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Public Finance
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FINAL REPORT

OURAY COUNTY HOUSING NEEDS ASSESSMENT

Prepared for:

City of Ouray
Town of Ridgway
Ouray County

Prepared by:

Economic & Planning Systems, Inc., and
Affordable Housing Solutions

November 5, 2008 (Revision)

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I. EXECUTIVE SUMMARY AND ACTION PLAN

PURPOSE

City of Ouray, Town of Ridgway, and Ouray County contracted with Economic & Planning Systems (EPS) and Affordable Housing Solutions (AHS) to conduct a housing needs analysis of the County. Findings from the needs analysis can be applied to support new public policies and to direct community resources to increase the production of housing. Based on discussions with community representatives, some of the key issues that the study addresses include:

- Define home prices that are considered affordable for owners and renters
- Identify the number of affordable units needed to address existing and future needs
- Provide recommendations to advancing affordable housing solutions, tailored for the different needs and contexts of Town of Ridgway and City of Ouray.

The report provides an expansive analysis of economic and demographic conditions, housing market trends, results from a household and business survey, and analysis of housing needs. A summary of findings is provided below followed by chapters addressing these issues in detail.

SUMMARY OF FINDINGS

ECONOMIC & DEMOGRAPHIC CONDITIONS

Ouray County's economy and population have grown rapidly in the recent past. The following summaries refer to tables within the body of the report, which are given more detailed discussion in their respective chapters.

Employment & Wages

Overall employment has increased by 4.5 percent annually since 2000. In 2000, there were 1,338 wage and salary jobs and 648 sole proprietor jobs. By 2005, there were 1,684 wage and salary jobs and 789 sole proprietor jobs. Total employment grew at almost 100 net new jobs per year with approximately 66 wage and salary positions and 28 sole proprietors annually (see **Table 1** and **Table 5**).

Wages have increased 2.4 percent annually since 2000 (see **Figure 4**) and the average wage was \$21,097 in 2006. After accounting for inflation, real wages increased 2.1 percent per year which exceeds the rate of increase for the State of Colorado. As will be noted in greater

detail below, the rate of real wage growth, while significant, is far less than the increase of the median value of homes, which rose 11.6 percent annually.

Population & Housing Trends

Since 2000, the number of resident households in Ouray County has increased by approximately 42 per year (see **Table 8**, **Table 9**, and **Table 10**). In contrast, the number of housing units and residential permits issued in the County, 112 per year, indicates that non-resident (second homeowner) households are increasing at rate of 70 households per year.

The growth rate in vacant/second homes in the County has been nearly 1.7 times the rate of resident occupied units since 2000, with significant differences between communities. In Ridgway the number of locally occupied homes exceeded that of vacant/second homes; however, Ouray's very limited growth in net new locally occupied homes results in a ratio that exceeds 5.0.

SURVEY RESULTS

Jobs & Commuting

Both the household and employer survey provides information about employees (see **Table 23** and **Table 38**). In the employer survey, respondents estimated their total full- and part-time positions at 347. Household survey respondents who are employed also indicated their industry, and totaled 460 jobs. This indicates that between 15 and 20 percent of Ouray County's entire workforce is represented in these survey responses.

Employers estimated how many of their employees travel from various locations in and outside of the County to their business, and households indicated the distances they travel to work. The household survey found that approximately 35 percent of respondents commute less than one mile, indicating that they most likely live and work in relatively the same area or from their homes. Approximately 37 percent commute distances of 10 to more than 50 miles (see **Table 25** and **Table 26**). The employer survey found that 33 percent of employees who work in City of Ouray commute from other locations, and 75 percent of employees who work in Town of Ridgway live in other locations.

The geography of the County should be acknowledged as it relates to commuting. As more employees seek housing outside their community of employment, many will gravitate to Montrose for lower costs. As a result, City of Ouray faces the greatest challenge in attracting employees. The local housing inventory will have to be increased or wages will have to be raised to motivate employees to leave Montrose, drive past Ridgway, and reach a job in Ouray. While this challenge may seem obvious, the future pressure on the employee pool should not be underestimated.

Employers were asked to estimate currently unfilled full-time and part-time positions, as well as the number of jobs lost because of housing-related issues. Of the businesses that responded (see **Table 44** and **Table 45**), there are 15 currently unfilled positions and approximately 11 jobs are lost each year because of housing-related issues. Applying the survey results to the larger community suggest that there are 75 vacant positions and 55 employees lost due in part to housing issues.

Housing Costs

Monthly housing costs have been rapidly increasing over the past 10 years (see **Table 28**). The results show a 50 percent increase in housing costs for newer residents. Specifically, those who have been in their current ownership residence for more than 10 years pay slightly less than an average of \$1,200 per month (differences among parts of the County were minimal). Those who moved into their current residence in the last three years, however, are paying approximately \$1,900 in City of Ouray, \$1,700 in Town of Ridgway, and \$2,100 in the County.

Interviews with community residents reflected this difference identified in the survey data. Many suggested that a change occurred in the past three to four years that has made finding decent housing options much more challenging than previously. Previously, locals had housing options, and many recall their own experience and still believe newer residents will have as much success finding housing options. The data suggest, however, that the window of opportunity has closed and that without housing programs, local employees will be forced to find housing outside the region.

Employer Assistance

If housing costs continue to increase at a greater rate than wages, the County could increasingly find it difficult to keep its essential workers. To counter some of these consequences, some employers offer housing assistance programs for their employees. Approximately 25 percent of employers currently offer housing assistance to their employees (see **Table 46** and **Table 47**), and asked if they would be willing to offer such a program in the future, 36 percent indicate that they would support a program for their own employees and for employees countywide.

Affordable Housing Perceptions

Employers and households were asked to rank affordable housing among other problems perceived in Ouray County. Overall, almost half of all respondents believe that it is one of the more serious problems, followed by more than a third who feels it to be a problem among others needing to be addressed (see **Table 31** and **Table 48**). Over 60 percent believe that there is a need for affordable for-sale housing with approximately 54 percent stating a need for affordable rental housing. Generally, responses from the unincorporated parts of the County show less support. Responses from Town of Ridgway and City of Ouray were generally similar. In the limited number of cases where the community opinions diverge by

more than 10 percentage points, City of Ouray residents communicated greater urgency and concern about the need.

AFFORDABILITY & NEEDS ANALYSIS

Market Rate Housing

The median cost of market rate housing has increased significantly in the recent past. In addition to making housing less affordable for those who already live in Ouray County, higher average prices make the decision to take a job and move to Ouray County much more prohibitive. The median sale price for ownership housing (see **Table 50**) has increased 11.6 percent annually since 2003 from \$255,000 to \$395,000.

Affordability Measures

The Department of Housing and Urban Development (HUD) defines categories of area median income (AMI) according to various percentages and household sizes for affordable housing purposes (AMI will be discussed in greater detail in **Chapter VI**). In 2006, the AMI in Ouray County was \$51,250 for a 2.5 person household.

The U.S. Census defines a cost burdened household to be one that spends more than 30 percent of its income on housing (excluding utilities). According to analysis of the household survey data, approximately 28 percent of all renter households and 35 percent of owner households are cost burdened (see **Table 56** and **Table 58**) according to the Census definition.

Definition of Affordability for Ouray County

Based on current AMI figures, a typical household earning the median income can afford a home priced at \$175,000 or rented for \$1,200 per month. For those earning 80 percent of median, the price drops to \$140,000 or \$1,000 per month for a rental. As a more relevant example (see **Table 61**), a two-income household at approximately 90 percent AMI with a teacher and retail trade worker would be able to afford a unit priced at \$157,000.

Both City of Ouray and Town of Ridgway have worked with developers who are providing below-market homes near these price points. In Ridgway, a recent development included six townhomes priced between \$248,000 and \$263,000, and in City of Ouray a developer has provided single family units priced between \$220,000 and \$275,000. These housing units averaging approximately \$250,000 are affordable to households earning between 140 and 150 percent AMI.

Gap Analysis & Estimate of Need

The purpose of the gap analysis is to show what income segments are currently served and which segments the community should prioritize. Households earning below 100 percent

AMI were under-served by available market rate housing options in 2006, and those earning above 100 percent AMI had an excess of options (**Table 64**). In 2006, approximately 24 percent of the for-sale housing available was affordable to owner households earning between 31 and 100 percent AMI, and approximately 34 percent of the County's owner households fell into that category, which left a gap of 10 percent of households under-served. By contrast, 76 percent of sales were affordable to those households earning above 100 percent AMI, and only 58 percent of Ouray County's owner households fall into that category, which left an excess of units available in those price ranges.

The County has a current deficit of 149 units (see the **Chapter VI** discussion on 'Catch-Up'). This figure is derived from the number of current unfilled jobs, applied across the County. In-commuters add to the figure. The analysis assumes that only half of the countywide commuting translates to a housing need as many employees live in one community and commute to another as a matter of preference. The two factors combined total 231 employees, or 149 households.

The County is facing a need of an additional 881 total units (households) by 2015 (see **Table 18** and the discussion in **Chapter VI** on 'Keep-Up'). Looking into the future, employment projections call for another 137 jobs per year (**Table 18**). This assumes that each employee holds one job, and that there are 1.4 jobs per household. Data show that historically (2006, specifically) approximately 70 percent of these households could find market rate housing. However, due to the trends in wages and homes prices and based on an inventory of developments in the review process, it is expected that approximately 20 to 30 percent of the new employee households will need some form of affordable housing. This results in an affordable unit need for 176 to 264 households.

ACTION PLAN

The following Action Plan has been developed to identify the next steps communities in Ouray County can take to effectively address local housing needs. Its recommendations are based on the analysis, findings, and determinations of all primary and secondary data sources in this report, including Ouray County stakeholder interviews (**Appendix A**), and both the Household and Employer surveys (**Appendix B** and **Appendix C**). The Action Plan presents a number of strategies and policies that can be used to address the local affordable housing need. It is important to understand that the actions identified will be effective to the extent there is adequate community support to implement them. Some of those listed below may not have the support needed at this time and, accordingly, should be considered a long-term option.

The data show that the communities of Ouray and Ridgway are growing at very different rates. The County as a whole is experiencing steady and strong employment and household growth, although most of it is located outside City of Ouray. As noted in interviews with local Ouray County stakeholders, there has been a contraction in local business with some

stores and services closing in the recent past. Based on the difference in context, the recommended policies for Town of Ridgway focus on managing growth impacts and ensuring that affordable housing issues are addressed as growth occurs. Alternatively, the recommendations for City of Ouray are centered on generating revenue to address housing.

RIDGWAY

- ***Inclusionary Zoning.*** The Town has required developers to set aside a portion of new dwelling units as affordable housing in recent land use approvals. This practice should be formalized with a standard inclusionary zoning requirement. Ridgway is unique compared to many other mountain towns facing similar affordable housing needs as it has several larger parcels of land remaining to be developed. The community should recognize the growth potential as an asset and adopt inclusionary zoning to leverage it for affordable housing.

- ***Commercial Linkage.*** An effective program that helps communities cope with development and keep pace with affordable housing needs is a commercial linkage program. This type of a program mitigates housing need generated by commercial development using area-specific factors for employees per square foot of commercial space. Although most communities find greater political support for inclusionary housing than commercial linkage given potential negative impacts to business, when certain economic and market conditions are met, a commercial linkage program should be considered an option for the future. The conditions under which a linkage program could be considered viable are when:
 - Land supply is constrained.
 - There are positive economic conditions (i.e. strong employment growth).
 - Housing costs are escalating.
 - There is competition in the market for second homes.
 - A significant percentage of commuting occurs (these workers are looking elsewhere for housing options).

Land is in relatively short supply in the County, employment growth is strong (**Table 1**), housing costs are escalating much faster than wages (**Figure 4** and **Table 50**), there is competition in the housing market for second homes (**Table 12**), and a significant amount of commuting is occurring (**Table 25** and **Table 26**), i.e. growth is occurring in neighboring communities such as Montrose and Telluride. Given that most of these conditions are met already in Ouray County and that Town of Ridgway is expected to experience greater pressure from commercial growth, the Town should begin exploring the possibility of adopting a linkage program.

- **Mitigation Rates.** The rate at which development should mitigate impacts (for inclusionary zoning and/or commercial linkage) should reflect development impacts, economic limits, and community tolerance. The technical material required to support an inclusionary housing program is not as complex as the nexus study required for commercial linkage. In general, both should recognize the percentage of employees and households that are unable to find market rate housing in the larger region (recognizing that some will succeed based on commuting). The percentage should be adjusted down to account for economic factors facing developers, the impact of incentives that can be provided to off-set costs, and community will. Based on the gap analysis found in **Chapter VI** rates could be set between 20 and 30 percent. As a follow up to this study, the Town could update these factors and set a rate for inclusionary zoning (which can be done in-house) and contract services for a nexus study for commercial linkage. It should be noted that some developers will choose to opt out of construction and pay a fee-in-lieu. If the fee structure adopted by the Town includes an annual index to keep fees current with construction costs, the fee-in-lieu can provide the Town with adequate revenue to pursue its own development projects and/or apply funds to existing projects to target lower AMI levels.

- **Developer Incentives and Requirements.** As part of inclusionary zoning, the Town should provide incentives to developers to off-set the cost of mitigation programs. Incentives should include permit fee waivers, tap fee deferrals, and density increases at a minimum. For large-scale projects, the Town may negotiate with the developer to apply a Real Estate Transfer Assessment (RETA) to future sales. An assessment of 1 to 2 percent should be applied to all sales with proceeds directed into an affordable housing fund.

- **Unit Mix Diversity.** The Town should mandate a mix of unit types as part of every development. Given the supply and demand factors, the market has responded and introduced more attached product in the recent past. The Town should underpin this trend and require that higher percentages of units be developed as condominiums and townhomes. The smaller sizes and greater efficiency in land cost will reduce prices. As more housing product becomes available, market resistance will decline.

OURAY

- **Funding.** The increased pressure on housing costs relative to wages will preclude many new employees from finding homes locally. Finding replacements for turnover is a concern of employers across the spectrum, ranging from year-round employers such as the school district and the City as well as seasonal businesses such as retail shops and hotels. The primary asset of the community is its well regarded destination status for tourists. Capitalizing on this asset presents a key opportunity. Based on interviews with local stakeholders, merchants, and business owners, it is clear that the community is divided in terms of support for an increase to sales tax or accommodations tax. To the extent possible, the community should come to terms with the most relevant housing issues presented in this report and recognize the degree to which these conditions will impact the community if no action is taken. Once this is established, the community should revisit the possibility and benefits of a lodging tax, home rule status, and potentially an increase in sales tax.
- **Redevelopment.** While the amount of developable land is limited in Ouray, there are significant opportunities for redevelopment. The City should consider providing incentives for these sites if affordable housing can be included. Incentives could include fee waivers or deferrals, as well as an increase in height or density. As part of the approval of large scale redevelopments, the City should consider a Real Estate Transfer Assessment (RETA) to apply to all future sales. An assessment of 1 to 2 percent should be applied to all sales with proceeds directed into an affordable housing fund.
- **Public-Private Partnerships.** The City owns a limited number of parcels that could be developed as housing. The City should work with a local developer to test feasibility of producing housing by subsidizing the project with the cost of land and with State of Colorado DOLA HOME grants. Alternatively, the City could pursue Self-Help Housing by using Federal funds to enable local, qualified households to construct their own units.

Countywide Considerations

- **Regional Housing Office.** The newly created regional housing authority is an important asset. It must be adequately funded to ensure long-term effectiveness. The organization should manage the housing inventory (including units already being developed), objectively enforce guidelines, and administer mitigation programs. To the extent it is well-funded, it will succeed with high quality staff. Its success will then engender support and confidence from the community, which will lead to further housing opportunities. Funding sources should be established from the Town, City, and County at a minimum with additional sources created from the programs created.
- **Deed Restrictions.** The regional housing authority should work with the Town, City, and County to develop a uniform set of administrative guidelines and deed restriction

standards. Deed restrictions should require local employment, local residency, a cap on income and assets, allow modest price appreciation (3 to 5 percent), and run in perpetuity. It is critical to enforce the requirement that affordable housing residents (renters and owners) meet local, Ouray County employment requirements. While much more could be said about the basis for these standards, much analysis has been done of other region's housing standards and their long-term effects. It is recommended to use these requirements as a minimum.

- ***Administrative Guidelines.*** Similar to deed restriction standards, the regional housing authority should also establish guidelines to administer the housing inventory, including units that have been developed in the recent past. The guidelines should establish procedures for the sale and rental of units. A key element will be to use the guidelines to establish revenue streams for the housing authority.
- ***Growth Areas.*** The County and municipalities have been highly effective protecting environmentally sensitive areas from development. These policies have helped maintain the natural beauty of the area and are central to the region's identity. While respecting this historical position, there may be opportunities to allow small areas of growth to occur that are specifically targeted to affordable housing. For example, the Colona area could be an appropriate location for density. If planned well, it could play an instrumental role in solving housing issues. Urban services would have to be provided and might be funded through metropolitan districts. Requirements regarding density, unit types, and deed restrictions would need to be in place prior to development to ensure that the ultimate goals of the community are achieved. Other areas in the County may also warrant this approach, such as lands that immediately abut the two existing municipalities.
- ***Create a Community Housing Development Organizations (CHDO).*** In the past, the communities in Ouray County have relied on other regional housing providers for policy direction and production. The new housing authority can provide greater focus for the local area. Another way to create focus is to establish a parallel organization that would work in conjunction with the housing authority, with a focus on housing development. Funding for this organization can be provided through State HOME funds, if it can be recognized as a CHDO. A CHDO is a 501 (C)(3) non-profit recognized by HUD and is a type of Community Development Corporation (CDC). As such, CHDOs are eligible to receive HUD funding through Colorado State Division of Housing. Funding is available for operations and administration, as well as for housing development. States and entitlement communities must allocate 15 percent of their annual HOME funding to CHDOs, thus providing a built-in, on-going funding source. CHDOs must own or build housing and must be certified by a state or local government that provides appropriate oversight. CHDOs with a solid history typically receive higher levels of funding.

- ***Establish a Dedicated Property Tax.*** The recommended approach is to address the ‘Keep Up’ and ‘Catch Up’ needs of the community, discussed in greater detail in **Chapter VI**. Funding for ‘Keep Up’ can be achieved by looking to growth to mitigate its impacts and can be implemented using land use regulations. Funding for ‘Catch up’ needs involves existing members of the community. A property tax levy is one of the more equitable methods for including all existing entities, such as commercial land owners, permanent residents, and part-time homeowners. It is recognized that future residents and commercial property owners will also be affected; however, the proportion of existing structures to new structures (based on the historical rate of growth) suggests that existing land owners would pay the majority of the mill levy. It is recommended that the regional housing authority administer this program. If desired, distinct funds can be maintained and appropriated for Town of Ridgway, City of Ouray, and the unincorporated County area.
- ***Establish a Down Payment Assistance Fund.*** A program assisting essential community workers with a housing down payment ensures many of the listed benefits above. With income limitations and employment and/or residency status requirements, the program could be implemented to enable households from lower AMI categories to purchase units in Ridgway, Ouray, or in the unincorporated area.

II. ECONOMIC AND DEMOGRAPHIC FRAMEWORK

The ability of people to afford housing is largely determined by the economic conditions in the region, including the type of jobs people hold and the prevailing wage levels. Housing prices in most communities are a reflection of the wage and associated household income levels determined by the overall economy. However, in communities with special aesthetic or cultural characteristics, such as Ouray County, housing prices are affected by a number of other factors, such as constrained land supply and competition from buyers with imported income and equity. Employment and prevailing wage levels are indicative of what local resident wage earners can afford for housing and have been used in the Ouray County region to determine the need for affordable housing for the local workforce.

This chapter presents an analysis of economic and demographic trends in Ouray County. The analysis begins with employment and the economic base. The chapter also characterizes population, households, housing unit, and second home trends from 1990 to 2006.

EMPLOYMENT TRENDS

Countywide employment estimates come primarily from the State Department of Labor and Employment's Quarterly Census of Wages and Employment (QCEW). QCEW estimates of total employment include wage and salary jobs (jobs covered by unemployment insurance). Data also come from the State Demographer's Office within Colorado Department of Local Affairs (DOLA), from Bureau of Economic Analysis (BEA), and from the U.S. Census. BEA estimates of employment lag two years behind the current year because they are compiled from multiple primary sources with different release dates, but contain employment levels of sole proprietors. Other more current estimates from U.S. Bureau of Labor Statistics (BLS) are also used. BLS estimates only include wage and salary jobs.

As of 2006, there were an estimated 1,731 jobs in Ouray County. From 2000 to 2006, the County added nearly 400 jobs to its workforce, or an average of 66 jobs per year. **Table 1** shows that growth has occurred at 4.4 percent annually based on QCEW data. Job growth has also occurred at a stronger rate than seen in the rate of population and household growth (addressed in a later section).

Table 1
Employment, 2000-2006
Ouray County Housing Needs Assessment

Year	2000	2001	2002	2003	2004	2005	2006	Change	
								Ann. #	Ann. %
Jobs	1,338	1,398	1,390	1,393	1,522	1,684	1,731	66	4.4%
Change	---	59	-7	3	129	162	48	---	---
as %	---	4%	-1%	0%	9%	11%	3%	---	---

Source: CO Dept. of Labor QCEW Microdata, Economic & Planning Systems
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There were approximately 1,731 jobs in Ouray County in 2006, as shown in **Table 2**. The largest sector in the County was Accommodation and Food Services with 512 jobs (29.6 percent of the total), followed by Construction with 285 jobs (16.5 percent), and Retail Trade with 193 jobs (11.1 percent). Together, these three industries make up 57.2 percent of all jobs in the County. Public Administration and Educational Services are also major employers with 9.0 percent and 8.1 percent of the workforce respectively.

Table 2
Employment by Industry, 2006
Ouray County Housing Needs Assessment

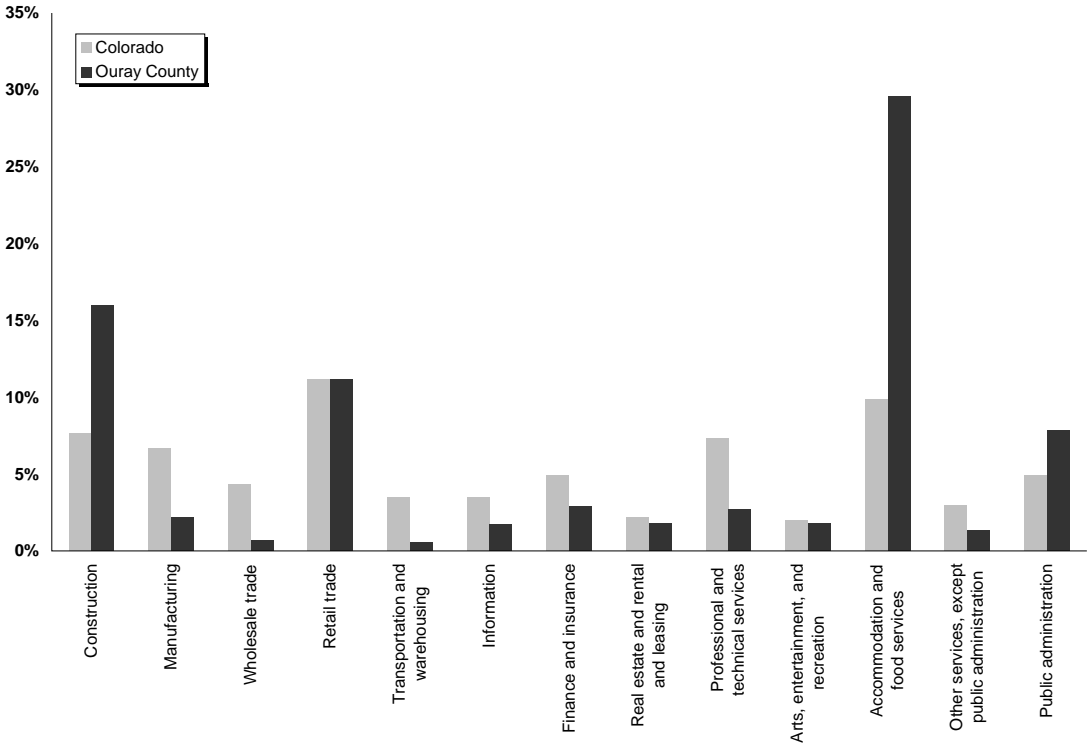
Industry	2006	
	#	%
Agriculture, forestry, fishing and hunting	49	2.8%
Mining	4	0.2%
Utilities	29	1.7%
Construction	285	16.5%
Manufacturing	38	2.2%
Wholesale trade	12	0.7%
Retail trade	193	11.1%
Transportation and warehousing	15	0.9%
Information	40	2.3%
Finance and insurance	50	2.9%
Real estate and rental and leasing	31	1.8%
Professional and technical services	47	2.7%
Management of companies and enterprises	1	0.1%
Administrative and waste services	28	1.6%
Educational services	141	8.1%
Health care and social assistance	47	2.7%
Arts, entertainment, and recreation	31	1.8%
Accommodation and food services	512	29.6%
Other services, except public administration	24	1.4%
Public administration	155	9.0%
Total	1,731	100.0%

Source: CO Dept. of Labor QCEW Microdata, Economic & Planning Systems
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Compared to State of Colorado, Ouray County has a fairly distinct economic composition, as shown in **Figure 1**. Ouray County has approximately three times the concentration of Accommodation and Food Services employees as the State, with 29.6 percent in the County compared to 9.8 percent in the State. Construction employment accounts for approximately 16.0 percent of County employment, but only 7.6 percent of the State. Ouray County also has a higher concentration of jobs in Public Administration, but a relatively equal share of jobs in Retail Trades.

Ouray County’s economic base is characteristic of many rural mountain areas that have transitioned from a natural resource- and agriculture-based economy to an economy based more on tourism and services. The smaller proportions of other employment industries and greater proportions in the three mentioned above highlight Ouray County’s dependence on tourism-based industries.

Figure 1
Employment, 2006
Ouray County Housing Needs Assessment



Of the 393 jobs added in Ouray County between 2000 and 2006, 44 percent of those new jobs were added in the five sectors shown in **Table 3**. The Retail Trade sector is indicative of a mountain resort economy, as seen in **Figure 1**, but the other four of these highest growth sectors are characterized by relatively stable year-round growth. This suggests that the economy is beginning to strengthen with respect to levels of employment in year-round occupations.

The Retail Trade sector added 80 new jobs in the six-year period for 20 percent of the total increase of County employment. Health Care and Social Assistance accounted for 7 percent of all new jobs followed by the categories of Information, Finance and Insurance, and Professional and Technical Services. Each of these categories accounted for approximately 5 percent or greater of all new jobs.

On the other hand, several industries have lost jobs since 2000. Agriculture, Forestry, & Mining, and Manufacturing have lost 14 and 17 jobs respectively since 2000. While sectors of Arts, Entertainment & Recreation and Other Services have lost only a nominal number of jobs, their relative proportion among all employment sectors has decreased.

Table 3
Highest/ Slowest Growth Sectors, 2000-2006
Ouray County Housing Needs Assessment

Industry	2000-2006	
	Total	Ann. %
Highest Growth		
Retail trade	80	9.3%
Information	18	10.5%
Finance and insurance	21	9.6%
Professional and technical services	24	12.9%
Health care and social assistance	29	17.6%
Subtotal	172	10.7%
as % of Total	44%	
Decline		
Agriculture, forestry, fishing and hunting	-14	-4.1%
Manufacturing	-17	-6.1%
Arts, entertainment, and recreation	-2	-0.9%
Other services, except public administration	-1	-0.7%
Subtotal	-34	-3.5%
Net Overall Change	393	4.4%

Source: CO Dept. of Labor QCEW Microdata, Economic & Planning Systems
 H:\16866-Ouray County Housing Needs Assessment\Data\16866-Emplymnt-1.xls\HighLowGrowth

SOLE PROPRIETORS

The U.S. Census publishes statistics of non-employer businesses based on business income tax returns exceeding \$1,000 in earnings. These businesses do not have employees and are therefore sole proprietors by definition. For the County, sole proprietors account for approximately 32 percent of all jobs. Between 2000 and 2005, proprietor jobs grew by approximately 141 jobs, or 4.0 percent annually, as shown in **Table 4**. This rate of growth is comparable to the change in wage and salary jobs shown in **Table 1** with QCEW data. Of the 486 new jobs, which include wage and salary positions as well as the sole proprietors (see **Table 5**) added in Ouray County from 2000 to 2005, nearly 30 percent of those jobs were sole proprietorships.

Professional and Technical Services, Real Estate, and Construction sectors saw the largest growth in sole proprietorships, adding 33 jobs, 29 jobs, and 28 jobs over the five-year period respectively. Other Services saw significant growth as well, with the addition of 20 new sole proprietors. Proprietors and other small businesses may continue to be a large source of economic growth.

Table 4
Census Non-Employer Statistics, 2000-2005
Ouray County Housing Needs Assessment

Economic Sector	2000	2001	2002	2003	2004	2005	Change 2001-2005	
							Total #	Ann. %
Agriculture	10	14	10	(D)	(D)	12	2	3.7%
Mining	(D)	(D)	(D)	(D)	(D)	(D)	---	---
Utilities	(D)	(D)	(D)	(D)	(D)	(D)	---	---
Construction	138	141	134	150	175	166	28	3.8%
Manufacturing	11	12	13	12	14	13	2	3.4%
Wholesale Trade	10	11	(D)	11	13	15	5	8.4%
Retail Trade	64	51	57	64	70	59	-5	-1.6%
Transportation & Warehousing	(D)	(D)	(D)	(D)	10	8	---	---
Information	10	(D)	11	(D)	(D)	6	-4	-9.7%
Finance & Insurance	(D)	23	20	23	22	18	-5	-5.9%
Real Estate, Rental, Leasing	96	100	92	97	106	125	29	5.4%
Professional and Technical Services	100	90	106	121	125	133	33	5.9%
Management of Companies	(D)	(D)	(D)	(D)	(D)	(D)	---	---
Administrative and Waste Services	22	30	28	25	28	27	5	4.2%
Educational Services	(D)	(D)	(D)	12	13	16	---	---
Health Care and Social Assistance	26	30	34	39	40	38	12	7.9%
Arts, Entertainment, and Recreation	39	43	49	45	45	39	0	0.0%
Accommodation and Food Services	21	22	21	17	19	24	3	2.7%
Other Services	64	69	75	78	90	89	25	6.8%
Government	(D)	(D)	(D)	(D)	(D)	(D)	---	---
Total	648	661	672	722	786	789	141	4.0%

Source: US Census NonEmployer Statistics; Economic & Planning Systems

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The number of wage and salary positions to sole proprietorships has maintained its balance since 2000, as shown in **Table 5**. Sole proprietorships have accounted for approximately 32 percent of all jobs in Ouray County since 2000, and wage and salary jobs have comprised approximately 68 percent of all jobs since 2000.

Table 5
Employment Type by Year, 2000-2005
Ouray County Housing Needs Assessment

Employment Type	2000	2001	2002	2003	2004	2005	Change 2000-2005	
							Ann. #	Ann. %
Proprietors	648	661	672	722	786	789	28	4.0%
Wage & Salary	<u>1,338</u>	<u>1,398</u>	<u>1,390</u>	<u>1,393</u>	<u>1,522</u>	<u>1,684</u>	<u>69</u>	<u>4.7%</u>
Total	1,986	2,059	2,062	2,115	2,308	2,473	97	4.5%
Proprietors	32.6%	32.1%	32.6%	34.1%	34.1%	31.9%	---	---
Wage & Salary	<u>67.4%</u>	<u>67.9%</u>	<u>67.4%</u>	<u>65.9%</u>	<u>65.9%</u>	<u>68.1%</u>	---	---
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	---	---

Source: US Census; QCEW; Economic & Planning Systems

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The highest growth sectors identified in **Table 3** explain much of the decrease in seasonal volatility that is illustrated in **Figure 2**. This figure shows employment levels at each month of the year over the past 10 years. In 1997, peak employment reached more than 120 percent of its annual average and decreased to approximately 80 percent of its annual average during off-season. By 2006, volatility has decreased given an increase in year-round employment sectors such as those indicated in **Table 3**. Peak employment in 2006 was at approximately 115 percent of the annual average, and off-season employment was at approximately 85 percent.

Figure 2
Employment Seasonality, 1997-2006
Ouray County Housing Needs Assessment

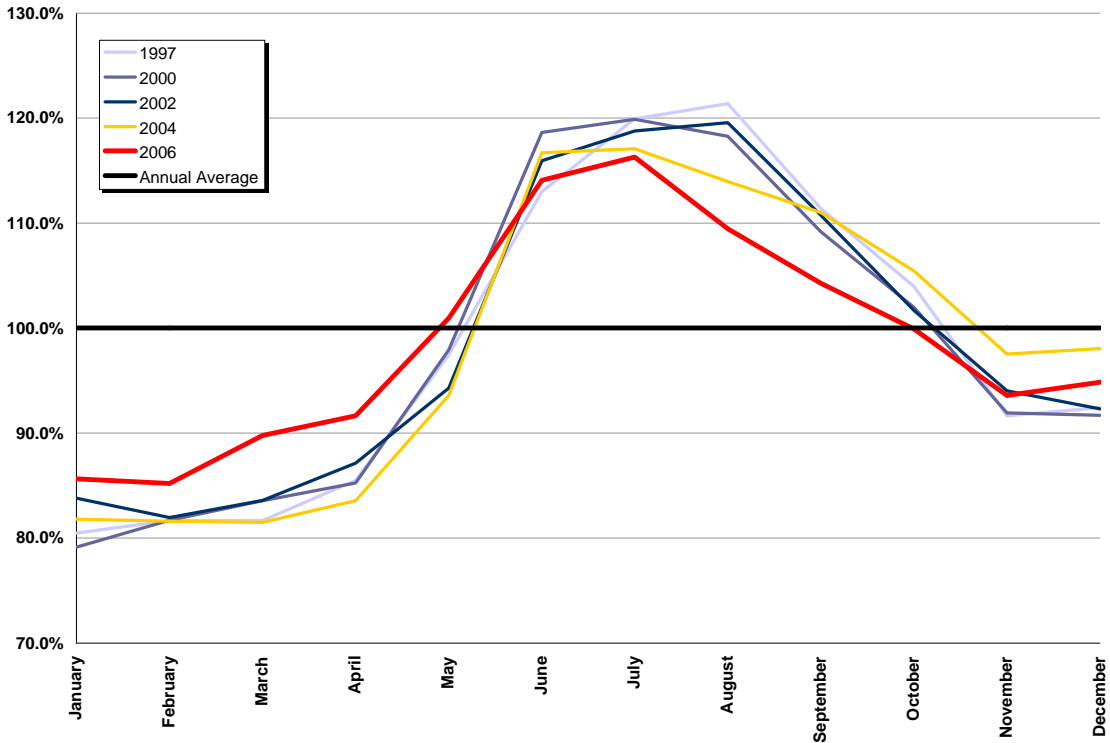
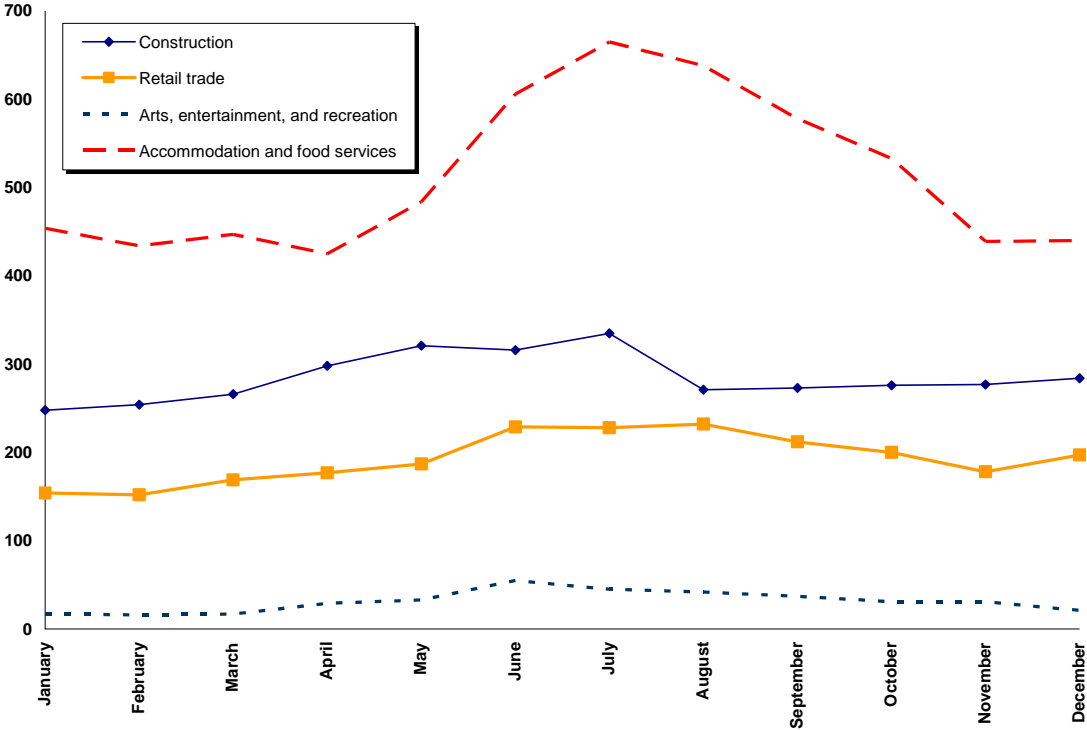


Figure 3 further illustrates in which employment sectors the greatest volatility in employment level occurs. In 2006, the Accommodation and Food Services sector accounts for almost all of the change in employment during peak season, increasing from approximately 450 jobs to nearly 700 by July.

Figure 3
Industry Seasonality, 2006
Ouray County Housing Needs Assessment



WAGES AND INCOME

The average hourly wage in Ouray County is \$13.64, which equates to \$28,373 per year, as shown in **Table 6**. Wage figures represent the average wages paid to employees in each industry, including full- and part-time employment and do not include any benefits that may be part of an employee's compensation. Proprietors' income is also not included in these figures. With the exception of Construction, the sectors with the largest number of employees, as identified in **Table 2**, have lower than average annual wages, as shown in **Table 6**. Also, the largest employment sector, Accommodation and Food Services, has one of the lowest annual average wages.

Arts, Entertainment and Recreation as well as Accommodation and Food Services have the lowest hourly wages at \$7.21 and \$8.21 per hour, not including gratuities. Employees in the Retail Trade also earn below \$10 per hour at \$9.66 per hour. Some of the highest wages are in Utilities and Professional and Technical Services, at nearly \$30 per hour. These two sectors, however, make up less than 5 percent of all jobs. Government (Public Administration) employees, on the other hand, earn an average of \$13.26 per hour and accounts for nearly 9 percent of all jobs.

Table 6
Average Wage by Industry, 2006
Ouray County Housing Needs Assessment

Industry	2006		
	% Jobs	Wages	Hourly ^[1]
Agriculture, forestry, fishing and hunting	2.8%	\$39,068	\$18.78
Mining	0.2%	\$165,107	\$79.38
Utilities	1.7%	\$62,116	\$29.86
Construction	16.5%	\$42,865	\$20.61
Manufacturing	2.2%	\$22,899	\$11.01
Wholesale trade	0.7%	\$26,203	\$12.60
Retail trade	11.1%	\$20,088	\$9.66
Transportation and warehousing	0.9%	\$40,884	\$19.66
Information	2.3%	\$31,768	\$15.27
Finance and insurance	2.9%	\$41,342	\$19.88
Real estate and rental and leasing	1.8%	\$28,346	\$13.63
Professional and technical services	2.7%	\$54,564	\$26.23
Management of companies and enterprises	0.1%	\$10,920	\$5.25
Administrative and waste services	1.6%	\$29,363	\$14.12
Educational services	8.1%	\$25,832	\$12.42
Health care and social assistance	2.7%	\$33,114	\$15.92
Arts, entertainment, and recreation	1.8%	\$15,002	\$7.21
Accommodation and food services	29.6%	\$17,082	\$8.21
Other services, except public administration	1.4%	\$24,357	\$11.71
Public administration	9.0%	\$27,571	\$13.26
Total	100.0%	\$28,373	\$13.64

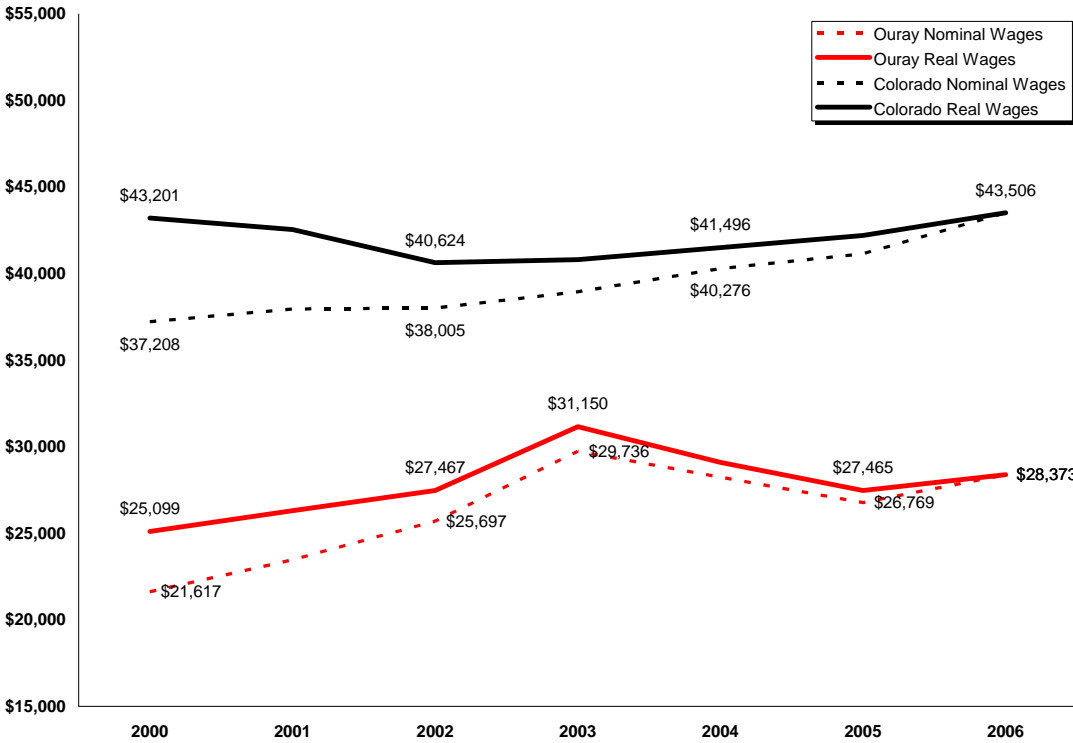
[1] Hourly equivalent based on 2,080 hours worked per year.

Source: CO Dept. of Labor QCEW Microdata, Economic & Planning Systems

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In real dollars, wages in Ouray County from 2000 to 2006 have not changed substantially, but have increased generally faster than State-level wages. **Figure 4** illustrates the differences between Ouray County wages and those of State of Colorado over the same time period. Real wages in Ouray County have increased from \$25,099 to \$28,373, while real wages in the State have only increased from \$43,201 to \$43,506. The change in the County translates to a 2.1 percent increase since 2000.

Figure 4
Average Wage Trends, 2000-2006
Ouray County Housing Needs Assessment



Personal income consists of four major sources: wage and salary income; investment income; transfers receipts (Social Security, disability, and unemployment insurance payments); and proprietors' income. Non-wage and salary sources of income (investment income, transfer receipts, and other sources (defined in the **Table 7** footnote)) accounted for 55.0 percent of aggregate personal income for the residents of Ouray County in 2005, as shown in **Table 7**. Wage and salary income plus proprietors' income accounted for 45.0 percent of aggregate personal income.

Aggregate proprietor's income increased faster than any other source of personal income from 2000 to 2005. Income from transfer receipts grew at a similarly high rate over the same period, possibly indicating a slight increase in the number of retirees moving to Ouray County and an aging local population. The proportions of personal income shown do not, however, indicate a negative affect on the local economy.

Table 7
Personal Income Sources, 2000-2005
Ouray County Housing Needs Assessment

Income Source	2000	2001	2002	2003	2004	2005	Ann. % Change
Personal Income							
Wage & Salary	\$29,285	\$32,262	\$36,636	\$42,781	\$44,869	\$46,859	9.9%
Investment Income	\$33,925	\$37,606	\$36,687	\$38,846	\$46,880	\$47,783	7.1%
Transfer Receipts	\$9,709	\$11,179	\$12,621	\$13,811	\$15,228	\$15,678	10.1%
Proprietor's Income	\$11,898	\$16,198	\$16,607	\$16,082	\$18,840	\$20,795	11.8%
Other ^[1]	<u>\$15,038</u>	<u>\$15,468</u>	<u>\$15,134</u>	<u>\$14,319</u>	<u>\$17,545</u>	<u>\$19,084</u>	<u>4.9%</u>
Total (\$000s)	\$99,855	\$112,713	\$117,685	\$125,839	\$143,362	\$150,199	8.5%
% of Total							
Wage & Salary	29.3%	28.6%	31.1%	34.0%	31.3%	31.2%	---
Investment Income	34.0%	33.4%	31.2%	30.9%	32.7%	31.8%	---
Transfer Receipts	9.7%	9.9%	10.7%	11.0%	10.6%	10.4%	---
Proprietor's Income	11.9%	14.4%	14.1%	12.8%	13.1%	13.8%	---
Other ^[1]	<u>15.1%</u>	<u>13.7%</u>	<u>12.9%</u>	<u>11.4%</u>	<u>12.2%</u>	<u>12.7%</u>	---
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	---

[1] This includes: a) supplements to wages such as employer contributions to pensions and insurance, and social insurance.

Source: US Bureau of Economic Analysis; Economic & Planning Systems

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POPULATION, HOUSEHOLD, AND HOUSING TRENDS

The most recent household estimate for Ouray County is 1,830. This estimate reflects the full-time resident household population and does not account for seasonal residents, tourists, or other visitors. A household is defined as a group of people living in one (occupied) housing unit. As shown in **Table 8**, approximately 22 percent or 394 households live in City of Ouray, and 21 percent or 392 households live in Town of Ridgway, while the remaining 57 percent live in the unincorporated County. The County household population grew at an annual average rate of 2.5 percent from 2000 to 2006. The number of households in Town of Ridgway grew at 5.5 percent, while City of Ouray's household total grew only at 0.9 percent annually. Population growth followed similar trends from 2000 to 2006.

Table 8
Population & Households, 2000-2006
Ouray County Housing Needs Assessment

Demographics	2000	2001	2002	2003	2004	2005	2006	2000-2006	
								Ann. #	Ann. %
City of Ouray									
Population	813	834	825	825	842	858	853	7	0.8%
Households	374	384	380	381	389	396	394	3	0.9%
HHs as % of County	24%	23%	23%	22%	22%	22%	22%	---	---
Town of Ridgway									
Population	713	719	754	760	812	866	979	44	5.4%
Households	285	287	296	304	325	347	392	18	5.5%
HHs as % of County	18%	18%	18%	18%	18%	19%	21%	---	---
Unincorporated County									
Population	2,216	2,302	2,379	2,415	2,493	2,579	2,526	52	2.2%
Households	917	969	998	1,011	1,043	1,066	1,044	21	2.2%
HHs as % of County	58%	59%	60%	60%	59%	59%	57%	---	---
Ouray County									
Population	3,742	3,855	3,958	4,000	4,147	4,303	4,358	103	2.6%
Households	1,576	1,640	1,674	1,696	1,757	1,809	1,830	42	2.5%

¹ Note: Population in 2006 is an estimate based on known DOLA HH count multiplied by 2000-2005 Average HH size.

Source: DOLA; Economic & Planning Systems

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City of Ouray had 699 housing units in 2006, Town of Ridgway had 494 housing units, and the unincorporated County had 1,622 housing units for a total of 2,815, as shown in **Table 9**. As compared to the findings of **Table 8**, the rate of increase in new housing units from 2000 to 2006 exceeded the rate of new households and new population for the City, Town, and unincorporated County, implying that there is a high demand for housing from the part-time resident population.

From 2000 to 2006, the total number of housing units increased an average of 112 units per year, whereas Ouray County’s resident households increased by 42 per year. This suggests that 70 new housing units per year were occupied by part-time residents or remained vacant. Similarly, there was an average of 19 new housing units per year in City of Ouray compared to only three new resident households. Town of Ridgway had an average of 29 new housing units in per year compared to 18 new resident households per year.

Table 9
Housing Units, 2000-2006
Ouray County Housing Needs Assessment

Location	2000	2001	2002	2003	2004	2005	2006	2000-2006	
								Ann. #	Ann.%
City of Ouray	583	593	603	620	643	668	699	19	3.1%
Town of Ridgway	318	318	335	352	382	415	494	29	7.6%
Unincorporated County	<u>1,245</u>	<u>1,314</u>	<u>1,378</u>	<u>1,443</u>	<u>1,512</u>	<u>1,574</u>	<u>1,622</u>	<u>63</u>	<u>4.5%</u>
Ouray County	2,146	2,225	2,316	2,415	2,537	2,657	2,815	112	4.6%

Source: DOLA; Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-DOLA.xls]HUs

The average number of Ouray County residential permits issued also supports the conclusion that more non-residents are building housing units than residents. As **Table 9** showed the average increase in housing units at 112 per year (based on DOLA data), **Table 10** shows an average of 108 building permits per year (based on local building permit data). Given the same order of magnitude, the data illustrate that while an average of 112 permits were issued per year from 2000, an average of only 42 new resident households were added to Ouray County. The trends in residential permits for City of Ouray and Town of Ridgway tell the same story.

While an average of 25 percent of the permitting activity has occurred within the limits of Town of Ridgway, the change in level of activity from 2000 to 2007 in the Town has increased considerably. Most of the permit activity has occurred in the unincorporated parts of the County. As compared to the growth rates of the resident household population, shown previously in **Table 8**, **Table 10** also reveals a majority of these permits issued annually have been for non-residents (i.e. second homeowners).

Table 10
New Residential Building Permits, 2000-2007
Ouray County Housing Needs Assessment

Location	2000	2001	2002	2003	2004	2005	2006	2007	2000-2007	
									Ann. Avg.	as % Total
City of Ouray	0	5	24	31	24	28	11	11	17	16%
Town of Ridgway	5	9	9	20	27	36	75	37	27	25%
Unincorporated Ouray County	<u>56</u>	<u>54</u>	<u>68</u>	<u>74</u>	<u>89</u>	<u>63</u>	<u>59</u>	<u>49</u>	<u>64</u>	<u>59%</u>
Total	61	68	101	125	140	127	145	97	108	100%

Source: City of Ouray; Town of Ridgway; Ouray County; Economic & Planning Systems
 H:\16866-Ouray County Housing Needs Assessment\Data\16866-Permits.xls\Smmry

Table 11 accentuates the issue addressed in the several tables above. There has been a net increase from 1990 to 2006 of 883 households, but there have been a total of 1,308 new housing units added to the County. As a ratio of new resident households to new housing units, these records indicate that for every four new households in Ouray County from 2000 to 2006, there have been 10 new housing units constructed.

Table 11
Housing Units vs. Households, 1990-2006
Ouray County Housing Needs Assessment

	1990- 2000	2000- 2006
New Households (HH)	629	254
New Housing Units (HU)	639	669
For Every (10) New HUs there are (X) New HHs:	10	4

Source: DOLA; Economic & Planning Systems
 H:\16866-Ouray County Housing Needs Assessment\Data\16866-DOLA.xls\HUs vs. HHs

The U.S. Census keeps detailed records on use of housing units, including categories of vacant units. **Table 12** shows those numbers of units classified as vacant, second home, or occupied. Since 2000, Census data show an increase in second homes of 10.9 percent versus an increase of only 2.5 percent for resident occupied units.

Table 12
Estimated Second Homes, 2000-2006
Ouray County Housing Needs Assessment

Location	2000	2006 ¹	2000-2006	
			Ann. #	Ann.%
Ouray County				
Vacant				
Second-Homes ²	327	607	47	10.9%
Other Vacant ³	<u>243</u>	<u>378</u>	<u>23</u>	<u>7.7%</u>
Subtotal Vacant	570	985	69	9.5%
Subtotal Occupied	<u>1,576</u>	<u>1,830</u>	<u>42</u>	<u>2.5%</u>
Total Housing Units	2,146	2,815	112	4.6%
As % of Total				
Vacant				
Second-Homes ²	15%	22%	---	---
Other Vacant ³	<u>11%</u>	<u>13%</u>	---	---
Subtotal Vacant	<u>27%</u>	<u>35%</u>	---	---
Subtotal Occupied	<u>73%</u>	<u>65%</u>	---	---
Total Housing Units	100%	100%	---	---

¹ Note: The second-homes variable is an estimate based on: 1) a known 2006 total of vacant units provided by DOLA, and 2) the average proportion of Census variables in 1990 & 2000.

² Note: Defined in U.S.Census data as 'for seasonal, recreational, or occasional use.'

³ Note: Defined in U.S.Census data as 'for rent, sale, rented or sold (but not occupied), or for migrant workers'

Source: U.S. Census 1990 (STF 1) & 2000 (SF 3); DOLA; Economic & Planning Systems

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According to the 2007 report of *Second Home and Retirement Home Development and its Economic Effects* prepared for the Region 10 Economic Development District of Southwest Colorado, 28 percent of the 351 survey respondents claimed their Ouray County residence as a second home. As compared to the findings of previous tables that incorporated data from the U.S. Census and DOLA, which estimated the proportion of second homes to be approximately 22 percent in 2006 as shown in **Table 12**, the basis of this Region 10 Study seems to use a balance of second homeowners to residents within a reasonable margin. This study surveyed property owners within the Region 10 area to analyze any differences between the economic and social concerns of residents versus second homeowners.

Several of the survey’s findings are of particular relevance to this study. The survey respondents were asked to indicate how important several issues were to them, including the local economy, affordable housing, and job opportunities, among many others. As shown in **Table 13**, the residents generally answered that affordable housing was more important, and second homeowners’ response clustered toward lower importance.

Table 13
Affordable Housing Rank
Ouray County Housing Needs Assessment

Affordable Housing Rank	Primary Res.		Second-Home	
	#	%	#	%
1 Not important	19	8%	15	15%
2	24	10%	20	19%
3	63	25%	40	39%
4	56	23%	13	13%
5 Very important	79	32%	14	14%
Not Answered	7	3%	1	1%
Total	248	100%	103	100%

Source: 2007 Region 10 Homeowners Survey; Economic & Planning Systems
 H:\16866-Ouray County Housing Needs Assessment\Data\16866-Region10.xls\Jobs

The local economy was also equally important to both residents and second homeowners. The distribution of responses was similar, as shown in **Table 14**, though 51 percent of residents felt it was very important versus 38 percent of second homeowners.

Table 14
Importance of Local Economy
Ouray County Housing Needs Assessment

Local Economy Importance	Primary Res.		Second-Home	
	#	%	#	%
1 Not important	6	2%	2	2%
2	10	4%	4	4%
3	45	18%	21	20%
4	57	23%	36	35%
5 Very important	124	50%	39	38%
Not Answered	6	2%	1	1%
Total	248	100%	103	100%

Source: 2007 Region 10 Homeowners Survey; Economic & Planning Systems
 H:\16866-Ouray County Housing Needs Assessment\Data\16866-Region10.xls\Economy

As expected, when asked about the importance of job opportunities, residents generally felt it was more important than second homeowners, as shown in **Table 15**. Thirty-one percent of resident felt this issue of having job opportunities very important compared to only 14 percent of second homeowners.

Table 15
Importance of Job Opportunities
Ouray County Housing Needs Assessment

Job Opportunities Importance	Primary Res.		Second-Home	
	#	%	#	%
1 Not important	33	13%	20	19%
2	18	7%	23	22%
3	56	23%	34	33%
4	59	24%	11	11%
5 Very important	78	31%	14	14%
Not Answered	4	2%	1	1%
Total	248	100%	103	100%

Source: 2007 Region 10 Homeowners Survey; Economic & Planning Systems
 H:\16866-Ouray County Housing Needs Assessment\Data\16866-Region10.xls\JobOpps

The relationships between owner-occupied households and renter-occupied households in Ouray County as well as City of Ouray and Town of Ridgway have not changed significantly since 2000. The homeownership rate in Ouray County is 73 percent, 69 percent in City of Ouray, and 61 percent in Town of Ridgway, as shown in **Table 16**. The statewide homeownership rate is 67 percent as of the 2000 Census.

Table 16
Tenure, 1990-2006
Ouray County Housing Needs Assessment

Occupancy	Ouray County		City of Ouray		Town of Ridgway	
	2000	2006	2000	2006	2000	2006
% of Total Households						
Renter Occupied	27%	27%	30%	31%	39%	39%
Owner Occupied	<u>73%</u>	<u>73%</u>	<u>70%</u>	<u>69%</u>	<u>61%</u>	<u>61%</u>
Total	100%	100%	100%	100%	100%	100%

Source: Claritas; Economic & Planning Systems

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HOUSING AND POPULATION PROJECTIONS

This section provides an updated housing and population forecast for Ouray County for planning purposes, and to provide context for workforce housing production targets provided in the Housing Needs chapter of this report. The population and housing projections analysis begins with a review of the Colorado Department of Local Affairs (DOLA) Demography Section forecast for Ouray County. An adjusted housing and population projection is also presented to account for the impact of second homes on the housing supply and housing production.

DOLA ECONOMIC FORECAST

DOLA prepares statewide, regional, and county level socioeconomic forecasts for use in local and state government planning. DOLA and other economists first forecast employment growth, based on the relationships of the local economy to the region and state. Job growth creates demand for labor (people in the labor force). The population forecast is created through a cohort survival model that adds births, deaths, and migration to the current population. The migration assumptions account for retirees moving to the area. The labor force is estimated from the forecasted population. If the labor force is less than the number of jobs, it is assumed that commuting can fill the gap and visa versa. The model does not account for the cost of housing in determining commuting and place of residency choices.

Built into the DOLA forecast is an assumption that the housing market will respond to the demand from the local labor force. It does not account for the inventory that will be purchased and occupied by second homeowners, nor does it account for escalating home and land prices that may result in the market not providing the needed workforce housing. The forecasts represent an overall level of demand. Therefore, they may overestimate labor force growth and population growth because of the effects of these other factors (e.g. housing costs and constrained supply).

Employment change in this projection is similar to the historically observed data, such as from the State of Colorado QCEW series (**Table 1**). DOLA estimates that employment will grow by 4.6 percent per year from 2006 to 2015, adding 144 jobs to the County's economy per year, as shown in **Table 17**. Compared to historic employment trends, this estimate seems high but not unlikely. Historic job growth in the County, as shown in **Table 5**, was approximately 100 net new jobs per year, or an annual increase of 4.5 percent.

Table 17
DOLA Economic Forecast: Ouray County, 2006-2015
Ouray County Housing Needs Assessment

Description	Factor	2006	2010	2015	2006-2015	
					Ann. #	Ann. %
Economic Forecast						
Jobs		2,595	3,141	3,895	144	4.6%
Population		4,303	4,781	5,846	171	3.5%
Households ^[1]	2.36	1,820	2,022	2,472	73	3.5%
Housing Demand						
New Households			<u>2006-2010</u>	<u>2011-2015</u>		
			202	450	---	---

[1] To generate households, the factor applied to the DOLA population forecast is the historically (2000-2006) observed average household size.

Source: CO Department of Local Affairs; Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-DOLA.xls\Forecast

ADJUSTED HOUSING AND POPULATION PROJECTION

EPS has prepared an adjusted economic and demographic forecast based on historic trends in wage and salary employment and sole proprietor growth since 2000. This forecast derives households from these future year estimates using the average jobs per household finding of the Ouray County Household Survey (see **Table 24 in Chapter III**), outlined in the following chapter. This projection is slightly more conservative in estimating future demand for housing based on employment change. The most significant difference between this and the DOLA-based projection is that new households are derived by applying an employee per household ratio determined from the household survey. The DOLA method estimate households using an average household size factor

Table 18 projects household growth to 2015. At the current rates of growth in the wage and salary and sole proprietor employment categories, there would be 137 additional jobs created per year through 2015. Based on an average of 1.4 jobs per household, this translates directly to 98 additional households per year through 2015. The total number of additional households through 2015 is estimated at 881 according to this base projection.

Table 18
Adjusted Housing Projection: Ouray County, 2006-2015
Ouray County Housing Needs Assessment

Description	Factor	2006	2010	2015	2006-2015	
					Ann. #	Ann. %
Economic Forecast						
Wage & Salary	4.7%	1,731	2,080	2,617	98	4.7%
Sole-Proprietors ^[1]	4.0%	<u>821</u>	<u>960</u>	<u>1,168</u>	<u>39</u>	<u>4.0%</u>
Total		2,552	3,040	3,785	137	4.5%
Housing Demand						
Households ^[2]	1.4	1,822	2,171	2,703	98	4.5%
Housing Demand						
New Households ^[2]	1.4		<u>2006-2010</u> 349	<u>2011-2015</u> 532	---	---

[1] The estimate is based on the 2005 actual count of sole-proprietors from BEA increased at the 2000-2005 average annual rate.

[2] This is derived by dividing the number of total jobs by the average number of jobs per household from the EPS Household Survey.

Source: CO Department of Local Affairs; Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-DOLA.xls\EPSForecast

III. HOUSEHOLD SURVEY

This section summarizes the responses of the Ouray County household survey fielded in December 2007 and January 2008. The surveys were delivered to more than 2,900 addresses within the County, including City of Ouray, Town of Ridgway, and all other outlying municipalities and areas within the County. Survey mailings included a postage-paid and addressed return envelope, which had the effect of increasing the potential response rate. The response rate for the household survey was 650, or 22.4 percent, which results in a margin of error of 3.9 percent, which is below the recognized industry standard of 5.0 percent.

GENERAL DEMOGRAPHICS

The tables that follow describe the general demographic conditions of the respondents of the household survey. They show the distribution of respondents by area, length at residence, occupancy status, and tenure.

Table 19 shows that an almost equal share of responses came from City of Ouray as the Town of Ridgway, and 21 percent represent unincorporated parts of the County.

Table 19
Location of Respondents
Ouray County Housing Needs Assessment

Location	Responses	
	#	%
Ouray	240	37.3%
Ridgway	266	41.4%
Unincorporated County	<u>137</u>	<u>21.3%</u>
Total	643	100.0%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls]1-Location

There was an even distribution of responses from residents who have lived in Ouray County anywhere from less than one year to more than 20 years, as shown in **Table 20**. Generally, respondents are distributed evenly with respect to their length in residence, but almost 55 percent of the respondents in City of Ouray have lived in the community for 10 or more years, whereas approximately 41 percent of Town of Ridgway respondents have.

Table 20
Length at Residence
Ouray County Housing Needs Assessment

Length of Residence	Ouray		Ridgway		Unincorp.	
	#	%	#	%	#	%
Less than 1 year	18	7.5%	22	8.3%	12	9.0%
1 to 3 years	33	13.8%	56	21.1%	23	17.3%
4 to 6 years	34	14.2%	47	17.7%	27	20.3%
7 to 9 years	24	10.0%	31	11.7%	28	21.1%
10 to 19 years	70	29.3%	61	22.9%	32	24.1%
More than 20 years	<u>60</u>	<u>25.1%</u>	<u>49</u>	<u>18.4%</u>	<u>11</u>	<u>8.3%</u>
Total	239	100.0%	266	100.0%	133	100.0%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls]3-LengthRes

Between 93 and 98 percent of the respondents in City of Ouray, Town of Ridgway, and unincorporated County characterized themselves as year-round residents, and the remaining few characterized themselves as second homeowners. Because the scope of the study is focused on local needs and because the survey methodology did not target out-of-county property owners, the low presence is consistent with expectations.

Table 21
Occupancy Status
Ouray County Housing Needs Assessment

Occupancy Status	Ouray		Ridgway		Unincorp.	
	#	%	#	%	#	%
Year-Round Resident	223	93.3%	258	98.1%	126	93.3%
Second Home-Owner	<u>16</u>	<u>6.7%</u>	<u>5</u>	<u>1.9%</u>	<u>9</u>	<u>6.7%</u>
Total	239	100.0%	263	100.0%	135	100.0%

Source: Economic & Planning Systems

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The survey sample provides a ratio of owners to renters that is slightly over-representative of owners. The U.S. Census and DOLA estimates show a distribution of 72 percent owners to 28 percent renters (**Table 22**), indicating that the opinions of renters may be under-represented. This representation is commonly found in nearly all studies. It has been identified to illuminate the data characteristics and to heighten awareness that renter-households may be under-represented.

Table 22
Tenure, 2007
Ouray County Housing Needs Assessment

Tenure	Location			Total
	Ouray	Ridgway	Unincorp.	
Owner	198	217	124	539
Renter	<u>36</u>	<u>40</u>	<u>9</u>	<u>85</u>
Total	234	257	133	624
Owner	85%	84%	93%	86.4%
Renter	<u>15%</u>	<u>16%</u>	<u>7%</u>	<u>13.6%</u>
Total	100%	100%	100%	100.0%

[1] Includes Montrose, Telluride, and other locations.

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls]6-Tenure

GENERAL ECONOMIC CONDITIONS

The following tables describe general economic characteristics of the respondents, including the sectors of employment represented, the number of jobs held per households, the jobs to persons ratio, as well as commuting distance and household income level.

Table 23 shows the distribution of respondents by employment category. While the categories are not identical to NAICS employment industries, the distribution of respondents represents the existing proportions of employment by industry recorded by State QCEW data.

Table 23
Employment Distribution
Ouray County Housing Needs Assessment

Employment Industry	Jobs	
	#	%
Non-government	19	4.1%
Mining	3	0.7%
Artist or Craftsman	21	4.6%
Restaurant/Bar	14	3.0%
Lodging/Accommodations	17	3.7%
Recreation	18	3.9%
Construction	77	16.7%
Manufacturing	5	1.1%
Healthcare	27	5.9%
Retail	39	8.5%
Services	23	5.0%
Finance/Banking/Real Estate/insurance	42	9.1%
Professional employment	86	18.7%
Education	28	6.1%
Government	41	8.9%
Total	460	100.0%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\[16866-RES-Survey.xls]21-Emp

Table 24 breaks down the responses by the number of households, jobs, and persons that are represented by each survey respondent. Overall, the households of respondents represent 850 jobs in various parts of the County and elsewhere. The number of jobs divided by the number of households represents the average jobs held per household, which is 1.4 for the entire County.

**Table 24
 Jobs to Housing
 Ouray County Housing Needs Assessment**

Year-Round Residents	Jobs	Jobs /		Persons	Jobs /
		HHs	HHs		
City of Ouray	316	223	1.4	507	0.6
Town of Ridgway	376	258	1.5	576	0.7
Unincorporated County	<u>158</u>	<u>126</u>	<u>1.3</u>	<u>283</u>	<u>0.6</u>
Total	850	607	1.4	1,366	0.6

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls\ALT-4,10,18-JobsHHs

Table 25 shows the commuting distances of survey respondents. In general, those respondents living in unincorporated parts of the County commute much farther than those who live in either City of Ouray or Town of Ridgway. More than 80 percent of respondents living in unincorporated parts commute any distance from five to more than 50 miles to work. Approximately 25 percent of City of Ouray respondents and more than 35 percent of Town of Ridgway respondents commute more than 10 miles.

**Table 25
 Commuting Distance
 Ouray County Housing Needs Assessment**

Commuting Distance	Ouray		Ridgway		Unincorp.		Total	
	#	%	#	%	#	%	#	%
Less than 1 mile	72	45.9%	75	36.4%	10	11.2%	157	34.7%
1 to 4 miles	26	16.6%	39	18.9%	7	7.9%	72	15.9%
5 to 9 miles	19	12.1%	19	9.2%	21	23.6%	59	13.1%
10 to 24 miles	14	8.9%	25	12.1%	24	27.0%	63	13.9%
25 to 49 miles	12	7.6%	36	17.5%	19	21.3%	67	14.8%
More than 50 miles	<u>14</u>	<u>8.9%</u>	<u>12</u>	<u>5.8%</u>	<u>8</u>	<u>9.0%</u>	<u>34</u>	<u>7.5%</u>
Total	157	100.0%	206	100.0%	89	100.0%	452	100.0%

Source: Economic & Planning Systems

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For primary location listed by business survey responses, **Table 26** breaks down where employees commute from to work at that business location. Overall, 33 percent of employees who work in City of Ouray commute from other locations, specifically the Town of Ridgway, Montrose, and unincorporated parts of the County. Employees commuting to Town of Ridgway, however, are more prevalent. Seventy-five percent of those employed in Ridgway commute from other locations, including primarily unincorporated parts of the County, Montrose, and City of Ouray.

Table 26
Residence of Employees, Commuting
Ouray County Housing Needs Assessment

Business Location	Employee Location							Commuters	
	Ouray	Ridgway	Log Hill	Montrose	Telluride	Colona	Other	#	%
Ouray	57	11	1	9	0	0	7	28	33%
Ridgway	11	31	0	28	0	1	51	91	75%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-EMP-Survey.xls\2,3-Commuters

Respondents were also asked what their primary sources of personal income were in Question 29. **Table 27** shows that 65 percent of responding households acquire their primary source of personal income from jobs. It is significant that approximately one-quarter of households rely on retirement pensions, social security, and/ or investments. Thus, one-quarter of households do not rely on the local economy for their incomes.

Table 27
Respondent Personal Income Sources
Ouray County Housing Needs Assessment

Personal Income Sources	Responses	
	#	% ^[1]
Job	420	64.6%
Unemployment	6	0.9%
Retirement Pension	158	24.3%
Social Security	161	24.8%
Investments	165	25.4%
Other	28	4.3%
Total	650	

[1] Multiple response question exceeds 100%

Source: Economic & Planning Systems

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HOUSING COSTS

Table 28 summarizes the housing costs of the respondents by the length of time they have lived at their current residence. On average, monthly mortgage payments are \$1,700 in City of Ouray, almost \$1,600 in Town of Ridgway, and nearly \$1,800 in unincorporated parts of the County. Rental rates average almost \$800 in Ouray, \$900 in Ridgway, and approximately \$900 in the unincorporated County.

As a trend, which **Table 50** in **Chapter V** describes, average housing prices are going up quickly, and those households that have been in the County the longest are vested with relatively low monthly mortgage payments, for example. As the housing stock turns over, however, the cost of housing is rising very steeply and very quickly, as seen in the differences here between those who have lived in the County for seven to nine, four to six, and one to three years.

In general, increases are seen in these averages for those who have lived at their current residences for shorter periods of time. This trend indicates that housing costs have been increasing. Data from City of Ouray generally indicate this increasing trend for average mortgage payments, and for rental rates. Those respondents who moved into their current residence within the last three years have average monthly mortgage payments of more than \$1,900 compared with an average of \$1,200 for those who moved into their current residence more than 10 years ago.

Town of Ridgway also consistently follows the pattern of increased average payments the shorter the respondent's length at residence. Average mortgage payments for respondents who moved into their current residence within the last three years pay approximately \$1,700, whereas those who have lived in their residence for more than 10 years have only \$1,000 average monthly payments.

The unincorporated parts of the County have particularly seen an increase in average monthly mortgage payments. Those who moved within the last three years have average payments of more than \$2,100, and those who have been in the same residence for more than 10 years have payments averaging \$1,200.

Table 28
Respondent Housing Costs
Ouray County Housing Needs Assessment

Length at Current Residence	<u>Owner</u> Avg. n =	<u>Renter</u> Avg. n =
City of Ouray		
Less than 1 Year	\$1,484 9	\$911 14
2 Years	\$1,797 11	\$878 9
3 Years	\$2,208 16	\$640 7
4 to 5 Years	\$1,596 19	\$470 4
6 to 10 Years	\$1,985 22	\$0 0
More than 10 Years	<u>\$1,255 28</u>	<u>\$480 2</u>
Average	\$1,691 105	\$777 36
Town of Ridgway		
Less than 1 Year	\$1,693 26	\$936 18
2 Years	\$1,696 33	\$1,189 9
3 Years	\$1,603 16	\$765 3
4 to 5 Years	\$1,584 23	\$701 6
6 to 10 Years	\$1,645 23	\$750 1
More than 10 Years	<u>\$1,046 21</u>	<u>\$500 1</u>
Average	\$1,562 142	\$929 38
Unincorporated County		
Less than 1 Year	\$2,213 8	\$934 5
2 Years	\$2,254 13	\$750 1
3 Years	\$1,595 7	\$869 2
4 to 5 Years	\$1,672 16	--- 0
6 to 10 Years	\$1,644 20	--- 0
More than 10 Years	<u>\$1,268 11</u>	<u>--- 0</u>
Average	\$1,757 75	\$895 8

Source: Economic & Planning Systems

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The following table cross-tabulates the number of household respondents that have lived in their current residence for various lengths of time with a question regarding the number of options available to the respondents when they moved into their current residences.

Table 29 shows that, in general, those households who moved into their residence four or more years ago had more options to choose from than those households who moved within the last three years. In City of Ouray and Town of Ridgway, a larger percentage of those respondents who have lived in their residence for four or more years had many and few options to choose from, and a larger percentage of respondents who have been at their current residence for three or fewer years said they had not enough or no options.

**Table 29
 Longevity & Number of Options at Last Purchase
 Ouray County Housing Needs Assessment**

Level of Satisfaction	Options ^[1]				Total
	Many	Few	Not Enough	None	
City of Ouray					
3 Years or less	10%	26%	28%	36%	100%
4 Years or more	<u>25%</u>	<u>37%</u>	<u>18%</u>	<u>20%</u>	<u>100%</u>
Total	20%	33%	21%	26%	100%
Town of Ridgway					
3 Years or less	24%	21%	24%	32%	100%
4 Years or more	<u>31%</u>	<u>36%</u>	<u>14%</u>	<u>18%</u>	<u>100%</u>
Total	28%	29%	19%	25%	100%
Unincorporated County					
3 Years or less	38%	27%	23%	12%	100%
4 Years or more	<u>36%</u>	<u>32%</u>	<u>22%</u>	<u>11%</u>	<u>100%</u>
Total	37%	30%	22%	11%	100%
All Areas					
3 Years or less	22%	24%	25%	29%	100%
4 Years or more	<u>30%</u>	<u>36%</u>	<u>17%</u>	<u>18%</u>	<u>100%</u>
Total	27%	31%	21%	22%	100%

[1] This comes from Question 13, which asked whether respondents had enough housing options when they moved into their current residence.

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls]11,13

HOUSING SATISFACTION

Table 30 reflects a combination of results. First, Question 26 asked respondents to rate their level of satisfaction in their current residence, and second, Question 30 asked respondents to state how much they currently have that could be used toward a down payment (including equity in their current home, if owned). The results indicate that owners have approximately 10 times what renters have available for a down payment. In general, taken with the results from the table above, it indicates that respondents' level of satisfaction seems to be negatively correlated to the amount they have available for a down payment.

Table 30
Amount Available for Down Payment by Level of Satisfaction
Ouray County Housing Needs Assessment

Level of Satisfaction	Downpayment		
	Owners	Renters	Average
Very Satisfied	\$160,647	\$27,404	\$152,646
Somewhat Satisfied	\$111,084	\$8,595	\$79,664
Somewhat Dissatisfied	\$82,315	\$11,294	\$54,875
Very Dissatisfied	<u>\$23,750</u>	<u>\$0</u>	<u>\$19,000</u>
Average	\$146,639	\$14,715	\$128,464

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls\26,30

OPINION QUESTIONS

Several questions were designed specifically to address the opinions of the survey respondents with respect to a housing affordability problem. **Table 31** addresses the question of affordability. Approximately 47 percent of respondents believe that affordable housing is one of the more serious problems in the County, while approximately 38 percent viewed it as a problem among others needing attention.

Table 31
Rank of Affordability Problem
Ouray County Housing Needs Assessment

Affordable Housing Problem Rank	Ouray		Ridgway		Unincorp.		Total	
	#	%	#	%	#	%	#	%
(A) One of the more serious problems in the County	100	46.7%	114	50.4%	49	40.8%	263	47.0%
(B) A problem among others needing attention	86	40.2%	79	35.0%	48	40.0%	213	38.0%
(C) One of our lesser problems	16	7.5%	24	10.6%	14	11.7%	54	9.6%
(D) I don't believe it is a problem	12	5.6%	9	4.0%	9	7.5%	30	5.4%
Total	214	100.0%	226	100.0%	120	100.0%	560	100.0%

Source: Economic & Planning Systems

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Respondents were asked to assume that if additional resources were made available for housing that they should be allocated in a particular way. **Table 32** shows that 65 percent of respondents believed that housing resources should be allocated to both rental and ownership housing. Twenty percent indicate a favoring of ownership units versus 8 percent who believe that additional sources should be allocated to rental units. An additional 7 percent do not believe that any resources should be allocated.

Table 32
Respondent Recommendation of Units
Ouray County Housing Needs Assessment

Affordable Housing Problem Rank	Ouray		Ridgway		Unincorp.		Total	
	#	%	#	%	#	%	#	%
(A) Rental units	21	9.4%	20	8.1%	6	5.0%	47	8.0%
(B) Ownership housing	45	20.2%	49	19.8%	24	20.0%	118	20.0%
(C) Both	144	64.6%	163	65.7%	76	63.3%	383	64.8%
(D) None of the above	13	5.8%	16	6.5%	14	11.7%	43	7.3%
Total	223	100.0%	248	100.0%	120	100.0%	591	100.0%

Source: Economic & Planning Systems

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The final question of the survey, as shown in **Table 33**, provided the most useful and revealing set of opinions and rankings of a number of issues related to affordable housing and potential solutions. Many of these aggregate responses are used in formulating the Action Plan for Ouray County, as they indicate support or a lack thereof for a number of programs or processes.

Of all the statements, the strong convergence of opinion was for the statement that ‘essential community workers need housing they can afford’, where a total of 90 percent stated they either somewhat or strongly agreed (**Line N**). Similarly, 82 percent agreed that ‘there is a need for housing for entry-level workers’ (**Line J**), 83 percent agreed that ‘there is a need for housing for mid-level workers’ (**Line K**), 68 percent agreed that ‘there is a need for housing for seasonal workers’ (**Line L**), and 69 percent agreed that ‘there is a need for senior affordable housing’ (**Line M**). Also, 77 percent agreed that ‘there is a need to find ways to encourage youth and young adults to stay in or return to Ouray County’ (**Line E**).

As an indication of support for a potential housing policy, 70 percent of respondents also agreed that ‘there should be some housing open only to local residents and local employees’ (**Line I**). Similarly, 70 percent agreed that ‘portions of new developments should be required to have affordable housing’ (**Line F**), indicating support for such regulatory programs as inclusionary zoning. While such an approach certainly favors the community, 76 percent of respondents also either somewhat or strongly agreed to the statement that ‘incentives for new development to include affordable housing are needed’ (**Line G**). While still a majority, only 57 percent of respondents either somewhat or strongly agreed that there should be a local revenue source dedicated to affordable housing (**Line H**).

There was also convergence of agreement on the two statements about whether the need existed for rental or ownership housing. The similar levels of agreement indicate that a balance should be struck in the Action Plan between rental and ownership. A total of 84 percent either somewhat agreed or strongly agreed with the rental need statement (**Line A**), and a total of 95 percent either somewhat agreed or strongly agreed with the ownership need statement (**Line B**).

Line C shows that 62 percent either somewhat disagreed or strongly disagreed that, if left alone, market forces would adequately address housing and employment needs. Rather, as **Line D** shows, 68 percent felt that local government should help provide solutions.

There are no major differences between the responses of each jurisdiction and all the jurisdictions within Ouray County, but there are a few notable differences between City of Ouray and the Town of Ridgway in the opinions expressed, as shown in **Table 37**. The percentages are the differences in proportion of Ouray residents either over (positive percentage) or under (negative percentage) that ranked their opinions accordingly.

Ten percent more of City of Ouray respondents than Ridgway respondents disagreed that, if left alone, market forces would adequately address housing and employment needs (**Line C**). Furthermore, 11 percent more of Ouray respondents than Ridgway respondents strongly agreed that there is a need to find ways to encourage youth and young adults to stay in or return to Ouray County (**Line E**). The fact that Ouray residents feel that much stronger about the issue of youth and the need to create opportunities for them was also observed in interviews with community residents. Specifically, maintaining a viable school was seen as a critical need for the community. Some community representatives noted that a decline in enrollment leads to a decline in funding, which in turn affects quality. Increasing affordable housing opportunities could, indirectly, ensure long term quality through robust enrollment. Finally, 11 percent more of Ouray respondents than Ridgway respondents strongly agreed that 'there is a need for housing for seasonal workers' (**Line L**). In general it appears that City of Ouray residents believe housing needs are more acute than residents elsewhere in the County.

Table 33
All County Respondent Statements
Ouray County Housing Needs Assessment

Affordable Housing Problem Issue	Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
A There is a need for affordable rental housing	54%	30%	6%	5%	6%
B There is a need for affordable for-sale housing	62%	23%	5%	6%	4%
C If left alone, market forces will adequately address housing and employment needs	10%	19%	25%	37%	8%
D Local government should help provide solutions for affordable housing shortages	31%	37%	13%	15%	4%
E There is a need to find ways to encourage youth and young adults to stay in or return to Ouray County	38%	39%	12%	5%	6%
F Portions of new developments should be required to have affordable housing	42%	28%	12%	15%	4%
G Incentives for new development to include affordable housing are needed	46%	30%	9%	10%	4%
H A local revenue source dedicated to affordable housing is needed	25%	32%	15%	18%	9%
I There should be some housing open only to local residents and local employees	42%	28%	12%	11%	6%
J There is a need for housing for entry level workers	47%	35%	7%	6%	5%
K There is a need for housing for mid-level workers	46%	37%	6%	5%	6%
L There is a need for housing for seasonal workers	30%	38%	15%	9%	9%
M There is a need for senior affordable housing	38%	31%	14%	6%	12%
N Essential community workers need housing they can afford (such as teachers, police, emergency personnel, etc.).	70%	20%	3%	4%	3%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls\33-Statements

Table 34
City of Ouray Respondent Statements
Ouray County Housing Needs Assessment

Affordable Housing Problem Issue	Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
A There is a need for affordable rental housing	58%	28%	5%	6%	3%
B There is a need for affordable for-sale housing	61%	24%	5%	6%	4%
C If left alone, market forces will adequately address housing and employment needs	9%	16%	26%	43%	5%
D Local government should help provide solutions for affordable housing shortages	33%	34%	13%	16%	4%
E There is a need to find ways to encourage youth and young adults to stay in or return to Ouray County	46%	35%	12%	4%	3%
F Portions of new developments should be required to have affordable housing	41%	27%	13%	15%	4%
G Incentives for new development to include affordable housing are needed	45%	31%	8%	13%	4%
H A local revenue source dedicated to affordable housing is needed	27%	31%	16%	18%	8%
I There should be some housing open only to local residents and local employees	48%	26%	11%	9%	6%
J There is a need for housing for entry level workers	48%	33%	7%	6%	5%
K There is a need for housing for mid-level workers	48%	38%	6%	4%	4%
L There is a need for housing for seasonal workers	36%	36%	13%	8%	7%
M There is a need for senior affordable housing	36%	31%	16%	7%	10%
N Essential community workers need housing they can afford (such as teachers, police, emergency personnel, etc.).	72%	20%	3%	3%	3%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls\33-OurayStatements

Table 35
Town of Ridgway Respondent Statements
Ouray County Housing Needs Assessment

Affordable Housing Problem Issue	Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
A There is a need for affordable rental housing	52%	32%	7%	3%	7%
B There is a need for affordable for-sale housing	66%	20%	5%	5%	3%
C If left alone, market forces will adequately address housing and employment needs	9%	21%	26%	33%	11%
D Local government should help provide solutions for affordable housing shortages	31%	38%	11%	15%	5%
E There is a need to find ways to encourage youth and young adults to stay in or return to Ouray County	34%	41%	12%	5%	8%
F Portions of new developments should be required to have affordable housing	46%	26%	10%	13%	4%
G Incentives for new development to include affordable housing are needed	49%	29%	10%	8%	4%
H A local revenue source dedicated to affordable housing is needed	26%	35%	13%	16%	10%
I There should be some housing open only to local residents and local employees	42%	32%	9%	10%	7%
J There is a need for housing for entry level workers	43%	37%	8%	5%	7%
K There is a need for housing for mid-level workers	44%	36%	7%	5%	7%
L There is a need for housing for seasonal workers	25%	36%	19%	8%	12%
M There is a need for senior affordable housing	39%	28%	13%	5%	16%
N Essential community workers need housing they can afford (such as teachers, police, emergency personnel, etc.).	71%	19%	3%	3%	3%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls\33-RidgwayStatements

Table 36
Unincorporated County Respondent Statements
Ouray County Housing Needs Assessment

Affordable Housing Problem Issue	Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
A There is a need for affordable rental housing	48%	29%	5%	8%	8%
B There is a need for affordable for-sale housing	54%	27%	6%	7%	6%
C If left alone, market forces will adequately address housing and employment needs	14%	23%	22%	34%	6%
D Local government should help provide solutions for affordable housing shortages	27%	36%	17%	16%	4%
E There is a need to find ways to encourage youth and young adults to stay in or return to Ouray County	32%	45%	10%	6%	7%
F Portions of new developments should be required to have affordable housing	34%	33%	13%	18%	2%
G Incentives for new development to include affordable housing are needed	42%	33%	10%	11%	4%
H A local revenue source dedicated to affordable housing is needed	20%	30%	15%	25%	10%
I There should be some housing open only to local residents and local employees	33%	26%	17%	19%	5%
J There is a need for housing for entry level workers	49%	36%	3%	9%	3%
K There is a need for housing for mid-level workers	44%	37%	6%	8%	5%
L There is a need for housing for seasonal workers	25%	45%	10%	11%	10%
M There is a need for senior affordable housing	34%	38%	13%	7%	9%
N Essential community workers need housing they can afford (such as teachers, police, emergency personnel, etc.).	65%	24%	4%	6%	2%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls\33-UnincorpStatements

Table 37
Differences Between Ouray and Ridgway
Ouray County Housing Needs Assessment

Affordable Housing Problem Issue	Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
A There is a need for affordable rental housing	6%	-3%	-1%	2%	-4%
B There is a need for affordable for-sale housing	-5%	4%	-1%	1%	0%
C If left alone, market forces will adequately address housing and employment needs	0%	-5%	0%	10%	-5%
D Local government should help provide solutions for affordable housing shortages	2%	-4%	1%	1%	-1%
E There is a need to find ways to encourage youth and young adults to stay in or return to Ouray County	11%	-5%	0%	-1%	-5%
F Portions of new developments should be required to have affordable housing	-4%	1%	2%	2%	0%
G Incentives for new development to include affordable housing are needed	-4%	2%	-2%	5%	-1%
H A local revenue source dedicated to affordable housing is needed	0%	-4%	3%	2%	-1%
I There should be some housing open only to local residents and local employees	6%	-6%	2%	-1%	0%
J There is a need for housing for entry level workers	6%	-5%	0%	1%	-1%
K There is a need for housing for mid-level workers	4%	2%	-2%	-1%	-3%
L There is a need for housing for seasonal workers	11%	-1%	-6%	-1%	-4%
M There is a need for senior affordable housing	-3%	3%	3%	2%	-6%
N Essential community workers need housing they can afford (such as teachers, police, emergency personnel, etc.).	0%	1%	0%	0%	0%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-RES-Survey.xls\33-OurayRidgwayDiffer

IV. EMPLOYER SURVEY

The Housing Needs Assessment also included an employer survey to give the business community an opportunity to share its concerns related to business conditions and housing issues. A total of 100 surveys were emailed and 21 returned, which represents a response rate of 21 percent. Although the response rate is similar to that of the household survey, the small number of responses results in a “snapshot” of community business sentiment rather than a statistically valid dataset. The size of the pool is, nevertheless, comparable to many other mountain town employer surveys. This chapter summarizes key findings from this survey.

Most of the responding businesses and their employees, as shown in **Table 38**, fell into a few categories. Among them, 29 percent of the employees represented were in Government, 26 percent were in Lodging or Accommodations, and 12 percent were in Retail.

Table 38
Responses by Industry
Ouray County Housing Needs Assessment

Industry	Est. Count	Jobs	
		#	%
Mining	1	10	3%
Artist or Craftsman	0	0	---
Restaurant/Bar	1	14	4%
Lodging/Accommodations	3	89	26%
Recreation	0	0	---
Construction	1	7	2%
Manufacturing	0	0	---
Healthcare	0	0	---
Retail	6	41	12%
Services	0	0	---
Finance/Banking/Real Estate/insurance	3	6	2%
Professional employment	3	13	4%
Education	0	0	---
Government	2	100	29%
Farm/Ranch/Natural Resources	1	67	19%
Total	21	347	100%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\{16866-EMP-Survey.xls}2-Industry

Table 39 shows that 52 percent of the respondents conduct business in City of Ouray and 38 percent in Town of Ridgway. The businesses also identified where their employees lived. Thirty-two percent of the employees reside in City of Ouray, 22 percent live in Town of Ridgway, 17 percent in Montrose, and 28 percent in other areas of the County. As shown in **Table 5**, these 219 employees captured in the Employer Survey represent approximately 9 percent of the entire County workforce.

Table 39
Location of Businesses & Employees
Ouray County Housing Needs Assessment

Location	Businesses		Employees Res.	
	#	%	#	%
Ouray	11	52%	70	32.0%
Ridgway	8	38%	49	22.4%
Log Hill Mesa	0	0%	1	0.5%
Montrose	0	0%	37	16.9%
Colona	0	0%	1	0.5%
Other	<u>2</u>	<u>10%</u>	<u>61</u>	<u>27.9%</u>
Total	21	100%	219	100.0%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-EMP-Survey.xls]3-Location

Table 40 shows the distribution of Ouray County workforce between those who characterized their employees as year-round and those who are seasonal.

Table 40
Level of Employment
Ouray County Housing Needs Assessment

Industry	Employment Level		Total
	Year-Round	Seasonal	
Full-Time	60%	20%	80%
Part-Time ^[1]	<u>12%</u>	<u>8%</u>	<u>20%</u>
Total	72%	28%	100%

[1] Less than 30 hours per week.

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-EMP-Survey.xls]6-EmpLevel

The response rate among businesses indicates a good representation of businesses that have been in operation for a short and long time in the community, as shown in **Table 41**. Almost one-half of the responding businesses have operated in Ouray County for more than 20 years.

Table 41
Length of Business Operation
Ouray County Housing Needs Assessment

Industry	Businesses	
	#	%
Less than 2 years	4	19%
2 to 5 years	3	14%
5 to 10 years	0	0%
10 to 20 years	4	19%
More than 20 years	10	48%
Total	21	100%

Source: Economic & Planning Systems

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EMPLOYEE RETENTION & LOSS

The following several tables describe the conditions of employee retention and loss in Ouray County. Statistics summarized include the length employees of respondents have worked in their respective locations, as well as reasons why employment levels have recently changed. Subsequent tables identify the number of currently unfilled positions, and describe the nature of seasonal employment retention and identify the number of jobs lost in an average season, to the number of jobs estimated to be lost as a result of housing related problems.

As shown in **Table 42**, 34 percent of the employees (including year-round and seasonal, full-time and part-time) represented in the survey have been working for 10 years or more, a total of 24 percent have been working between three and 10 years, and 41 percent of the workforce has been working for a period of two years or less.

**Table 42
 Employee Retention
 Ouray County Housing Needs Assessment**

	Employees	
	#	%
Less than 1 year	63	28%
1 to 2 years	28	13%
3 to 5 years	34	15%
5 to 10 years	21	9%
More than 10 years	<u>76</u>	<u>34%</u>
Total	222	100%

Source: Economic & Planning Systems
 H:\16866-Ouray County Housing Needs Assessment\Data\16866-EMP-Survey.xls]8-EmpRete

If an employer has recently changed the number of employees for any reason, the survey asked the respondent to indicate one of the following as the main reason for doing so, as shown in **Table 43**. Although the dataset is very small, 18 percent of the respondents cited that more customers was the reason for a positive change in employee counts, and 9 percent cited that fewer customers was the main reason they reduced their employee counts.

Table 43
Reason for Recent Employment Level Change
Ouray County Housing Needs Assessment

Industry	Responses	
	#	%
Fewer customers. Reduction in sales activity. Less business.	1	9%
More customers. Increase in sales activity. More business.	2	18%
Reduced the size of space in which you do business	1	9%
Increased the size of space in which you do business	4	36%
More employees in the same space	1	9%
Other	<u>2</u>	<u>18%</u>
Total	11	100%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\{16866-EMP-Survey.xls}13-EmpChangeReas

Table 44 addresses the issue of existing demand based on employer needs. Respondents in the survey indicated that in addition to their total 347 jobs, a total of 15 jobs were currently unfilled due in part to housing related issues. There are seven full time positions and eight part time positions currently available. In terms of the existing need with respect to the Action Plan, two part time jobs would equate to one full time equivalent. The total full time equivalents (FTE) would be 11 (7 plus (8 divided by 2) = 11). To derive the number of households and housing units, 11 FTE is divided by the average number of jobs per household from the Household Survey, which is 1.4 (see **Table 24**).

Table 44
Unfilled Jobs, 2007
Ouray County Housing Needs Assessment

Industry	Total Jobs	Current Unfilled			
		FT	PT	Total	as %
Mining	10	0	0	0	0%
Artist or Craftsman	---	0	0	0	---
Restaurant/Bar	14	5	0	5	36%
Lodging/Accommodations	89	0	0	0	0%
Recreation	---	0	0	0	---
Construction	7	0	0	0	0%
Manufacturing	---	0	0	0	---
Healthcare	---	0	0	0	---
Retail	41	0	0	0	0%
Services	---	0	0	0	---
Finance/Banking/Real Estate/insurance	6	0	0	0	0%
Professional employment	13	1	1	2	15%
Education	---	0	0	0	---
Government	100	0	7	7	7%
Farm/Ranch/Natural Resources	67	1	0	1	1%
Total	347	7	8	15	4%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-EMP-Survey.xls\11-Unfilled

Respondents were asked to quantify their level of employment turnover and unfilled positions over the past two years that could be attributed to a housing related problem. **Table 45** shows a calculated annual average of 11 jobs that have been lost because of housing related problems, which shows that 3 percent of the represented workforce is lost annually to housing related problems.

Table 45
Jobs Lost Attributable to Housing-Related Issues, 2007
Ouray County Housing Needs Assessment

Industry	Total Jobs	Jobs Lost ^[1]	
		Total	as %
Mining	10	1	0%
Artist or Craftsman	---	---	---
Restaurant/Bar	14	0	0%
Lodging/Accommodations	89	2	2%
Recreation	---	---	---
Construction	7	1	7%
Manufacturing	---	---	---
Healthcare	---	---	---
Retail	41	3	7%
Services	---	---	---
Finance/Banking/Real Estate/insurance	6	2	25%
Professional employment	13	2	12%
Education	---	---	---
Government	100	2	2%
Farm/Ranch/Natural Resources	<u>67</u>	<u>1</u>	<u>0%</u>
Survey Total	347	11	3%

[1] Jobs left attributable to a housing-related problem.

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-EMP-Survey.xls\14-LostJobs

EMPLOYER HOUSING ASSISTANCE

A question on the survey addressed whether businesses currently offer housing allowances to their employees. The following tables describe the existing conditions of housing assistance programs employers offer, and address the possibility of whether employers would be willing in the future to support such a program at their establishment or even countywide.

Table 46 shows that 25 percent of respondents offer allowances to employees, while 75 percent do not. Those businesses offering allowances, which amounts to four businesses and 10 total employees, offer an average of \$138 per month to their employees. Compared to average rent and mortgage payments from the Household Survey (see **Table 28**), this is only 16 percent and 8 percent of monthly housing costs respectively, excluding utilities.

Table 46
Housing Cost Allowances
Ouray County Housing Needs Assessment

Housing Allowance	Businesses	
	#	%
Yes	4	25%
No	12	75%
Total	16	100%
If Yes:		
Total Jobs Offered Allowance ^[1]	10	2.9%
Average Amount Offered	\$138	---
Average Rent Paid ^[2]	\$859	---
Average Mortgage Paid ^[2]	\$1,650	---
Allowance as % of Rent	16.0%	---
Allowance as % of Mortgage	8.3%	---

[1] The total number of jobs within those businesses offering an allowance, and the corresponding percentage of the total workforce represented in the survey.

[2] From the Ouray County Household Survey.

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-EMP-Survey.xls\15-HousingAllowance

A following question asked respondents if they would be willing to support any future employer-employee housing assistance programs, and to what degree. Of those who responded to the question, 14 percent reported that they would be willing to support a program for their own employees, and 19 percent reported they would be willing to support a countywide employee assistance program, as shown in **Table 47**. On the other hand, 19 percent are unwilling to support any such program, and the remaining 48 percent were uncertain.

Table 47
Employer Assistance
Ouray County Housing Needs Assessment

Willingness to Support Future Employee Housing Program	Businesses	
	#	%
Yes - For Employer's Employees Only	3	14%
Yes - For Any Employees	4	19%
No	4	19%
Uncertain	<u>10</u>	<u>48%</u>
Total	21	100%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\[16866-EMP-Survey.xls]18-EmplyrAssist

OPINION QUESTIONS

The following two tables summarize the findings of similar questions asked of the residents in the household survey. They describe the employer’s general perceptions of housing need in Ouray County as applied to employment.

The first question addressed whether the respondent perceived housing affordability to be a problem in the County. **Table 48** shows that 35 percent see affordable housing as one of the more serious problems in the County, and 60 percent believe it is a problem among others needing attention. Only one business believed that affordable housing is not a problem.

Table 48
Affordable Housing Problem
Ouray County Housing Needs Assessment

Affordable Housing Problem Rank	Responses	
	#	%
(A) One of the more serious problems in the County	7	35.0%
(B) A problem among others needing attention	12	60.0%
(C) One of our lesser problems	0	0.0%
(D) I don't believe it is a problem	1	5.0%
Total	20	100.0%

Source: Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-EMP-Survey.xls\19-AffordableProblem

Employers were asked to indicate their level of agreement with the following four statements, as shown in **Table 49**. In contrast to the household survey (see **Table 32**), employers indicated their opinions with respect to the type of affordable housing that should be provided for employees. A majority of respondents (60 percent) strongly agreed that entry-level housing should be a part of an affordable housing solution, with another 35 percent who agreed somewhat. Agreement surrounding move-up for-sale housing was not as strong, however, where only 18 percent strongly agreed that move-up for-sale housing should be provided, and only 29 percent somewhat agreed. Respondents felt strongly about rental housing with 68 percent strongly agreeing that it should be provided for employees. Employers do not support seasonal housing on the other hand.

Table 49
Perceptions
Ouray County Housing Needs Assessment

Affordable Housing Problem Issue	Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
Entry Level for Sale Housing	60%	35%	0%	0%	5%
Move-up for sale housing (for current homeowners needing a larger or newer home (e.g., increasing family size, etc.)	18%	29%	24%	18%	12%
Rental Housing	68%	11%	16%	0%	5%
Seasonal Housing	15%	15%	20%	40%	10%

Source: Economic & Planning Systems
 H:\16866-Ouray County Housing Needs Assessment\Data\16866-EMP-Survey.xls\20-Statements

V. MARKET CONDITIONS

This chapter gives an overview of residential market conditions in Ouray County, including rental rates and trends in home sale prices. A discussion of planned and anticipated new residential developments and their market orientation is also given. The analysis of market conditions forms the foundation of the affordability analysis.

EXISTING CONDITIONS

RENTAL MARKET

The rental market in Ouray County consists of a range of different types of rental products. Some of these include single-family dwellings, duplexes, second-floor retail buildings, and small apartment complexes, as well as some lock-off units within single-family homes. Data on rental rates come from a variety of sources in the City of Ouray and Town of Ridgway.

The City of Ouray has an estimated 150 to 200 rental units distributed around the City that reflect a broad range of unit types. Approximately 80 are single-family home rentals or lock-off units. Average monthly rents during peak season are approximately \$1,000 per week and between \$500 and \$1,600 per month during off-season. Locals noted that many of the recently constructed townhomes are rented, either long-term or short-term.

Rental statistics for the Town of Ridgway, as shown in **Table 50**, while limited, indicate a similar range of rental rates as Ouray. Average rents for Ridgway are approximately \$1,000 per month and range from below \$500 to more than \$1,200. These sample inventory data are also consistent with the residential survey results on housing costs for renter households (see **Table 28**).

Table 50
Rental Rates
Ouray County Housing Needs Assessment

	Unit Count	Rental Details		
		Avg. \$ / Month	Avg. SF	\$ per SF
Apartment	13	\$874	1,165	\$0.85
Condominium	2	\$925	879	\$1.05
Duplex	3	\$817	1,296	\$0.54
Single Family	15	\$1,252	1,737	\$0.74
Studio	1	\$475	250	\$1.90
Total / Average	34	\$1,027	1,385	\$0.82

Source: Town of Ridgway; Economic & Planning Systems

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FOR-SALE MARKET

Data on residential sales for Ouray County comes from the Ouray MLS system, and is available for the years 2003 through September 2007. The average sales price in 2007 was \$454,000 countywide, as shown in **Table 51**. The median sales price in 2007 was \$395,000, growing at 11.6 percent year over year from the average price of \$310,000 and median price of \$255,000 in 2003.

Table 51
Average & Median Home Prices, 2003-2007
Ouray County Housing Needs Assessment

	2003	2004	2005	2006	2007 ^[1]	2003-2007		
						Total	Ann. \$	Ann. %
Ouray County ^[2]								
Average Sales Price	\$310,011	\$323,980	\$365,567	\$319,364	\$454,489	\$144,478	\$36,119	10.0%
Median Sales Price	\$255,000	\$295,000	\$342,500	\$335,000	\$395,000	\$140,000	\$35,000	11.6%
n =	57	158	142	206	121	---	---	---

[1] Sales through September 2007.

[2] Includes City of Ouray, Town of Ridgway, Log Hill Mesa, and Unincorporated Ouray County.

Source: Ouray MLS; Economic & Planning Systems

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On average, median sales prices in City of Ouray increased at almost 15 percent annually since 2003, and 10 percent annually in Town of Ridgway, as shown in **Table 52**. In all areas except Log Hill Mesa, the median sales price increased faster annually than the average prices, indicating a decrease in the quantity of lower-priced housing units over time.

Table 52
Home Prices by Area, 2003–2007
Ouray County Housing Needs Assessment

Geography / Statistic	2003	2004	2005	2006	2007 ^[1]	2003-2007		
						Total	Ann. \$	Ann. %
Log Hill Mesa								
Average Sales Price	\$357,017	\$395,256	\$403,348	\$444,517	\$578,487	\$221,470	\$55,368	12.8%
Median Sales Price	\$270,000	\$352,500	\$402,100	\$392,500	\$420,300	\$150,300	\$37,575	11.7%
n =	9	25	26	23	15	---	---	---
Ouray City								
Average Sales Price	\$244,833	\$235,093	\$324,088	\$304,905	\$339,242	\$94,409	\$23,602	8.5%
Median Sales Price	\$196,000	\$250,000	\$365,000	\$343,750	\$339,000	\$143,000	\$35,750	14.7%
n =	21	43	40	44	44	---	---	---
Ridgway								
Average Sales Price	\$316,737	\$327,857	\$364,865	\$280,029	\$472,794	\$156,057	\$39,014	10.5%
Median Sales Price	\$275,000	\$296,000	\$334,000	\$275,000	\$402,500	\$127,500	\$31,875	10.0%
n =	19	63	55	117	41	---	---	---
Unincorporated Ouray County								
Average Sales Price	\$412,250	\$390,496	\$399,640	\$426,632	\$571,652	\$159,402	\$39,851	8.5%
Median Sales Price	\$322,250	\$340,900	\$383,000	\$400,000	\$510,000	\$187,750	\$46,938	12.2%
n =	8	27	21	22	21	---	---	---

[1] Sales through September 2007.

Source: Ouray MLS; Economic & Planning Systems

H:\16866-Ouray County Housing Needs Assessment\Data\16866-MLS.xls\GeoSmmy

Most of the housing units sold were single family detached units. Average and median prices for these types of units increased at almost 12 percent annually from a median of \$275,000 in 2003 to \$431,500 by 2007, as shown in **Table 53**. The average price of condominiums and townhomes increased at more than 10 percent per year, but the average price of manufactured housing decreased by 6 percent.

Table 53
Number of Sales by Product Type, 2003-2007
Ouray County Housing Needs Assessment

Type	2003	2004	2005	2006	2007 ^[1]	2003-2007		
						Total	Ann. \$	Ann. %
Single-Family ^[2]								
Average Sales Price	\$337,306	\$381,469	\$415,269	\$416,375	\$501,104	\$163,799	\$40,950	10.4%
Median Sales Price	\$275,000	\$317,000	\$394,950	\$391,600	\$431,500	\$156,500	\$39,125	11.9%
n =	45	113	113	114	98	---	---	---
Condo / Townhome								
Average Sales Price	\$208,778	\$229,314	\$274,011	\$206,237	\$310,500	\$101,722	\$25,431	10.4%
n =	9	25	14	76	14	---	---	---
Manufactured								
Average Sales Price	\$204,300	\$117,496	\$76,601	\$159,133	\$158,500	-\$45,800	-\$11,450	-6.1%
n =	3	20	15	15	8	---	---	---

[1] Sales through September 2007.

[2] Described as 'Stick-Built' in MLS.

Source: Ouray MLS; Economic & Planning Systems

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NEW DEVELOPMENT

CURRENT PROJECTS

EPS worked with local staff to identify the current inventory of master planned development projects. There is not a significant amount of development in City of Ouray because of a limited land supply, and there are a few planned or conceptual projects in Town of Ridgway.

City of Ouray – There is one project planned in City of Ouray, known as the Hinkson development in the Silvershield PUD. There will be a total of 17 lots in the subdivision, with one set aside for the developer, six sold as affordable units, and 10 sold as market rate homes. This project is notable because the developer has initiated the six affordable units. These units will be located on approximately 3,500 square foot lots and will range from 1,000 to 1,200 square feet and be priced from approximately \$220,000 to \$275,000. Compared to current average sales prices in Ouray County, these are less than approximately 60 percent of the 2006 average sales price and in terms of AMI level, they will be affordable to households earning between 100 and 160 percent AMI. The units will be deed restricted with employment and residency requirements and income and appreciation limits. The developer does not plan to start construction on any affordable unit until a buyer puts it under contract. The developer has started construction on three of the 10 market rate units and one is under contract. They are priced from \$269,000 to \$329,000 with 1,000 to 1,350 square feet.

Town of Ridgway – There are a number of projects in the pipeline at various stages of approval or construction. These projects are Parkside, RiverSage, The Preserve 4, and Solar Ranches. In total, approximately 10 units are planned to be affordably priced – six units in Parkside, and four units in The Preserve. These 10 units are in addition to the previously completed River Park project, which included an additional 10 deed restricted units (although deed restrictions expire after 10 years).

The Parkside development is an existing subdivision on the north side of Ridgway with 31 total units. The current development plan, which is awaiting final plat approval, has 17 market rate units, four market rate duplexes, and two triplex units (six total units), each unit of which is intended to be affordable. The affordable units will offer three bedroom/two-and-a-half bathroom floor plans priced at approximately \$248,000 to 263,000 or between 140 and 150 percent of AMI. These units will include deed restrictions such as a cap on annual price appreciation, the requirement that half of the household income must be earned in Ouray County, and the unit must be owner-occupied. The market rate unit lots will be sold in the range of \$117,000 and \$132,000 for the single family lots and \$219,000 and \$225,000 for the duplex lots, including paid water tap fees. Assuming that the lot price could be 20 percent of the unit sales price, the single family units would be priced between approximately \$590,000 and \$660,000, which would be affordable to households earning between 350 and 400 percent AMI.

The RiverSage development is situated on approximately 160 acres, of which 60 acres will be dedicated as the Dennis Weaver Memorial Park running along the river corridor. The development located along U.S. 550 approximately two miles north of Ridgway is proposed to have 20 lots on approximately 2 acres each. Given the size of the lots, it is unlikely that they will be priced any lower than the other lots planned for development in the other currently planned projects in Ridgway.

The Preserve located on the southern edge of Town of Ridgway is approximately 8 acres and recently received preliminary plat approval for 25 lots with 32 total units. The proposed development contains 21 single family units, two triplexes and one four-plex. There are 10 lots one quarter-acre or greater that are intended to be sold to individual buyers. There are 12 lots on one quarter-acre or less, and the units built are likely to be sold for between \$300,000 and \$500,000. The four-plex is intended to be used for deed-restricted affordable housing. Construction is planned to start in late 2008. The single family units on one-quarter acre or less lots would be affordable to households earning between 170 and 300 percent AMI.

The Solar Ranches development, which was built previously, recently received approval to subdivide one of its lots for two duplexes and two single family units. Each unit is proposed to be approximately 1,800 square feet.

VI. AFFORDABILITY ANALYSIS

This chapter estimates the housing needs for Ouray County by income level and by housing type. Rental housing affordability is analyzed first, followed by ownership housing. Finally, a housing gap analysis provides an estimate of the gaps in the ownership and rental housing markets. This chapter, in conjunction with the Chapter V: Market Conditions forms the basis for the recommendations and Action Plan.

AFFORDABILITY MEASURES

INCOME DISTRIBUTION

The U.S. Department of Housing and Urban Development (HUD) publishes income definitions for different household sizes for use in the administration of housing programs. The benchmark for income definitions is a family of four earning the area median income (AMI). As household sizes grow, so do the income limits to allow for multiple earners and the additional income needed to support a family. The AMI for Ouray County is \$60,300 for a family of four. Since there are a variety of household sizes, the AMI is calculated for a 2.5 person household as a proxy for the average household size of 2.47 in Ouray County, which is \$51,250. A 2.5 person household (the average household size) could qualify for housing open to the 60 to 80 percent AMI level, for example, if their household income does not exceed \$41,025 per year, as shown in **Table 54**.

Table 54
HUD Income Limits, 2006
Ouray County Housing Needs Assessment

Ouray Percent of AMI	Household Size					
	1 - Person	2 - Person	2.5 - Person	3 - Person	4 - Person	5 - Person
30% AMI	\$12,650	\$14,450	\$15,400	\$16,300	\$18,100	\$19,550
60% AMI	\$25,300	\$28,900	\$30,750	\$32,600	\$36,200	\$39,050
80% AMI	\$33,800	\$38,600	\$41,025	\$43,450	\$48,250	\$52,100
100% AMI	\$42,200	\$48,200	\$51,250	\$54,300	\$60,300	\$65,100
120% AMI	\$50,650	\$57,850	\$61,500	\$65,150	\$72,350	\$78,100

Source: HUD; Economic & Planning Systems

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The actual income distribution for Ouray County households is shown in **Table 55** and in **Figure 5**. Low income households comprise 40 percent of all households in the County (the total from zero to 80 percent of AMI). Very low income households are 20 to 25 percent of all households. HUD defines “low income” household as those earning 80 percent or less of the median income. “Very low income” households are those earning less than 50 percent of the median income.

Table 55
Income Distribution, 2006
Ouray County Housing Needs Assessment

AMI	Median Incomes		Renters		Owners		Total	
	Low	High	#	%	#	%	#	%
Less than 30%	---	\$15,400	87	18%	115	8%	202	11%
31% - 60%	\$15,401	\$30,750	124	25%	194	14%	318	17%
61% - 80%	\$30,751	\$41,025	65	13%	157	11%	222	12%
81% - 100%	\$41,026	\$51,250	58	12%	124	9%	182	10%
101% - 120%	\$51,251	\$61,500	43	9%	117	9%	160	9%
Greater than 120%	\$61,501	---	119	24%	668	49%	787	42%
Total			497	100%	1,374	100%	1,871	100%

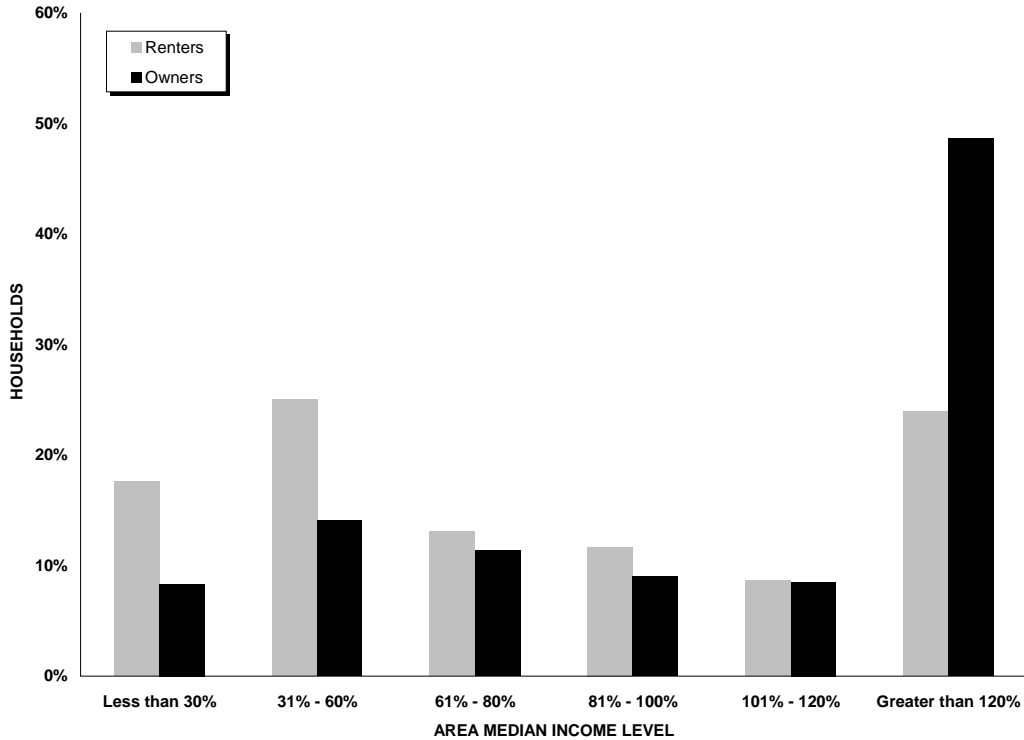
Source: HUD; Ribbon Demographics; Economic & Planning Systems

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The income distribution of the County is different for renters and owners, as illustrated in **Figure 5**. Renters are more concentrated in the lower income brackets, while owners are more concentrated in the middle and upper income brackets. Forty-three percent of renter households earn less than 60 percent AMI and are considered very low income as defined by HUD.

Owner households are concentrated above 120 percent of AMI; 47 percent of owner households are above this income. Approximately 20 percent of owners are below 60 percent of AMI. These are likely seniors on fixed incomes.

Figure 5
Households by AMI, 2006
Ouray County Housing Needs Assessment



RENTAL AFFORDABILITY

A widely used standard for housing affordability is that a household should not spend more than 30 percent of monthly gross income on rent or mortgage payments before taxes, utilities and other expenses. This measurement is called cost burden, defined as a household spending more than 30 percent of its income on housing. According to data collected in the Household Survey, approximately 28 percent of all renter households were cost burdened in 2007, as shown in **Table 56**. Approximately 9 percent of renters were paying more than 50 percent of their income in rent in 2007.

Table 56
Cost Burdened Renter Households, 2007
Ouray County Housing Needs Assessment

Percent Income	Households	
	#	%
Less than 10%	2	3.1%
10 to 14%	11	17.2%
15 to 19%	12	18.8%
20 to 24%	12	18.8%
25 to 29%	9	14.1%
30 to 34%	5	7.8%
35 to 39%	4	6.3%
40 to 49%	3	4.7%
Greater than 50%	<u>6</u>	<u>9.4%</u>
Total	64	100.0%
Total Over 30%	18	28.1%

Source: Economic & Planning Systems

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The average monthly rental rate in the Town of Ridgway is approximately \$1,000 in, as shown in **Table 57**, which would require an annual income (after taxes) of slightly more than \$41,000, or approximately \$20 per hour. This average rent is affordable for a 2.5-person household earning 80 percent AMI, which is \$51,250.

Table 57
Income Needed to Afford Average Rental
Ouray County Housing Needs Assessment

Factor	Amount
Average Monthly Rent	\$1,027
Annual Rent	\$12,325
Income Required	\$41,082
AMI Level	30% 80%
Equivalent Wage	
One Earner	\$20.00
Two Earners	\$10.00

Source: Town of Ridgway; Economic & Planning Systems
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OWNERSHIP AFFORDABILITY

As shown in **Table 58**, 35 percent of households paid 30 percent or more of their incomes on housing in 2007. According to the Household Survey, approximately 5 percent of households spend more than 50 percent of their incomes on housing.

Table 58
Cost Burdened Ownership Households, 2007
Ouray County Housing Needs Assessment

Percent Income	Households	
	#	%
Less than 10%	11	4.2%
10 to 14%	39	15.1%
15 to 19%	43	16.6%
20 to 24%	39	15.1%
25 to 29%	37	14.3%
30 to 34%	35	13.5%
35 to 39%	22	8.5%
40 to 49%	21	8.1%
Greater than 50%	<u>12</u>	<u>4.6%</u>
Total	259	100.0%
Total Over 30%	90	34.7%

Source: Economic & Planning Systems

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The average home in Ouray County was priced at approximately \$454,489 in September 2007, as shown in **Table 59**. The monthly payment on a home of this price is approximately \$2,870, assuming a 5 percent down payment, a 30-year loan at 7 percent interest rate, and 1 percent of market value in monthly taxes. In order to afford this average home, a household must earn approximately \$131,000 per year, an income that is currently greater than 250 percent of AMI for a 2.5-person household. This is equivalent to one person making \$63 per hour, or two people earning \$31.50 per hour. The average wage in Ouray County, however, is less than \$14 per hour (see **Table 6**).

Table 59
Income Needed to Afford Average Home Price
Ouray County Housing Needs Assessment

	Factor	Amount
Average Sales Price ^[1]		\$454,489
Mortgage Amount	95%	\$431,765
Monthly Payment (30 years, 7%)		\$2,870
Insurance		\$30
Taxes	1%	\$380
Monthly Housing Cost		\$3,280
Income Required	30%	\$131,000
Equivalent Wage		
One Earner	2,080	\$63.00
Two Earners		\$31.50

Source: Ouray MLS; Economic & Planning Systems
 H:\16866-Ouray County Housing Needs Assessment\Data\16866-MLS.xls\IncomeNeed

GAP ANALYSIS & ESTIMATE OF NEED

OWNERSHIP HOUSING GAP ANALYSIS

The housing gap analysis is a way of evaluating how well housing prices match the income distribution of households. The first step in a gap analysis is to estimate how much a household can afford in a housing payment. The second step is to estimate the percentages of housing units that fall within the target price ranges and compare it to the percentages of households within the corresponding income ranges. If there are a higher or equal percentage of housing units compared to households in each range, the housing stock is generally affordable to that income range. If the percentages of housing units are lower compared to households (more households than units at that price), it indicates an affordability gap. The gap analysis provides a gauge of how well the housing stock is matched to local household incomes.

Using a 30 percent affordability standard including insurance and taxes, the net available income to service the mortgage debt is estimated at each AMI level. Using a 7 percent interest rate, a 30-year fixed rate loan, and a 5 percent down payment, the target purchase price by AMI is shown in **Table 60**. At 80 percent of AMI, the target purchase price is \$139,600, and is \$212,600 at 120 percent of AMI. The 80 to 120 percent of AMI range represents the target incomes for entry-level ownership workforce housing.

Table 60
Market Rate Ownership Affordability
Ouray County Housing Needs Assessment

Factor	FY2007 AMI Level					
	31 - 60%	61 - 80%	81 - 100%	100 - 120%	121 - 150%	
Maximum Income ^[1]	\$30,750	\$41,025	\$51,250	\$61,500	\$76,900	
Housing Payment Capacity						
Monthly Payment	30%	\$769	\$1,026	\$1,281	\$1,538	\$1,923
Less: Insurance	\$400 / Year	-\$33	-\$33	-\$33	-\$33	-\$33
Less: Property Taxes	1%	-\$80	-\$110	-\$140	-\$160	-\$210
Net Available for Debt Service		\$655	\$882	\$1,108	\$1,344	\$1,679
Affordability Target						
Loan Amount	7% interest	\$98,500	\$132,600	\$166,500	\$202,000	\$252,400
Loan Term		30 Years	30 Years	30 Years	30 Years	30 Years
Down Payment		5%	5%	5%	5%	5%
Loan : Value Ratio		95%	95%	95%	95%	95%
Target Affordable House Price		\$103,700	\$139,600	\$175,300	\$212,600	\$265,700

[1] Based on a 2.5 person household.

Source: HUD; Economic & Planning Systems

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To illustrate the issue from **Table 60** in more detail, **Table 61** provides an example of what an affordable price might be for a household of two income earners working in different industries, applying the same assumptions from **Table 60**. Household A is composed of a teacher, earning the 2006 average wage of \$25,832 and a retail trade worker earning the 2006 average wage of \$20,088. Combining their incomes, an affordable house would be priced at \$149,500, less than one-third the average available market rate unit from 2006. Household B is composed of one earner working in the Professional & Technical Services industry and one earner also in the Retail Trade industry. This household would be able to afford a house priced at \$245,400, just over half the average priced unit from 2006. Household C is composed of one earner in the Professional & Technical Services sector and one in the Public Administration sector. This household could afford a unit priced at approximately \$225,000. One of the few combinations of a dual wage-earning household (Household D) that could afford the average market rate unit from 2006 is that of two earners working in the Information sector. Even this household falls short of the 2006 average sales price by more than \$75,000.

Table 61
Ownership Affordability for Specific Wage Earners
Ouray County Housing Needs Assessment

Factor	Households				
	(A) ^[1]	(B) ^[2]	(C) ^[3]	(D) ^[4]	
Income					
Wage Earner 1	\$25,832	\$54,564	\$54,564	\$54,564	
Wage Earner 2	<u>\$20,088</u>	<u>\$20,088</u>	<u>\$27,571</u>	<u>\$54,564</u>	
Total Household Income	\$45,919	\$74,651	\$82,135	\$109,128	
Housing Payment Capacity					
Monthly Payment	30%	\$1,148	\$1,866	\$2,053	\$2,728
Less: Insurance	\$400 / Year	-\$33	-\$33	-\$33	-\$33
Less: Property Taxes	1%	<u>-\$120</u>	<u>-\$200</u>	<u>-\$220</u>	<u>-\$300</u>
Net Available for Debt Service		\$995	\$1,633	\$1,800	\$2,395
Affordability Target					
Loan Amount	7% interest	\$149,500	\$245,400	\$270,600	\$360,000
Loan Term		30 Years	30 Years	30 Years	30 Years
Down Payment		5%	5%	5%	5%
Loan : Value Ratio		<u>95%</u>	<u>95%</u>	<u>95%</u>	<u>95%</u>
Target Affordable House Price		\$157,400	\$258,300	\$284,800	\$378,900

[1] Based on the 2006 Average Educational Services job, and Retail Trade job.

[2] Based on the 2006 Average Professional & Technical Services job, and Retail Trade job.

[3] Based on the 2006 Average Professional & Technical Services job, and Public Administration job.

[4] Based on two 2006 Professional & Technical Services jobs.

Source: HUD; Economic & Planning Systems

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The percentage of homes in each target price range is shown in **Table 62** based on an analysis of residential sales in Ouray County in 2006—the most recent year for which a full year of data are available. Approximately 37 percent of the inventory is affordable to households earning up to 150 percent of AMI, and remaining 63 percent is affordable only to households earning above 150 percent of AMI.

Table 62
Market Rate Ownership Supply
Ouray County Housing Needs Assessment

AMI Level	Purchase Capacity		2006 Sales	
	Low	High	#	%
31% - 60%	\$0	\$103,700	8	4%
61% - 80%	\$103,701	\$139,600	12	6%
81% - 100%	\$139,601	\$175,300	28	14%
101% - 120%	\$175,301	\$212,600	15	7%
121% - 150%	\$212,601	\$265,700	13	6%
Greater than 150%	\$265,701	---	<u>130</u>	<u>63%</u>
Total			206	100%

Source: Economic & Planning Systems

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RENTAL MARKET GAP ANALYSIS

The rental market gap is estimated using the same methodology as the analysis of ownership housing. The percentages of rental units available to certain levels of AMI are paired against the percentage of renter households in the County at the same AMI level. **Table 63** shows the affordable rents at each level of AMI, excluding the cost of utilities, and shows the percentage of units in the sample that fall into a certain category. Using the rental statistics available, rents in 91 percent of the units in the inventory are affordable to households at or below 120 percent AMI, and nine percent of the units fall into a category of 121 to 150 percent AMI.

Table 63
Market Rate Rental Supply
Ouray County Housing Needs Assessment

AMI Level	Rental Capacity		2008 Rentals	
	Low	High	#	%
31% - 60%	\$0	\$770	9	26%
61% - 80%	\$771	\$1,030	8	24%
81% - 100%	\$1,031	\$1,280	10	29%
101% - 120%	\$1,281	\$1,540	4	12%
121% - 150%	\$1,541	\$1,920	3	9%
Greater than 150%	\$1,921	---	0	0%
Total			34	100%

Source: Economic & Planning Systems

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Table 64 shows the gap analysis for owner households in Ouray County. The analysis includes all unit types: single family, condominiums, townhomes, and manufactured homes.

The percentage of for-sale housing units available in the categories of 81 to 100 percent AMI and 101 to 120 percent AMI are reasonably matched to the percentage of households in that income category. There are gaps in the supply of housing available in the 31 to 60 percent AMI and 61 to 80 percent AMI categories, but there is an excess in the 120 percent AMI or greater category. The degree to which Ouray households cannot purchase housing without some form of assistance falls between 20 and 30 percent, given that the concentration of gaps occur at 61 to 80 percent and 31 to 60 percent. (The specific percentage of households that fall into these categories is 29 percent.) It is recognized that a significant percentage of households at 100 to 120 percent are also facing a gap, which would increase the number. It should not be overlooked that a substantial number of households in the lower income categories will find rental housing, which will lower the figure. The net analysis indicates that the percentage of households unable to find housing without some form of assistance falls between 20 and 30 percent.

While there is a diversity of price points available in the market, this analysis does not take into account the quality and condition of the housing available at these prices. Anecdotal information indicates that many of the lower priced homes in and around the Town would need thousands of dollars in repairs, updates, and energy efficiency improvements. These are additional costs that make much of the entry-level housing less affordable to the buyers at the margin of ownership and affordability. Furthermore, many of the lower priced homes are small townhomes and condominiums that may not be a practical long-term option for local families.

Table 64
Market Rate Ownership Gap Analysis
Ouray County Housing Needs Assessment

	AMI Level					Totals
	31 - 60%	61 - 80%	81 - 100%	100 - 120%	+ 120%	
Maximum Income ^[1]	\$30,750	\$41,025	\$51,250	\$61,500	\$76,900	---
Target Purchase Price	\$103,700	\$139,600	\$175,300	\$212,600	\$265,700	---
2006 Sales	3.9%	5.8%	13.6%	7.3%	69.4%	100.0%
Ownership Households by AMI	14.1%	11.4%	9.0%	8.5%	48.6%	91.7%
Surplus (+) / Gap (-)	-10.2%	-5.6%	4.6%	-1.2%	20.8%	---

[1] Based on a 2.5 person household.

Source: Ouray MLS; Ribbon Demographics; HUD; Economic & Planning Systems

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Table 65 shows the gap analysis for renter households in Ouray County. This analysis includes only rental households and the available data on the supply of rental units. Because of the limited nature of the data, this analysis is intended to be illustrative of the relationship between the rental supply and the capacity of rental households to afford these rates. Generally, the rental inventory has a range of rents that correspond to the income of renter households. The data do not show how the rents break down by age or size, and based on interviews with community representatives the supply of reasonably priced, newer, high-quality units is very limited, especially those large enough for a family.

It is important to note that the rental data were average and do not represent peak season rents, but an average of year-round renters' rates. The results, as shown in **Table 65**, indicate that the rental market is providing rental units affordable to the renting population. The gap in supply at the AMI level of 120 percent or higher is to be expected, as higher income households tend to shift to ownership housing. The higher incomes allow for greater housing payments and households would likely consider transitioning into ownership housing since this rate is also consistent with some of the more recent monthly mortgage costs reported in the survey (see **Table 28**).

Table 65
Market Rate Rental Gap Analysis
Ouray County Housing Needs Assessment

	AMI Level					Totals
	31 - 60%	61 - 80%	81 - 100%	100 - 120%	+ 120%	
Maximum Income ^[1]	\$30,750	\$41,025	\$51,250	\$61,500	\$76,900	---
Affordable Rental Rate ^[2]	\$770	\$1,030	\$1,280	\$1,540	\$1,920	---
Rental Supply	26.5%	23.5%	29.4%	11.8%	8.8%	100.0%
Rental Households by AMI	25.0%	13.1%	11.7%	8.6%	23.9%	82.4%
Surplus (+) / Gap (-)	1.5%	10.4%	17.7%	3.1%	-15.1%	---

[1] Based on a 2.5 person household.

Source: Ouray MLS; Ribbon Demographics; HUD; Economic & Planning Systems

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ESTIMATE OF HOUSING NEED

There are two components of mitigating housing affordability needs in a community – those units in a recommended program defined to help the community ‘catch-up’ with existing demand, and those defined as needed to ‘keep up’ with future demand for affordable housing. Various findings from the Employer and Household surveys, as well as from other sections of this assessment are used to determine the appropriate levels of both ‘catch up’ units and ‘keep up’.

‘Catch Up’

The quantity of units for helping Ouray County catch up with existing affordable housing demand are defined by unfilled positions (**Table 44**) and a portion of workers that commute (**Table 26**).

According to the Employer Survey, there are currently 15 total unfilled jobs (seven full-time and eight part-time) in a sample representing 347 jobs. Because the total count of wage and salary positions (1,731; see **Table 1**) is five times the sample size, the number of unfilled positions for the entire workforce is estimated to be also five times as large, or 35 full-time positions and 40 part-time positions. The full-time equivalent (FTE) of these positions is 55 (35 full-time plus (40 divided by 2) part-time). As shown in **Table 24**, an average 1.4 jobs per household means that 39 households (55 jobs divided by 1.4 jobs per household) would be needed to satisfy the demand based on current unfilled positions.

The Employer Survey identified that significant portions of Ouray and Ridgway workers are commuting from locations such as Montrose (**Table 26**). As a percentage of all workers represented in that table, 17.9 percent translates to an estimated 310 workers in Ouray County. This total equates to approximately 220 households, using the ratio 1.4 jobs per household. Assuming that half of these commuters would prefer not to commute, a total of 110 households would meet this other portion of existing (catch-up) affordable housing demand. In total, units for an estimated 149 households would suffice the demand to help Ouray County catch up with its existing demand for affordable housing.

‘Keep Up’

The quantity of units that would help the County keep up with its future demands are defined by the number of households generated by future employment growth (**Table 18**). According to the historic rates of employment growth for wage and salary positions (**Table 5**) and the average number of jobs per household, there are a projected 881 new households up to 2015. Assuming that the income distribution for Ouray County (see **Table 55**) remains constant and the distribution of market-rate sales by AMI level (see **Table 62**) remains constant, there is approximately 20 to 30 percent of households remaining (summarized also by the two gap analyses – see **Table 64** and **Table 65**) that can not afford current options. This results in a ‘Keep-Up’ demand for approximately 176 to 264 households. Note that this rate is conservative, as it is based on 2006 data, and that the 20 to 30 percent should be considered a minimum until updated.



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

APPENDIX A: STAKEHOLDER INTERVIEW SUMMARY

STAKEHOLDER INTERVIEW SUMMARY

Dated: November 13, 2007

This memorandum summarizes discussions from the stakeholder interviews conducted by EPS as part of the first phase of the study. The half-hour interviews were focused on the opinions and perspectives of each individual (and/or the groups they represented) on the project goals, objectives, and critical issues to be addressed in the Housing Needs Assessment. Each interviewer used a discussion guide including the five topical questions discussed below. There was some variance in the level of interest and discussion on the five questions based on the differing interests and experience of the interviewees; however, most questions were addressed in each interview. EPS' synopsis of the major themes for each question is presented below.

1. What is the most pressing need, and who warrants attention first?

[Ridgway specific] Nearly all interview participants said that ownership housing addressing the needs of teachers, public employees, police and fire personnel, and service industry workers such as restaurant help and custodial services was the most critical challenge. Nearly all acknowledged the recent local efforts to build affordable housing, but identified a growing need. Many provided examples of the high housing costs relative to incomes for various segments of the community, typically identifying the segment in greatest need from their perspective. Most identified the growing gap between local wages and local housing as a key issue.

Many respondents addressed a broader discussion of the community's economic viability. They expressed their concerns that Ridgway could not remain an economically viable community without adequate housing, because workers essential to the Town's functioning were struggling. Several participants identified the recent River Park affordable housing project as a step in the right direction, and indicated their strong desire to see a more formalized program in the future. They cited examples of the households who had been able to purchase these deed-restricted units, but stated clearly that more needed to be done to balance the community's economic viability.

[Ouray] Respondents in the Town of Ouray described the need for various types of affordable housing options with a sense of urgency. They consistently pointed toward a need to provide affordable ownership housing for teachers, service industry, and public employees, such as fire and police, as the most pressing. An example was made of the very small portion of Town employees who live and own a house in the Town.

Many respondents raised the broader topic of the community's ability to remain economically viable. Some cited stagnating or insufficient average wages that have put ownership housing out of reach of many workers whose wages are not sufficient. Several referenced a tipping point in approximately 2004, after which options for locals became

scarce. Many perceived that the fabric of the community would suffer if current trends continued unmitigated.

The sense of urgency in Ouray was magnified by those participants who expressed a genuine fondness for the community. They described their complete satisfaction with every aspect of Ouray life, but that the cost of housing would be the single force to drive them out. Families with no children or with young children, for example, seem to be having most difficulty finding either affordable rentals or acquiring adequate financing for market rate ownership housing. Many of them need to work multiple jobs in order to cover even rental housing expenditures. Some said that they were seriously considering leaving the community (and region) due to their inability to get a foothold in the community and secure housing.

Finally, it was noted that a convergence of trends could impact Ouray's economy significantly. The opening of more retail stores in Montrose (specifically JCPenney and Target) has made it more difficult to find employees. The emerging trend of fewer local employees residing in Ouray will ultimately diminish the number of spouses and teenage children available for service jobs.

2. Do you attribute growth of the community to local or outside factors?

[Ridgway] Most respondents referenced second homeowners as the primary factor for growth. Some combined early retirees in this group, as both types bring equity from outside the local economy and inflate home prices. All respondents cited the quality of life in their community as the underlying reason for growth. In addition, many identified real estate market trends in other communities, such as Telluride, that have had an impact on the Town of Ridgway.

Its location with respect to surrounding communities makes it an ideal location for families with children, telecommuters, and retirees looking for a lower cost of living with a high quality of life and convenient location to commercial services and schools. Respondents gave examples of both former Telluride residents moving to the community and also of a booming retiree market.

[Ouray] The respondents in the Town of Ouray attributed growth to a combination of local and regional factors, but emphasized that much of the increase in housing costs may be caused by outside factors. While many acknowledged that second homeowners have been in the community for years, they noted an increase in second homeownership. Some suggested that the actual rate is higher than the data that has been published on the topic.

Some respondents observed that there has been an increase in two demographic segments – the affluent retirees and young couples and singles. It was noted that the latter segment

seem to have the mindset that they will be in the Town only temporarily, indicating an acknowledgement of the high cost of housing.

3. If you have had experience with any affordable housing mitigation processes, what has worked and what has not worked in your opinion?

[Ridgway] The respondents who answered this question were either involved in the development, construction, or planning community. Almost all, though, had had direct experience with some kind of mitigation process, and many had progressive ideas about the implementation of future mitigation programs. Some gave specific examples of developer incentives and provisions of deed-restrictions that they viewed as successful or problematic.

Those in the development and construction community agree that incentives are essential to affordable housing projects, *but that the exposure from building these projects was valuable*. All agreed that land prices were increasing as quickly as construction and labor costs, making it extremely difficult to provide affordable units at cost. They viewed incentives that reduced the cost burden to the developer positively – reduction of tap fees, building permit fees, parking requirements, and density bonuses. Others noted that a wider range of unit types could partially address affordability issues, without any direct subsidy from the community. Some saw the implementation of a land trust as useful for affordable housing projects where the Town could acquire or donate the land on which a developer would build the affordable units.

Respondents had strong opinions regarding provisions and the enforcement of deed restrictions on units, but disagreed on certain provisions. Most were in agreement about deed restrictions making place of residence and level of income a requirement, but there were a range of opinions around the issuance of time limits. *Most thought that the current time period of 10 years was insufficient*. All respondents were mindful of the interdependency of certain household incomes, employment sectors and the community's need for those sectors.

The time limit provision that had been applied to recent projects was a point of contention. *Those who viewed this negatively explained that because the affordable units would only be in the market temporarily, those workers who depend on access to affordable housing options would be discouraged from remaining in the community long term*. Those who saw the provision positively explained that it provided a mechanism to get households vested in the real estate market. If a household bought an affordable unit that was capped in perpetuity to a specific rate of inflation, and the cost of market rate housing continued to rise, that household would never be able to vest in market rate housing.

Overall, the responses illustrated a heightened understanding of how the issues and needs can be addressed, especially through deed-restrictions. Their enthusiasm over the

development community's initiative to provide affordable units without regulatory measures further demonstrated community's readiness for affordable housing solutions.

[Ouray] Many stated their support or reluctance to support various types of housing programs. A consistent theme was the desire for programs that could incent the private sector to take action. Few supported the concept of regulatory solutions in the near future.

Respondents gave examples of developer incentives, land trusts, provisions of deed-restrictions, and even ballot initiatives to levy taxes for the benefit of affordable housing that some viewed as successful and some thought were problematic. Others suggested that design standards, such as greater density, a mix of uses, or taller buildings, could contribute to the housing solution. Developer incentives would be instrumental in enabling the development community to respond more to the need for affordable housing. Construction costs have increased greatly in the recent past, making it more difficult for a unit priced even at cost to be affordable.

A land trust of city-owned property was suggested by some as either a funding source or a resource itself to benefit affordable housing initiatives. The development community recognizes that the cost of land has become prohibitively high and if mitigated through a land trust, could reduce the cost to the consumer. In this example, the land trust would be used in concert with standards that target specific household income levels and require local employment and residency.

The recent example of a ballot initiative to increase the lodging tax was cited by a few participants. The community decision was not necessarily seen as a lack of support for affordable housing, but an example of a concentration of the problem on a limited sector of the community that ultimately eroded support.

The existing local affordable housing example cited most often was the project along the river that includes approximately one-third deed-restricted units. Those respondents familiar with the project spoke highly of it and would encourage more of that type development to occur. Those participants in need of affordable housing said that while pricing of those units was substantially better than current market rate listings, they could still not afford the units.

4. What type of an authority should administer an affordable housing program?

[Ridgway] Most respondents indicated that the recently created multi-jurisdictional housing authority would be appropriate for a number of possible reasons. It was noted by one representative that the mission of a previous housing organization was too broad, as it covered all of Region 10 with a wide disparity of income ranges. The solution, from this individual, was to establish an organization whose focus was solely on Ouray County. *Some cited examples of other regions attempting to restart their housing authorities as evidence of a growing interest to adopt programs.* Most viewed it as an opportunity to generate funding for affordable projects from a number of communities to benefit those that needed it most. Others stressed the importance of the ability of an authority to enforce regulatory measures such as the deed-restrictions.

[Ouray] Those respondents familiar with housing programs suggested a range of possibilities for administration structures. Some indicated that a regional structure would have greater support than a Town-sponsored housing authority, given the historical distrust of the City.

Some suggested that the City could take an active role by transferring currently held sites to the development community for housing projects. It could also consider acquiring sites for future development. The City's role could apply to providing sites for housing or using the sales proceeds to fund other housing projects.

5. How will you know that this study has been a success?

[Ridgway] The responses to this question were the most variable of all of the questions. Answers ranged from providing for specific demographic segments to providing specific program strategies and draft ordinances.

The issue of providing for teachers seemed to be at the heart of their concerns. Most gave specific community examples of teachers who had moved elsewhere because of the cost of housing. For those who viewed this as the crucial issue, they felt that any program that enabled more of their community's teachers and service sector workers to remain would indicate a successful program.

Those participants who desired to see program strategy ideas for implementation and draft ordinances were also interested in seeing concrete examples of successful programs from peer communities. An inclusionary housing ordinance was one example of a regulatory solution that some viewed as feasible. Some went into more detail of *design than others*, suggesting that the quality of affordable units should be a reflection of the quality of units in the rest of the community.

Many felt that the study would be successful if the information can be used by local organizations and implemented. Examples include providing direction and clear roles for the newly formed joint housing authority, the business communities in Ridgway and Ouray, as well as the local governments. One community member defined success as empowering people who will be creating the housing inventory.

[Ouray] Responses centered on a need for more information and greater clarity. A few stated that because people in the community did not completely understand affordable housing programs, that defining the scope and purpose of a variety of programs would be useful. The respondents also consistently stated their desire to see quantified results from the housing needs assessment.

Among the details mentioned, many mentioned a desire to see how specific owner and renter profiles from the community could be served by specific housing programs. Moreover, there was a desire to understand the hierarchy of needs, including an assessment of ownership versus rental units, and seasonal workers versus year-round resident needs. In the long run, success will be seen as locals will have opportunities to find housing and become vested in the community.

Some in the community even noticed that the rate of volunteerism had diminished as a result of increased vacant units. As the increased cost of housing pushes locals out, the number of people capable and willing to volunteer decreases. Those who were committed to maintaining the existing level of volunteerism see that more affordable housing could support the volunteer base.



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APPENDIX B: HOUSEHOLD SURVEY

HOUSEHOLD SURVEY

1. Do you live in or nearest to:

- Ouray
- Ridgway
- Log Hill Mesa
- Montrose
- Telluride
- Colona
- Other area _____

2. Do you live within town or city limits, or in unincorporated areas of the County?

- Inside Town Limits
- Unincorporated Ouray County

3. How long have you lived in Ouray County?

- Less than one year
- 1 to 3 years
- 4 to 6 years
- 7 to 9 years
- 10 to 19 years
- 20 years or more

4. Please describe your local status:

- Year round resident
- Second home owner or part-time resident
- Seasonal worker

5. If you are a part-time resident in Ouray County, how much time do you spend in Ouray County each year?

- Does not apply to me
- 4 weeks or less
- 1 to 3 months
- 4 to 6 months
- 7 to 9 months
- 10 months or more

6. Is your residence:

- Owned by you or a family member
- Rented from a landlord
- Other _____

7. Which best describes your type of residence?

- Apartment
- Mobile Home
- Manufactured Home (set on a foundation)
- Single-Family Home
- Townhouse/Duplex
- Condominium
- Home on rural acreage (2+ acres)
- Home on large acreage (35+ acres)
- Other _____

8. How many rooms in your home are:

Designed as bedrooms.....	0	1	2	3	4+
Used as bedrooms	0	1	2	3	4+

9. Which of the following best describes your household?

- Adult living alone
- Single parent with children
- Couple, no children
- Couple with children
- Unrelated roommates
- Immediate family plus extended family members

10. Circle the number of people of the following ages living in your home (including yourself):

Under 5.....	0	1	2	3	4	5	6+
5 – 12.....	0	1	2	3	4	5	6+
13 - 18.....	0	1	2	3	4	5	6+
19 – 24.....	0	1	2	3	4	5	6+
25 – 54.....	0	1	2	3	4	5	6+
55 – 64.....	0	1	2	3	4	5	6+
65+.....	0	1	2	3	4	5	6+

11. When did you move into your current residence?

- 1 year ago or less
- 2 years ago
- 3 years ago
- 4 to 5 years ago
- 6 to 10 years ago
- 10+ years ago

12. When you first moved into your community were you able to find a reasonably priced home?

- Yes No

13. When you moved into your current residence, did you have a reasonable number of options to choose from?

- Yes – many options
- Somewhat – few options, but enough to provide good alternatives
- Not enough – options were limited
- No – the options were highly limited

14. What is your total monthly RENT and/or MORTGAGE PAYMENT?

- \$_____/month
- Do not pay rent or mortgage
- Mortgage paid off

15. What is the approximate average monthly cost of household utilities (including gas, electricity, water, trash/recycling, but not phone or cable TV)?

- \$_____/month
- Included in rent

16. If you have wanted to buy a home but have not done so, why not? (Mark all that apply.)

- Total cost too high
- Lack adequate down payment
- Can't qualify for a loan
- Have poor credit
- Housing that I can afford is not what I want to buy
- Cheaper to rent
- Intimidating loan process
- Other_____
- Does not apply to me

17. Please describe your employment status

- Proprietor/self-employed
- Employed by others
- Not employed → Go to Question 25

18. How many jobs are held by those living in your household?

	<u>Full Time</u>			<u>Part Time</u>		
Year round (10+ months)...	0	1	2+	0	1	2+
Summer	0	1	2+	0	1	2+
Winter.....	0	1	2+	0	1	2+

19. How far do you usually travel to work, ONE WAY?

- Less than 1 mile
- 1 to 4 miles
- 5 to 9 miles
- 10 to 24 miles
- 25 to 49 miles
- 50 miles or more

20. Town or city closest to your location of primary employment:

- Ouray
- Ridgway
- Log Hill Mesa
- Montrose
- Telluride
- Colona
- Other area_____

21. What best describes your primary job: (Mark only one.)

- Farm/Ranch/Natural Resources (non-government)
- Mining
- Artist or Craftsman
- Restaurant/Bar
- Lodging/Accommodations
- Recreation (also Ski area employee, Lift Operator)
- Construction
- Manufacturing
- Healthcare
- Retail (groceries, gas station, clothing, etc.)
- Services (day care, auto repair, beauty salon, housekeeping, etc.)
- Finance/Banking/Real Estate/insurance
- Professional employment (Law, Medicine, Religious, Engineering, etc.)
- Education
- Government (Local, State, County, or Federal)

22. Are most of your primary job responsibilities and/or customers located in Ouray County?

- Yes No

23. A "Lone Eagle" can be defined as someone who chooses to live in a rural or mountain community but maintains their job and contacts with clients or customers, who are often outside the region, through the Internet, fax machines, airline travel, or cell phones. Does this describe you?

- Yes No

24. Do you own (or are you a part owner in) a business in Ouray County?

- Yes No

25. What is the condition of your home?

- Excellent
- Good: needs minor repairs costing \$5,000 or less
- Fair: needs substantial updates or repairs costing \$6,000 to \$20,000
- Poor: needs major repairs costing more than \$20,000

26. Which best describes your satisfaction with the housing unit in which you live?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

27. If somewhat or very dissatisfied, why is that? (Mark all that apply.)

- Too small
- Home in poor condition
- High maintenance
- Too expensive
- Too expensive given quality/condition
- Overcrowded
- Too old
- Want a different type of home
- Too far from work

28. What is your gross annual household income (total income for all household members before taxes)?

\$ _____

29. What is your primary source of income (Mark all that apply):

- Job
- Unemployment
- Retirement pension
- Social security
- Investments (real estate, stocks, bonds, not incl. retirement pension)
- Other: _____

30. Approximately how much do you have available for a down payment (Include the portion of home equity you could spend on a down payment if you would sell a home you now own.)

\$ _____

31. How would you rank the problem of affordable housing for people who live in San Juan County?

- One of the more serious problems in the County
- A problem among others needing attention
- One of our lesser problems
- I don't believe it is a problem

32. If additional resources are made available for housing, how should they be allocated?

- Rental units
- Ownership housing
- Both
- None of the above

33. After reviewing the following statements, please indicate how accurately each reflects your opinion of the housing conditions in Ouray County:

	Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree	Don't know
There is a need for affordable RENTAL housing	1	2	3	4	5
There is a need for affordable FOR SALE housing	1	2	3	4	5
If left alone, market forces will adequately address housing and employment needs	1	2	3	4	5
Local government should help provide solutions for affordable housing shortages	1	2	3	4	5
There is a need to find ways to encourage youth and young adults to stay in or return to Ouray County	1	2	3	4	5
Portions of new developments should be required to have affordable housing	1	2	3	4	5
Incentives for new development to include affordable housing are needed	1	2	3	4	5
A local revenue source dedicated to affordable housing is needed	1	2	3	4	5
There should be some housing open only to local residents and local employees	1	2	3	4	5
There is a need for housing for entry level workers.....	1	2	3	4	5
There is a need for housing for mid-level workers	1	2	3	4	5
There is a need for housing for seasonal workers	1	2	3	4	5
There is a need for senior affordable housing	1	2	3	4	5
Essential community workers need housing they can afford (such as teachers, police, emergency personnel, etc.)	1	2	3	4	5



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APPENDIX C: EMPLOYER SURVEY

EMPLOYER SURVEY

1. Are you active in any of the following Chambers of Commerce?

- Ouray
- Ridgway
- Montrose
- Telluride
- Colona
- Other area _____

2. Describe your type of business.

- Mining
- Artist or Craftsman
- Restaurant/Bar
- Lodging/Accommodations
- Recreation (also Ski area operations)
- Construction
- Manufacturing
- Healthcare
- Retail (groceries, gas station, clothing, etc.)
- Services (day care, auto repair, beauty salon, housekeeping, etc.)
- Finance/Banking/Real Estate/insurance
- Professional employment (Law, Medicine, Religious, Engineering, etc.)
- Education
- Government (Local, State, County, or Federal)
- Farm/Ranch/Natural Resources (non-government)

3. Where is your business located? (For multiple locations, check all that apply)

- Ouray
- Ridgway
- Log Hill Mesa
- Montrose
- Telluride
- Colona
- Other area _____

4. To the best of your knowledge, where do your employees live?

_____ #	Ouray
_____ #	Ridgway
_____ #	Log Hill Mesa
_____ #	Montrose
_____ #	Telluride
_____ #	Colona
_____ #	Other

5. How long has this business been operating in County (under both current and previous ownership)?

- Less than 2 years
- 2 to 5 years
- 5 to 10 years
- 10 to 20 years
- More than 20 years

6. Number of employees at all County locations (Include yourself and all other owners):

NUMBER OF EMPLOYEES	YEAR-ROUND	SEASONAL: SUMMER ONLY	SEASONAL: SKI SEASON ONLY
Full-time			
Part-time (less than 30 hrs/wk)			
TOTAL			

7. If you consider your business to be seasonal, how many of your employees typically return for multiple seasons?

Returning _____

8. Approximately how many of your employees have been employed at your business for:

- _____ # Less than one year
- _____ # 1 to 2 years
- _____ # 3 to 5 years
- _____ # 5 to 10 years
- _____ # 10 years or more

9. How does the number of employees you have today compare to the number of employees you had 5 years ago?

- More employees today than 5 years ago (approx. # _____)
- Fewer employees today than 5 years ago (approx. # _____)
- No change
- N/A - not in business for 5 years

10. Within one year, do you plan to:

- Increase your number of employees
- Reduce your number of employees
- Stay about the same
- Don't know/Unsure

11. How many jobs at your business are currently open/ unfilled?

Full-time _____
 Part-time _____
 Total _____

12. If you will be hiring more employees, how many employees will you hire and what types of jobs?

Type	Number of Employees
Full-time	
Part-time (less than 30 hrs/wk)	
TOTAL	

13. If you have changed the number of employees, please choose ONE main reason why there has been a change:

- Fewer customers. Reduction in sales activity. Less business.
- More customers. Increase in sales activity. More business.
- Reduced the size of space in which you do business
- Increased the size of space in which you do business
- More employees in the same space
- Other (Please describe) _____

14. Please quantify your level of employee turnover and unfilled jobs over the past two years that you can attribute to a housing related problem (for example, the inability to find adequate housing, long commutes, high cost, limited housing options, etc.)

Number of unfilled jobs _____
Number of employee turnover/leaving positions _____

15. Do you currently offer housing or a housing allowance to your employees?

- Yes
Employees _____
\$ per Employee _____
- No

16. How many of your current employees do not speak English as their primary language? _____

17. What is the net square footage of your business in all Ouray County locations? (The area in which the actual retailing, dining, repair, service, or office activity occurs. Net square footage does not include hallways, bathrooms, walls, or storage areas not associated with the business activity.) Please estimate your space as accurately as possible.

_____ SF _____ Unknown

18. In the future, would you be willing to assist with or participate in a program for providing housing for local employees?

- Yes, for my employees only
- Yes, for any employee in the county/community
- No
- Uncertain

19. How would you rank the problem of affordable housing for people who live in Ouray County?

- One of the more serious problems in the County
- A problem among others needing attention
- One of our lesser problems
- I don't believe it is a problem

20. Please rate the level of priority that should be placed on creating the following types of housing for employees

	Strongly <u>disagree</u>	Somewhat <u>disagree</u>	Somewhat <u>agree</u>	Strongly <u>agree</u>	Don't <u>know</u>
A) Entry Level for Sale Housing	1	2	3	4	5
B) Move-up for sale housing (for current homeowners needing a larger or newer home (e.g., increasing family size, etc.).....	1	2	3	4	5
C) Rental Housing	1	2	3	4	5
D) Seasonal Housing.....	1	2	3	4	5
E) Other	1	2	3	4	5
If Other, please describe					