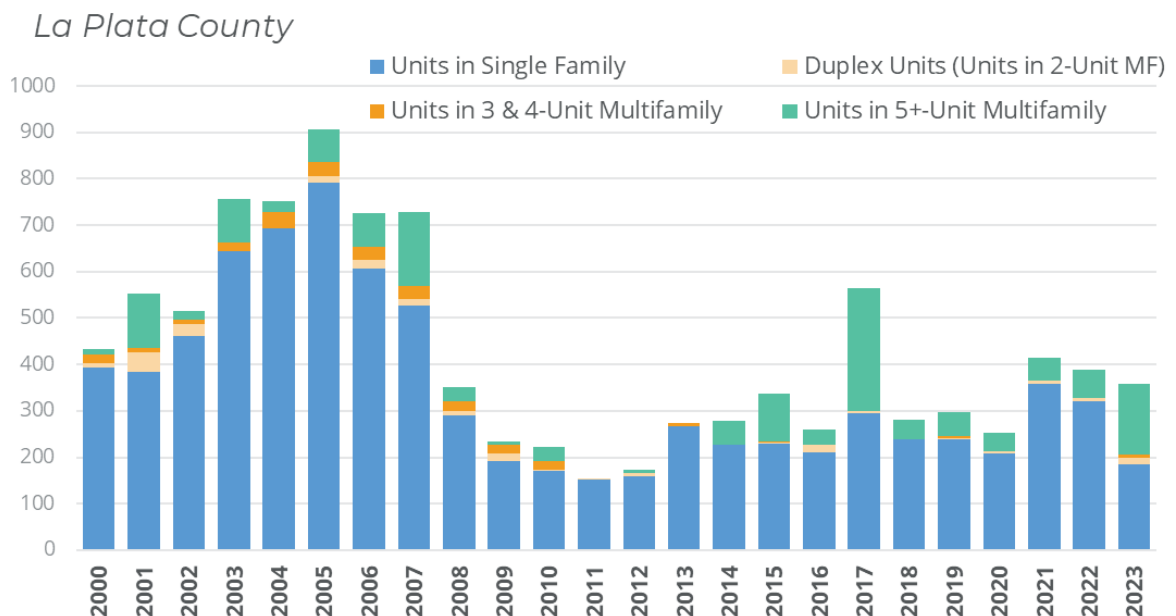
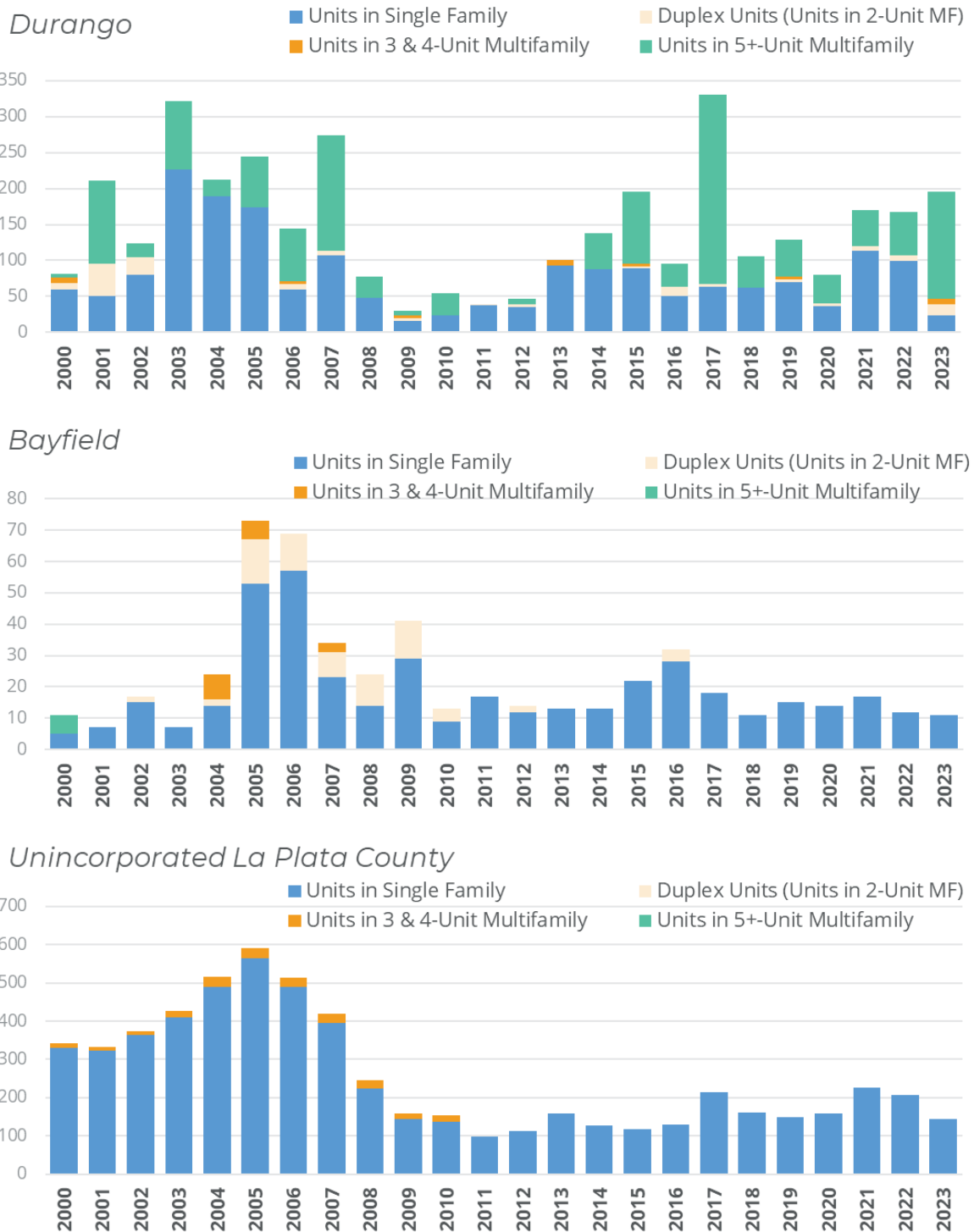


**Figure II-4 (continued).**  
**Building Permits by Number of Units in Structure, La Plata County and Jurisdictions, 2000-2023**

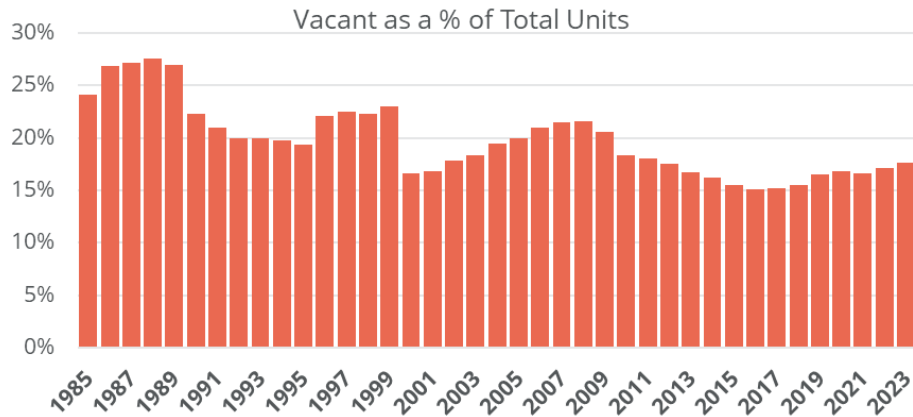
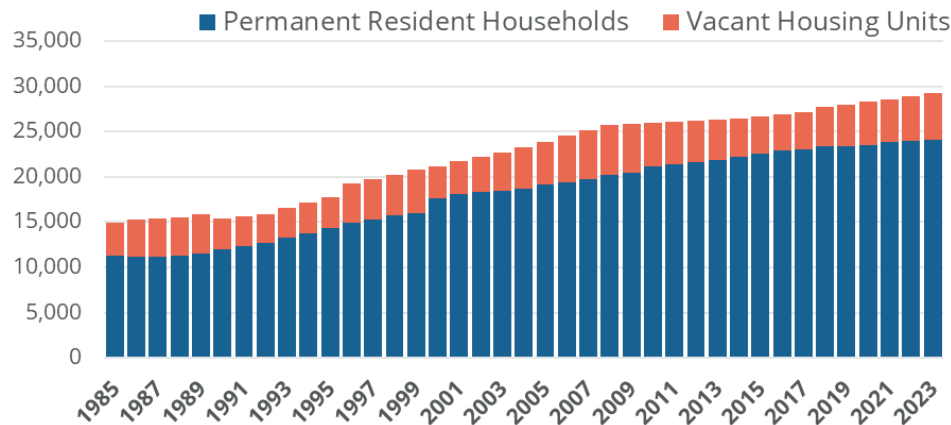


Source: HUD State of the Cities Data Systems (SOCDS) Building Permit Database.

**Changes in housing stock and occupancy.** Figure II-5 shows total housing units in the county from 1985 through 2023, separating out units occupied by permanent resident households and vacant housing units. It also shows vacant units as a percent of total units over time. The number of units has consistently increased, though vacant units as a percent of total units has declined since 2008, despite marginal upticks over the last 5 years.

**Figure II-5.**  
**Housing**  
**Units by**  
**Occupancy,**  
**La Plata**  
**County,**  
**1985-2023**

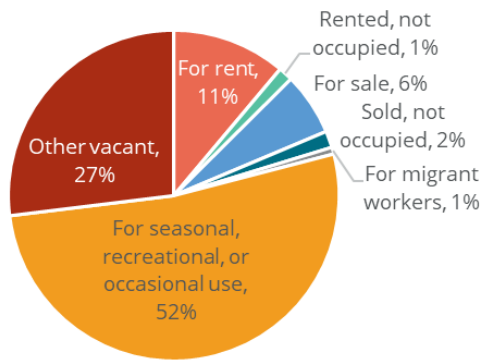
Source:  
Colorado  
Department of Local  
Affairs.



Among vacant units, the most common reason for vacancy is for seasonal, recreational, or occasional use (52% of all vacant units. Figure II-6 shows reason for vacancy in 2023.

**Figure II-6.**  
**Reason for Vacancy,**  
**La Plata County,**  
**2022**

Source:  
2022 ACS and Root Policy Research.



**Is housing supply keeping up with household and economic growth?** To understand whether housing supply is keeping up with the change in household and economic growth, we compare the increase in total units with the increase in permanent resident households and with the increase in jobs.

The number of housing units relative to the number of households in La Plata County was stable between 2012 and 2022—in other words, unit production was on pace with the increase in households. However, the number of jobs increased by 12% between 2012 and 2022, while the number of housing units increased by just 9%. In other words, housing supply is *not* keeping pace with job/economic growth, resulting in a declining jobs-to-household-units ratio.

**Figure II-7.**  
**Housing Units to Households, La Plata and Peer Counties 2012-2022**

|                     | 2022    |        |        |        | % Change from 2012 |     |      |            |
|---------------------|---------|--------|--------|--------|--------------------|-----|------|------------|
|                     | Pop.    | HH.    | Jobs   | Units  | Pop.               | HH. | Jobs | Units      |
| La Plata County     | 55,983  | 22,691 | 24,869 | 28,233 | 9%                 | 8%  | 12%  | <b>9%</b>  |
| Alamosa County      | 16,460  | 6,471  | 7,698  | 7,084  | 5%                 | 11% | 11%  | <b>8%</b>  |
| Archuleta County    | 13,509  | 5,738  | 4,685  | 9,591  | 12%                | 26% | 58%  | <b>10%</b> |
| Chaffee County      | 19,564  | 9,066  | 8,489  | 11,072 | 9%                 | 18% | 38%  | <b>10%</b> |
| Montezuma County    | 26,070  | 10,520 | 8,264  | 12,269 | 3%                 | -3% | 2%   | <b>2%</b>  |
| Montrose County     | 42,823  | 17,042 | 14,777 | 19,122 | 4%                 | 2%  | 18%  | <b>5%</b>  |
| Routt County        | 24,944  | 10,279 | 14,618 | 16,642 | 7%                 | 5%  | 16%  | <b>3%</b>  |
| San Juan County, NM | 121,798 | 41,049 | 42,325 | 48,050 | -5%                | -2% | -15% | <b>-2%</b> |

Source: 2012 and 2022 5-year ACS, LEHD, and Root Policy Research.

## Renters and Owners in La Plata County

Seventy-one percent (71%) of La Plata County's households own their home, with Bayfield having the highest home ownership rate at 74%. Comparison communities (shown in Figure II-8 below) have ownership rates that range 43% (Pagosa Springs) up to 64% (Cortez). Aztec and Farmington, New Mexico have ownership rates on the higher end of peer communities and higher than Durango whose ownership rate is the lowest in La Plata County.

**Figure II-8.  
Ownership  
Rates, La  
Plata County  
Communities  
and Peers**

Source:  
2022 5-year ACS.

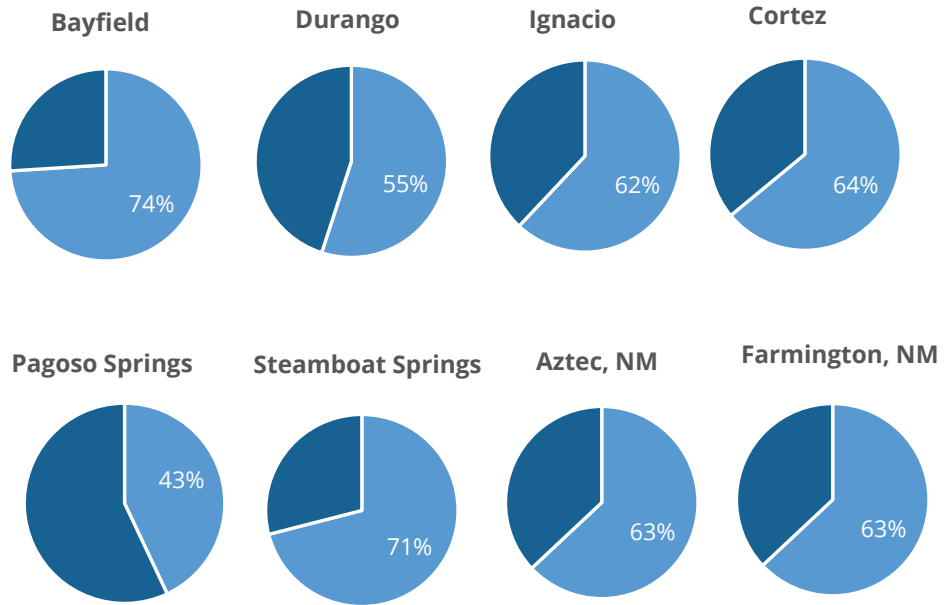


Figure II-9 shows the homeownership trend by income in La Plata County. Not surprisingly, higher ownership is associated with higher incomes. It is also not surprising that homeownership remained stable and even ticked upwards across some income ranges between 2020 to 2021 during a period of historically low interest rates making higher priced homes more accessible. Overall, ownership across incomes has declined with the combination of high home prices and rising interest rates beginning in 2022.

**Figure II-9.  
Ownership by  
Income, La  
Plata County  
2017-2022**

Source:  
2017-2022 5-year ACS.

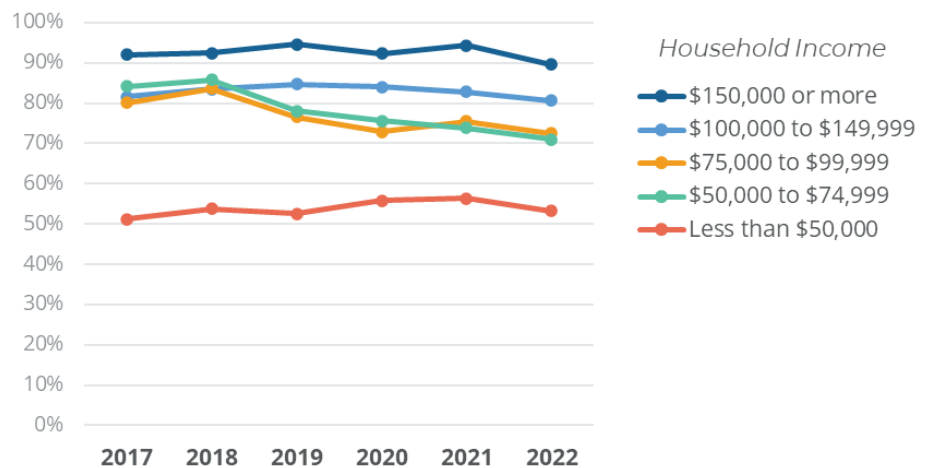


Figure II-10 summarizes the number and distribution of owner and renter households by demographic and socioeconomic characteristics.

**Figure II-10.**  
**Profile of Owners and Renters, La Plata County, 2022**

|                                      | Owners          |             | Renters         |             | Ownership Rate |
|--------------------------------------|-----------------|-------------|-----------------|-------------|----------------|
|                                      | Num.            | Pct.        | Num.            | Pct.        |                |
| <b>Total Households</b>              | <b>16,036</b>   | <b>100%</b> | <b>6,655</b>    | <b>100%</b> | 71%            |
| <b>Median Income</b>                 | <b>\$96,611</b> |             | <b>\$48,454</b> |             |                |
| <b>Race and Ethnicity</b>            |                 |             |                 |             |                |
| Non-Hispanic White                   | 13,835          | 86%         | 4,918           | 74%         | 74%            |
| Hispanic or Latino                   | 1,043           | 7%          | 1,012           | 15%         | 51%            |
| American Indian / Native American    | 569             | 4%          | 525             | 8%          | 52%            |
| Other                                | 251             | 2%          | 236             | 4%          | 52%            |
| <b>Age of Householder</b>            |                 |             |                 |             |                |
| Under 35 years                       | 1,406           | 9%          | 2,512           | 38%         | 36%            |
| 35 to 44 years                       | 2,472           | 15%         | 1,457           | 22%         | 63%            |
| 45 to 64 years                       | 6,476           | 40%         | 1,803           | 27%         | 78%            |
| Over 65 years                        | 5,682           | 35%         | 883             | 13%         | 87%            |
| <b>Household Type</b>                |                 |             |                 |             |                |
| <b>Family households</b>             | <b>11,162</b>   | <b>70%</b>  | <b>2,841</b>    | <b>43%</b>  | 80%            |
| Married family households            | 9,856           | 61%         | 1,804           | 27%         | 85%            |
| Male householder, no spouse          | 475             | 3%          | 350             | 5%          | 58%            |
| Female householder, no spouse        | 831             | 5%          | 687             | 10%         | 55%            |
| <b>Non-family households</b>         | <b>4,874</b>    | <b>30%</b>  | <b>3,814</b>    | <b>57%</b>  | 56%            |
| <b>Education of Householder</b>      |                 |             |                 |             |                |
| Less than high school graduate       | 327             | 2%          | 305             | 5%          | 52%            |
| High school graduate (or equivalent) | 2,836           | 18%         | 1,374           | 21%         | 67%            |
| Some college or associate's degree   | 3,927           | 24%         | 2,531           | 38%         | 61%            |
| Bachelor's degree or higher          | 8,946           | 56%         | 2,445           | 37%         | 79%            |

Note: Some percentages may not equal 100% due to rounding. Asian and African American estimates have small population sizes and are therefore combined with "other".

Source: 2022 5-year ACS.

Key differences between homeowners and renters can be summarized as follows:

- Homeowners tend to be married with bachelor's degree or higher. Median household incomes for owners are almost double that of renter households (\$96,611 v. \$48,454).
- Racial and ethnic minorities are underrepresented in homeownership with significantly lower ownership rates than non-Hispanic White households. The sample size for Black/African American and Asian households is very small and is therefore included with "other" race/ethnicity.
- Renters tend to be younger and have lower levels of education. More than a third of renters in La Plata County are under the age of 35. About two-thirds of renters have

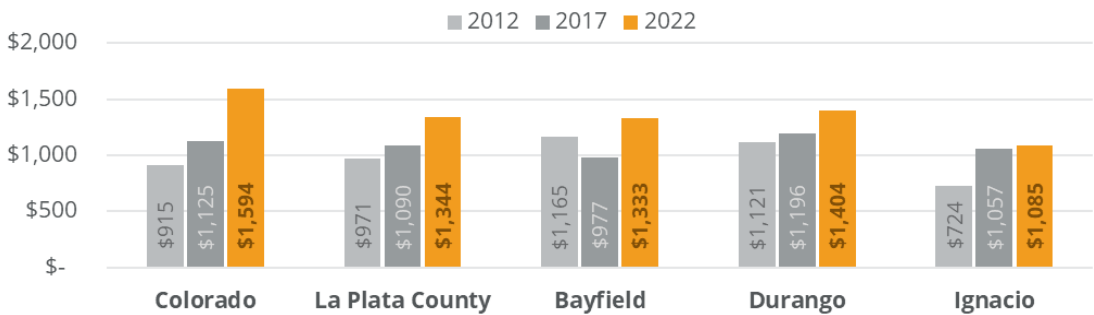
less than a bachelor’s degree compared to less than half of owners. These differences could be driven by life stages as younger renters are more likely to be in the early stage of their education and the presence of Ft. Lewis College in Durango increases the number of younger residents who live in the area and are renting temporarily while attending school. Home ownership is out of reach for workers who do not hold a college degree.

Rental Market Trends

This section provides an analysis of La Plata’s rental market including patterns and trends in median rents and rental price distributions. It begins with an overview of the market using ACS data, the most recent year available is 2022. ACS data are the most comprehensive data on rentals as the dataset describes what all renters pay, regardless of unit type and inclusive of affordable housing inventory and public subsidies. However, since the ACS data are lagged, this section also includes market data on multifamily rentals through Q3 of 2024, using Costar data.

**Median rent.** According to the ACS, the median rent paid by renters in La Plata County was \$1,333 in 2022 (after adjusting for publicly subsidized units/vouchers). Durango has the highest median rent of local communities (\$1,404), followed by Bayfield (\$1,333) and then Ignacio (\$1,085).

Figure II-11.  
Median Rent, 2012, 2017, and 2022, La Plata County and Communities

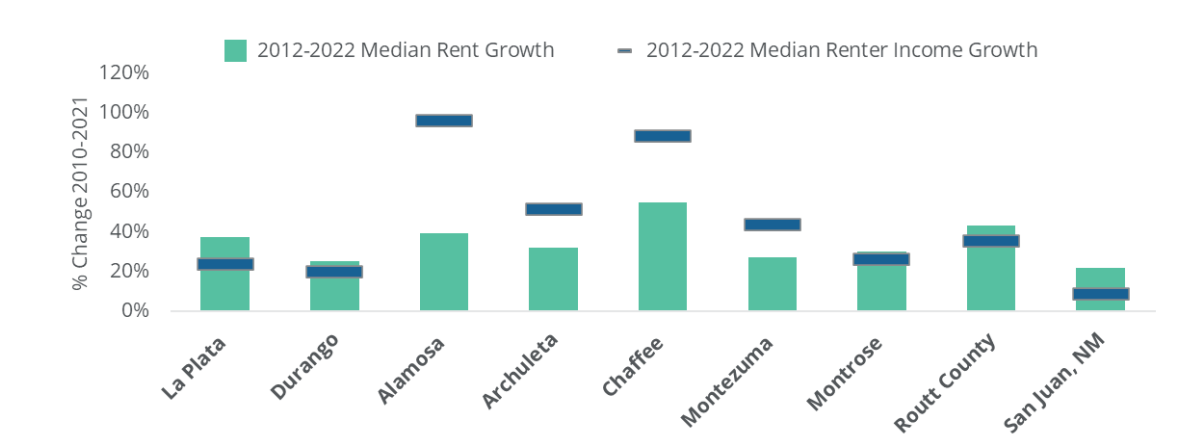


Source: 2012, 2017, 2022 ACS.

As illustrated in the previous figure, La Plata County’s median rent increased by 38% from 2012 to 2022 (from \$971/month to \$1,344 per month). Over the same time period, median renter income increased by 26%--in other words, rent increases outpaced income increases for renters. Figure II-12, on the following page, compares the percentage change in rents to the percentage change in renter incomes between 2012 and 2022. Where rent increase (represented by the green bar) are higher than renter income increase (represented by the blue lines), affordability declined. Where income increases are higher than rent increases,

affordability improved. Rents increases in La Plata County and in Durango are higher than income growth. The same was true in Routt County and San Juan, NM. However, other peer counties saw affordability improvements at the median as incomes outpaced rent increases.

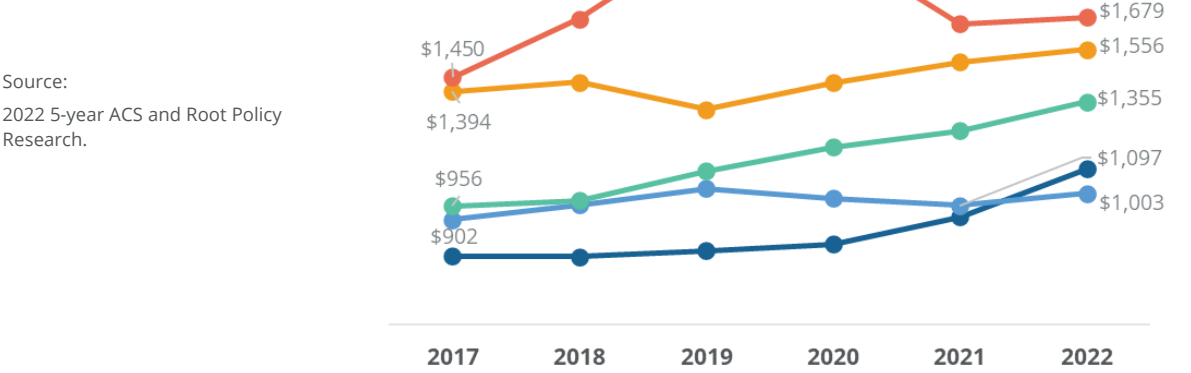
**Figure II-12.**  
**Change in Median Rent and Income, 2012-2022**



Source: 2010, and 2022 5-year ACS and Root Policy Research.

Figure II-13 shows La Plata County rental trends by number of bedrooms. For the most part, larger units command higher rents, although some studios do have a higher median rent than 1-bedrooms, likely reflecting luxury rental housing. Rent increases were the greatest for studio and 2-bedroom rentals, which could indicate high demand on these types of units.

**Figure II-13.**  
**Median Rent by  
Number of  
Bedrooms, La Plata  
County, 2017-2022**



Source:  
2022 5-year ACS and Root Policy  
Research.

**Rental price distribution.** Rental units in the county have increasingly shifted to higher price points over the last decade. Since 2012, the number of units priced above

\$2,000 nearly tripled to comprise over one-third of total rental stock in 2022. The number of rental units priced below \$1,250 also declined during this time, decreasing by more than a third (34%). These shifts were most dramatic for units priced between \$500 and \$1000—the steepest decline occurred over the last five years (Figure II-14).

**Figure II-14.**  
**Distribution of Units by Gross Rent, La Plata County, 2012-2022**



Source: 2012, 2017, and 2021 5-year ACS and Root Policy Research.

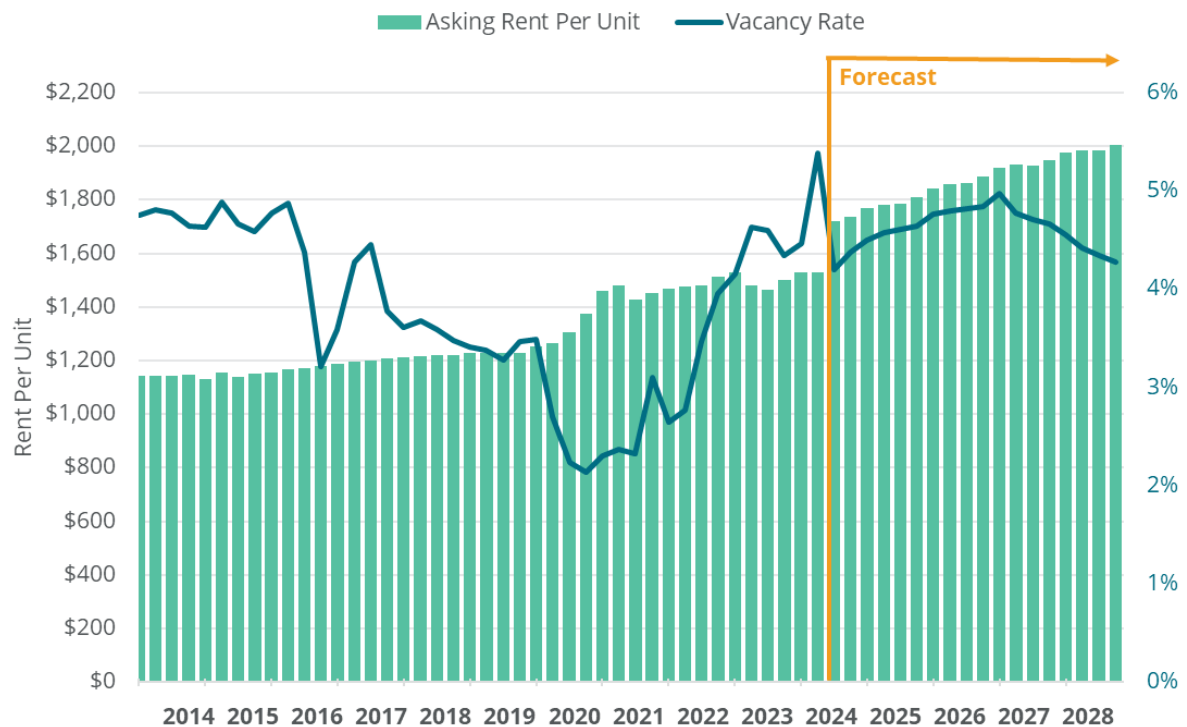
As shown in the figure above, the number of rental units increased only if the rent was priced \$1,000. Units between \$1,000 and \$1,499 per month increased by 43%, units between \$1,500 and \$1,999 increased by 90% while units over \$2,000 per month increased by 288%.

**Market rents and vacancy.** The ACS data on median rent and rental distribution (shown in the preceding figures) offer a comprehensive analysis of what La Plata County renters currently pay for rent. The ACS data include all structure types (single-family rentals to apartments) as well as both market-rate rental units and subsidized/affordable rental units. However, the ACS data may not accurately portray what is currently available on the market for a household looking to rent nor does it illustrate the asking rents of newly constructed rental properties.

CoStar data provide a more accurate picture of market-rate apartment rents, relying on extensive surveys of multifamily properties across the United States. Figure II-15 shows the CoStar data on effective rents<sup>1</sup> in La Plata County from 2014 through 2024 Q2 and forecasts rents through 2028. It also shows the rental vacancy rate in La Plata County over the same period (indicated by the blue line in the figure).

<sup>1</sup> Effective rent factors in concessions offered by the landlord such as one free month at leasing.

**Figure II-15.**  
**Monthly Asking Rent, La Plata County, 2014-2024; Forecasts through 2029**



Source: CoStar and Root Policy Research.

According to CoStar, average rent in La Plata County in 2024 is about \$1,500 per month. This average equates to rents in the 60% to 80% AMI range, depending on unit and household size. Rents are expected to progressively increase over the next five years, reaching around \$2,000 per month by the end of 2028.

Current vacancy rates are just over 4%, up from a historically low of just over 2% in 2020. Despite the recent increase in vacancy rates, 4% still reflects a very tight rental market. When vacancy rates are relatively low (below 8%), there is lots of competition for available units, which allows landlords to command higher rents.

**Rising rental construction costs.** Statewide, the average cost to construct an affordable multifamily rental unit was \$432,835 in 2024, up from \$307,079 in 2020 (a 41% increase).<sup>2</sup> Rising interest rates also make it more challenging for developers to finance new multifamily rental units. Rising construction and financing costs, in general, contribute to higher prices in the delivery of new multifamily rental units.

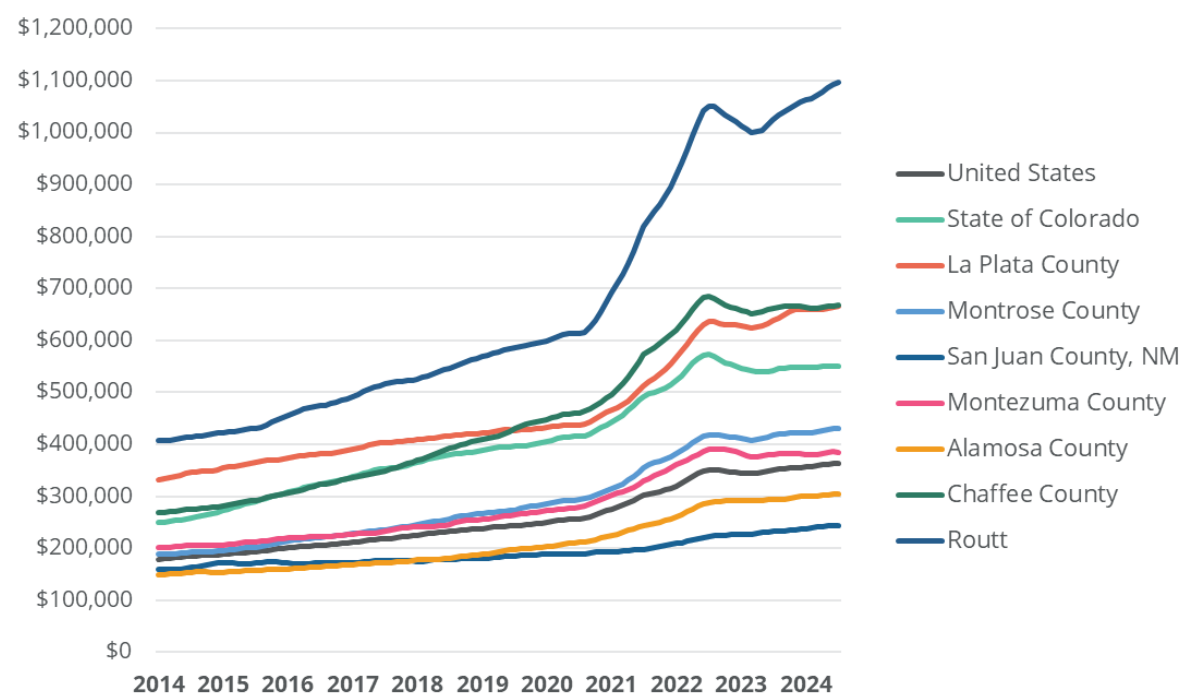
<sup>2</sup> Data from CHFA Affordable Housing Development Cost Dashboard.

# For-Sale Market Trends

Similar to the rental market, the for-sale market in La Plata has seen significant increases in price in recent years. Rising interest rates further exacerbated affordability challenges, particularly for first-time buyers. This section discusses trends in the for-sale market in La Plata County using data from Zillow Analytics as well as local data from the Multiple List Service on all homes listed or sold in La Plata County in 2023 and the first two quarters of 2024.

**Home values.** According to the Zillow Home Value Index (ZHVI), La Plata County had a median home value of \$665,831<sup>3</sup> in 2024, an increase of 110% from 2010 or nearly \$350,000 over the last 15 years.

**Figure II-16**  
**Median Home Values, La Plata County Comparisons, 2014-2024**



Note: Home value data are shown for Zillow estimates up to July 2024.

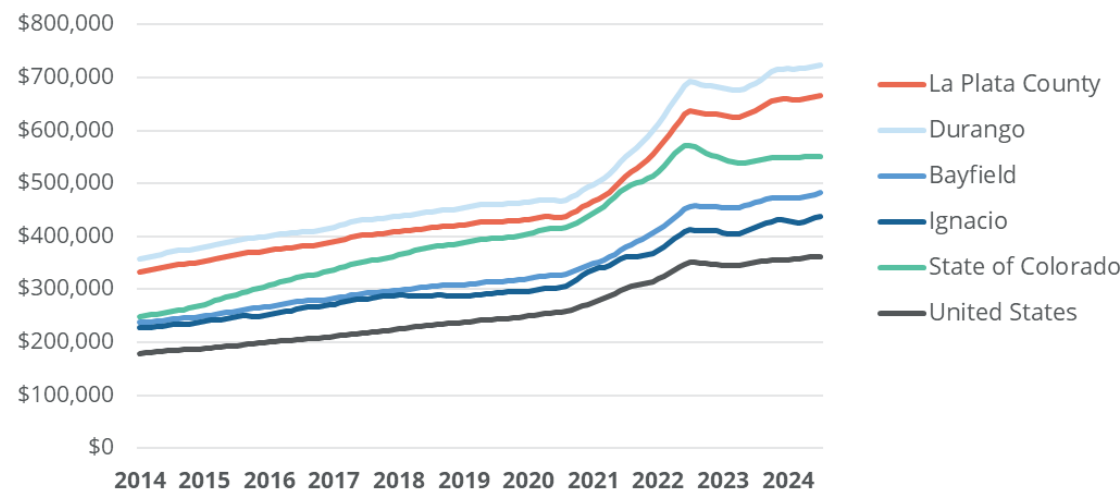
Source: Zillow Home Value Index (ZHVI) and Root Policy Research.

Relative to peer communities, La Plata and Chaffee County home prices are significantly higher, with median home values in in the county exceeding \$600,000 by 2024, while

<sup>3</sup> Note that 2024 median home values represent home value estimates for January 2023 up to July 2024. Home value data reflects all owner-occupied homes in La Plata County; home sales in the next section refer to homes that were listed or sold during the period. The median shown in this figure is in line with data from the Durango Association of Realtors which reports the 2024 median sale price to be \$675,000 (see <https://durangorealtor.com/market-stats/> for details and for monthly updates).

communities in San Juan County, NM have medians in the \$250,000 range. La Plata County home values are also higher than the State of Colorado median.

**Figure II-17**  
**Median Home Values, La Plata County Communities, 2014-2024**



Note: Home value data are shown for Zillow estimates up to July 2024.

Source: Zillow Home Value Index (ZHVI) and Root Policy Research.

**Home sales.** Around 1,444 homes were sold in La Plata County from January 2023 to October 2024 for a median sales price of \$642,500.<sup>4</sup> Nearly three in four homes were single-family detached units, 19% were duplexes or townhomes, and the remaining 8% were condos. Figure II-18 shows the distribution of homes sales by type along with the median price, typical characteristics, and location of homes sold in La Plata County (January 2023-October 2024). Note that median *price* differs from the median home *values* discussed previously: home values include all owner-occupied homes in La Plata; home prices refer only to the homes that were listed or sold during period.

<sup>4</sup> La Plata County has a total of approximately 22,691 owner occupied homes so about 6% of all owner occupied homes were listed for sale at some point between January 2023 and October 2024.

**Figure II-18.**  
**Profile of Home Sales, La Plata County, 2023-2024**

| All Home Sales                            |           | Sales by Type of Home  |           |           |                              |
|-------------------------------------------|-----------|------------------------|-----------|-----------|------------------------------|
|                                           |           | Single Family Detached | Townhome  | Condo     | Manufactured/ Mobile/Modular |
| <b>Home Sales Jan 2023 - October 2024</b> |           |                        |           |           |                              |
| Total Homes Sold                          | 1,444     | 901                    | 177       | 206       | 160                          |
| Percent of Sold Homes                     | 100%      | 62%                    | 12%       | 14%       | 11%                          |
| Median Sales Price                        | \$642,500 | \$775,000              | \$630,000 | \$376,000 | \$300,000                    |
| Median Price per Square Foot              | \$397     | \$404                  | \$407     | \$480     | \$212                        |
| <b>Typical Characteristics</b>            |           |                        |           |           |                              |
| Median Year Built                         | 1998      | 1998                   | 2006      | 1984      | 1996                         |
| Median Square Feet                        | 1,750     | 2,050                  | 1,671     | 862       | 1,296                        |
| Avg. Number of Bedrooms                   | 3.0       | 3.0                    | 3.0       | 2.0       | 3.0                          |
| Avg. Number of Bathrooms                  | 2         | 3                      | 3         | 2         | 2                            |
| <b>Location</b>                           |           |                        |           |           |                              |
| Bayfield                                  | 252       | 81%                    | 4%        | 0%        | 14%                          |
| Durango                                   | 1093      | 57%                    | 15%       | 19%       | 9%                           |
| Hesperus                                  | 40        | 80%                    | 0%        | 0%        | 20%                          |
| Ignacio                                   | 39        | 56%                    | 0%        | 0%        | 44%                          |
| Vallecito Lake/Bayfield                   | 17        | 82%                    | 0%        | 0%        | 18%                          |
| Other unincorporated                      | 2         | 100%                   | 0%        | 0%        | 0%                           |

Note: Includes sales from January 1, 2023 to October 31, 2024.

Source: MLS and Root Policy Research.

The typical home sold in La Plata County in 2023/24 was built around 1998, was 1,750 square feet, and had about three bedrooms. On average, condos are older than single family detached, mobile/modular and other types of attached units (duplexes, townhomes), but command a higher price per square foot (\$480 compared to around \$404) which makes sense as smaller square footage is typically priced higher per square foot. Condos offer the most affordable option with a median price around \$376,000, and account for a small proportion of total sales (14%) relative to single family detached homes.

**Median sale price trends by home type.** Since 2017-2018, home sales prices in the county increased by 71% (or \$267,450) reaching a median sale price of \$642,500 compared to only \$375,050 6-7 years ago.

As shown in Figure II-19, changes in median sale prices vary by the type of home sold. Over the last 6-7 years, sales prices have increased the greatest for condos at 84%, followed by single family detached homes and townhomes both around 78% (or \$340,000 for single

family and \$275,000 for townhome). Mobile/Manufactured/Modular homes continue to be the most affordable with moderate increase in price of 36% (though total housing costs in manufactured housing communities can be high after accounting for lot rents). In general, home price increases at the median exceeded income growth over this period.

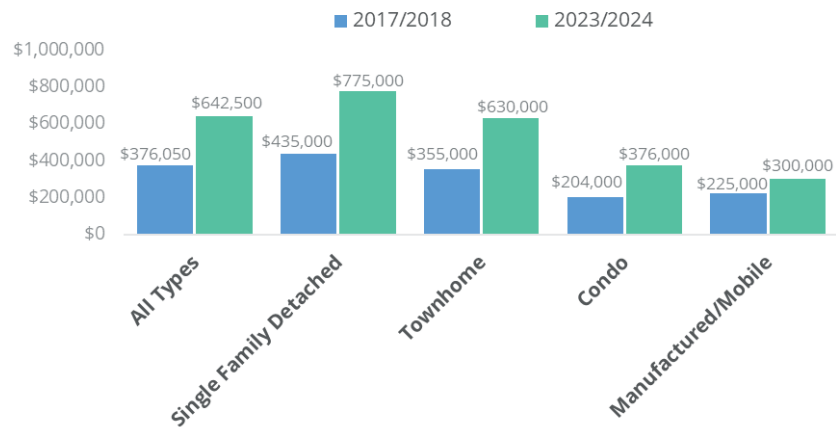
**Figure II-19.**  
**Median Sale Price by**  
**Type of Home, La**  
**Plata County,**  
**2017/18-2023/24**

Note:

2017/18 data includes homes sold between January 2017 through October 2018. 2023/24 data includes homes sold between January 2023 through October 2024.

Source:

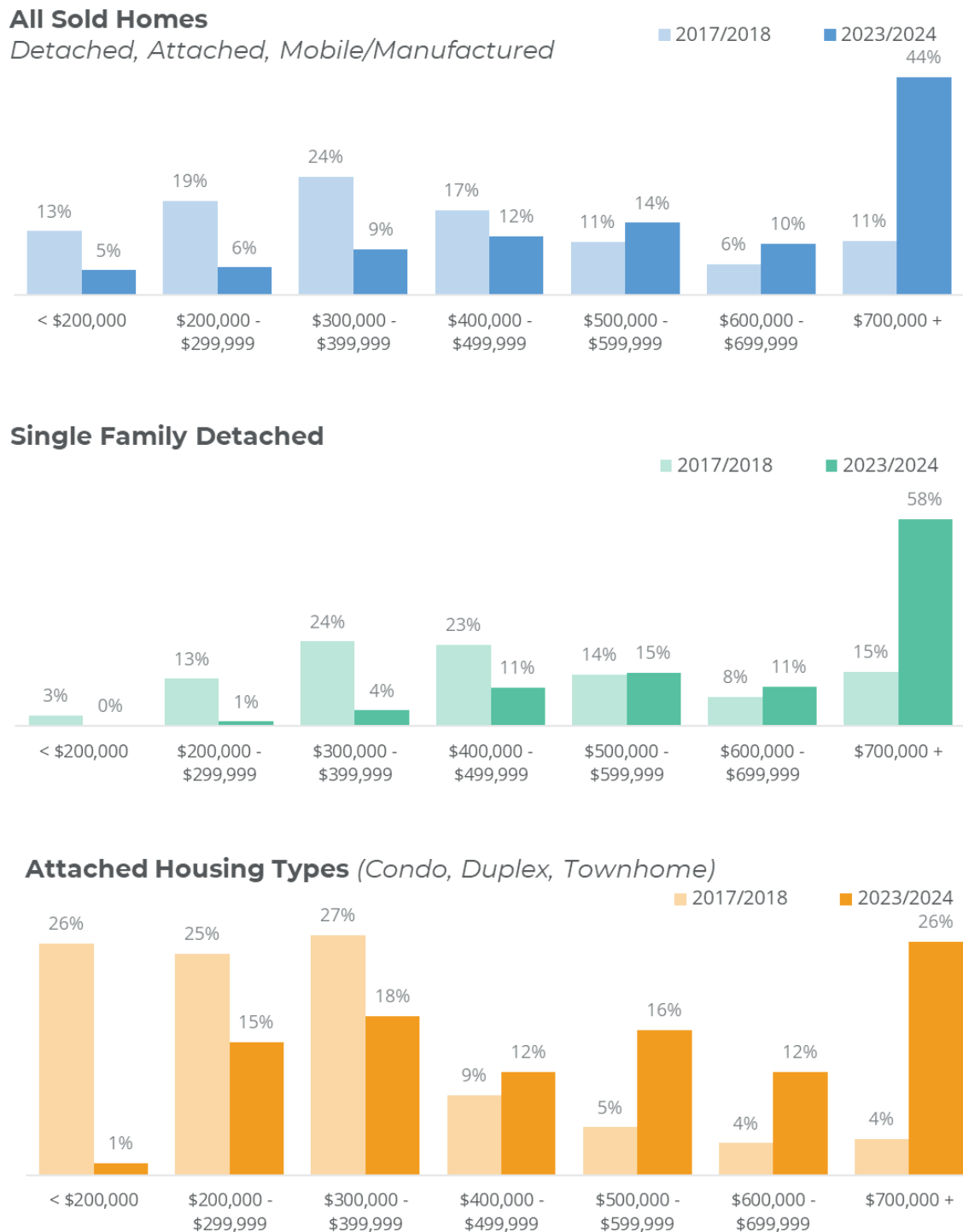
Zonda Sales Data and Root Policy Research.



**Distribution of sales prices.** Price distribution trends for home sales in La Plata County are an important indicator for residents' ability to transition to homeownership. Shifts towards higher price points suggest that low- to moderate-income renters will be unable to afford to purchase a home which could result in a loss of essential workers and young adults/families, should those households seek homeownership opportunities elsewhere. Figure II-20 (below) shows the price distribution of home sales in 2017-2018 and 2023/24. As illustrated in the figure:

- For sale homes priced below \$500,000 have dramatically declined, comprising only 32% of homes sales in the county in 2023/24, down from 73% in 2017/2018. These changes were consistent across housing types. Stakeholder interviews consistently referenced housing below \$500,000 as the maximum threshold for homeownership for workers in La Plata County, if not lower.
- Attached housing types—traditionally an affordable option for first-time buyers—shifted to unaffordable levels. In 2018, sales were concentrated between \$200,000 and \$400,000 but by 2024 prices were spread across all higher price points, with more than half of attached unit sales priced over \$500,000.
- Single-family detached homes in La Plata County are also shifting to higher price points. In 2018, more than half of single-family detached home sales prices were between \$200,000 and \$499,999; six years later, over half of all homes sold for more than \$700,000.

**Figure II-20.**  
**Price Distribution of Home Sales in La Plata, 2017/18 and 2023/24**



Note: Sales data for 2017/2018 includes homes sold from January 2017 through October 2018. Sales data for 2023/24 includes homes sold between January 2023 through October 2024.

Source: MLS Data and Root Policy Research.

## Short-term Rentals in La Plata County

This section provides a high-level overview and current snapshot of short-term rentals in La Plata County, typically defined as residential units rented less than 30 days at a time. Short-term rentals, or STRs, can play a unique role within housing markets because they can provide economic benefits (to homeowners through rental revenue and the city/county through sales tax/tourism revenue) but may disrupt the long-term rental market if they account for a substantial portion of the total housing stock (this is most common in tourist-driven economies such as mountain resort communities in Colorado).

According to data from airdna.com, there are 2300 units listed as short-term rentals in La Plata County with 837 in Durango, and 292 in Bayfield.<sup>5</sup> Nearly half (45%) of these are part-time STRs, meaning they are available fewer than 180 nights per year. Some of these may be permanently occupied and rented occasionally, others may be rented consistently and otherwise vacant or used seasonally. The 1,035 units that appear to be full-time STRs account for about 4% of the total housing stock countywide.

Figure II-21 illustrates key metrics in the La Plata County STR market, including trends in the number of STR listings over the last two years. As shown on the following page:

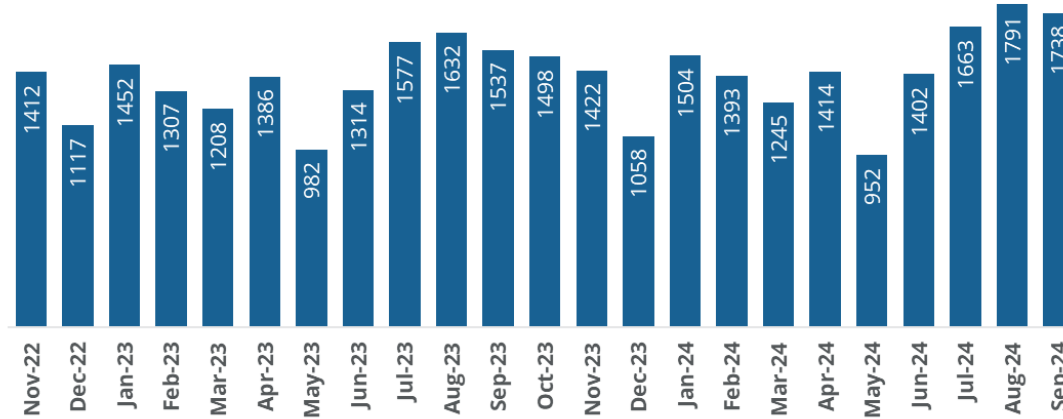
- The size of STRs is distributed relatively evenly (excluding units with five beds or more). Rentals with one bedroom comprise a slightly larger share of listings at almost a quarter; rentals with two to four bedrooms comprise around 25% of total listings.
- Listings vary by annual availability and minimum stay requirements. Most STRs (23%) are available fewer than 90 days per year and almost half (49%) have a minimum stay requirement of at least two nights.
- In October 2024, only 47% of listings were occupied and only 25% were occupied in April 2024. The highest occupancy rate across 2024 was 77% in July.

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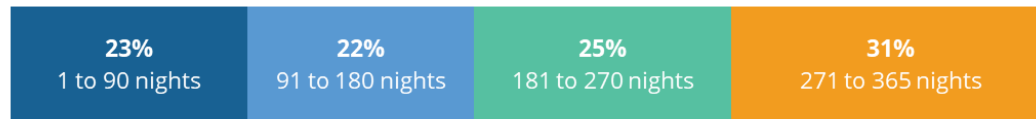
<sup>5</sup> There are 1747 active listings in La Plata County for a total of 2,300 STR listings in zip codes 81122, 81137, 81301, 81303, and 81326. (data not available for 81302).

**Figure III-21.**  
**La Plata County's Short-term Rental Market, 2024**

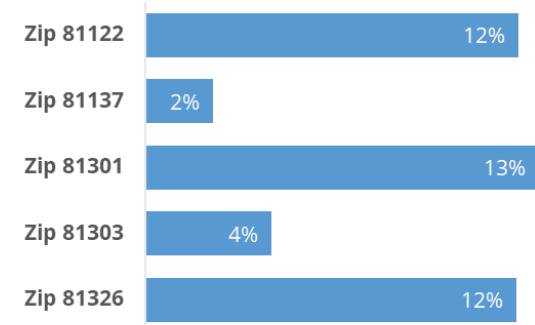
*Booked Listings*



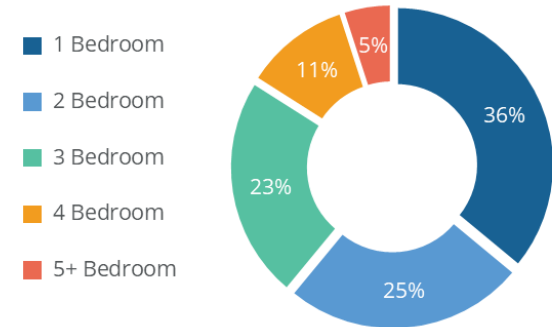
*Annual Availability*



*STR's by Zip Code*



*Rental Size*



Note: STR data are shown for select zip codes only—81122, 81137, 81301, 81303, and 81326. Data is not available for 81302.

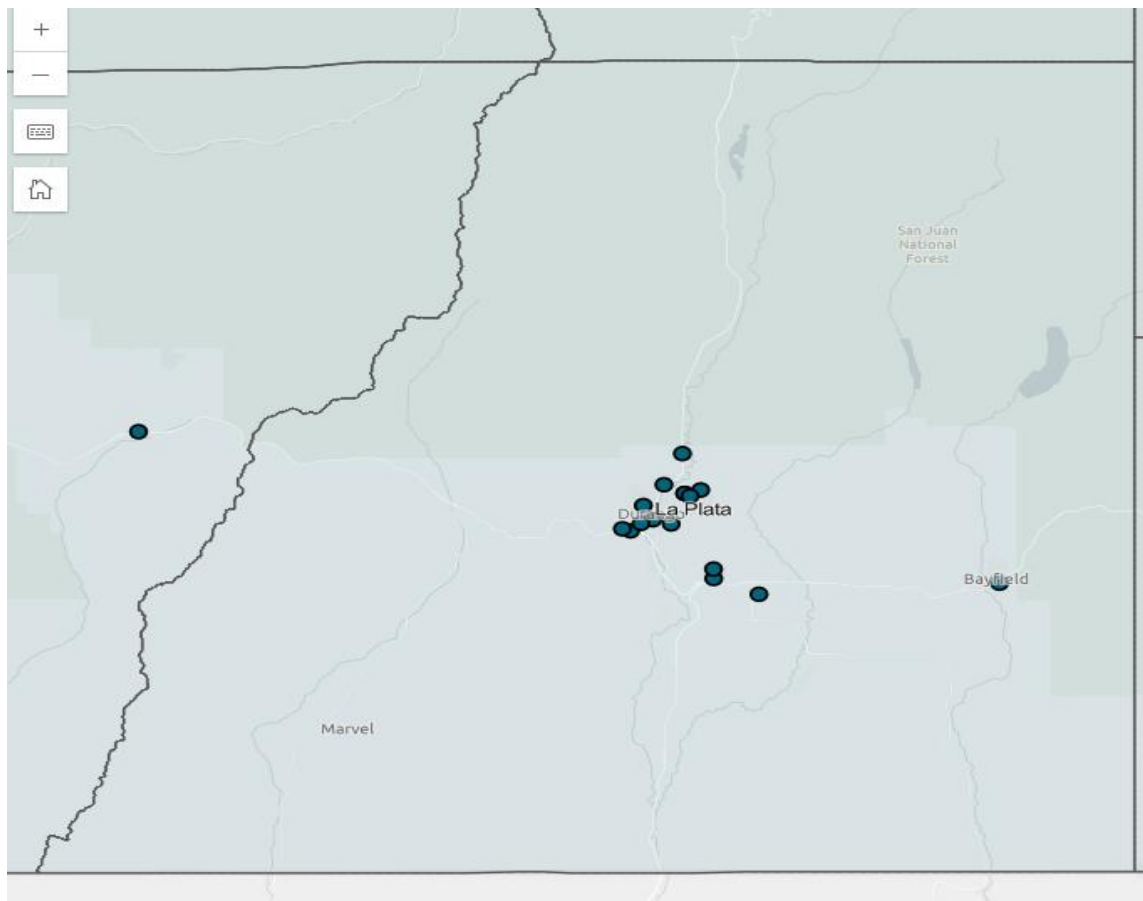
Source: AirDNA, American Community Survey 2022 5-year estimates, Root Policy Research.

## Affordable Housing Inventory

Income-restricted housing units (affordable housing) play an important role in providing affordable rents to La Plata residents and workers with low to moderate household incomes. According to National Housing Preservation Database (NHPD) which tracks publicly assisted housing nationwide, there are a total of 808 income-restricted housing units across 19 properties in La Plata County. Affordable housing in La Plata is largely supported by Low Income Housing Tax Credit (LIHTC) but also includes HUD-funded properties (through Project Based Section 8 and other HUD programs).

Figure II-22 shows the geographic distribution of affordable LIHTC housing in La Plata County. As shown in the map below, there is one affordable development in Bayfield but the remainder are located in or near Durango.

**Figure II-22.**  
**LIHTC Developments in La Plata County**



Source: Colorado Housing Finance Authority.

Of the 808 affordable units, 92 (12%) are designated specifically to serve older adults, 101 units (13%) are designated specifically to serve people experiencing homelessness and/or

people earning less than 30% AMI who need permanent supportive housing (PSH). The remainder of units are for any income-qualifying household (primarily serving households earning less than 60%AMI).

Affordable housing units in the county are supplemented by the Housing Choice Voucher (HCV) Program which provides rental assistance to low income families and households. According to HUD's Picture of Subsidized Households data, there are currently 385 HCVs in use in La Plata County. Note that in some cases, HCVs are used on conjunction with affordable units in order to reach deeper AMIs – as such, the HCVs are not necessarily additive to the designated affordable units.

## SECTION III.

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### HOUSING NEEDS ANALYSIS

## SECTION III.

# Housing Needs Analysis

Section III provides an in-depth analysis of housing needs in La Plata County. Housing cost trends are explored in relation to household incomes to identify housing and affordability needs. Several factors in this analysis are:

- Household cost burden<sup>1</sup> and severe cost burden by tenure and household income;
- Housing costs (e.g., rent and purchase prices) compared to income;
- Housing supply compared to housing demand, measured by an affordability gaps analysis (explained in detail on page 9 of this section); and
- Housing affordability for La Plata County's workforce, used to determine what workers can afford in the city's housing market.

The section concludes with estimates of new housing units currently needed and projections of future housing needs based on the methodology compliant with Colorado state requirements.

### Primary Findings

- Thirty percent (30%) of La Plata County households are cost burdened. Rates of cost burden are higher among renters: more than half are either cost burdened or severely cost burdened. Over the past 10 years, the impact of cost burden has expanded to higher income renters than in the past. Recent data trends show substantial increases in the proportion of renters who are cost burdened in the \$35,000 to \$75,000 income bracket.
- Owner cost burden has also shifted in the \$50,000-75,000 income range increasing to 41% in 2022 from 27% a decade ago. This could indicate that this income group earns enough to qualify for higher priced homes, but not without taking on debt that results in cost burden.
- Median home sales prices rose by 107% between 2012 and 2022, surpassing growth in median income (43%). Rising interest rates compress affordability further: changes in purchasing power (i.e., how much households can afford to pay for a home) associated with rising incomes was only 6%.

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<sup>1</sup> Cost burden occurs when households pay more than 30% of their monthly gross income on housing costs. Severe cost burden occurs when households pay more than 50% of their monthly gross income on housing costs. Cost burden is the industry standard for affordability and often indicates risk of eviction, foreclosure, and/or homelessness.

- A rental affordability gaps analysis found that there is a shortage of 964 units for renters with incomes below 50% AMI which constrains supply affordable to renters earning incomes up to 60% AMI. The largest affordability gap for renters is for households with incomes below 30% AMI. These affordability needs could be addressed through subsidies on existing units or through construction of new rental units priced below \$967 per month.
- For-sale affordability gaps for first-time buyers are concentrated among households with incomes below 120% AMI but persist for households earning up to 140% AMI.
- There are only nine industries in which median wages are sufficient to afford median rent in La Plata County. No industries have average wages high enough to afford the median home sales price in La Plata County (even with 1.5 workers per household).
- “Catch-up needs” and “keep-up needs” were estimated with methodology designed by Colorado’s Department of Local Affairs to estimate current and future housing units needed to ensure housing availability and stability for county households based on overcrowding and vacancy rate adjustments. Note that additional subsidies or affordable units would be required to meet the rental and purchase affordability needs of current households (see rental and purchase gaps analyses).
  - **Catch-up needs:** La Plata County needs to add 264 new units (124 for sale units and 140 rental units) to meet demand from current households. Rental needs are heavily concentrated at 0-50% AMI, while for sale needs are most concentrated at incomes above 150% AMI.
  - **Keep-up needs:** To keep up with projected growth, the county needs to add 1,550 units over the next 5 years and 2,954 units over the next 10 years. Of units added in the next 10 years, 2,070 would need to be owner occupied in order to maintain current homeownership levels. Projected rental needs are greatest at incomes below 50% AMI and projected for sale needs are greatest at incomes above 150% AMI.
  - The market is most likely to deliver rental units above 80% AMI and ownership units above 150% AMI; but public assistance is likely needed to create rental below 80% AMI and ownership products below 150% AMI.
- In addition to the units needed to accommodate current La Plata County households and households expected to live in La Plata County by 2034, new units may be needed to accommodate in-commuter households who would like to live in La Plata County but live elsewhere due to the county’s lack of affordable rental or ownership options.
  - 3,271 new units would be needed to accommodate current in-commuters.
  - 411 new units would be needed by 2034 to accommodate future in-commuters.

# Defining Affordability

Affordability is often linked to the idea that households should not experience cost burden due to high housing costs. Households are cost burdened when housing costs (e.g., rent, mortgage payments, taxes, utilities) consume more than 30% of monthly gross income. The 30% proportion is derived from mortgage lending requirements and is designed to allow flexibility for households to manage other expenses such as childcare, health care, transportation, and food costs. In some cases, additional support may be needed.

Eligibility for housing programs is determined by where a household’s income falls within specific brackets determined by the U.S. Department of Housing and Urban Development (HUD). Brackets are set by Area Median Incomes (AMI). The AMI encompasses all of La Plata County (there is not an AMI for each individual municipality).

- Households earning 30% AMI are considered extremely-low income ("ELI") and below the federal poverty level;
- Households earning between 31% and 50% AMI are very low income;
- Households earning between 51% and 80% AMI are low income; and
- Households with incomes between 80% and 120% are considered moderate income.

In high-cost housing markets, moderate income households may be eligible for housing programs, specifically homeownership programs up to 120% AMI.

**Figure III-1.**  
**La Plata County Regional HUD AMI Thresholds (for 2-person households), 2024**

|                                                                              |                                                                                                                                                 |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Income and affordability levels are shown for a household size of two</i> |                                                                                                                                                 |
| <b>"extremely" low income</b><br><b>&lt; 30% AMI</b>                         | Income < <b>\$26,550</b> per year<br>Affordable rent: < <b>\$664</b> /mo.                                                                       |
| <b>"very" low income</b><br><b>30-50% AMI</b>                                | Income: \$26,550- <b>\$44,200</b> per year<br>Affordable rent: \$664 - <b>\$1,105</b> /mo.<br>Affordable home: < <b>\$75,348</b>                |
| <b>"low" income</b><br><b>50-80% AMI</b>                                     | Income: \$44,200 - <b>\$70,750</b> per year<br>Affordable rent: \$1,105 - <b>\$1,769</b> /mo.<br>Affordable home: \$75,348 - <b>\$187,803</b>   |
| <b>"median" to "moderate" income</b><br><b>80-120% AMI</b>                   | Income: \$70,750 - <b>\$106,080</b> per year<br>Affordable rent: \$1,769 - <b>\$2,652</b> /mo.<br>Affordable home: \$187,803 - <b>\$337,638</b> |

Note: AMIs shown in the figure reflect a 2-person household in La Plata County. Affordable home price shows the Economic Development Alliance Home Ownership Reference Charts, which calculate the affordable homeownership (1) a 30-Year Fixed Mortgage Interest Rate of 7.06%, (2) ability to contribute 33% of income to housing costs, (3) a 3% down payment; and (4) ancillary costs (property taxes, insurance, HOA payments, etc.) are estimated using a HomesFund formula.

Source: HUD Income Limits, Economic Development Alliance Home Ownership Reference Charts and Root Policy Research.

## Importance of Addressing Housing Needs

In recent years, housing needs have become a priority for local and state governments. Greater support for housing at the local and state levels is primarily driven by the federal government's diminishing role in providing publicly subsidized housing as well as meaningful investments from the state, nonprofit and private sectors for housing projects and programs. Addressing acute housing needs and supporting a balanced housing stock accommodates a full "life cycle community"—where there are housing options for each stage of life from career starters through centenarians—this in turn supports the local economy and contributes to La Plata County's community culture. Research has shown:

- Rising housing costs have undermined equitable access to opportunity such as education, employment, health care, and community services/resources—all of which are critical to ensuring success and quality of life.
- Stable, safe, and affordable housing are central to the health of individuals, families, and communities. Poor housing quality often exposes households to mold, pests, and/or chemical toxins that are harmful to individual health.
- Limited affordable housing opportunities significantly impact mental health, particularly among children and adolescents. Providing families with affordable housing that meets their needs provides greater stability and reduces stress.
- Households living in stable housing are more likely to spend their incomes in the local economy through direct spending on goods and services. Money that would otherwise be used for housing gives households the ability to spend their incomes on food, transportation, and health care services.
- Housing investments that allow workers to live near their place of employment can reduce the impacts of commuting (e.g., wear-and-tear on roads and vehicular accidents) and helps to address the growing threat of climate change.
- Affordable housing is key to providing high quality public services to the community as many essential workers (e.g., nurses police officers, teachers, home-health aides, and childcare providers) often leave communities that do not have an adequate supply of housing in their price range. As more essential workers leave the community, residents will likely experience greater difficulty accessing health care services as well as quality education for their children.
- Generational wealth from homeownership is a major contributor to positive outcomes for children. As housing and equity are passed down, young adults have the option to remain in the community and have families of their own.
- Housing investments and stable housing environments bolster local revenue, increase job readiness, help renters transition to homeownership, and increase economic and

educational opportunities for children. This also lowers public costs incurred from eviction, foreclosure, and homelessness.

The benefits mentioned above do not represent a comprehensive list of the benefits to providing households with stable and affordable housing.

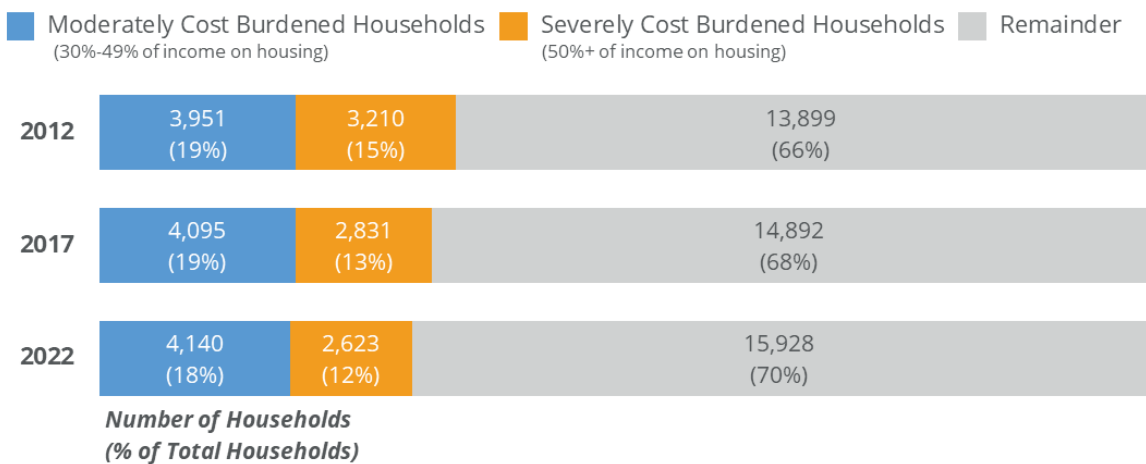
### Cost Burden and Severe Cost Burden

Affordability shortages often result in households “renting up” or “buying up” meaning a larger share of their income is being dedicated to their housing costs. This can result in financial instability, housing instability, and the threat of displacement of households from their home and/or community.

- Cost burden occurs when households spend more than 30% of their gross household income on housing costs. Housing costs include rent or mortgage payments, homeowner association (HOA) fees, utilities, mortgage insurance, renter/homeowner insurance, and property taxes.
- Severe cost burden occurs when households spend more than 50% of their monthly gross income on housing. Severe cost burden is closely linked with higher rates of eviction, foreclosure, and homelessness.

Figure III-2 shows the proportion of moderate and severe cost burdened households in La Plata County. In total, 18% of La Plata County households are cost burdened—15% spend between 30% and 49% of their income on housing and 12% are severely cost burdened, spending half or more of their income on housing.

**Figure III-2.**  
**Cost Burden and Severe Cost Burden, La Plata County, 2012-2022**

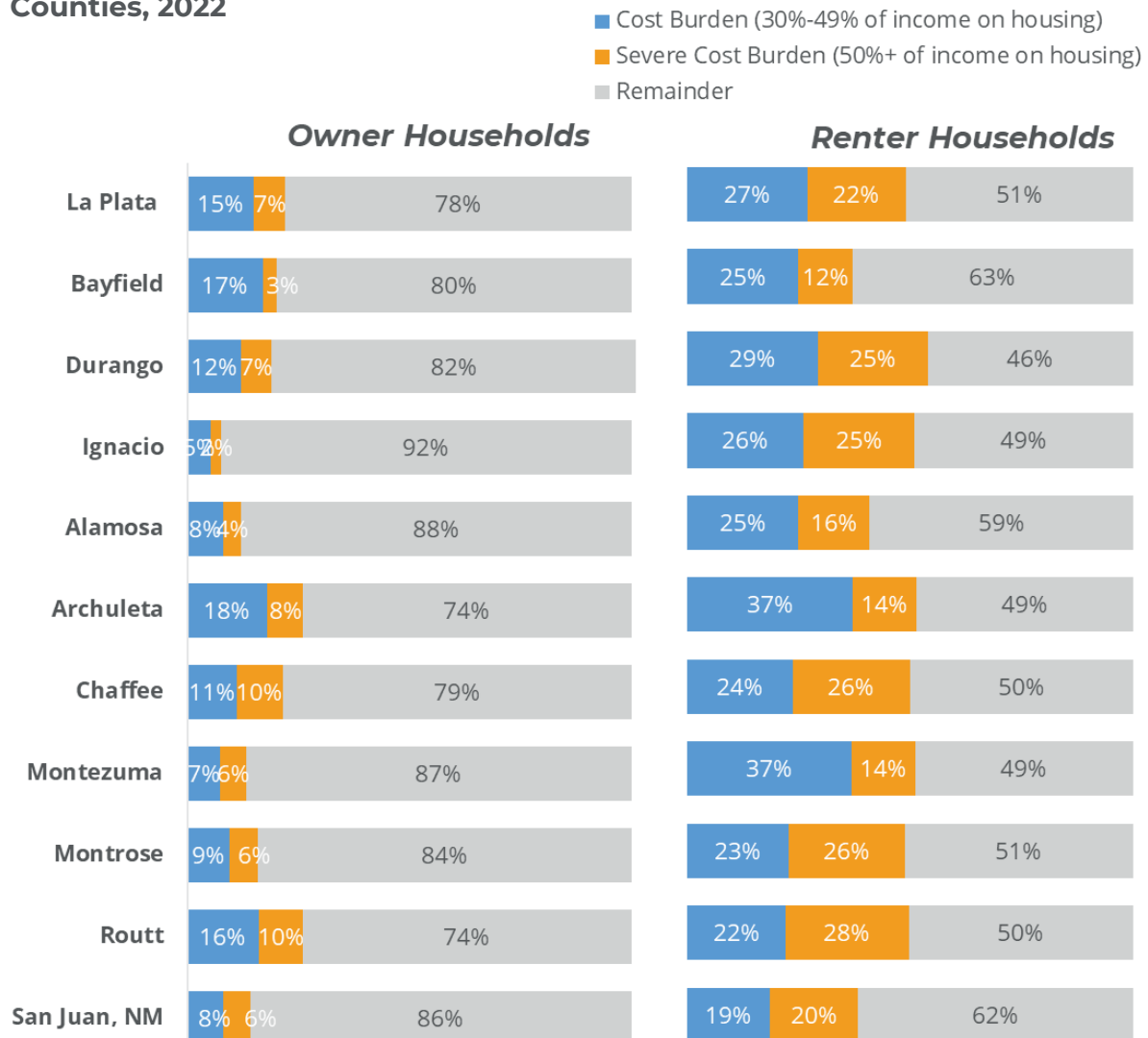


Source: 2012, 2017, and 2022 5-year ACS.

As shown in the previous figure, total cost burden (when combining owners and renters) did decline over the past 10 years, possibly due to an increased number of higher income residents. When isolating cost burden by tenure, however, more than half of La Plata County renters are either cost burdened or severely cost burdened with 54% of Durango renters experiencing either cost burden or severe cost burden. Cost burden is less prominent among owners in La Plata County with 15% of owners experiencing cost burden and only 7% severely cost burdened.

Cost burden for renter households is similar across peer communities with the exception of San Juan County in New Mexico and Alamosa County which have slightly lower levels of cost burden. Within La Plata County, Durango and Ignacio have higher levels of cost burden than Bayfield, however, Bayfield has higher homeownership and fewer renters (Figure III-3).

**Figure III-3.**  
**Cost Burdened Households by Tenure, La Plata County Towns and Peer Counties, 2022**



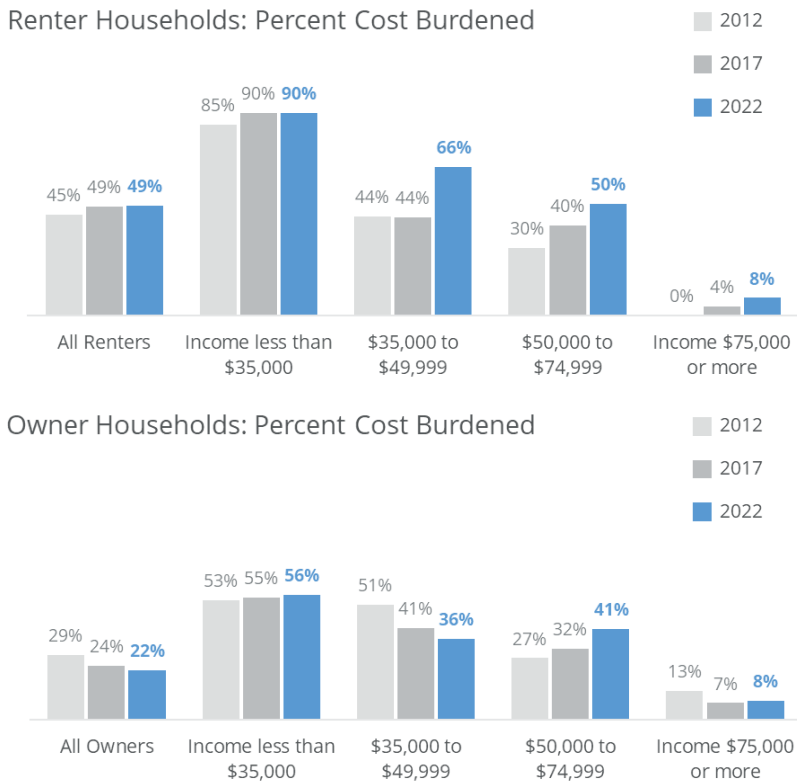
Source: 2022 5-year ACS and Root Policy Research.

Figure III-4 shows the change in cost burdened households by tenure and income over the last decade. Despite an overall decline in cost burden in La Plata County since 2012, cost burden has started to impact higher income renters with substantial increases in the proportion of renters earning \$35,000 to \$75,000 that are cost burdened increasing by roughly 20%. Renters with incomes below \$35,000 are not surprisingly overwhelmingly cost burdened (90% of renters in this income range).

Additionally, more homeowners in the \$50,000-\$75,000 income range are cost burdened than a decade ago which could be combination of being at the very lowest income range to qualify for higher priced homes in the market and increased interest rates in 2022.

**Figure III-4.**  
**Percent of Cost Burdened Households by Tenure and Household La Plata County, 2012-2022**

Source:  
2012, 2017, and 2022 5-year ACS  
and Root Policy Research.



## Affordability and Income Changes

This section compares trends in La Plata County housing costs to trends in La Plata County household incomes. In other words, are incomes keeping up with home and rental prices?

Figure III-5 (below) summarizes housing affordability changes in La Plata County by comparing the change in median income to changes in rent and home prices as well as purchasing power at the median income. A focus on purchasing power, rather than income alone, captures the impact of changing interest rates—it reflects what a household at the median income can afford to buy, given current lending conditions.

- The median sales price rose 107% between 2012 and 2022, exceeding the change in median income (43%) between 2012 and 2022. Rising interest rates exacerbate these changes and compress affordability further: the change in purchasing power associated with rising incomes was only 3%, due to the sharp spike in interest rates over the period.
- At the median, the increase in renter income did not keep pace with increase in rent (24% rise in income and 38% rise in rent) over the past decade. In other words—the median renter was unlikely to keep up with rising rents.

**Figure III-5.**  
**Income and Market Changes, La Plata County, 2012-2022**

|                                                  | 2012      | 2017      | 2022      | Percent Change |           |
|--------------------------------------------------|-----------|-----------|-----------|----------------|-----------|
|                                                  |           |           |           | 2012-2022      | 2017-2022 |
| Income                                           |           |           |           |                |           |
| Median Household Income                          | \$57,407  | \$62,533  | \$81,936  | 43%            | 31%       |
| Median Renter Income                             | \$39,209  | \$40,636  | \$48,454  | 24%            | 19%       |
| Median Owner Income                              | \$67,376  | \$75,242  | \$96,611  | 43%            | 28%       |
| Rent / For Sale Prices                           |           |           |           |                |           |
| Median Rent                                      | \$971     | \$1,090   | \$1,344   | 38%            | 23%       |
| Median Home Sales Price                          | \$305,317 | \$402,871 | \$630,667 | 107%           | 57%       |
| Purchasing Power                                 |           |           |           |                |           |
| Affordable Home Price at Median Household Income | \$258,825 | \$253,355 | \$267,365 | 3%             | 6%        |
| Interest Rate                                    | 3.65%     | 4.54%     | 6.50%     |                |           |

Note: Purchasing power estimates assume that buyers spend 30% of their income on housing and have a 30-year mortgage with a 10% down payment. Ancillary costs (e.g., property taxes, insurance, HOA payments) are assumed to collectively account for 25% of monthly housing costs.

Source: 2012, 2017, and 2022 ACS 5-year estimates, Zillow and Root Policy Research.

**What can workers afford?** Major employers in La Plata County are experiencing challenges with recruitment and retention of employees due to housing rental and sales prices that are not attainable at current wages coupled with inventory that does not match the needs of incoming workers. With rising housing prices, many employees have sought less expensive housing outside of La Plata County, forcing residents to commute longer distances, increasing local traffic, and contributing to employee absence and higher turnover rates for local businesses.

Figure III-6 shows the housing that industry workers in La Plata County can afford based on the median earnings by industry in La Plata County in 2021 (the most recent data currently available). Median rent (2022) and median home value (2022) are used to measure the

extent to which La Plata County employees can participate in the County's housing market. This analysis provides greater insight on La Plata County's economic trajectory: if industry workers are unable to afford a home or apartment in the city, it is more likely that they will leave the area to find affordable housing elsewhere. With fewer workers available, it could become difficult for La Plata County to attract primary employers. The healthcare industry in particular is at risk in La Plata County, with specific skills needed to fill positions that provide critical in person services to county residents.

- **Nine industries provide a median wage that could support the median rent in La Plata County.** These industries include: mining/quarrying/oil and gas, wholesale trade, transportation and warehousing, utilities, information, finance and insurance, real estate, professional/scientific/technical services; and public administration.
- **La Plata County's median sales price of \$630,667 in 2022 is far out of reach for workers earning a median wage in all industries, even with 1.5 earners per household.**
- **Essential workers cannot afford median rents nor median sale prices in the city.** Workers in the educational service industry and the health care and social assistance industry cannot afford housing in La Plata County on their own and would need at least two earners per household to purchase a home.

**Figure III-6.**  
**Worker Affordability, La Plata County, 2022**

| Industry                                     | Median Annual Earnings | Max Affordable Rent | Can Afford Median Rent? | Max Affordable Home Price | Can Afford Median Home Price? | Can Afford Median Home Price with 1.5 Earners per Household? |
|----------------------------------------------|------------------------|---------------------|-------------------------|---------------------------|-------------------------------|--------------------------------------------------------------|
| <b>Goods Producing</b>                       |                        |                     |                         |                           |                               |                                                              |
| Agriculture, Forestry, Fishing               | \$42,202               | \$1,055             | no                      | \$137,709                 | no                            | no                                                           |
| Mining, Quarrying, and Oil and Gas           | \$95,741               | \$2,394             | yes                     | \$312,412                 | no                            | no                                                           |
| Construction                                 | \$47,486               | \$1,187             | no                      | \$154,951                 | no                            | no                                                           |
| Manufacturing                                | \$45,436               | \$1,136             | no                      | \$148,262                 | no                            | no                                                           |
| <b>Service Producing</b>                     |                        |                     |                         |                           |                               |                                                              |
| Wholesale Trade                              | \$60,833               | \$1,521             | yes                     | \$198,504                 | no                            | no                                                           |
| Retail Trade                                 | \$29,929               | \$748               | no                      | \$97,661                  | no                            | no                                                           |
| Transportation and Warehousing               | \$71,071               | \$1,777             | yes                     | \$231,912                 | no                            | no                                                           |
| Utilities                                    | \$67,069               | \$1,677             | yes                     | \$218,853                 | no                            | no                                                           |
| Information                                  | \$54,350               | \$1,359             | yes                     | \$177,349                 | no                            | no                                                           |
| Finance and Insurance                        | \$63,018               | \$1,575             | yes                     | \$205,634                 | no                            | no                                                           |
| Real Estate and Rental and Leasing           | \$60,772               | \$1,519             | yes                     | \$198,305                 | no                            | no                                                           |
| Professional, Scientific, Technical Services | \$82,750               | \$2,069             | yes                     | \$270,021                 | no                            | no                                                           |
| Admin and Support and Waste Management       | \$34,440               | \$861               | no                      | \$112,381                 | no                            | no                                                           |
| Educational Services                         | \$44,327               | \$1,108             | no                      | \$144,643                 | no                            | no                                                           |
| Health Care and Social Assistance            | \$51,880               | \$1,297             | no                      | \$169,290                 | no                            | no                                                           |
| Arts, Entertainment, and Recreation          | \$16,698               | \$417               | no                      | \$54,487                  | no                            | no                                                           |
| Accommodation and Food Services              | \$26,196               | \$655               | no                      | \$85,480                  | no                            | no                                                           |
| Other Services                               | \$37,642               | \$941               | no                      | \$122,830                 | no                            | no                                                           |
| Public Administration                        | \$63,348               | \$1,584             | yes                     | \$206,711                 | no                            | no                                                           |
| <b>Total Employment</b>                      | <b>\$44,757</b>        | <b>\$1,119</b>      | <b>no</b>               | <b>\$146,046</b>          | <b>no</b>                     | <b>no</b>                                                    |

Note: Median rent was \$1,344 in 2022 and the median home sales price was \$630,667 in 2022. Mortgage assumptions include a 6.50% interest rate, 25% of monthly mortgage payment for ancillary ownership costs (insurance, taxes, HOA, etc.), and a 10% downpayment.

Source: 2022 5-year ACS, Zillow, and Root Policy Research.

## Affordability Gaps Analysis

Root Policy Research conducted a modeling effort (Affordability Gaps Analysis) to examine how well La Plata County's housing market is meeting the affordability needs of residents. The Gaps Analysis compares the supply of housing at various price points to the number of households who can afford such housing. If there are more housing units than households in a specific income range, the market is oversupplying housing at that price point. If there are too few units, the market is undersupplying housing at that price point. The affordability gaps analysis completed for La Plata County addresses both rental affordability and ownership opportunities for renters looking to purchase a home.

The analysis is intended to evaluate *affordability* needs among current residents, not the need for additional housing to accommodate current and future residents. Gaps identified in these analyses could be addressed with through the production of new housing units at affordable price points *or* with subsidies on existing units (e.g., Housing Choice Vouchers for rental units or downpayment assistance for ownership units).

**Affordability gaps in the rental market.** The rental Gaps Analysis in Figure III-7 compares the number of renter households in La Plata County, household income levels (defined as AMI for two people as previously discussed), the maximum monthly housing payment they can afford, and the number of affordable housing units in the market (including income-restricted affordable units).

The "Rental Mismatch" column shows the difference between the number of renter households and the number of rental units affordable to them at that price point. Negative numbers indicate a shortage of units at specific income levels and positive units indicate an excess of housing at that price point. Note that the analysis focuses on existing renters and units in La Plata County and does not account for potential demand for additional rentals.

**Figure III-7.**  
**La Plata County Rental Affordability Gaps**

| Income Range                       | Maximum Affordable Rent | Rental Demand: Current Renters |      | Rental Supply: Current Units |      | Rental Mismatch | Cummulative Affordability Gap |
|------------------------------------|-------------------------|--------------------------------|------|------------------------------|------|-----------------|-------------------------------|
|                                    |                         | Num.                           | Pct. | Num.                         | Pct. |                 |                               |
| Income by AMI                      |                         |                                |      |                              |      |                 |                               |
| 0-30% AMI                          | \$580                   | 1,446                          | 22%  | 795                          | 11%  | (652)           | (652)                         |
| 31-50% AMI                         | \$967                   | 1,269                          | 19%  | 957                          | 13%  | (312)           | (964)                         |
| 51-60% AMI                         | \$1,160                 | 466                            | 7%   | 919                          | 13%  | 453             | (511)                         |
| 61-80% AMI                         | \$1,547                 | 724                            | 11%  | 1,987                        | 27%  | 1,263           | 752                           |
| 81-100% AMI                        | \$1,934                 | 642                            | 10%  | 1,386                        | 19%  | 744             | 1,496                         |
| 101-120% AMI                       | \$2,321                 | 539                            | 8%   | 785                          | 11%  | 246             | 1,742                         |
| 121-140% AMI                       | \$2,707                 | 384                            | 6%   | 351                          | 5%   | (33)            | 1,709                         |
| 141-150% AMI                       | \$2,901                 | 125                            | 2%   | 42                           | 1%   | (83)            | 1,626                         |
| 150% AMI +                         | \$2,901 +               | 1,059                          | 16%  | 51                           | 1%   | (1,009)         | 617                           |
| Total / Low Income Gap (<50% AMI)  |                         | 6,655                          | 100% | 7,272                        | 100% | (964)           |                               |
| Income by Dollar                   |                         |                                |      |                              |      |                 |                               |
| Less than \$25,000                 | \$625                   | 1,569                          | 24%  | 870                          | 12%  | (699)           | (699)                         |
| \$25,000 to \$34,999               | \$875                   | 925                            | 14%  | 571                          | 8%   | (354)           | (1,053)                       |
| \$35,000 to \$49,999               | \$1,250                 | 904                            | 14%  | 1,683                        | 23%  | 779             | (274)                         |
| \$50,000 to \$74,999               | \$1,875                 | 1,068                          | 16%  | 2,711                        | 37%  | 1,643           | 1,369                         |
| \$75,000 to \$99,999               | \$2,500                 | 871                            | 13%  | 1,299                        | 18%  | 428             | 1,797                         |
| \$100,000 or more                  | \$2,500 +               | 1,318                          | 20%  | 138                          | 2%   | (1,180)         | 617                           |
| Total / Low Income Gap (<\$25,000) |                         | 6,655                          | 100% | 7,272                        | 100% | (1,053)         |                               |

Note: Household AMI is based on HUD limits for a 2-person household (in line with the average household size) in La Plata County in 2024. 2024 AMIs are used for consistency with renter income data.

Source: 2022 5-year ACS, HUD Income Limits, and Root Policy Research.

The renter affordability gaps in Figure III-7 above show that:

- **Collectively, there is an affordability shortage of 964 units for renters with incomes below 50% AMI.** Supply and demand mismatches at this income level mean households are paying more than they can afford for their housing.
  - The largest affordability gap is for households below 30% AMI. One in five renters, nearly 1,500 households, fall within this income range and only 795 units are affordable to them.
  - Renters earning 31-50% AMI need rentals priced between \$581 and \$967 to avoid being cost burdened; only 957 units are in this range for an affordability gap of 312 units.

- **Renters with incomes at or below 50% AMI who cannot find units affordable to them due to supply shortages are “renting up” into higher priced units, facing cost burden and constraining supply for renters up to 60% AMI.** Rental affordability gaps can be addressed through rental subsidies for existing units or through the creation of new rental units priced in the affordability range of households affected by rental gaps (households with incomes less than 50% AMI).
- The “shortage” that appears for higher income households (households earning 120% AMI or more) does theoretically show a mismatch in their ability to pay for higher priced rental units and the lack of units at that higher price point. However, it does not necessarily mean they prefer higher priced units. Many households in this income range will “rent down” to spend less than 30% of their income on housing to save money or a downpayment to purchase a home. This increases competition for naturally affordable rental units limiting the inventory of units for people with lower incomes even more.

**Jurisdictional affordability gaps in the rental market.** Current rental affordability gaps are shown for each jurisdiction in La Plata County in Figure III-8 on the following page. The analysis of rental gaps by jurisdiction shows that:

- In Durango, households earning 0-30% AMI and 31-50% AMI face shortages in the supply of affordable rental units priced within their affordable ranges. Due to these shortages, Durango renter households earning 0-50% AMI who do not find affordable units rent higher priced units, becoming cost burdened and resulting in a cumulative shortage of rental units affordable to households earning 0-60% AMI.
- In Ignacio and Bayfield, mismatches in the supply of rental units by price and renter households who can afford them affect households earning 0-30% AMI.
  - In Bayfield, cumulative shortages do not affect households earning incomes greater than 30% AMI because the supply of housing units affordable at 31-50% AMI is sufficient to accommodate households earning 31-50% AMI and the households earning 0-30% AMI who are unable to find units within their price range.
  - In Ignacio, cumulative shortages resulting from households at 0-30% AMI “renting up” affect households earning up to 60% AMI.

**Figure III-8.**  
**La Plata County Rental Affordability Gaps by Jurisdiction**

| Income Range                      | Maximum Affordable Rent | Rental Demand: Current Renters |      | Rental Supply: Current Units |      | Rental Mismatch | Cummulative Affordability Gap |
|-----------------------------------|-------------------------|--------------------------------|------|------------------------------|------|-----------------|-------------------------------|
|                                   |                         | Num.                           | Pct. | Num.                         | Pct. |                 |                               |
| Bayfield                          |                         |                                |      |                              |      |                 |                               |
| 0-30% AMI                         | \$580                   | 20                             | 8%   | 8                            | 3%   | (12)            | (12)                          |
| 31-50% AMI                        | \$967                   | 36                             | 14%  | 64                           | 24%  | 28              | 16                            |
| 51-60% AMI                        | \$1,160                 | 9                              | 3%   | 38                           | 14%  | 29              | 46                            |
| 61-80% AMI                        | \$1,547                 | 16                             | 6%   | 33                           | 12%  | 17              | 63                            |
| 81-100% AMI                       | \$1,934                 | 20                             | 7%   | 55                           | 21%  | 36              | 99                            |
| 101-120% AMI                      | \$2,321                 | 42                             | 16%  | 46                           | 17%  | 3               | 102                           |
| 121-140% AMI                      | \$2,707                 | 23                             | 9%   | 21                           | 8%   | (2)             | 100                           |
| 141-150% AMI                      | \$2,901                 | 3                              | 1%   | 0                            | 0%   | (3)             | 97                            |
| 150% AMI +                        | \$2,901 +               | 97                             | 37%  | 0                            | 0%   | (97)            | 0                             |
| Total / Low Income Gap (<50% AMI) |                         | 266                            | 100% | 266                          | 100% | 16              |                               |
| Durango                           |                         |                                |      |                              |      |                 |                               |
| 0-30% AMI                         | \$580                   | 882                            | 24%  | 430                          | 11%  | (452)           | (452)                         |
| 31-50% AMI                        | \$967                   | 615                            | 17%  | 399                          | 10%  | (217)           | (669)                         |
| 51-60% AMI                        | \$1,160                 | 249                            | 7%   | 517                          | 13%  | 269             | (400)                         |
| 61-80% AMI                        | \$1,547                 | 408                            | 11%  | 996                          | 25%  | 589             | 188                           |
| 81-100% AMI                       | \$1,934                 | 373                            | 10%  | 840                          | 21%  | 468             | 656                           |
| 101-120% AMI                      | \$2,321                 | 329                            | 9%   | 509                          | 13%  | 180             | 836                           |
| 121-140% AMI                      | \$2,707                 | 222                            | 6%   | 235                          | 6%   | 13              | 849                           |
| 141-150% AMI                      | \$2,901                 | 65                             | 2%   | 28                           | 1%   | (36)            | 813                           |
| 150% AMI +                        | \$2,901 +               | 487                            | 13%  | 43                           | 1%   | (444)           | 369                           |
| Total / Low Income Gap (<50% AMI) |                         | 3,628                          | 100% | 3,997                        | 100% | (669)           |                               |
| Ignacio                           |                         |                                |      |                              |      |                 |                               |
| 0-30% AMI                         | \$580                   | 38                             | 14%  | 13                           | 5%   | (25)            | (25)                          |
| 31-50% AMI                        | \$967                   | 50                             | 19%  | 53                           | 20%  | 4               | (22)                          |
| 51-60% AMI                        | \$1,160                 | 26                             | 10%  | 42                           | 16%  | 16              | (6)                           |
| 61-80% AMI                        | \$1,547                 | 22                             | 8%   | 36                           | 14%  | 14              | 8                             |
| 81-100% AMI                       | \$1,934                 | 13                             | 5%   | 26                           | 10%  | 14              | 22                            |
| 101-120% AMI                      | \$2,321                 | 11                             | 4%   | 9                            | 4%   | (1)             | 21                            |
| 121-140% AMI                      | \$2,707                 | 7                              | 2%   | 3                            | 1%   | (4)             | 17                            |
| 141-150% AMI                      | \$2,901                 | 2                              | 1%   | 0                            | 0%   | (2)             | 16                            |
| 150% AMI +                        | \$2,901 +               | 7                              | 3%   | 0                            | 0%   | (7)             | 9                             |
| Total / Low Income Gap (<50% AMI) |                         | 174                            | 65%  | 183                          | 69%  | (22)            |                               |

Note: Household AMI is based on HUD limits for a 2-person household (in line with the average household size) in La Plata County in 2024. 2024 AMIs are used for consistency with renter income data.

Source: 2022 5-year ACS, HUD Income Limits, and Root Policy Research.

**Affordability gaps in the for-sale market.** The for-sale gaps analysis shows the affordability mismatch between prospective buyers (current renters) and available housing products (Figure III-9). Similar to the rental gaps analysis, the model compares renters, renter income levels, the maximum monthly housing payment they can afford, and the proportion of for-sale units that were affordable to them.<sup>2</sup> Renters are used to determine ownership gaps because the analysis intends to capture renters' ability to purchase a home (as opposed to measuring existing owners' ability to sell and buy). The renter purchase mismatch shows the difference between the proportion of renter households and the proportion of homes sold from 2023 through October 2024 that were in their affordable price range.<sup>3</sup> Negative percentages indicate a shortage of units for sale at specific price points; positive percentages indicate an excess of units.

La Plata's for-sale affordable gaps analysis shows that:

- **For-sale affordability gaps in La Plata County are concentrated among households with incomes below 150% AMI (around \$120,000 annual income).**
  - Sixty-eight percent (68%) of renter households have incomes less than 100% AMI and only 8% of sales were affordable to them (priced under \$255,000).
  - The market also undersupplies units affordable to households earning between 100% and 140% AMI. Fourteen percent of renters are in this income range but only 7% of units were listed/sold in their affordability range.
  - The cumulative gap shows that at incomes of 150% AMI, there is a 46 percentage point gap between the share of renter households earning 30-150% AMI (62%) and the share of home sales that were affordable to them (17%).
- The affordability gap at these entry-level price-points indicates a strong need for additional affordable ownership options for current residents either through production of new affordable homes or subsidies on existing units (e.g., land trust or deed restrictions, downpayment assistance, etc.). Renters who cannot afford to purchase a home will either remain in rental units longer or look to move elsewhere to purchase a home.

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<sup>2</sup> Renters are used as approximate demand among first-time buyers that do not already have existing home equity.

<sup>3</sup> Data on the number of renter households are from 2022; for-sale data show the total number of home sales in 2023 through October 2024.

**Figure III-9.**  
**La Plata County For-Sale Affordability Gaps**

| Income Range           | Maximum Affordable Home Price | Potential Demand of 1st Time Buyers (Current Renters) |      | For-Sale Supply (Homes Sold) |      | Renter Purchase Mismatch | Cumulative Affordability Gap excl. < 30% AMI |
|------------------------|-------------------------------|-------------------------------------------------------|------|------------------------------|------|--------------------------|----------------------------------------------|
|                        |                               | Num.                                                  | Pct. | Num.                         | Pct. |                          |                                              |
| Income by AMI          |                               |                                                       |      |                              |      |                          |                                              |
| 0-30% AMI              | \$76,485                      | 1,446                                                 | 22%  | 20                           | 1%   | -20%                     | excluded                                     |
| 31-50% AMI             | \$127,475                     | 1,269                                                 | 19%  | 25                           | 2%   | -17%                     | -17%                                         |
| 51-60% AMI             | \$152,970                     | 466                                                   | 7%   | 14                           | 1%   | -6%                      | -23%                                         |
| 61-80% AMI             | \$203,960                     | 724                                                   | 11%  | 17                           | 1%   | -10%                     | -33%                                         |
| 81-100% AMI            | \$254,950                     | 642                                                   | 10%  | 34                           | 2%   | -7%                      | -40%                                         |
| 101-120% AMI           | \$305,940                     | 539                                                   | 8%   | 49                           | 3%   | -5%                      | -45%                                         |
| 121-140% AMI           | \$356,930                     | 384                                                   | 6%   | 53                           | 4%   | -2%                      | -47%                                         |
| 141-150% AMI           | \$382,425                     | 125                                                   | 2%   | 50                           | 3%   | 2%                       | -46%                                         |
| 150% AMI +             | \$382,425+                    | 1,059                                                 | 16%  | 1,181                        | 82%  | 66%                      | 20%                                          |
| Income by Dollar       |                               |                                                       |      |                              |      |                          |                                              |
| Less than \$25,000     | \$82,401                      | 1,569                                                 | 24%  | 21                           | 1%   | -22%                     | excluded                                     |
| \$25,000 to \$34,999   | \$115,362                     | 925                                                   | 14%  | 19                           | 1%   | -13%                     | -13%                                         |
| \$35,000 to \$49,999   | \$164,803                     | 904                                                   | 14%  | 19                           | 1%   | -12%                     | -25%                                         |
| \$50,000 to \$74,999   | \$247,204                     | 1,068                                                 | 16%  | 44                           | 3%   | -13%                     | -38%                                         |
| \$75,000 to \$99,999   | \$329,606                     | 871                                                   | 13%  | 88                           | 6%   | -7%                      | -45%                                         |
| \$100,000 to \$149,000 | \$494,406                     | 807                                                   | 12%  | 243                          | 17%  | 5%                       | -41%                                         |
| \$150,000 or more      | \$494,406+                    | 511                                                   | 8%   | 1,009                        | 70%  | 62%                      | 22%                                          |

Note: Maximum affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 6.5%.  
Ancillary costs (property taxes, insurance, HOA payments, etc.) are assumed to account for 25% of monthly payments.  
Household AMI is based on HUD income limits for a 2-person household. 2022 AMIs are used for consistency with price data.

Source: 2022 5-year ACS, HUD Income Limits, MLS Sales Data, and Root Policy Research.

## Current and Projected Housing Units Needed

The rental and purchase affordability gaps explained in the previous section indicate *affordability* needs, which may be addressed by constructing new units at affordable price points *or* by providing subsidies—such as vouchers for renter households or downpayment assistance for home purchases—to households at affected income levels. This analysis begins by estimating **accessible and supportive units needed** in La Plata County. It additionally estimates **new housing units needed** based on overcrowding and low vacancy rates—challenges which cannot be addressed by providing subsidies for existing units. The approach used to estimate and project housing units needed follows guidance from Colorado’s Department of Local Affairs to meet legislative requirements of SB24-174.

**Accessible units needed.** As data on the current number of accessible housing units in La Plata County and its jurisdictions are not available, discussion of accessible units focuses on future needs for accessible units. According to HUD CHAS data, 4,235 households in La Plata County or 19% of the county’s households have at least one member with a disability. Based on this rate, 19% of new units needed to accommodate current households and the additional new units needed to accommodate household growth by 2034 should be accessible for residents with disabilities.<sup>4</sup>

Note that while shares of households that contain a member with a disability vary by jurisdiction, new accessible housing units are needed countywide. Durango households’ relatively low disability rate may not be due to a preference of households with disabilities to live outside of the city—it may be due to supply constraints including a lack of accessible housing units in the city or prohibitively high prices for accessible units in the city.

**Figure III-10.**  
**Households Containing a**  
**Member with a Disability, La**  
**Plata County, 2021**

Source:  
2017-2021 HUD CHAS and Root Policy Research.

|                 | Households | Households<br>Containing a<br>Member<br>with a<br>Disability | % of<br>Households<br>with a<br>Disability |
|-----------------|------------|--------------------------------------------------------------|--------------------------------------------|
| La Plata County | 22,265     | 4,235                                                        | 19%                                        |
| Bayfield        | 930        | 175                                                          | 19%                                        |
| Durango         | 7,860      | 1,120                                                        | 14%                                        |
| Ignacio         | 480        | 100                                                          | 21%                                        |

Accessibility needs vary by disability type. Figure III-11 presents prevalence rates of disabilities by type among households in La Plata County. Housing needs of households containing a member with a disability vary by disability type. For example:

<sup>4</sup> Estimates of current and projected units needed are presented later in this section.

- Households with hearing or vision difficulties may need smoke detectors with visual strobe lights or handrails and grab bars;
- Households with ambulatory difficulties may need units without stairs, handrails and grab bars, and wheelchair accessible doors; and
- Households with cognitive difficulties and self-care or independent living difficulty may need homes with built-in access to support services and proximity to accessible public transportation.

**Figure III-11.**  
**Households Containing a**  
**Member with a Disability by**  
**Type of Disability, La Plata**  
**County, 2021**

Note:

Households may be counted in more than one disability category.

Source:

2017-2021 HUD CHAS and Root Policy Research.

|                                                       | Households<br>Containing a<br>Member<br>with a<br>Disability | % of<br>Households<br>with a<br>Disability |
|-------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------|
| <b>Any Disability</b>                                 | 4,235                                                        | 19%                                        |
| <b>Hearing or Vision Difficulty</b>                   | 2,600                                                        | 12%                                        |
| <b>Ambulatory Difficulty</b>                          | 1,520                                                        | 7%                                         |
| <b>Cognitive Difficulty</b>                           | 1,555                                                        | 7%                                         |
| <b>Self-Care or Independent<br/>Living Difficulty</b> | 1,660                                                        | 7%                                         |

The 2024 La Plata County Housing Survey found that residents struggle to manage the competing and rising costs of housing and healthcare: almost a quarter of respondents living in the county had put off needed medical treatment to keep up with rising housing costs. Because households with disabilities generally have higher healthcare costs and are more likely to live on fixed incomes than households overall, it is imperative that accessible units be priced affordably for households with disabilities.

**Supportive units needed.** In addition to supportive housing environments needed by some households with cognitive, self-care, or independent living difficulties, supportive housing units are needed by households experiencing chronic homelessness.

The 2023 Point-in-Time Count identified 109 people experiencing homelessness on a single night in January in La Plata County, including 55 people who were sheltered and 54 people who were unsheltered.<sup>5</sup> The population experiencing homelessness included 45 people experiencing chronic homelessness.<sup>6</sup> Chronically homeless residents were equally likely to

<sup>5</sup> 2023 is the year of the most recent Point-in-Time Count with full data available that surveyed people experiencing both sheltered and unsheltered homelessness.

<sup>6</sup> People are counted as experiencing chronic homelessness if they have been continuously homeless for at least one year OR have been homeless on at least four separate occasions in the last 3 years for a total of at least 12 months of homelessness AND report at least one disability.

be unsheltered (22 people) or sheltered in an emergency shelter (23 people). No people experiencing chronic homelessness were sheltered in transitional housing, a type of shelter that provides longer-term temporary housing with supportive services. Transitional housing is considered a better resource than emergency shelters for people experiencing chronic homelessness because it provides interim stability as residents seek to move to permanent housing. Based on the most recent available count of residents experiencing chronic homelessness, La Plata County needs to add 45 transitional housing units.

**Current/“catch-up” units needed.** The following analysis estimates the number of dwelling units by income level that are needed to ensure housing availability and stability for current resident and employee households. The approach used to estimate housing needs follows guidance from Colorado’s Department of Local Affairs:

1. Rates of overcrowding by tenure and by AMI (0-30% AMI, 31-50% AMI, 51-80% AMI, 81-100% AMI, >100% AMI) are calculated for La Plata County and for all areas of the county (Bayfield, Durango, Ignacio, and unincorporated) using HUD CHAS estimates.
2. Because Proposition 123 uses a 60% AMI limit for rental, it is necessary to use more granular AMI brackets than HUD CHAS data provide. The distribution of households by tenure by household income from the American Community Survey (2022 5-year estimates; the most current estimates available at the time of this report) is used to distribute renter and owner households into the following AMI brackets: 0-30% AMI, 31-50% AMI, 51-60% AMI, 61-80% AMI, 81-100% AMI, 101-120% AMI, 121-140% AMI, 141-150% AMI, and >150% AMI. This process is repeated for Bayfield, Durango, Ignacio, and unincorporated La Plata County.
3. CHAS-derived rates of overcrowding by tenure and by AMI range (Step 1) are applied to the distributions of owner and renter households by income (Step 2) to estimate the numbers of owner and renter households by income that are overcrowded by AMI level. Due to the limited AMI breaks provided in HUD CHAS estimates, it is necessary to assume that households at all income levels within the HUD-defined AMI range have the same rates of overcrowding. For example, because CHAS estimates show that 1.8% of the county’s owner households with incomes of 51-80% AMI are overcrowded, it is assumed that 1.8% of the county’s households with incomes of 51-60% AMI and 61-80% AMI are overcrowded.
4. Based on the DOLA HNA Guidelines, additional housing units are needed to alleviate overcrowding at a rate of one new housing unit for every two overcrowded units. The numbers of owner and renter households that are overcrowded by AMI level (estimated in Step 3) are divided by two to estimate the numbers of new housing units by tenure by income level that are needed to address overcrowding.
5. In addition to accounting for overcrowding, catch-up needs account for vacancy rates. Rental and owner vacancy rates for La Plata County are calculated with 2022 5-year ACS

estimates. Additional units are needed where vacancy rates are low (when rental vacancy rates are below 5% and/or where owner vacancy rates are below 2%). In La Plata County, the renter vacancy rate is 8.4%, while the owner vacancy rate is 2.1%, so no additional units are currently needed to adjust for low vacancy.

The analysis shows that La Plata County needs 264 new housing units (124 units for sale and 140 rental units), to alleviate overcrowding for its current households. As shown in Figure III-12, needs for new rental units are greatest at incomes below 50% AMI, while new owner units needed are concentrated at higher incomes. The affordability gaps analyses shown earlier show that in addition to these “catch-up” units needed, La Plata County would need to provide additional new units or subsidies to increase access to homeownership for current renters up to 150% AMI and to alleviate cost burden for current renters up to 50-60% AMI.

**Figure III-12.  
Current Units  
Needed (“Catch-up  
Needs”), La Plata  
County**

Source:  
2022 5-year ACS, 2017-2021 HUD  
CHAS estimates, and Root Policy  
Research.

|                                    | Total Units<br>Needed | Owner Units<br>Needed | Renter Units<br>Needed |
|------------------------------------|-----------------------|-----------------------|------------------------|
| 0-30% AMI                          | 82                    | 2                     | 80                     |
| 31-50% AMI                         | 43                    | 2                     | 41                     |
| 51-60% AMI                         | 3                     | 3                     | 1                      |
| 61-80% AMI                         | 6                     | 5                     | 1                      |
| 81-100% AMI                        | 14                    | 12                    | 2                      |
| 101-120% AMI                       | 19                    | 14                    | 4                      |
| 121-140% AMI                       | 15                    | 12                    | 3                      |
| 141-150% AMI                       | 6                     | 5                     | 1                      |
| 151% AMI +                         | 76                    | 68                    | 8                      |
| <b>Total Catch-Up Units Needed</b> | <b>264</b>            | <b>124</b>            | <b>140</b>             |

**Projected “keep-up” units needed.** The following analysis estimates the number of dwelling units by income level that are needed to ensure housing availability and stability for future resident and employee households. This methodology focuses only on the additional housing units needed for future households and does not take current affordability gaps into account. Specifically,

- DOLA projections for households in La Plata County are used to estimate how many additional households the county will have in 2029 and 2034 relative to 2024 (+1,507 households by 2029; +2,871 households by 2034).
- To maintain the county’s current homeownership rate of 71%, the 2,871 new households by 2034 would include 2,029 owner households and 842 renter households.

- DOLA's methodology includes vacancy allowances—the share of new housing units that would be expected to be vacant. This is 2% for ownership and 5% for rental.
- Applying vacancy allowances to the numbers of new owner and renter households that the county expects to gain by 2034, the county would need to add 2,070 new units for purchase (to accommodate the 2,029 new owner households) and 884 new rental units (to accommodate the 842 new renter households)—a total of 2,954 units.
- Units needed by income/affordability level is approximated by applying the current income distribution of La Plata County households to the number of new housing units that are needed to accommodate the expected 2025-2034 growth in households (2,954 units are needed to accommodate 2,871 households). For example, 24% of current La Plata County households earn 0-50% AMI based on ACS estimates. Given this, it is assumed that 24% of new households would earn 0-50% AMI, so 24% of the 2,954 units needed by 2034—721 new units—should be affordable to households earning 0-50% AMI.
- Root also considered adjustments to the income/affordability levels to account for differences in the income profile of existing residents relative to workers who may relocate to La Plata County (including current in-commuters and/or workers filling new jobs). However, the available data do not show significant differences between in-commuter and resident workforce incomes. As such, the income profile of existing residents remains the best proxy for future needs by income/affordability. Additional details on in-commuter incomes and housing needs to help shift commuting patterns are discussed in the subsequent section.

In short, the future housing needs show that the county is expected to add 2,871 new households in the next ten years, and the county would need to add an additional **2,954 new units** to accommodate these new households. Of those units, 71% (2,070 units) would need to be owner occupied in order to maintain current homeownership levels.

**Figure III-13.**  
**Projected**  
**Needs by**  
**Tenure, La**  
**Plata County**

Source:  
Colorado State  
Demographer and  
Root Policy Research.

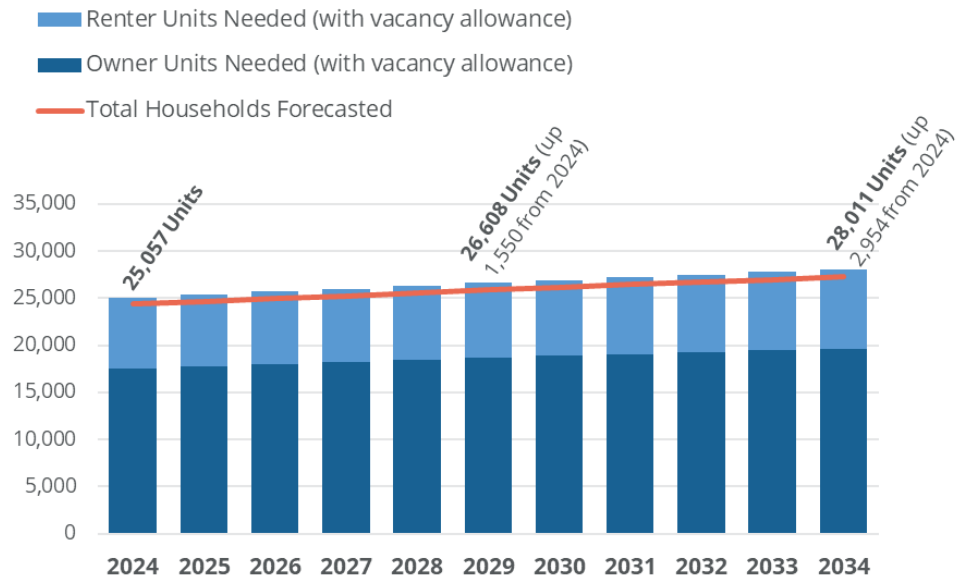


Figure III-14 shows how the 2,954 new units need by 2029 would need to be priced in order to match the county's existing income profile. The market is most likely to deliver rental units above 80% AMI and ownership units above 150% AMI; but public assistance is likely needed to create rental below 80% AMI and ownership products below 150% AMI.

**Figure III-14.**  
**Projected Needs**  
**by Income/**  
**Affordability Level**  
**through 2034, La**  
**Plata County**

Source:  
Colorado State Demographer  
and Root Policy Research.

#### Units Need by Income/Affordability Level

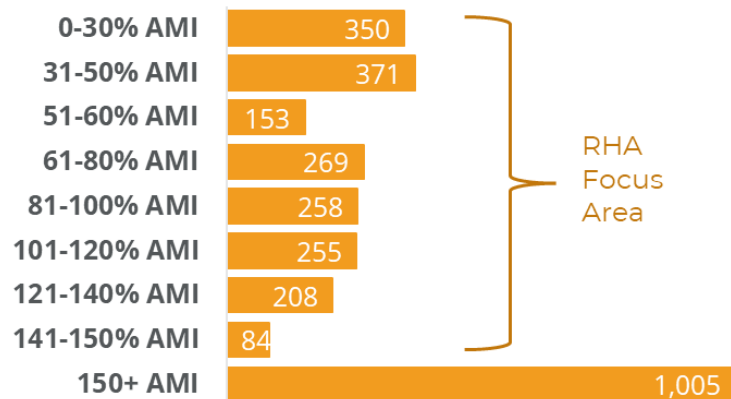


Figure III-15 distributes the 2,954 new housing units needed in La Plata County by 2034 by tenure and by AMI affordability level assuming a constant homeownership rate and income distribution.

**Figure III-15.  
Projected Units  
Needed (“Keep-up  
Needs”) through  
2034, La Plata  
County**

Source:  
2022 5-year ACS, 2017-2021 HUD  
CHAS estimates, and Root Policy  
Research.

|                                   | Total Units<br>Needed | Owner Units<br>Needed | Renter Units<br>Needed |
|-----------------------------------|-----------------------|-----------------------|------------------------|
| 0-30% AMI                         | 353                   | 161                   | 192                    |
| 31-50% AMI                        | 372                   | 204                   | 169                    |
| 51-60% AMI                        | 154                   | 92                    | 62                     |
| 61-80% AMI                        | 270                   | 174                   | 96                     |
| 81-100% AMI                       | 258                   | 173                   | 85                     |
| 101-120% AMI                      | 255                   | 183                   | 72                     |
| 121-140% AMI                      | 208                   | 157                   | 51                     |
| 141-150% AMI                      | 83                    | 67                    | 17                     |
| 151% AMI +                        | 1,001                 | 860                   | 141                    |
| <b>Total Keep-Up Units Needed</b> | <b>2,954</b>          | <b>2,070</b>          | <b>884</b>             |

**Distributing units needed across jurisdictions.** In line with the legislative requirements of SB24-174, current and projected housing units needed are distributed across La Plata County’s jurisdictions as shown in Figure III-16. Current needs were distributed by jurisdiction and to unincorporated La Plata County as follows:

- The methodology for determining the number of overcrowded owner and renter households by AMI level in the county was replicated for each jurisdiction. The number of overcrowded households in unincorporated La Plata County was calculated as the number of overcrowded households in the entire county minus the sum of overcrowded households in Bayfield, Durango, and Ignacio.
- Because La Plata County’s rental and ownership vacancy rates are high enough that no additional units are currently needed for vacancy adjustments, jurisdictions within the county and the unincorporated areas of the county do not need additional units for vacancy adjustments.

Projected needs were distributed by jurisdiction as follows:

- The number of jobs located in La Plata County and in each of its jurisdictions were pulled from Longitudinal Employer-Household Dynamics (LEHD) data. There are 22,975 jobs in La Plata County, 4% of which are in Bayfield, 68% of which are in Durango, and 2% of which are in Ignacio. The remaining 26% are in unincorporated La Plata County.
- In line with DOLA’s Housing Needs Assessment Guidelines, the 2,871 households La Plata County is expected to add by 2034 were distributed across jurisdictions and the unincorporated areas of La Plata County according to the shares of the county’s jobs that are located in each area. Summing the total households that each area of the

county is expected to add by 2034 results in the total households that the county overall expects to add by 2034:

- La Plata County will add 2,871 households by 2034.
  - 68% of these new households (1,953 households) are expected to live in Durango based on the share of La Plata County's jobs that are in Durango.
  - 4% of these new households (122 households) are expected to live in Bayfield based on the share of La Plata County's jobs that are in Bayfield.
  - 2% of these new households (49 households) are expected to live in Ignacio based on the share of La Plata County's jobs that are in Ignacio.
  - The remaining 26% of new households (747 households) are expected to live in unincorporated La Plata County based on the share of jobs that are in the unincorporated areas of the county.
- New households added by 2034 in each jurisdiction and in the unincorporated county are assumed to have the same homeownership rates as the jurisdictions' or unincorporated county's current households. Because each area of La Plata County has a different homeownership rate, the shares of new households that are assumed to be homeowners and renters differs by jurisdiction and for the unincorporated county.
    - For example, Durango's homeownership rate is 55.4%, so 55.4% of the 1,953 households Durango will add by 2034—equivalent to 1,083 households—are assumed to be homeowners, while the remaining 871 new Durango households are expected to be renters.
  - In line with DOLA's Housing Needs Assessment Guidelines, projections of new renter and owner households by jurisdiction and for the unincorporated areas of La Plata County are translated to future housing needs by applying vacancy allowances of 5% for rental units and 2% for owner occupied units.
    - For example, 1,104 new ownership units will be needed to accommodate the 1,083 homeowner households Durango is expected to add by 2034:  $1,083 \times 1.02 = 1,104$ . Additionally, 914 new rental units are needed to accommodate the 871 new renter households Durango is expected to add by 2034:  $871 \times 1.05 = 914$ . In total, based on local homeownership rates and vacancy allowances, Durango needs to add 2,018 units to accommodate household growth by 2034.
    - Because these vacancy adjustments are applied based on homeownership rates which differ in each jurisdiction and in the unincorporated county, **total projected units needed for renters, for owners, and overall in the jurisdictions and the unincorporated county may not neatly sum to the total projected units needed in La Plata County overall.**

- New households added in each area of the county are assumed to have the same income distribution as that area's current households. Projected ownership units and rental units needed in each jurisdiction and the unincorporated county are distributed by AMI level according to the current income distributions of owners and renters in the jurisdiction or unincorporated county.
  - For example, because 24% of Durango's renter households have incomes below 30% AMI, 24% of the 914 rental units Durango needs to accommodate household growth—equivalent to 222 rental units—should be priced affordably for households at incomes of 0-30% AMI.
  - Because income distributions of renter and owner households vary by jurisdiction or unincorporated county, **total projected units needed in a given income/tenure group in the jurisdictions and the unincorporated county may not neatly sum to the total projected units needed in that income/tenure group in La Plata County overall.**

**Figure III-16.**

**Current and Projected Units Needed by Jurisdiction and in Unincorporated Areas, La Plata County**

| AMI Category                    | La Plata County |              |              | Bayfield     |            |            | Durango      |              |              | Ignacio      |            |            | Unincorporated |            |            |
|---------------------------------|-----------------|--------------|--------------|--------------|------------|------------|--------------|--------------|--------------|--------------|------------|------------|----------------|------------|------------|
|                                 | Current Need    | Proj. Need   | Total Need   | Current Need | Proj. Need | Total Need | Current Need | Proj. Need   | Total Need   | Current Need | Proj. Need | Total Need | Current Need   | Proj. Need | Total Need |
| <b>Rental Units</b>             |                 |              |              |              |            |            |              |              |              |              |            |            |                |            |            |
| 0-30% AMI                       | 80              | 192          | 272          | 3            | 3          | 5          | 77           | 222          | 299          | 0            | 4          | 4          | 0              | 30         | 30         |
| 31-50% AMI                      | 41              | 169          | 210          | 0            | 5          | 5          | 6            | 155          | 161          | 5            | 6          | 11         | 30             | 34         | 64         |
| 51-60% AMI                      | 1               | 62           | 63           | 0            | 1          | 1          | 0            | 63           | 63           | 1            | 3          | 4          | 0              | 11         | 11         |
| 61-80% AMI                      | 1               | 96           | 97           | 0            | 2          | 2          | 0            | 103          | 103          | 1            | 2          | 3          | 0              | 17         | 17         |
| 81-100% AMI                     | 2               | 85           | 87           | 0            | 2          | 2          | 0            | 94           | 94           | 0            | 1          | 1          | 2              | 14         | 16         |
| 101-120% AMI                    | 4               | 72           | 76           | 0            | 5          | 5          | 2            | 83           | 85           | 0            | 1          | 1          | 2              | 9          | 11         |
| 121-140% AMI                    | 3               | 51           | 54           | 0            | 3          | 3          | 2            | 56           | 58           | 0            | 1          | 1          | 1              | 8          | 9          |
| 141-150% AMI                    | 1               | 17           | 18           | 0            | 0          | 0          | 0            | 16           | 17           | 0            | 0          | 0          | 0              | 3          | 4          |
| 151% AMI +                      | 8               | 141          | 149          | 0            | 12         | 12         | 4            | 123          | 126          | 0            | 1          | 1          | 4              | 28         | 32         |
| <b>Total Rentals Needed</b>     | <b>140</b>      | <b>884</b>   | <b>1,025</b> | <b>3</b>     | <b>33</b>  | <b>36</b>  | <b>91</b>    | <b>914</b>   | <b>1,005</b> | <b>7</b>     | <b>19</b>  | <b>26</b>  | <b>39</b>      | <b>155</b> | <b>195</b> |
| <b>Ownership Units</b>          |                 |              |              |              |            |            |              |              |              |              |            |            |                |            |            |
| 0-30% AMI                       | 2               | 161          | 163          | 0            | 10         | 10         | 0            | 68           | 68           | 0            | 3          | 3          | 2              | 51         | 53         |
| 31-50% AMI                      | 2               | 204          | 206          | 0            | 5          | 5          | 0            | 101          | 101          | 0            | 4          | 4          | 2              | 64         | 65         |
| 51-60% AMI                      | 3               | 92           | 95           | 0            | 2          | 2          | 0            | 51           | 51           | 0            | 1          | 1          | 3              | 28         | 30         |
| 61-80% AMI                      | 5               | 174          | 179          | 1            | 10         | 10         | 0            | 88           | 88           | 0            | 4          | 4          | 4              | 51         | 55         |
| 81-100% AMI                     | 12              | 173          | 185          | 0            | 11         | 11         | 0            | 86           | 86           | 1            | 4          | 5          | 11             | 50         | 61         |
| 101-120% AMI                    | 14              | 183          | 198          | 1            | 10         | 12         | 2            | 98           | 100          | 0            | 3          | 3          | 11             | 53         | 64         |
| 121-140% AMI                    | 12              | 157          | 169          | 1            | 8          | 9          | 2            | 88           | 90           | 0            | 2          | 2          | 9              | 45         | 54         |
| 141-150% AMI                    | 5               | 67           | 72           | 0            | 3          | 4          | 1            | 40           | 41           | 0            | 1          | 1          | 4              | 19         | 23         |
| 151% AMI +                      | 68              | 860          | 928          | 4            | 33         | 36         | 12           | 486          | 498          | 0            | 9          | 9          | 52             | 252        | 304        |
| <b>Total Owner Units Needed</b> | <b>124</b>      | <b>2,070</b> | <b>2,194</b> | <b>8</b>     | <b>92</b>  | <b>99</b>  | <b>18</b>    | <b>1,104</b> | <b>1,122</b> | <b>1</b>     | <b>31</b>  | <b>32</b>  | <b>97</b>      | <b>611</b> | <b>709</b> |
| <b>Total Units Needed</b>       | <b>264</b>      | <b>2,954</b> | <b>3,218</b> | <b>10</b>    | <b>125</b> | <b>136</b> | <b>109</b>   | <b>2,018</b> | <b>2,127</b> | <b>8</b>     | <b>50</b>  | <b>59</b>  | <b>137</b>     | <b>767</b> | <b>903</b> |

Note: Projected units needed reflect projected units needed through 2034. Projected units needed in jurisdictions and unincorporated La Plata County may not neatly sum to projected units needed in La Plata County overall due to methodology prescribed by DOLA. See methodological narrative above for explanation.

Source: 2022 5-year ACS, 2017-2021 HUD CHAS estimates, LEHD, and Root Policy Research.

**Additional units needed to reduce in-commuting.** The current and projected housing unit needs presented in Figure III-16 as well as the rental and purchase affordability gaps presented in Figures III-7, III-8, and III-9 focus on accommodating current La Plata County households and future households who are expected to live in La Plata County—including workers moving to La Plata County in response to projected job growth. However, it does not account for a substantial change in commuting patterns among existing in-commuters who may desire to move to La Plata County. In other words, there may be additional demand for housing in La Plata County from people who live outside of La Plata County and work or attend school in La Plata County (“in-commuters”).

**Current units needed for in-commuters.** The 2024 La Plata County Housing Survey received responses from 20 people who work or attend school in La Plata County but live outside of the county. Twelve of these respondents indicated that they had considered living in La Plata County when they looked for their current housing, and nine of these twelve respondents indicated that they chose to live outside of La Plata County because they could not find an affordable apartment to rent or an affordable home to buy. While the number of survey respondents who in-commute to La Plata County is too small to inform broad conclusions about in-commuters, these survey responses suggest that a considerable share of the county’s in-commuting workforce live outside of the county due to a lack of affordable units in the county.

According to Longitudinal Employer-Household Dynamics (LEHD) data from the U.S. Census Bureau, 22,975 workers held primary jobs based in La Plata County. Approximately 68% of workers employed in La Plata County (15,706 workers) live in La Plata County, while the remaining 32% of workers employed in the county (7,269 workers) live elsewhere and in-commute. Assuming based on survey results that nine in every twenty in-commuting households **(45% of in-commuters) would live in La Plata County if they were able to find affordable units**, the county would need to build 3,271 new units to accommodate the estimated 45% of in-commuting households who would live in the county if affordable units were available. This production estimate should be considered a maximum likelihood, as stated preferences tend to over-estimate potential action.

Because survey respondents who in-commute to La Plata County due to an inability to find affordable housing showed roughly equal interest in rental and ownership, the 3,271 additional units needed for in-commuting households who would prefer to live in the county are divided equally between rental and ownership units (1,636 rental units and 1,636 units for sale).<sup>7</sup>

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<sup>7</sup> Of the nine in-commuting respondents who indicated that they looked for housing in La Plata County and chose to live outside of the county due to a lack of affordable housing to rent or to buy, six indicated that they made this choice based on a lack of affordable rental housing and seven indicated that they made this choice based on a lack of affordable units for purchase. These counts include four respondents who selected both options.

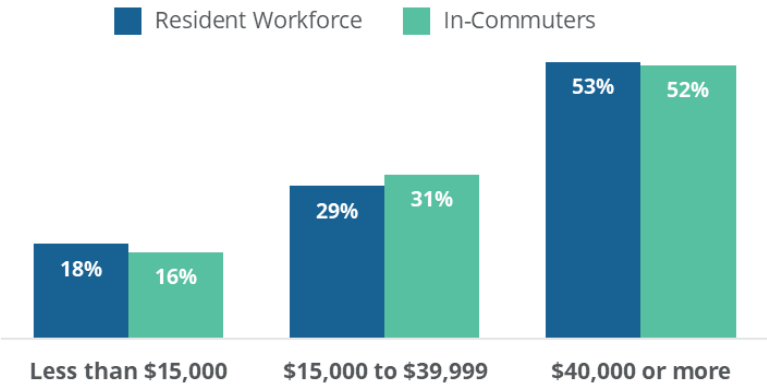
Income data for in-commuter households is needed to allocate the rental and for-sale units needed by income. Because only 13 of the 20 in-commuters who responded to the housing survey reported their incomes, it was not possible to approximate differences between the incomes of in-commuters and county residents with survey data.

To examine differences in income by commuting status, Root Policy Research used LEHD data to determine the employment industries of La Plata County residents who are employed anywhere (a group representing county residents) and the employment industries of workers who are employed in La Plata County (a group including in-commuters in addition to La Plata County residents employed in the county). Next, county-level BLS Quarterly Census of Employment and Wages (QCEW) data were pulled by industry to inform calculations of weighted average wages for county residents who are employed anywhere and for workers who are employed in La Plata County. Workers working in La Plata County had similar average annual wages (\$57,566) to residents of La Plata County employed anywhere (\$57,909) in 2022. These data do not suggest that in-commuters to La Plata County have significantly different incomes than La Plata County’s employed residents.

LEHD data provide the shares of in-commuters and resident workforce earning less than \$15,000, between \$15,000 and \$39,999, and \$40,000 or more per year. As shown in Figure III-17, La Plata County’s in-commuters and resident workforce have similar income distributions at incomes below \$40,000. Because LEHD does not provide additional detail on incomes greater than \$40,000, it is not possible to know if in-commuter and resident workforce incomes differ at middle and higher levels.

**Figure III-17.**  
**Income Distribution**  
**by Commuting**  
**Status, La Plata**  
**County, 2022**

Source:  
2022 Longitudinal Employer-  
Household Dynamics (LEHD).



Because the available data do not show significant differences between in-commuter and resident workforce incomes, this analysis in-commuter needs uses the current resident household income distribution to approximate the income distribution of in-commuter households. Based on this income distribution, the 1,636 rental units and 1,636 owner units currently needed to accommodate in-commuters who would like to live in La Plata County are distributed by income as shown in Figure III-18.

**Projected units needed for in-commuters.** In-commuter demand may also affect the total number of new housing units needed by 2034. As discussed above, units needed by current in-commuters would move 45% of current in-commuters into the county, effectively reducing the overall in-commuting rate from 32% to 17%. This section's estimate of total units needed by future in-commuters apply this new, reduced in-commuting rate (17%) to the jobs La Plata County is expected by 2034.

DOLA projects that La Plata County will add 2,888 jobs, an 8% growth, to reach 38,867 jobs by 2034. Of the new workers employed in these jobs, it is expected that 17% or 503 workers will live outside of the county and in-commute. Based on survey results discussed in the "current units needed for in-commuters" section above, it is assumed that approximately 45% of new in-commuter households (226 households) would live in La Plata County if they were able to find affordable units, so 226 total units would be needed to accommodate demand from new in-commuters by 2034. These needs are distributed by tenure and income based on the tenure and income distribution steps completed in the "current units needed for in-commuters" section and shown in Figure III-18.

**Figure III-18.**

**Current and Projected (2034) Units Needed to Accommodate In-Commuters, La Plata County**

| AMI Category        | Total Units  |                |            | Owner Units  |                |            | Rental Units |                |            |
|---------------------|--------------|----------------|------------|--------------|----------------|------------|--------------|----------------|------------|
|                     | Current Need | Projected Need | Total Need | Current Need | Projected Need | Total Need | Current Need | Projected Need | Total Need |
| <b>0-30% AMI</b>    | 482          | 33             | 516        | 127          | 9              | 136        | 355          | 25             | 380        |
| <b>31-50% AMI</b>   | 473          | 33             | 506        | 161          | 11             | 172        | 312          | 22             | 333        |
| <b>51-60% AMI</b>   | 187          | 13             | 200        | 73           | 5              | 78         | 115          | 8              | 122        |
| <b>61-80% AMI</b>   | 315          | 22             | 337        | 137          | 9              | 147        | 178          | 12             | 190        |
| <b>81-100% AMI</b>  | 294          | 20             | 315        | 136          | 9              | 146        | 158          | 11             | 169        |
| <b>101-120% AMI</b> | 277          | 19             | 297        | 145          | 10             | 155        | 132          | 9              | 142        |
| <b>121-140% AMI</b> | 218          | 15             | 233        | 124          | 9              | 132        | 94           | 7              | 101        |
| <b>141-150% AMI</b> | 84           | 6              | 89         | 53           | 4              | 56         | 31           | 2              | 33         |
| <b>151% AMI +</b>   | 940          | 65             | 1,005      | 680          | 47             | 727        | 260          | 18             | 278        |
| <b>Total Needed</b> | 3,271        | 226            | 3,497      | 1,636        | 113            | 1,749      | 1,636        | 113            | 1,749      |

Source: 2022 5-year ACS, 2024 La Plata County Housing Survey, 2022 Longitudinal Employer-Household Dynamics (LEHD), 2022 BLS Quarterly Census of Employment and Wages, and Root Policy Research.

## SECTION IV.

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### COMMUNITY ENGAGEMENT FINDINGS

## **SECTION IV.**

# **Community Engagement Findings**

Section IV. presents the findings from the community engagement research completed to support La Plata County's Housing Needs Assessment. The section explores results from a resident / workforce survey on housing choices, challenges, and preferences in the community; as well as a summary of engagement interviews and focus groups with local stakeholders representing major county employers, business leaders, real estate professionals, and nonprofit service providers. The survey also includes a short section on childcare needs in the county with a summary of results also provided in this section.

The Root team is grateful to the residents who shared their housing experiences and insights by participating in the housing survey, and to the individuals who participated in stakeholder interviews and focus groups.

### **Engagement Elements**

The community engagement process completed for La Plata County's Housing Needs Assessment included the following elements:

- A survey available in English and Spanish (436 total responses) from September 2024 to December 2024;
- Individual interviews with county real estate professionals;
- A focus group with county nonprofit service providers; and
- A focus group with county major employers, housing developers, and county business leadership.

### **Primary Findings**

#### **Primary Findings from Resident Survey**

- Housing affordability plays a significant role when choosing a home or apartment with 82% of residents indicating that the cost of housing was the most important factor in their current choice of home or apartment. When considering homeowners only, three quarters still prioritize affordability;
- The majority of all survey respondents (85%) said they had to make some type of budgetary sacrifice to keep up with housing costs. Cuts to entertainment / recreation and looking for better deals on monthly expenses were the top selected items to compensate for high housing costs;

- 29% of all renters consider their current home/apartment to be in poor condition; of those, 31% indicated that they haven't requested repair work from their landlord because they believe the landlord "won't make the repairs" or because they worry a request for a repair "will result in a rent increase or eviction.";
- Three quarters of La Plata County survey respondents do not feel financially secure in their current housing situation. Among renters, programs related to homeownership were selected the most frequently including: "find a home I can afford to buy," "help with down payment and/or closing costs," and/or "help getting a loan to buy a house";
- The majority of renter respondents (78%) are thinking about buying a home in the next three years, most of which expressed a preference to buy in La Plata County. Sixty-seven percent (67%) of all renters *want* to buy a home but are unsure if they will be able to with the top reason being concerns related to cost;
- La Plata County resident respondents are open to small-scale density housing products including duplexes, townhomes, tiny homes, and apartment buildings with three or less stories both in their neighborhoods and in other neighborhoods in the county. Residents view apartment buildings with more than three stories slightly less favorably with a quarter of residents indicating they are not appropriate anywhere in the county;
- Residents ranked housing for first time homebuyers, housing for middle class families, and workforce housing high across income ranges and in Bayfield, Durango, and Ignacio;
- Residents responded favorably to a deed restricted model of home ownership with the majority either extremely interested or interested in a theoretical program.

### **Primary Findings from Stakeholder Focus Groups and Interviews**

- **Nonprofit service providers** emphasized the need for more affordable housing opportunities for families and people in the service industry. Currently families are doubling up to access housing in La Plata County. Newly arrived immigrants are having challenges with application acceptance with limited rental and/or credit history. Mobile home parks are the most accessible financially but are in poor condition.
- **Employers** are losing employees who are interested in homeownership but cannot afford to buy a home in La Plata County and/or cannot find a rental unit within their price range. Turnover rates are high and extra recruitment incentives are necessary to attract qualified employees. Many employees are commuting long distances having implications for consistency and absences impacting the quantity, quality and diversity of services that can be offered in the county.
- **Real estate developer professionals and affordable housing developers** who participated in interviews and the focus group highlighted infrastructure challenges—

specifically with water—that considerably increase cost, construction defect laws at the state level impacting the building of condos, county subdivision regulations and lengthy/costly procedures and processes. Stakeholders identified a need for downsizing opportunities for older residents such as patio homes, and smaller lot single family homes priced at less than \$500k, but ideally less than \$300k when considering HOA fees. Local developers highlighted construction labor shortage and cost as a huge barrier. Workers cannot afford to live there. Home insurance (cost and access) is increasingly an issue as well, particularly in rural areas, driving people to live in Durango.

## Resident Survey Methodology

Survey distribution was executed via convenience sampling and snowball sampling methods. Convenience sampling refers to promoting the survey to known individuals or organizations through direct contact (e.g., email invitation), engaging with the RHA's Board and network including social media. Snowball sampling occurs when a respondent promotes the survey to their peers or social networks (e.g., sharing the survey link by email or social media). Due to the nature of the sampling methodology, the online survey responses do not represent a *random* sample of La Plata County. A true random sample is a sample in which every individual in the population has an equal chance of being selected for the survey. Despite this, important insights and themes can still be drawn from the survey results with an understanding of the differences of the sample from the larger population.

**Geographic note.** Survey data are reported for La Plata County residents. Although the survey provided a path for in-commuters from outside of La Plata County, few respondents fell into this category (20), with a quarter of these commuting into La Plata County from New Mexico (Farmington or Aztec) and the remainder commuting into the county from Archuleta, Montezuma, and Montrose Counties. Survey respondents indicated their town/area of residence including Bayfield, Durango, Ignacio, Breen, Hesperus, Marvel, Bondad and unincorporated La Plata County. While there were 436 respondents, nearly 80 participants did not indicate their town.

**Survey sample.** As shown in Figures IV-1 and IV-2, survey respondents are slightly more likely to be homeowners (55% of survey respondents) than renters or residents with alternative housing arrangements (44%). The majority of survey respondents have incomes less than \$100k (65%) which is at or below approximately 120% of AMI and are between 34-65 years old (59%) and are employed full time (64%). Top industries include education, hospitality, real estate, government and healthcare and top job types are teachers, administrative personnel, service people (hospitality, retail), business owners, and managers representing a diverse range of perspectives in the county.

**Figure IV-1.  
Survey Respondent  
Profile and  
Demographics**

Source:

Root Policy Research from the 2024  
La Plata County Housing Survey

|                                   | Survey Results |             |
|-----------------------------------|----------------|-------------|
|                                   | Number         | Percent     |
| <b>Total Responses/Population</b> | <b>436</b>     | <b>100%</b> |
| <b>Geography</b>                  |                |             |
| Bayfield                          | 94             | 21%         |
| Durango                           | 185            | 42%         |
| Ignacio                           | 22             | 5%          |
| Other / Unincorporated            | 58             | 13%         |
| No response / Outside of La Plata | 77             | 4%          |
| <b>Housing Situation</b>          |                |             |
| Homeowner                         | 203            | 55%         |
| Renter                            | 125            | 34%         |
| Other (RV, motel, etc.)           | 37             | 10%         |
| <b>Race/Ethnicity</b>             |                |             |
| Non-Hispanic White                | 243            | 75%         |
| Native American/American Indian   | 29             | 9%          |
| Hispanic or Latino                | 37             | 11%         |
| <b>Age</b>                        |                |             |
| 19 to 24 years                    | 23             | 7%          |
| 25 to 34 years                    | 84             | 26%         |
| 35 years to 64 years              | 195            | 59%         |
| 65+                               | 24             | 7%          |
| <b>Income</b>                     |                |             |
| Below \$50,000                    | 82             | 25%         |
| \$50,000 up to \$100,000          | 129            | 40%         |
| Above \$100,000                   | 112            | 35%         |
| <b>Employment</b>                 |                |             |
| Full time                         | 211            | 65%         |
| Part time                         | 30             | 9%          |
| Self employed                     | 31             | 10%         |
| Retired                           | 15             | 5%          |
| Other (unemployed, student, etc)  | 39             | 12%         |
| <b>Household Characteristics</b>  |                |             |
| Couple without Children           | 65             | 20%         |
| Households With Children          | 90             | 14%         |
| Single Parent                     | 23             | 8%          |
| Multigenerational                 | 28             | 9%          |
| Roommates                         | 27             | 8%          |
| Single Adult Living Alone         | 36             | 12%         |

**Figure IV-2.**  
**Survey Respondent**  
**Top 5 Industry and**  
**Job Type**

Source:  
Root Policy Research from the 2024  
La Plata County Housing Survey

|                                               | Survey Results |         |
|-----------------------------------------------|----------------|---------|
|                                               | Number         | Percent |
| <b>Industry</b>                               |                |         |
| Education (Prek-12, College)                  | 50             | 16%     |
| Accommodation/Food Service/Hospitality        | 48             | 15%     |
| Real Estate                                   | 24             | 8%      |
| Local/State Government                        | 23             | 7%      |
| Healthcare                                    | 20             | 6%      |
| <b>Job type</b>                               |                |         |
| Administrative / Office                       | 54             | 17%     |
| Teacher / faculty                             | 40             | 13%     |
| Service (waiter/waitress, retail associate)   | 40             | 13%     |
| Business owner                                | 26             | 8%      |
| Management (including hospitality/restaurant) | 21             | 7%      |

## Current Housing Choice & Challenges

This section explores La Plata County residents’ current housing situation, including what they identified as the most important factors influencing their current housing choice, assessments of their housing condition, and other housing-related challenges.

**Most important factors in choosing current home.** Affordability was identified as the most important factor for residents across tenure, income and household size followed by proximity to work and outdoor space (with allowance of pets as important for renters). Other top housing characteristics across most groups were proximity to work and outdoor space,

- All respondent groups placed significant importance on housing affordability with 82% of respondents overall indicating this as priority;
- Renters and respondents with incomes between \$50-100K placed high importance on having a unit that accepts pets and similarly owners and average to large households chose outdoor space for children and/or pets;
- Size of home was a top factor in housing choice for residents who are homeowners, residents with incomes below \$50k and large households (5+ people);
- Proximity to work was a top choice for renters and residents with incomes below \$50k and over \$100k.

**Figure IV-3.**

**Which factors were most important to you when choosing your current home or apartment?**

|                                        | La Plata County Residents                                                              | Tenure |        | Income  |             |         | Household Size |            |     |
|----------------------------------------|----------------------------------------------------------------------------------------|--------|--------|---------|-------------|---------|----------------|------------|-----|
|                                        |                                                                                        | Owner  | Renter | 0-\$50K | \$50-\$100K | \$100K+ | Single         | 2-4 people | 5+  |
| Cost/I could afford it                 |  82%  | 75%    | 82%    | 55%     | 68%         | 63%     | 82%            | 71%        | 62% |
| Close to work/job opportunities        |  41%  | 28%    | 56%    | 39%     | 21%         | 31%     | 36%            | 39%        | 22% |
| Outdoor space for children and/or pets |  32%  | 34%    | 21%    | 12%     | 22%         | 33%     | 3%             | 31%        | 30% |
| Number of bedrooms/size                |  31%  | 33%    | 29%    | 26%     | 18%         | 25%     | 15%            | 27%        | 27% |
| Safety of neighborhood                 |  27%  | 26%    | 24%    | 13%     | 19%         | 27%     | 21%            | 24%        | 19% |
| Allows pets                            |  23%  | 12%    | 37%    | 21%     | 24%         | 12%     | 33%            | 20%        | 19% |
| Close to family/ friends               |  21%  | 18%    | 11%    | 12%     | 12%         | 13%     | 9%             | 17%        | 22% |
| Liked the type of apartment/unit       |  19%  | 19%    | 22%    | 10%     | 16%         | 21%     | 30%            | 17%        | 3%  |
| Close to quality schools               |  16%  | 19%    | 8%     | 13%     | 9%          | 15%     | 6%             | 13%        | 27% |
| Good investment for rent or resale     |  14%  | 20%    | 2%     | 4%      | 12%         | 14%     | 12%            | 12%        | 19% |
| Needed a place to live quickly         |  14%  | 6%     | 22%    | 22%     | 11%         | 5%      | 18%            | 14%        | 8%  |
| Close to grocery stores                |  10%  | 8%     | 10%    | 5%      | 7%          | 6%      | 12%            | 8%         | 3%  |
| Want to live near people like me       |  6%   | 5%     | 3%     | 4%      | 5%          | 4%      | 6%             | 6%         | 3%  |
| Amenities                              |  5%   | 3%     | 3%     | 4%      | 2%          | 4%      | 3%             | 4%         | 3%  |
| Accessibility features                 |  3% | 2%     | 2%     | 1%      | 2%          | 1%      | 3%             | 2%         | 0%  |

Note: Green shading in the table portion of the figure indicates the most common three answers among each respondent group.

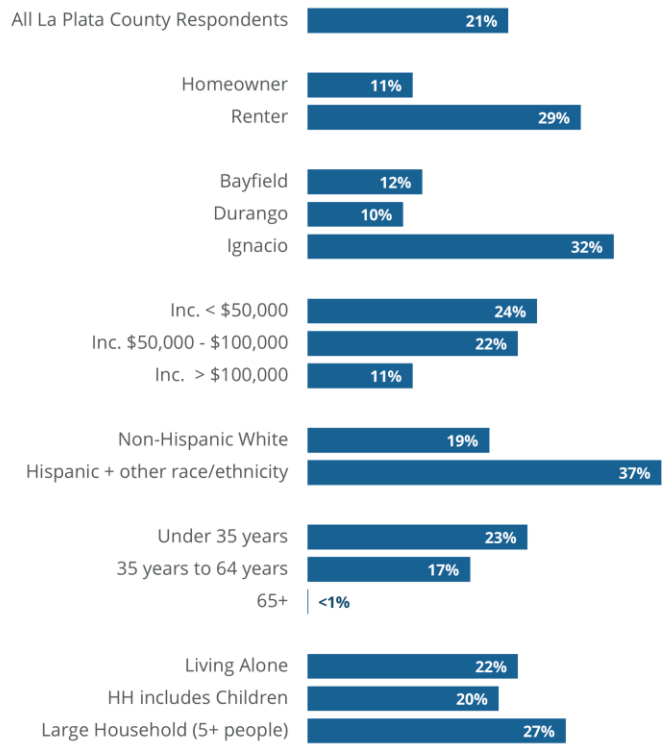
Source: Root Policy Research from the 2024 La Plata County Housing Survey.

**Housing condition.** Most La Plata County resident respondents consider their home to be in “excellent” or “good” condition (79%), with 21% of La Plata County respondents consider their home or apartment to be in fair or poor condition. Figure IV-4 presents the proportion of respondents who rated their home’s condition as “fair” or “poor.”

**Figure IV-4.**  
**How would you rate**  
**the condition of**  
**your home or**  
**apartment?**  
**(% Fair/Poor)**

Note: Single householder means that the respondent lives alone.

Source:  
Root Policy Research from the 2024  
La Plata County Housing Survey.



Primary findings illustrated in the preceding figure are summarized below.

- Low-income households (below \$50,000) and renters are more likely to report their homes to be in fair or poor condition;
- The share of residents who report their home to be in fair/poor condition is around one in four for single householders (residents living alone) and large households (5+ people), and over one third of residents who are Hispanic, American Indian, or other non-White race/ethnicity;
- Resident respondents from Ignacio report homes in fair or poor condition more than respondents from Durango and Bayfield;
- Younger resident respondents (under 35 years old) are more likely to live in housing in fair or poor condition.

The most needed repairs among respondents in fair/poor condition housing are energy efficient improvements, cosmetic improvements, kitchen/bathroom plumbing, and/or weatherization.

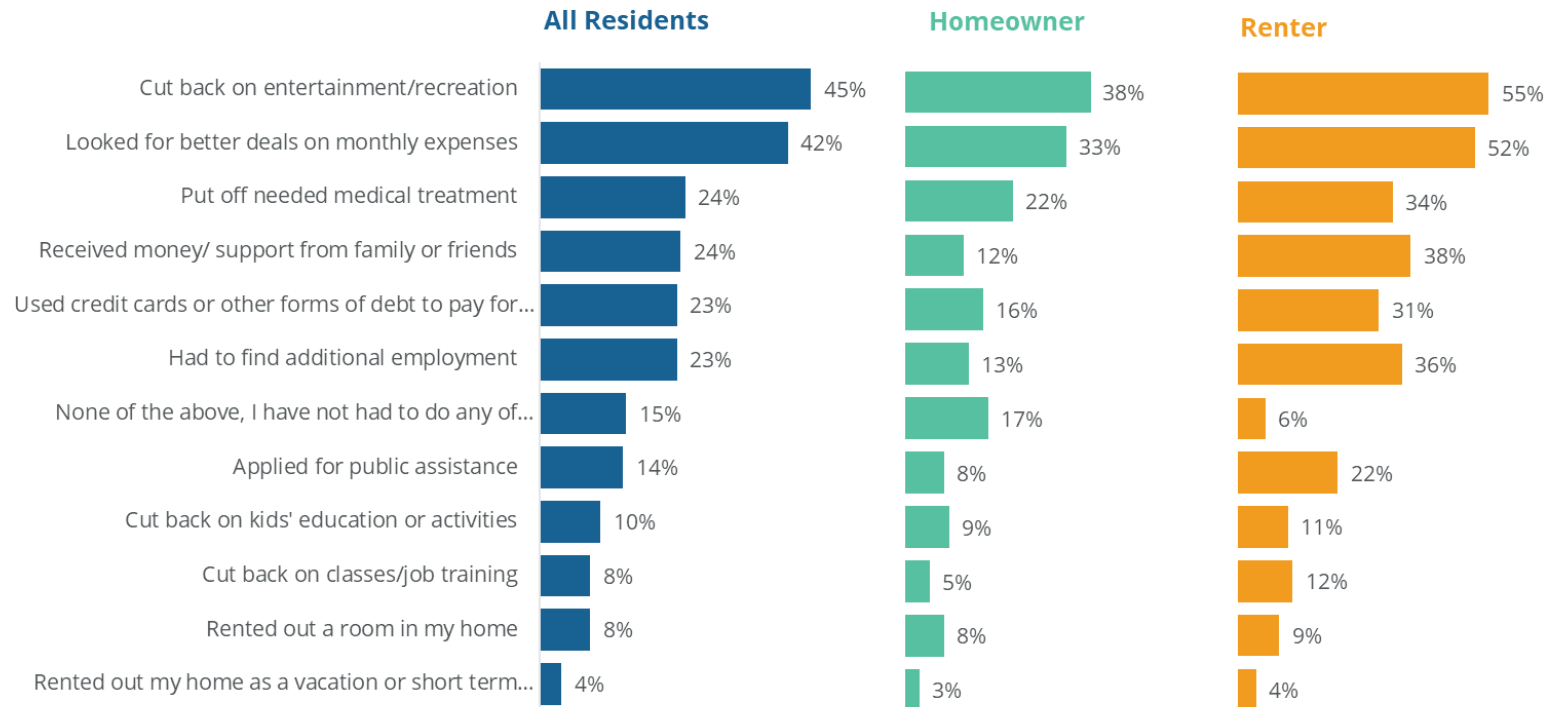
In more than half of the cases, repairs have not been made because the respondent “cannot afford to make them.” One in 3 renter respondents living in fair or poor housing conditions indicated that they have not made the repairs they worry a repair request “will result in a rent increase or eviction.”

**Housing affordability.** Survey respondents also shared their households’ experiences with housing costs and affordability, housing security challenges, and what they feel they need to be more secure in their housing situation.

**Sacrifices to keep up with housing costs.** More than half (55%) of renter respondents said they had to make some type of budgetary sacrifice to keep up with housing costs (see Figure IV-5). Almost half (45%) reported cutting back on entertainment or recreation or looked for better deals on their monthly expenses (42%). Renters were more likely to manage their housing costs through one or more of these sacrifices, most commonly cutting back on entertainment, reducing other monthly expenses, finding additional employment, or seeking assistance from family/friends. Almost a quarter of all residents put off needed medical treatment to keep up with housing costs in La Plata County.

**Figure IV-5.**

**In the past year, have you your household had to do any of the following to keep up with your housing costs?**



Source: Root Policy Research from the 2024 La Plata County Housing Survey.

**Improving housing security.** Figure IV-6 illustrates residents' housing security needs by tenure, income, and household size. Overall, challenges and barriers related to buying a home were most cited across categories including finding affordable housing, down payment assistance and help securing a mortgage loan. Not surprisingly, for renters with incomes less than \$50k annually, a need for rental assistance to attain financial security was reported by 27% of respondents. For homeowners, money to make critical home repairs was cited by 16% of respondents. Large households identified security deposit assistance as a top need.

**Figure IV-6.**  
**What do you feel you need to be more financially secure in your housing situation?**

|                                                     | All Residents | Tenure |        | Annual Income |             |         | Household Size |            |     |
|-----------------------------------------------------|---------------|--------|--------|---------------|-------------|---------|----------------|------------|-----|
|                                                     |               | Owner  | Renter | <\$50K        | \$50-\$100K | \$100K+ | Single         | 2-4 People | 5+  |
| Find a home I can afford to buy                     | 22%           | 10%    | 37%    | 35%           | 32%         | 19%     | 27%            | 29%        | 22% |
| Help with a down payment to buy a home              | 16%           | 30%    | 31%    | 24%           | 26%         | 12%     | 27%            | 20%        | 16% |
| Help getting a loan to buy a house                  | 16%           | 2%     | 32%    | 32%           | 22%         | 11%     | 15%            | 21%        | 19% |
| Money to make critical repairs                      | 13%           | 16%    | 8%     | 16%           | 20%         | 12%     | 9%             | 17%        | 22% |
| Assistance to help me pay rent each month           | 11%           | 3%     | 19%    | 27%           | 10%         | 4%      | 18%            | 13%        | 11% |
| Homeownership counseling so I can buy a home        | 9%            | 3%     | 19%    | 20%           | 12%         | 6%      | 12%            | 13%        | 5%  |
| Housing my adult child can afford                   | 7%            | 10%    | 3%     | 10%           | 7%          | 11%     | 3%             | 9%         | 14% |
| Money or assistance to build an ADU on my lot       | 6%            | 10%    | 2%     | 4%            | 9%          | 12%     | 0%             | 8%         | 15% |
| Help with a security deposit for a rental unit      | 6%            | 1%     | 10%    | 12%           | 10%         | 4%      | 9%             | 8%         | 19% |
| Help with rental housing search/rental applications | 5%            | 1%     | 6%     | 10%           | 4%          | 4%      | 6%             | 6%         | 5%  |
| Information on my rights as a tenant                | 5%            | 0%     | 9%     | 9%            | 5%          | 2%      | 12%            | 4%         | 8%  |
| Moving back in with my parents or family members    | 4%            | 0%     | 8%     | 7%            | 5%          | 1%      | 6%             | 4%         | 3%  |
| Housing for my adult child with a disability        | 2%            | 2%     | 1%     | 1%            | 3%          | 2%      | 3%             | 2%         | 5%  |
| Money for a disability accommodation                | 2%            | 2%     | 2%     | 5%            | 2%          | 1%      | 0%             | 2%         | 8%  |

Note: ADU stands for Accessory Dwelling Unit. Green shading in the table portion of the figure indicates the most common three answers among each respondent group.

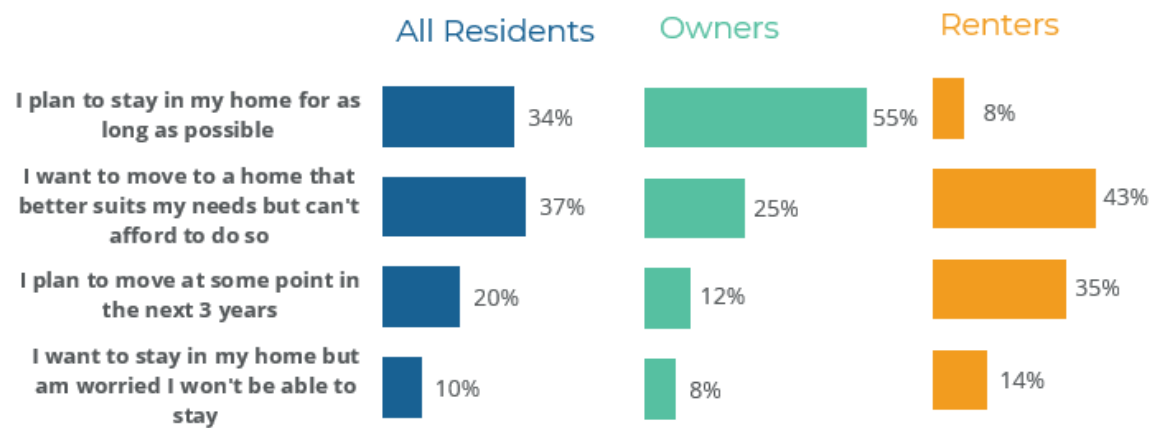
Source: Root Policy Research from the 2024 La Plata County Housing Survey

# Future Housing Preference

Survey respondents also shared their future housing preferences, including the desire for homeownership and/or changing their housing situation.

**Desire to move.** Just over half (55%) of homeowners plan to stay in their home for as long as possible while 43% of renters *want* to move to a home that better suits their needs and 35% *plan* to move in the next three years. One in ten respondents want to stay in their home but are worried they won't be able to. (Financial issues are the primary reason residents are concerned they will not be able to stay in their housing.)

**Figure IV-7.**  
**Desire to Move by Tenure: Which of the following is most true for you?**

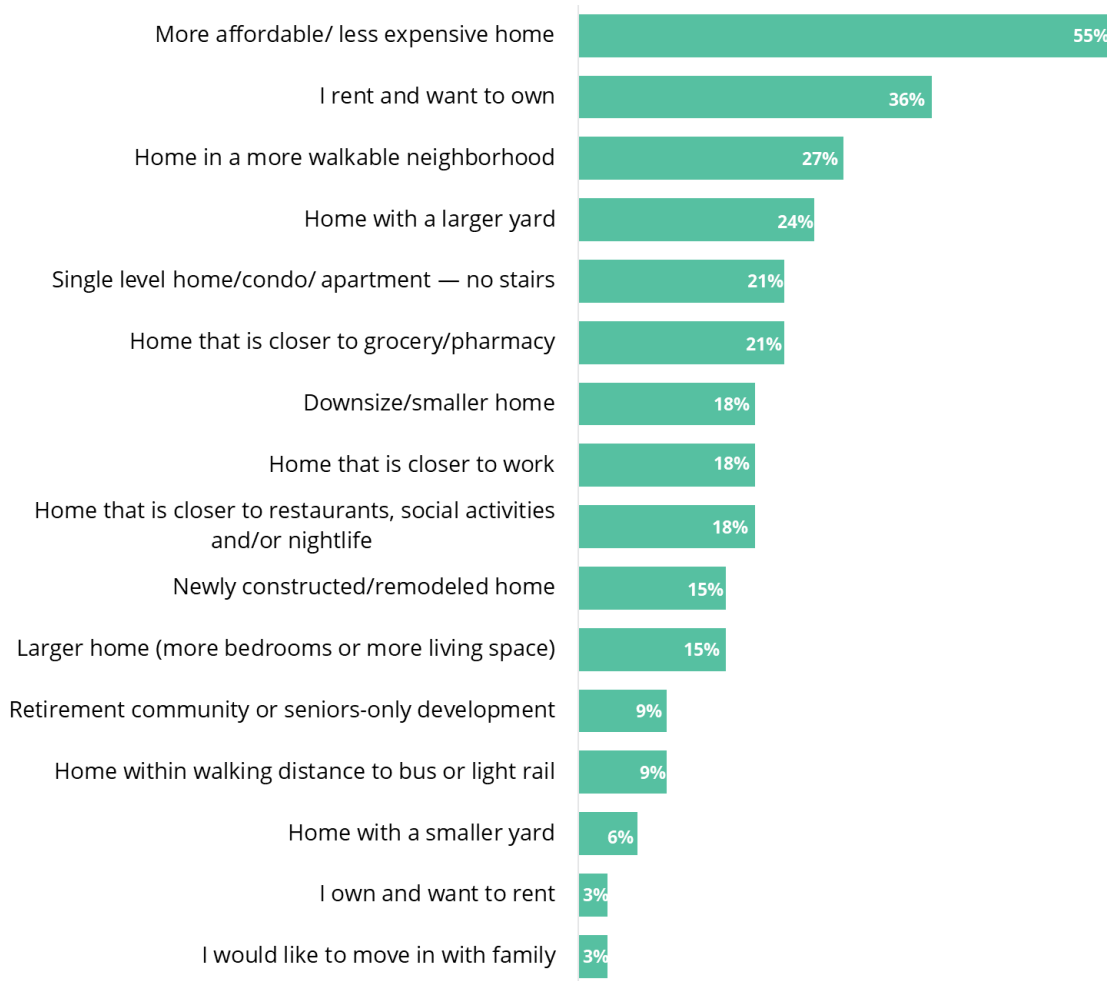


Source: Root Policy Research from the 2024 La Plata County Housing Survey.

When asked what housing types would best meet their household needs, the top housing types chosen by respondents were related to affordability, walkability, and having some type of outdoor space for children and/or pets. A top preference was also renters who wish to pursue homeownership.

**Figure IV-8.**

**If you were to move in the next three years, what type of housing would best suit your needs?**



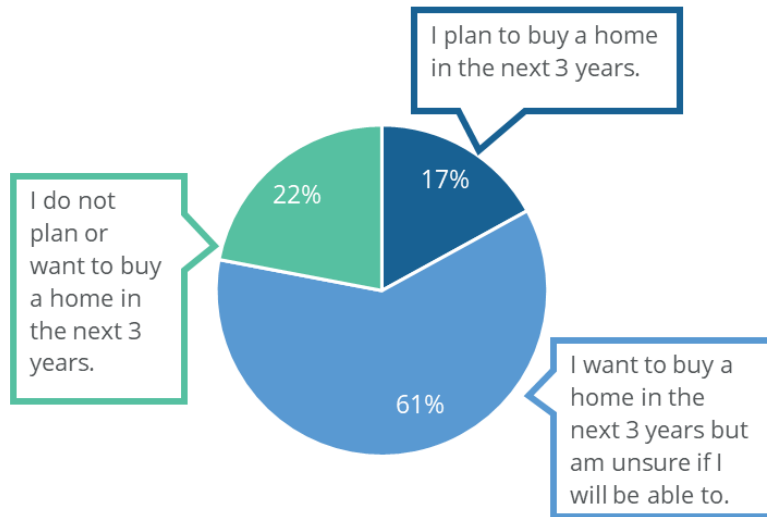
Source: Root Policy Research from the 2024 La Plata County Housing Survey.

**Desire to own.** As shown in Figure IV-9 below, more than half (61%) of renters in La Plata County want to buy a home but are unsure if they will be able to and another 17% have plans to buy a home in the next three years or so. Of those renters who indicated that they plan to or want to buy a home in the coming years approximately three-quarter indicated that they would like to buy a home in La Plata County.

Renters who are unsure if they will be able to transition to homeownership overwhelmingly attributed these uncertainties to affordability challenges. Renter respondents indicated that the biggest barrier to homeownership in La Plata County are housing affordability (87%). Additionally, over half cannot come up with a down payment and roughly a third indicated they cannot afford homeowner association or condo fees.

**Figure IV-9.**  
**Which of the**  
**following is most**  
**true for you?**

Source:  
Root Policy Research from the 2024  
La Plata County Housing Survey.



Renters who plan to buy a home in a different community were given the opportunity to explain why they would prefer to buy a home elsewhere. Notable responses left by renters included:

- *"Because I can't afford to buy in La Plata with how expensive mortgages are and the non-locals are buying out good property. Plus, homes that are lower in price need a lot of work do."*
- *"If I find a better paying job outside of La Plata, I'm going to move to where that job is."*
- *"Closer to my job, closer to recreational things, paved sidewalks/roads for children"*
- *"After just making it here for 20 years, I can't afford it here."*
- *"Affordability and value. Friends sold their small home in La Plata County and got a nicer home, twice the size, half the price, and reported being much happier."*

## La Plata County Housing Types

This section discusses respondents' perceptions of the importance of various housing types in La Plata's housing market and the appropriateness of housing types in their neighborhoods vs. elsewhere in the community.

**Importance of certain home types.** Figures IV-10 through IV-12 show the average importance rating respondents gave to housing types ranging from starter homes for first-time homebuyers, apartments and condos that appeal to young adults and seniors, to executive/luxury level housing. Importance was measured on a 1 to 9 scale where 9 means "extremely important" and 1 means "not important at all".

Housing types that received the highest *average* importance by all La Plata County respondents are:

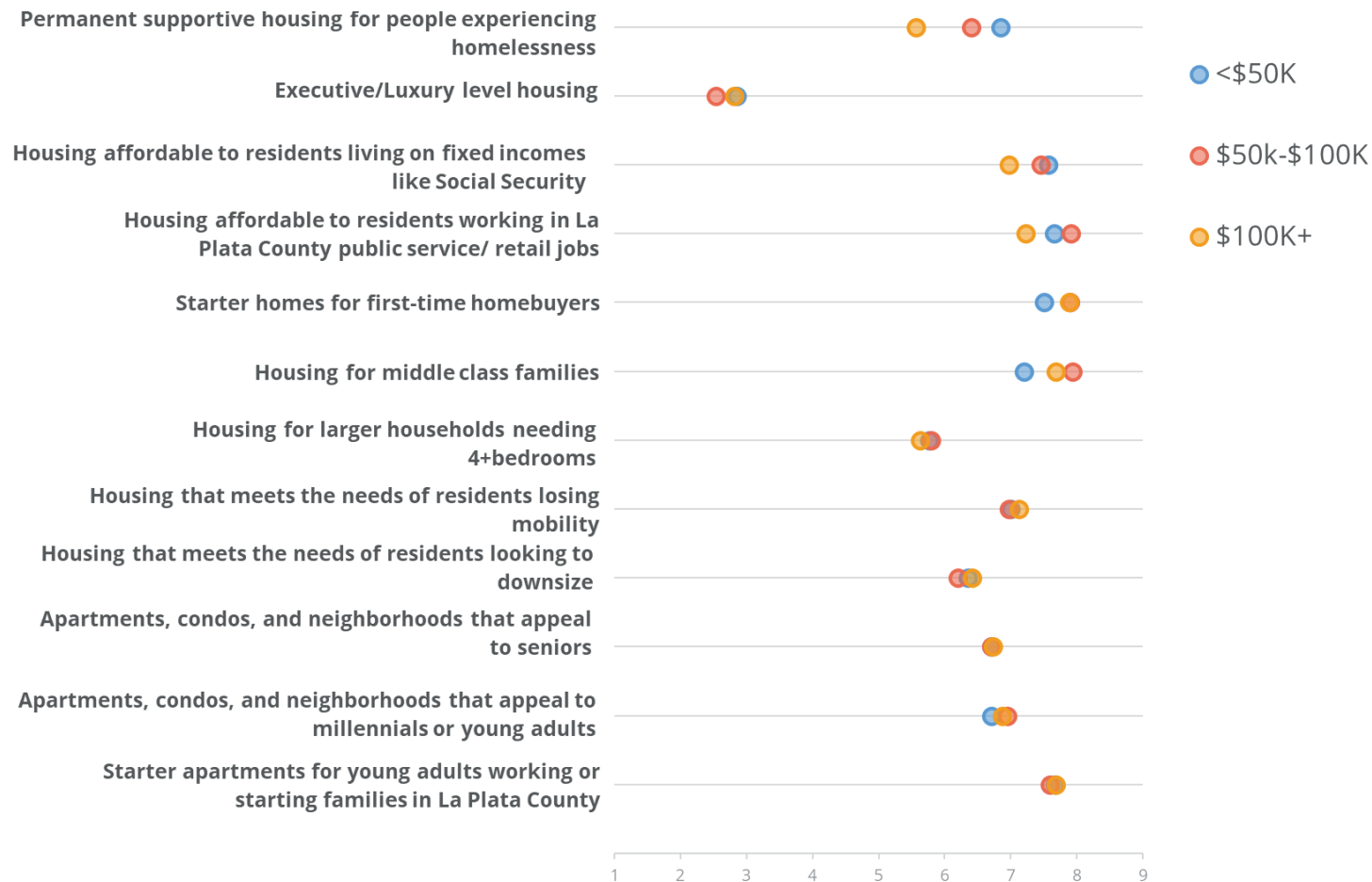
- Starter homes for first-time homebuyers (average importance of 7.8);
- Housing for middle class families (average importance of 7.7);
- Housing affordable to residents working in La Plata County in the public service or retail sector and starter apartments for young adults working in La Plata County (average importance of 7.6)

As shown in the following figures, the average importance of housing types varies by income, household size, and town in which respondents live:

- Lowest income resident respondents place a higher importance on permanent supportive housing than higher income residents as did average size households of 2-4 people;
- Larger units (4+ bedrooms) and executive housing were ranked among the lowest for all income groups and locations with the exception of Ignacio resident respondents who indicated a greater preference for larger homes and households with 5+ people;
- Larger households on average placed less priority on starter homes and workforce housing, whereas single and average size households ranked these the higher;
- Durango residents ranked starter apartments for young working professionals, apartments for millennials and workforce housing as very high relative to Ignacio and Bayfield respondents, and larger housing units lower;
- Bayfield resident respondents indicated a higher preference for downsizing options and housing for seniors than resident respondents from Durango and Ignacio.

**Figure IV-10.**

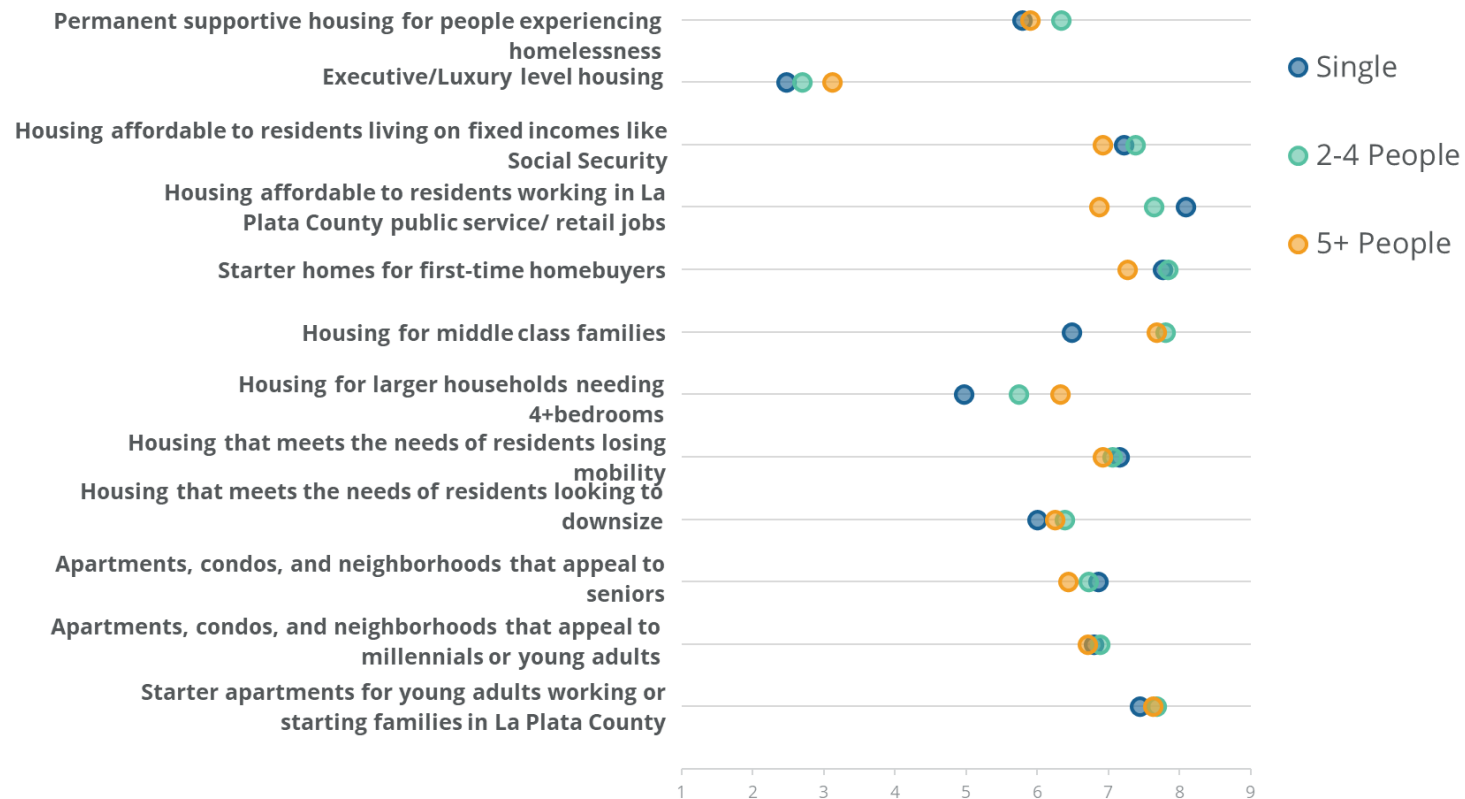
**On a scale of 1 to 9, where 9 means extremely important and 1 is not at all important, how important is it to you that La Plata County's housing supply includes the following types of homes? By Income.**



Source: Root Policy Research from the 2024 La Plata County Housing Survey.

**Figure IV-11.**

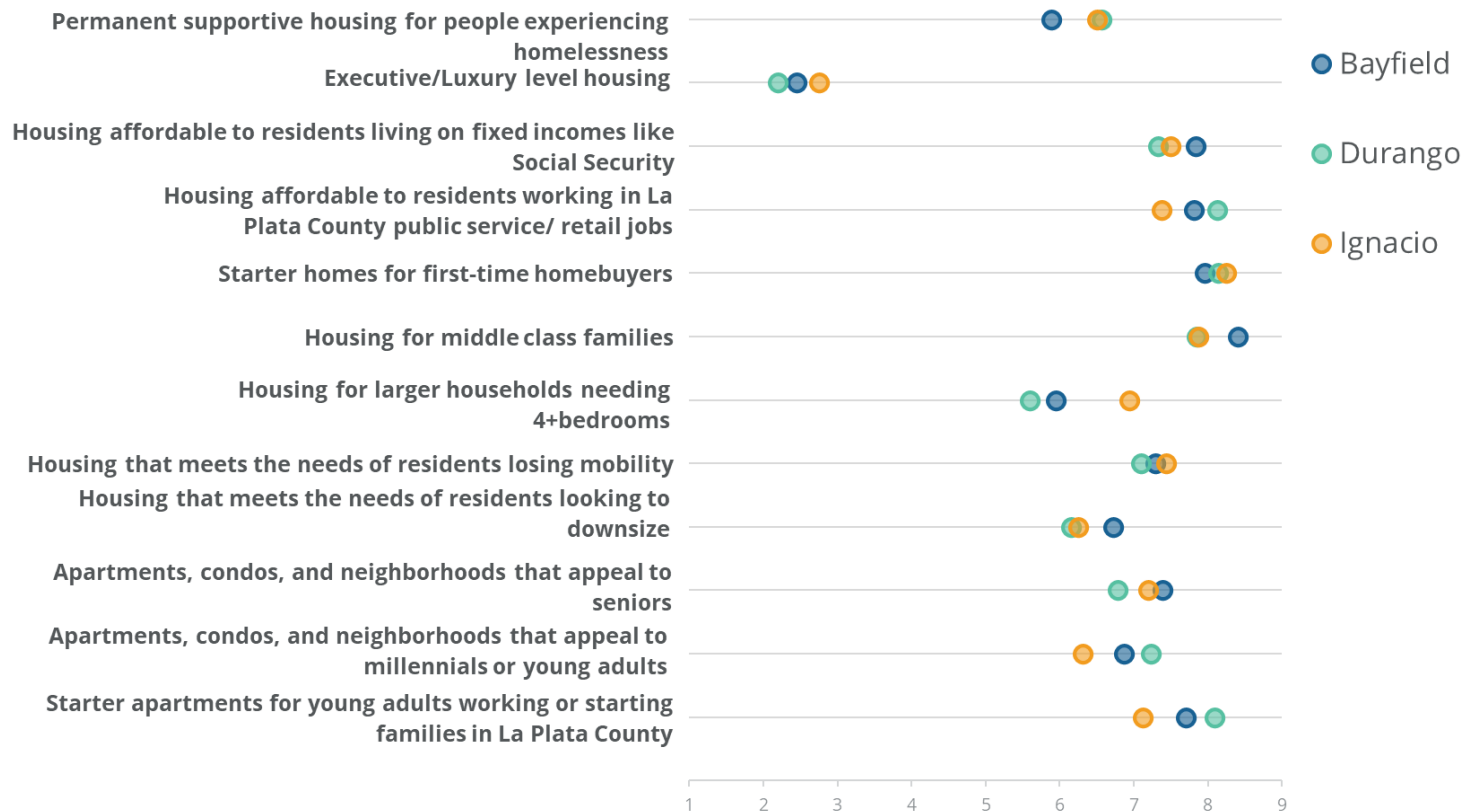
**On a scale of 1 to 9, where 9 means extremely important and 1 is not at all important, how important is it to you that La Plata County's housing supply includes the following types of homes? By household size.**



Source: Root Policy Research from the 2024 La Plata County Housing Survey.

**Figure IV-11.**

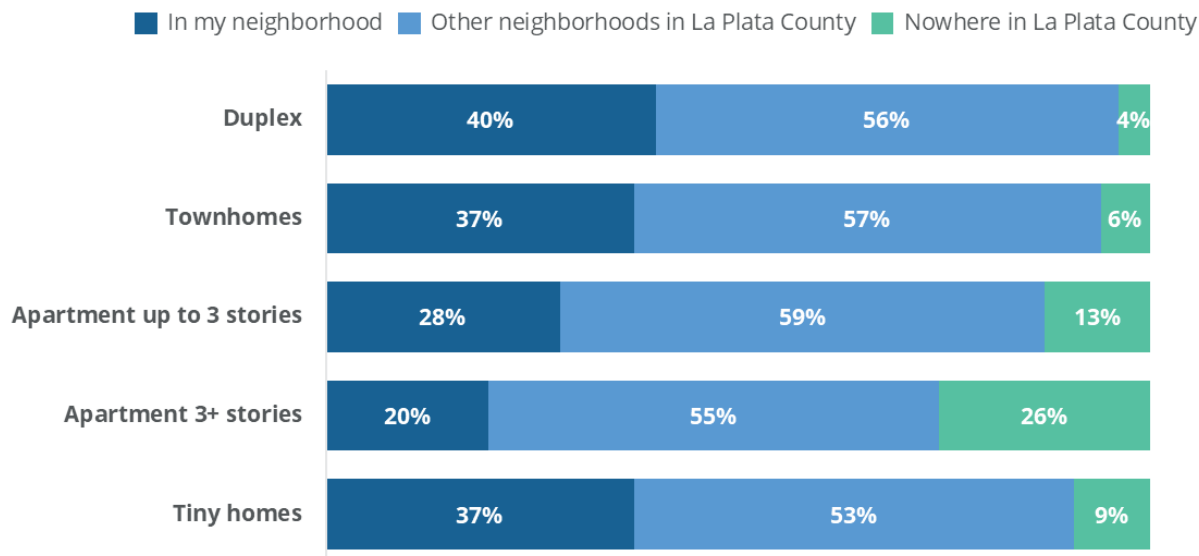
**On a scale of 1 to 9, where 9 means extremely important and 1 is not at all important, how important is it to you that La Plata County's housing supply includes the following types of homes? By town.**



Source: Root Policy Research from the 2024 La Plata County Housing Survey.

**Appropriate location for home types.** Residents were then asked to consider whether different housing types were appropriate in their neighborhood, other neighborhoods in La Plata County, or not appropriate anywhere in La Plata County.

**Figure IV-12.**  
**Perception of Neighborhood Compatibility of Various Housing Types**



Note: The survey stipulated that apartment buildings would be near major roads.

Source: Root Policy Research from the 2024 La Plata County Housing Survey.

As shown in Figure IV-12:

- Respondents perceive less dense housing types such as townhomes, duplexes, and tiny homes as the most appropriate housing types for their neighborhood in La Plata County. Less than 10% of survey takers indicated that these housing types are not appropriate anywhere in La Plata County.
- Survey respondents indicated greater support for gentle density in their neighborhoods or other neighborhoods in La Plata County—just over a quarter perceive apartments with up to three stories near major roads as appropriate in their neighborhood and more than half (54%) as appropriate in other La Plata County neighborhoods.
- Although preference is greater for lower density apartment buildings, the majority of respondents indicate that higher density apartment building (3+ stories) would be appropriate in other neighborhoods in La Plata County than their own indicating a moderate tolerance for this building type with only a quarter of respondents indicating that they are not appropriate anywhere in the county.

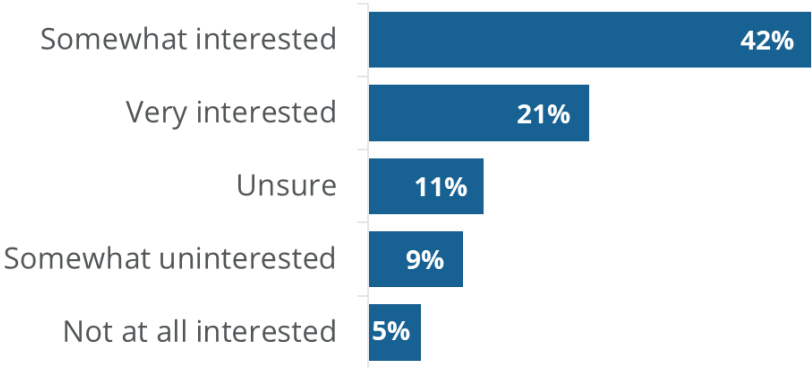
**Deed-restricted homeownership.** Deed restrictions are a common policy tool to increase access to homeownership for low- and moderate-income households. In a typical deed-restricted affordability program, homes with an affordability deed restriction can only be rented, sold, or re-sold to income-eligible individuals—typically for a price below the standard market price. Program participants are able to build equity in the home, but do not fully capitalize on the full value of market increases—this keeps the home affordable to future income-qualified households. In order to test for general perceptions of deed restricted homeownership, the survey asked respondents about their potential interest in a theoretical deed-restricted ownership program.

Over 60% of survey respondents said they would be very or somewhat interested in purchasing a home with a deed restriction if it was the only way to afford the home. (see Figure IV-13). Comments received from respondents who were not at all interested indicated a possible lack of understanding of the mechanisms of these types of programs and potential need for educational outreach.

Overall, La Plata County responses indicate a considerable interest in and potential for deed-restricted homeownership programs, particularly when coupling this response with “good investment for resale” ranked relatively low in the survey question regarding residents’ reasons for choosing their current housing.

**Figure IV-13.**  
**Deed-Restricted**  
**Homeownership**

Source:  
Root Policy Research from the 2024  
La Plata County Housing Survey.



## Stakeholder Engagement

Section IV concludes with a discussion of primary findings from the stakeholder engagement conducted to inform La Plata County's Housing Needs Assessment. The findings presented here were drawn from:

- Interviews with real estate professionals in La Plata County;
- A focus group with employers, affordable housing developers, business and economic development leaders; and
- A focus group with nonprofit service providers.

The Root team conducted these interviews and focus groups virtually between October and November 2024. The main themes gathered from this engagement offer additional insight into housing barriers, community development needs, impact of housing on employment and economic development, and suggestions to address needs.

**Social service and housing providers.** Primary findings, recommendations, and solutions offered by social service and housing providers included:

- Service providers report that families—particularly in the Latino community—are doubling, sometimes tripling up due to affordability and challenges with sufficient rental history in order to qualify for rental units in the area.
- There is concern about poor condition of mobile homes. While mobile homes may offer the most affordable option for some residents; service providers are concerned that some mobile home residents are living in conditions that do not meet health and safety standards.
- Broadly speaking, the perception among service providers is that the most critical need in the rental market is for additional inventory priced in the \$600-\$700 range.
- Access to homeownership for low-income home buyers is also a challenge. Prices are so high that even if buyers are able to access support for downpayment assistance, mortgages are still out of reach for lower income buyers;
- Housing and service provider also report that the lack of available rentals (in general) makes it especially hard for voucher holders to find units. This can result in the resident losing a voucher because they cannot find an available unit in time.
- Affordable childcare also came up as a concern for many families. High childcare costs coupled with high housing costs are creating a significant burden for working families—especially in lower wage occupations with irregular schedules (e.g., in the hospitality industry).

**Employers and business representatives.** Employers and representatives of La Plata's business community offered the following insights, recommendations, and solutions to address housing and community needs:

- Recruitment and retention are critical issues among local employers who report that critical jobs are not being filled due to high housing costs and limited supply.
- Employers across a variety of industries say the housing shortage is a significant contributor to high employee turnover and labor shortage. In recent years, employers feel they need to offer additional incentives for recruitment to the area. Even so, employers feel they are attracting fewer qualified candidates—even to higher level positions.
- Employers and the business community perceive the greatest need in the housing market to be additional for-sale inventory for residents and workers ideally priced below \$300,000 (but certainly no more than \$500,000), as well as rental units priced for people working in the retail and hospitality sector (preferably priced below \$600 per month).
- Many people are commuting from Montezuma County, and San Juan County in New Mexico and commuting has implications for absences, late arrivals, and work inconsistency for employers. Some employers report that workers will quit during the winter when the commute is the most challenging and then reapply in spring/summer months. This pattern makes it incredibly difficult to maintain full employment year-round and impacts delivery of services for the local community.
- Looking forward the business community is very concerned that the lack of housing in La Plata County will increasingly limit economic development and the diversity, quantity, and quality of services available to current residents.

**Real Estate Professionals and Housing Developers.** Real estate professionals and affordable housing developers participated in interviews and a focus group discussion with the Root Policy team. Primary findings from these discussions are provided below.

- Real estate professionals and developers highlighted the following components of market demand:
  - The county is undersupplied in general and that undersupply of available homes is constraining population growth (and economic development). Developers perceive this to be a long-standing issue of chronic undersupply.
  - Most families prefer a detached housing product with some type of outdoor space.

- Buyers are open to smaller lot sizes for single family homes but land use, zoning, and building requirements can be a barrier to delivering this product.
- There is very low churn in the market because many owners who might be interested in selling have very low interest rates are choosing not to sell or to “wait it out” impacting available for sale inventory and therefore prices;
- The current housing supply is not well-tailored to La Plata County’s aging population. The market needs more housing options for seniors that are accessible and will allow them to age in place.
- Withing the City of Durango, real estate stakeholder also noted a need for higher density housing, condos, and infill development.
- Affordable housing development is complicated by administrative barriers at the county level (approvals, permitting), subdivision rules and infrastructure challenges (water) that become too costly to pursue.
  - Developers perceive the permitting and approval process to be burdensome and time consuming. Some also highlighted code requirements (e.g., sidewalks, curb/gutter requirements, and landscape buffers) to be a barrier.
  - While the county is fairly permissive, the infrastructure costs are a real challenge for developers (and/or individual landowners). Developers suggested that the County consider subsidizing infrastructure in unincorporated areas to help catalyze development.
  - Like many locations in Colorado, the availability and cost of water is also a barrier to development—even the primary pinch point according to some developers.
  - There is a shortage of skilled construction labor, which adds both time and cost to development projects. Durango’s location also contributes to high material costs (and delivery).
  - Rising construction costs and high interest rates make it very difficult for developers to meet market demand for low- and middle-income rents and prices. The current interest rate environment is making it particularly challenging for multifamily builders to make projects pencil.
  - State-level construction defects concerns persist as a barrier to both condo and townhome development, which could otherwise help meet affordability needs in the ownership market.
  - Some developers see modular construction as a solution but transportation costs are relatively high because there are no nearby factories. There are also financing challenges which require large cash outlays up front.

- Key solutions highlighted by developers include:
  - Land banking, particularly strategic purchases in the county, coupled with infrastructure investments and/or subsidies.
  - Need a funding source for affordable housing to be used for gap financing, additional downpayment assistance and other affordability initiatives. Specific suggestions included lodging, short-term rental tax, and/or other broad-based tax (e.g., property or sales tax).
  - Regulatory and zoning changes that allow for more product diversity and innovative solutions (smaller lots, higher density, etc.)
  - Streamline approval process and enhance transparency of permit/development decisions.
  - Create a revolving loan fund deployed through public private partnerships on workforce development, with a funding focus on infrastructure.
  - Consider public financing options that could “buy down” high interest rates.

## SECTION V.

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### DISPLACEMENT RISK ASSESSMENT

## SECTION V.

# Displacement Risk Assessment

In alignment with SB24-174, this section assesses displacement risk for households in La Plata County based on an index of metrics from HUD, the American Community Survey, and CDC/ASTDR.

### Defining Displacement

Informally, displacement means leaving one's home or relocating one's business due to redevelopment of property or inability to afford cost of living or cost of doing business due to price increases or loss of income. The formal definition of displacement according to SB24-174 is included below.

#### Figure V-1. SB24-174's Definition of Displacement

Source:  
SB24-174 Displacement Risk  
Assessment Guidance.

► **SB24-174's definition of displacement\*** .....

Per Section 24-32-3701(4), "displacement" means:

- » (a) the involuntary relocation of residents, particularly low-income residents, or locally owned community serving businesses and institutions due to:
  - » (I) increased real estate prices or rents, property rehabilitation, redevelopment, demolition, or other economic factors;
  - » (II) physical conditions resulting from neglect and underinvestment that render a residence uninhabitable; or
  - » (III) physical displacement wherein existing housing units and commercial spaces are lost due to property rehabilitation, redevelopment, or demolition; or
- » (b) indirect displacement resulting from changes in neighborhood population, if, when low-income households move out of housing units, those same housing units do not remain affordable to other low-income households in the neighborhood, or demographic changes that reflect the relocation of existing residents following widespread relocation of their community and community serving entities.

*\* This definition of displacement also appears in HB24-1313.*

### Primary Findings

- An analysis of displacement measures identified low income households, cost burdened households (especially cost burdened *renter* households), occupants of housing units built before 1970, older (65+) residents, and BIPOC households as the largest populations in La Plata County that are vulnerable to displacement. Single-parent households, overcrowded households, residents with disabilities, residents with limited English proficiency, and residents without high school diplomas were also identified as being vulnerable to displacement.
- The displacement risk analysis was informed by the community engagement process summarized in Section IV. Specifically,

- Three quarters of La Plata County survey respondents do not feel financially secure in their current housing situation. Nonprofit service providers reported that many families are doubling up to manage high costs of housing in La Plata County.
- La Plata County households face tradeoffs between housing affordability and housing conditions: the most financially accessible units are often in poor condition. Approximately 29% of renters reported that their homes are in poor or fair condition.
- Displacement destabilizes local businesses: High housing costs cause the loss of workforce and high employee turnover. Long commutes for workers living in more affordable areas result in increased employee absences, limiting business capacity.
- There are approximately 3,514 mobile homes in La Plata County. Mobile homes expand access to homeownership for low income households while leaving these households vulnerable to displacement: many mobile home owners do not own the land under their homes and may face significant and destabilizing increases in lot rent.
- The Climate and Economic Justice Screening Tool (CEJST) identifies southern La Plata County and an area west of Durango as “disadvantaged” primarily because these tracts include land of Federally Recognized Tribes, but also because these areas contain abandoned mine land, are highly vulnerable to wildfires, and have poor access to transportation.

## Displacement Measures

The SB 24-174 Displacement Risk Assessment Guidance requires that jurisdictions study eleven measures of displacement, summarized in Figure V-2 and considered individually below.

**Figure V-2.**  
**Displacement Measures, La Plata County**

| Displacement Measure                                                    |        |            |                    |                                       |
|-------------------------------------------------------------------------|--------|------------|--------------------|---------------------------------------|
|                                                                         | Total  | Owner      | Renter             | Source                                |
| <b>Low Income Households</b>                                            | 8,787  | 4,882      | 3,906              | 2022 5-year ACS, Root Policy Research |
| <b>0-30% AMI Households</b>                                             | 2,691  | 1,245      | 1,446              | 2022 5-year ACS, Root Policy Research |
| <b>31-50% AMI Households</b>                                            | 2,848  | 1,579      | 1,269              | 2022 5-year ACS, Root Policy Research |
| <b>51-80% AMI Households</b>                                            | 1,178  | 712        | 466                | 2022 5-year ACS, Root Policy Research |
|                                                                         | Number | % of Total | Source             |                                       |
| <b>Renter Households</b>                                                | 6,655  | 29%        | 2022 5-year ACS    |                                       |
| <b>Cost Burdened Households with Annual Income &lt; \$75,000</b>        | 5,760  | 58%        | 2022 5-year ACS    |                                       |
| <b>Cost Burdened Renter Households with Annual Income &lt; \$75,000</b> | 3,092  | 75%        | 2022 5-year ACS    |                                       |
| <b>Cost Burdened Owner Households with Annual Income &lt; \$75,000</b>  | 2,668  | 46%        | 2022 5-year ACS    |                                       |
| <b>Residents with no High School Diploma (Age 25+)</b>                  | 1,682  | 4.2%       | 2022 5-year ACS    |                                       |
| <b>Residents 5+ who Speak English "Less than Well"</b>                  | 187    | 0.3%       | 2022 5-year ACS    |                                       |
| <b>Single-parent Households with Children Under 18</b>                  | 956    | 4.2%       | 2022 5-year ACS    |                                       |
| <b>BIPOC Households</b>                                                 | 3,938  | 17%        | 2022 5-year ACS    |                                       |
| <b>Overcrowded Households</b>                                           | 250    | 1.6%       | 2017-2021 HUD CHAS |                                       |
| <b>Housing Stock Built Before 1970</b>                                  | 5,703  | 20%        | 2022 5-year ACS    |                                       |
| <b>Civilian Noninst. Population with a Disability</b>                   | 5,640  | 10%        | 2022 5-year ACS    |                                       |
| <b>Older Population (65+)</b>                                           | 10,647 | 19%        | 2022 5-year ACS    |                                       |
| <b>Mobile Homes</b>                                                     | 3,514  | 12%        | 2022 5-year ACS    |                                       |

Note: "Root Policy Research" is cited as a source because a proprietary Root Policy Research model was used to distribute households by AMI level based on ACS estimates.

Source: 2022 5-year ACS, 2017-2021 HUD CHAS estimates, and Root Policy Research.

**Low income households.** Low income households lack sufficient income to afford market rate housing, as demonstrated by the rental affordability gaps analysis in Section III, and are more likely to live in areas that face redevelopment pressures. There are 8,787 low

income (0-80% AMI) households in La Plata County including 3,906 renter households (59% of renters) and 4,882 owner households (30% of owners). Among these households, those with the lowest incomes are most vulnerable to displacement. An estimated 2,961 households including 7% of owner households and 21% of renter households have extremely low incomes (0-30% AMI).

Note that the category “low income households” includes many types of households with different support needs such as single parent households, elderly households, and households of students.

**Renter households.** Renter households are more likely to experience displacement than owner households because they do not own their homes and are subject to market changes and rent increases. There are 6,655 renter households in La Plata County. While most (59% of) renter households in the county have low incomes and are vulnerable to displacement, the county also has some higher income renter households (120% AMI+) who “rent down,” occupying units that are less expensive than they can afford. Approximately 24% of the county’s renter households have incomes greater than 120% AMI and are less vulnerable to displacement than the rest of the renter population.

**Cost burdened renter households with annual income <\$75,000.** Cost burdened households have less disposable income to pay for other needed expenses such as healthcare, childcare, and food and are at increased risk of being outpriced as housing costs increase. According to 2022 5-year ACS estimates, 5,760 households with incomes below \$75,000 are cost burdened. This is equivalent to 58% of households with incomes below \$75,000 and includes 75% of renter households at that income level (3,092 renter households) and 46% of owner households at that income level. Cost burdened renter households tend to be at a greater risk of displacement than owner households because owner households’ housing payments contribute to building equity.

**Residents without a high school degree (age 25+).** Adults without high school degrees face limited access to higher paying jobs, which makes them more vulnerable to job insecurity. Without stable employment, these residents may miss rent payments and face eviction. According to 2022 5-year ACS estimates, 1,682 La Plata County residents age 25 and older (4.2% of residents in this age group) do not have a high school degree.

**Residents who speak English “less than well” (age 5+).** Populations with limited English proficiency may have difficulty navigating housing, jobs, transportation, and assistance due to language barriers and discrimination. ACS estimates show that La Plata County is home to 187 residents ages five and older who have limited English proficiency, though this may undercount residents with limited English proficiency because these residents may face barriers completing the ACS survey.

**Single parent households with children under 18.** Approximately 4.2% of households in La Plata County (956 households) are single parent households with children according to ACS estimates. Single parent households must manage rising childcare and housing costs on one income, while two parent households often benefit from two earners' incomes, making single parents more vulnerable to housing instability and displacement.

**Housing stock built before 1970.** One in five housing units in La Plata County (20%; 5,703 units) were built in 1969 or earlier. Units built before 1970 are more likely than new units to contain lead-based paint—a health hazard—and to need repairs due to their age. Occupant households may be destabilized by the high costs of making repairs.

**Households headed by BIPOC residents.** According to ACS estimates, there are 3,938 BIPOC households in La Plata County (17% of households). Historical and ongoing employment and housing discrimination against BIPOC households has limited these households' housing choices and general opportunity to build stabilizing wealth, leaving BIPOC households vulnerable to displacement.

**Overcrowded households.** Households containing more than one person per room are overcrowded. Households may choose to live in overcrowded conditions due to an inability to afford units of suitable sizes, so these households are likely to struggle to manage unexpected emergency costs or rent increases. According to CHAS estimates from the U.S. Department of Housing and Urban Development, approximately 2% of households in La Plata County (250 households) are overcrowded. Renter households have a higher rate of overcrowding (4.0%) than owner households (1.6%).

**Population with a disability.** Excluding residents living in group quarters such as assisted living facilities, there are 5,640 residents with disabilities in La Plata County. Residents with disabilities tend to have lower incomes due to limited employment options and may live on fixed incomes. Their lower incomes limit the units they can afford, but units with needed accessibility features tend to be higher priced.

**Older population (65+ years).** Nearly one in five La Plata County residents is 65 or older (19%; 10,647 residents). Older residents are likely to need accessibility modifications to age in their homes. Such modifications can be expensive and difficult to manage for elderly residents who are likely to be retired and living on fixed incomes. Other older residents may need supportive living environments such as those offered by skilled nursing facilities. As discussed in Section I, La Plata County's senior population is projected to increase to 26% of the total population by 2050, while all other age groups will decline slightly or stay the same. As the working age population decreases while the senior population grows, healthcare and aging in place needs are expected to grow.

## Mobile and Manufactured Homes

Manufactured homes (mobile homes)<sup>1</sup> are a form of naturally occurring affordable housing that allow lower income residents to become homeowners. Although this creates more housing opportunity for these households, manufactured home parks can also be an environment of uncertainty. Most mobile home owners do not own the land underneath their home and pay a monthly lot rent. This subjects tenants to lot rent increases that could make monthly payments unaffordable and is complicated by limitations on mobility—moving manufactured homes is often cost-prohibitive and in some cases illegal.

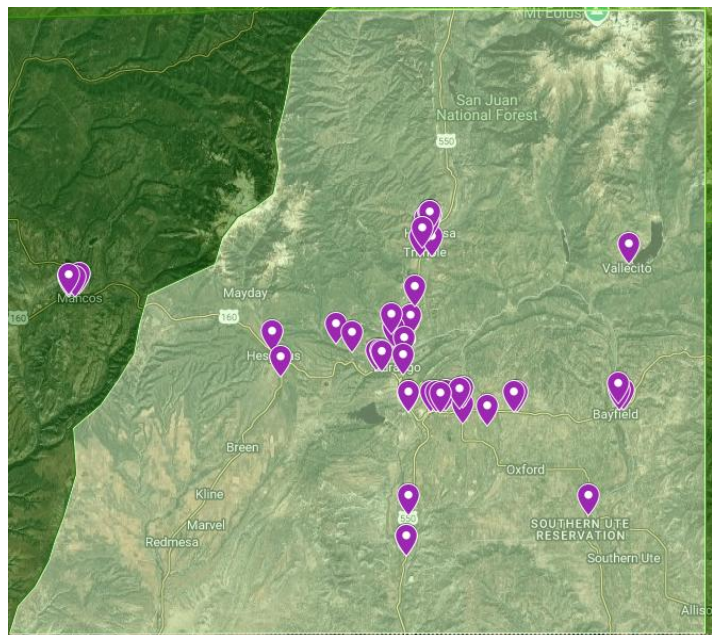
Increasing home and land values in Colorado give mobile home park owners a large incentive to sell, putting additional pressure on tenants who would need to relocate their homes. Many homeowners become displaced because they either cannot find somewhere to move their mobile home, or their home is too old to be relocated.

There are an estimated 3,514 mobile homes in La Plata County according to ACS estimates, equivalent to 12% of housing units. DOLA's Division of Housing's Mobile Home Oversight Program administers a mobile home park registry. The registry currently tracks 34 manufactured home parks in La Plata County including 26 in Durango, five in Bayfield, two in Hesperus, and one in Ignacio. These parks contain 1,377 rented mobile home lots and/or mobile homes.<sup>2</sup>

**Figure V-3.**  
**Mobile Home Parks in La**  
**Plata County**

Source:

Colorado Mobile Home Park Map by Colorado  
DOLA Division of Housing.



<sup>1</sup> Here, the terms “mobile home” and “manufactured home” are used interchangeably. Technically “mobile home” refers to homes built before 1976 and “manufactured housing” applies for units built after 1976. However, the terms are commonly used interchangeably, and we have followed that practice here.

<sup>2</sup> Only 39% of the mobile home units that the ACS reports are tracked in the mobile home park registration system. This is likely largely due to mobile home owners living on vacant land or other parcels.

In response to uncertainty about rising lot rents, mobile home owners are increasingly interested in purchasing their mobile home parks. According to DOLA's mobile home park registry, there is one resident owned mobile home parks community in La Plata County: the 120-site Animas View MHP Co-op. There is also one mobile home park jointly owned by a resident co-op and Elevation Community Land Trust: the 59-unit Westside Mobile Home Park.

## Regulated Affordable Housing Units

As discussed in Section II, there are 808 income-restricted rental units across 19 properties in La Plata County.<sup>3</sup> These units stabilize households facing or likely to face displacement: 12% are designated for older adults, 13% are designated for people experiencing homelessness and/or people earning less than 30% AMI who need permanent supportive housing (PSH), and the remainder serve any income-qualifying households (usually under 60% AMI). These units are supplemented by 385 Housing Choice Vouchers which provide rental assistance to low income households and may be used in income-restricted units in order to reach deeper affordability.<sup>4</sup>

However, the rental affordability gaps analysis in Section III demonstrates that the supply of housing units affordable at incomes below 50% AMI—which includes many of the county's income-restricted units and accounts for the use of Housing Choice Vouchers—is insufficient to accommodate the county's very low and extremely low income households.

## Community Engagement Findings

In preparing this HNA, Root Policy Research and the Regional Housing Alliance of La Plata County administered a resident/workforce survey on housing choices, challenges, and preferences in the community and conducted a variety of engagement interviews and focus groups with local stakeholders representing major county employers, business leaders, real estate professionals, and nonprofit service providers. Community engagement conducted for this HNA as it relates to displacement is summarized here; see Section IV for full community engagement findings.

**Access to housing.** Sixty-seven percent (67%) of all renters want to buy a home but are unsure if they will be able to with the top reason being concerns related to cost. Nonprofit service providers interviewed in the community engagement process reported that many families are doubling up to access housing in La Plata County, that newly arrived immigrants face limited access to housing due to limited rental and/or credit history, and that high childcare costs make high housing costs especially difficult to manage for families with children.

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<sup>3</sup> Source: National Housing Preservation Database (NHPD).

<sup>4</sup> Source: HUD Picture of Subsidized Households.

Service providers reported that even renters who receive Housing Choice Vouchers struggle to find units due to a lack of available rentals, sometimes causing the renter to lose the voucher because they cannot find an available unit in time.

**Housing stability.** Three quarters of La Plata County survey respondents do not feel financially secure in their current housing situation. To keep up with housing costs, 45% of La Plata County respondents have cut back on entertainment and recreation spending, 42% have looked for better deals on monthly expenses, 24% have put off needed medical treatment, and 24% have received money/support for from family or friends.

When asked what they need to be more financially secure in their housing situations, survey respondents were most likely to select “find a home I can buy” (22%), “help with a down payment to buy a home” (16%), “help getting a loan to buy a house” (16%), and “money to make critical repairs” (13%). Households with incomes below \$50,000 have a high need for assistance to help pay rent each month (27%).

In addition to these concerns, renter households’ satisfaction with their current housing situations is low: only 8% of renter respondents plan to stay in their home for as long as possible, while 43% want to move to a home that better suits their needs but cannot afford to do so. Fourteen percent of renters want to stay in their homes but worry that they will not be able to stay.

**Conditions.** Approximately 29% of renters who responded to the survey consider their current home/apartment to be in poor condition; of those, 31% indicated that they haven’t requested repair work from their landlord because they believe the landlord “won’t make the repairs” or because they worry a request for a repair “will result in a rent increase or eviction.” BIPOC respondents were more likely than non-Hispanic White respondents to report that their homes are in fair or poor condition (37% vs. 19%).

Nonprofit service providers interviewed reported that there are tradeoffs between access to attainable housing and suitable housing condition: mobile home parks are the most accessible financially but are in poor condition.

Real estate stakeholders reported that the current housing supply is not well-tailored to the county’s aging population, and that current housing conditions require significant modifications to allow for aging in place.

**Work location and commutes.** Employers interviewed in the engagement process reported that many employees commute long distances due to the county’s high cost of living, resulting in absences that affect the quantity, quality and diversity of services that can be offered in the county.

Twelve of the 20 people who work or attend school in La Plata County but live outside of the county (in-commuters) and responded to the housing survey indicated that they had

considered living in La Plata County when they looked for their current housing, and nine of these twelve respondents indicated that they chose to live outside of La Plata County because they could not find an affordable apartment to rent or an affordable home to buy. While the number of survey respondents who in-commute to La Plata County is too small to inform broad conclusions about this group, these survey responses suggest that a considerable share of the county's in-commuting workforce live outside of the county due to a lack of affordable units in the county.

**Business stability.** Employers and housing developers interviewed in the community engagement process reported that displacement erodes business stability: employers are losing employees who are interested in homeownership but cannot afford to buy a home in La Plata County and/or cannot find a rental unit within their price range. This leads to high staff turnover rates and requires extra recruitment incentives to attract qualified employees.

## Disadvantaged Areas

SB24-174 requires local governments to identify areas that qualify as disadvantaged using the Climate and Economic Justice Screening Tool (CEJST) from the Council on Environmental Quality in the Office of the President of the United States. While the CEJST is no longer available on the White House website, this report makes use of an unofficial copy of the CEJST Tool.<sup>5</sup> Census tracts that are marginalized by underinvestment and overburdened by pollution are highlighted as being disadvantaged in Figure V-4. Federally Recognized Tribes, including Alaska Native Villages, are considered disadvantaged communities.

The CEJST reports that:

- The county's southernmost Census Tracts (including Ignacio) qualify as disadvantaged because they are lands of Federally Recognized Tribes. The southwestern Census Tract also meets criteria for being disadvantaged because it contains abandoned mine land and because it ranks in the 95<sup>th</sup> percentile nationwide for transportation barriers.
- The county's northwestern Census Tract is identified as partially disadvantaged because a share of this tract is land belonging to Federally Recognized Tribes. Additionally, this tract qualifies as disadvantaged because it ranks in the 92<sup>nd</sup> percentile nationally for projected wildfire risk—and resultantly ranks in the 90<sup>th</sup> percentile for expected building loss rate—and because it contains abandoned mine land.

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<sup>5</sup> Source: <https://edgi-govdata-archiving.github.io/j40-cejst-2/en/#3.55/36.43/-102.69>

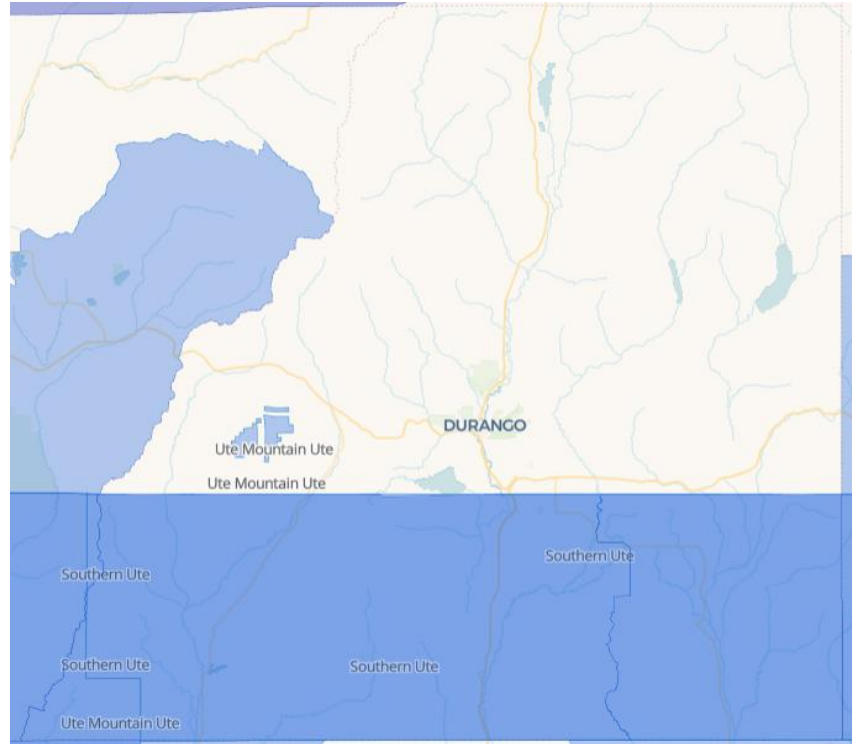
**Figure V-4.  
CEJST  
Disadvantaged  
Census Tracts in La  
Plata County**

Note:

Census tracts that are marginalized by underinvestment and overburdened by pollution are highlighted as being disadvantaged on the map. Federally Recognized Tribes, including Alaska Native Villages, are considered disadvantaged communities.

Source:

Climate and Economic Justice Screening Tool (CEJST).



## SECTION VI.

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## RECOMMENDATIONS

## SECTION VI.

# Recommendations

In accordance with SB24-174 requirements, this section discusses recommended policy and programmatic responses to the findings of the Housing Needs Assessment and Displacement Risk Assessment.

### Primary Findings—Summary of Recommendations

- La Plata County, the City of Durango, the Town of Bayfield, and the Town of Ignacio should continue to participate in regional collaboration around regional housing issues and establish regional data collection mechanisms to facilitate Proposition 123 compliance tracking.
- Funding is a critical component for any housing strategy—current funding sources are insufficient to fully address the housing and community needs identified in the needs assessment, meaning the region will likely struggle to meet the short- and long-term needs of residents. As such, La Plata County and its jurisdictions should evaluate opportunities for a local, dedicated funding source for affordable housing development and preservation.
- To facilitate and incentivize affordable development, it is recommended that La Plata County and its jurisdictions implement fast-track processing (in progress) along with financial and regulator incentives, potentially including a density bonus program for affordable housing, reduce parking requirements for affordable developments, and leverage publicly owned land for affordable development.
- To produce and preserve naturally occurring affordable housing, jurisdictions should consider amending land use codes to facilitate development of attainable housing products, catalyze infrastructure development in unincorporated areas, and support the continued affordability of mobile home parks.

### Recap of Top Housing Needs

The Housing Needs Assessment and Displacement Risk Assessment identify several key concerns related to housing availability, affordability, and suitability in La Plata County.

- First, rapidly rising rents and home prices have dramatically outpaced growth in resident household incomes. Most (75% of) housing survey respondents do not feel financially secure in their current housing situation, and more than half of the county's renter households are “cost burdened” and living in housing they cannot afford.

Service providers have observed families “doubling up,” sharing the housing of others to manage high housing costs.

- Cost burden is often related to a mismatch between the prices of available housing units and the prices that households can afford to pay for housing. In La Plata County, there are 964 more renter households with incomes below 50% AMI than there are units affordable at this income level, even accounting for county’s 808 income-restricted units and 385 Housing Choice Vouchers. Mismatches between the incomes of potential first time homebuyers and prices of homes for sale affect households earning up to 140% AMI.
- A lack of housing affordable to workers earning average wages in La Plata County’s employment industries results in high rates of in-commuting, difficulty in employee recruitment and retention, and general instability for local businesses. Residential construction is failing to keep up with job growth, creating additional pressure on the housing market.
- Without a substantial growth in housing affordable to workforce, La Plata County’s working-age population will continue to shrink as the county’s population ages. An aging population also brings growing needs for accessible units and/or home modifications conducive to aging in place.
- To ensure housing availability and stability for current resident households, La Plata County needs to add 264 new housing units. The county needs to add an additional 2,954 units to accommodate new households over the next ten years. Additional units would be needed to accommodate current in-commuters who would prefer to live in the county. While market rate development may produce for-sale units at the affordability level most needed by homeowners (over 150% AMI), public assistance is needed to deliver ownership units below 150% AMI. Public assistance is needed to produce rental units at the affordability levels most needed by renters (0-50% AMI).

## **Recommended Policy and Programmatic Responses**

In line with the requirements of SB24-174, this section identifies policy and programmatic responses available to La Plata County, the City of Durango, the Town of Ignacio, and the Town of Bayfield to address these findings. The recommendations below are intended to help set the stage for future Housing Action Plans, which require at least two “standard affordability strategies” and at least one “long-term affordability strategy.”<sup>1</sup>

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<sup>1</sup> <https://docs.google.com/document/d/1gmuZqDRAMXhK98wZXITeUfgu0mlOmw6yg3vNCNPW8m8/edit?tab=t.0>

**1. Continue regional collaboration on affordable housing.** The La Plata County Regional Housing Authority (RHA) convenes La Plata County, the City of Durango, the Town of Bayfield, and the Town of Ignacio to facilitate and support the preservation, rehabilitation, and development of appropriate affordable/attainable housing.

Because housing needs extend across jurisdictional boundaries, La Plata County, the City of Durango, the Town of Bayfield, and the Town of Ignacio should continue to participate in and support the efforts of the RHA and other opportunities to advance regional housing efforts and funding. Continued regional collaboration allows jurisdictions to present a unified approach to the housing issues identified in the Housing Needs Assessment, defines common goals, and promotes efficiency in resource allocations and updates to the regional Housing Needs Assessment. Specific regional efforts could include:

- **Establish collaborative regional data collection mechanisms.** To further support regional housing efforts including updates to the Housing Needs Assessment, La Plata County, the City of Durango, the Town of Bayfield, and the Town of Ignacio should explore opportunities for collaborative data collection including, but not limited to, the following items:
  - Affordable housing inventory and housing choice vouchers (La Plata County currently lacks a unified database of income-restricted affordable housing units, complicating efforts to understand the number of affordable units overall and at each AMI level in the county and in each jurisdiction; identify opportunities for preservation of expiring affordable; and monitor the availability of affordable units for income-eligible households);
  - Progress toward Prop 123 goals (While each jurisdiction is responsible for submitting its own compliance materials to DOLA, a collaborative tracking mechanism would allow all parties, including the RHA, access to uniform information on progress and unit credit distributions between jurisdictions);
  - Building permits and residential development pipeline;
  - Vacation and short-term rental inventory (currently tracked in Durango and Bayfield but not elsewhere); and
  - Public and institutionally owned land available for housing.
- **Provide community education and engagement opportunities to address housing challenges.** Formalizing and adopting a housing-specific community engagement and education strategy would help the RHA and each of its participating jurisdictions to clearly communicate housing needs and strategies, bring all relevant stakeholders into housing policy-making and programming processes, and create equitable housing solutions with community support. Other communities in Colorado have employed a variety of techniques to provide housing education including, but not limited to:

- Creating a book club, public lecture series, and/or class focused on housing-related issues, with an emphasis on how these issues present in the local community;
- Delivering staff-led talks at local clubs, service organizations, community groups, churches, and schools about housing; and
- Convening a regular ad-hoc group of housing professionals including (e.g., financial, builders, developers, planners, etc.) to discuss housing issues and solutions.

**2. Establish a dedicated revenue source for affordable housing.** A dedicated revenue source, often in the form of a “housing trust fund,” ensures ongoing access to local dollars for affordable housing. Housing trust funds are increasingly popular as they do not carry federal regulations and insulate jurisdictions from the risk of relying on federal funding for housing. They can be used on a variety of programs to address housing needs in line with local priorities: for example, a housing trust fund could be used to provide affordable housing gap financing, to provide repair and modification assistance to income-qualified households, or to “buy down” high interest rates currently inhibiting affordable development as recommended by developers consulted for this plan.

Potential revenue sources are varied and include GO Bonds, sales taxes, property taxes, jurisdictional general fund set-asides, commercial and/or residential linkage fees, fees-in-lieu from inclusionary zoning buyouts, and other types of taxes, including those that are directly tied to demand for housing such as short-term rental taxes.

Local funds are particularly effective for affordable housing projects because they provide a sustainable and flexible funding source without federal or state regulations. Fee revenue can be used for gap financing, land banking, development incentives or subsidies (such as fee or tax rebates), and/or leveraging state and federal funds that require a local match.

Dedicated funds—as opposed to discretionary allocations—have the added benefit of dependable future revenue, which protects funding from shifting politics AND allows a City/County to bond against the revenue, which can support up-front costs of major housing investments. The biggest challenge for most communities in creating a dedicated funding source is lack of political support for meaningful sources, especially in Colorado where all taxes require approval by the taxpayers. Some of the most common revenue options are described below:

- **General Fund allocation**—Often, a General Fund allocation is the easiest way to initiate a Housing Trust Fund, but a dedicated stream is ideal for the long-term. Many communities throughout Colorado have allocated General Funds to housing; as an example, over the past two years the City of Grand Junction has allocated \$19 million to housing (including \$4.5 million in awarded grants).

- **Sales Tax**—additional assessment on taxable goods. This option provides a broad base for revenue generation but does require voter approval to initiate. Sales taxes may be more likely to burden lower income households than other tax/fee options. Examples of Colorado counties with a sales tax dedicated to housing include Denver, Pitkin, Summit, and San Miguel.
- **Property Tax**—additional mill levy dedicated to affordable housing. Similar to the above, a property tax mill provides a broad base for revenue generation but does require voter approval to initiate. Can also be applied exclusively to high-value homes (e.g., > \$1 million). As an example, Denver imposes a 0.5 mill property tax on both residential and commercial properties for affordable housing.
- **Real Estate Transfer Taxes (RETT)**—an assessment on the sale of a home. Though several Colorado communities were allowed to retain existing RETT, the imposition of new RETT in the State of Colorado is illegal. However, some communities are exploring potential real estate transfer fee that could be a model for other communities.
- **Linkage Fees (or impact fees)**—assessments on new commercial and/or residential development to produce affordable housing. These fees are calibrated to offset the impact of the new development housing availability and affordability by providing funding for new affordable housing developments. Similar to other types of impact fees, linkage fees do require a nexus study to set fee amounts. Examples of front range communities with affordable housing linkage fees include Denver, Boulder, and Lafayette.
- **Inclusionary Zoning Fee-in-Lieu**—inclusionary zoning or inclusionary housing ordinances are requirements to include income-restricted housing in new developments. Most IZ or IHO programs allow developers to pay a fee-in-lieu of construction the affordable (income restricted) units and fee revenues are typically dedicated to an affordable housing trust fund. Examples of front range communities with affordable IZ programs (that have a fee in lieu) include Longmont, Denver, Boulder, Superior, Broomfield, and Littleton.
- **Lodging Tax**—recent state legislation gives communities more flexibility in how lodging tax revenue is spent, making this a more viable option for affordable housing funding. This option capitalizes on tourism to help fund local housing. Lodging taxes dedicated to housing are most common in Colorado's tourist-driven economies, including Dillon, Durango, Chaffee County, Eagle County, Glenwood Springs, and Gunnison County.
- **Short Term Rental Tax or Fee**—a tax or fee imposed on short-term rentals (STRs). Similar to a lodging tax, this revenue source capitalizes on tourism to help fund local housing. STR fees and taxes are most common in Colorado's tourist-driven

economies. For example, Steamboat Springs has a 9% STR tax dedicated to affordable housing, expected to generate \$10-\$15 million per year.

**3. Facilitate and incentivize affordable development.** Generally, development incentives offer variances from entitlement zoning (or relief from development fees) in exchange for including affordable (income-restricted) units in the development. Incentives can be used to both encourage market-rate developers to include a small portion of affordable units and/or to improve the economic and development processes for projects with a large portion of affordable units (e.g., LIHTC or land trust developments). Incentives can take several forms:

- **Process-oriented development incentives**, such as fast track or administrative approvals, which indirectly lower predevelopment costs by reducing risk, redesigns, and the amount of time (and interest) a developer will have to use to bridge financing prior to closing.

*La Plata County, the Town of Bayfield, the Town of Ignacio, and the City of Durango are currently working to create and adopt a **fast-track approval process** for regulated affordable housing development to facilitate achievement of Proposition 123's affordable housing goals.*

- **Financial incentives**, such as in-kind donations and gap financing,, fee reductions/rebates, or tax incentives for affordable developments, which directly lower the cost of construction.

***Financial incentives are strongly recommended** for La Plata County but are contingent on a local revenue source (as discussed under Strategy 2 above). In kind donations in the form of land banking is discussed more below.*

- **Regulatory incentives** that remove cost barriers and/or allow for more units to be built than allowed by right (e.g., density/height bonuses, parking reductions, etc.) which improve land efficiency and allow for more cost-effective products.

*Specific regulatory incentives to facilitate affordable housing development are discussed below.*

**Consider establishing a density bonus program.** Density bonuses allow for more housing units to be built on a site than would otherwise be allowed under standard zoning district regulations in exchange for the inclusion of income restricted units. The bonus can take the form of an increase in floor area ratio (FAR), greater building height/additional stories, smaller unit sizes, different unit types (e.g., fourplexes on single family detached lots), or flexible setback requirements. In essence, for every affordable unit a developer includes, they are able to add a specified number of market-rate units. The amount of density bonus offered varies by program, market, and unit location—for example, larger

bonuses are typically allowed along transportation corridors, particularly transit-accessible routes.

Density bonuses improve affordability both directly by providing income restricted units and indirectly by adding to a community's overall supply. Density bonuses have the greatest impact in communities with moderate to high volume of residential development. Density bonuses can best incentivize building affordable units when the rent generated from the additional market-rate units adequately offsets the cost of the affordable units.

Programs with the strongest outcomes to date share similar conditions:

- Demand for affordable and market rate housing;
- Relatively low base heights or FARs, which provides greater added value to the bonuses;
- Ample opportunity to build higher story developments (e.g., along transportation corridors) or add gentle density within planned residential areas; and
- Offer bonuses that are economically feasible and attractive to developers.

**Reduce parking requirements for affordable developments.** Most jurisdictions require a minimum number of off-street parking spaces for new residential development. The minimum number of required spaces is usually determined by the number of bedrooms or per unit. Parking requirements are in place to ensure residents have dedicated spaces to park their vehicles, as well as to ensure that neighborhoods do not become adversely affected by increased demand for public parking. However, in some cases, parking requirements can result in an oversupply of parking provided, ineffective use of land—and parking is expensive, typically costing between \$5,000 (surface) to \$40,000 (underground garage) per space.

Reduced parking requirements can help improve the financial feasibility of affordable housing developments and facilitate the use of land in a more efficient manner. Reduced parking requirements on deeply affordable units more closely align with occupants' vehicle usage—e.g., studies have found that many very low income renters, especially seniors and persons with disabilities, are less likely to own cars.

**Leverage publicly owned land for affordable development.** The use of publicly-owned land for affordable housing can help ensure that communities can provide housing options for lower-income households, particularly in communities with constrained opportunities for development and high land costs. Communities with an inventory of land can provide these parcels (or the rights to develop these parcels) to private and nonprofit developers at low or no costs in return for the developer's commitment to provide housing that meet specific affordability requirements. It is increasingly common for local governments to donate, discount, or lease vacant land or underutilized properties (e.g.,

closed schools, vacant or out-of-date public sector offices) for use as residential mixed-income or mixed-use developments. Some properties are acquired after businesses have been closed for illegal use or very delinquent taxes.

This policy tool can be effective in both high and low growth communities, particularly in communities where vacant land for residential uses is lacking. For communities with high-opportunity areas where the feasibility of providing affordable housing is limited, land can be provided at a reduced cost in return for long-term affordable units.

#### **4. Produce and preserve naturally occurring affordable housing.**

Naturally occurring affordable housing has historically been an essential resource for housing workforce and preventing displacement. With rapidly rising rents and home prices, La Plata County has seen dramatic reductions in its stock of naturally occurring affordable housing.

#### **Adapt land use code to facilitate development of attainable housing options.**

Land use and zoning regulations that provide flexibility, clarity, and incentives for residential development are essential for promoting the development of affordable housing. Zoning regulations that negatively impact residential development affordability include restrictions such as minimum house and/or lot sizes, limited land zoned for moderate density (missing middle) options and/or multifamily, prohibitions on accessory dwelling units, and prohibitions on manufactured housing.

Real estate professionals and housing developers interviewed in the community engagement process reported that buyers are willing to consider single family homes with smaller lots, but that land use, zoning, and building requirements prevent this type of housing production. Specifically, developers supported zoning changes to allow for smaller lots and higher density, which may increase the county's housing diversity and naturally affordable/attainable housing stock.

It is recommended that La Plata County conduct a land use and development review to identify specific opportunities to remove barriers to housing affordability. In doing so, jurisdictions should consider:

- Allowing low density attached residential products in traditional single family districts,
- Relaxing minimum lot sizes and maximum density, and
- Adjusting parking standards to align with the type and intensity of land use.

**Infrastructure investments.** Both affordable and market-rate developers highlighted lack of infrastructure (and cost of infrastructure) as a barrier to development—particularly in the unincorporated areas of the county. Developers are typically responsible for

infrastructure costs in unincorporated areas but the costs associated can make projects infeasible and/or incentivize higher value development rather than naturally affordable development. The RHA and La Plata County should evaluate opportunities to catalyze or subsidize infrastructure investments that make development (and especially denser development) financially feasible.

**Ensure affordability of mobile home parks.** As discussed in the Displacement Risk Assessment, the county's roughly 3,500 mobile homes offer naturally affordable homeownership opportunities. Nearly 1,400 of these mobile homes are located in parks where residents do not own the land under their homes and are subject to rapidly increasing lot rents. To maintain the affordability of their homes, mobile home owners are increasingly interested in purchasing the land underlying their homes. Two of the county's 34 mobile home parks are at least partially owned by resident co-ops. Further, these homes are frequently in poor condition.

La Plata County can support the continued affordability of mobile home parks by monitoring upcoming mobile home park sales; partnering with ROC USA, Thistle Community Housing, and other resident co-op organizations to support residents' efforts to purchase their parks under Colorado's right of first refusal law; and providing small home repair grants to income-qualifying mobile home owners.