



November 15, 2022

THE HOUSING AFFORDABILITY PROBLEM

The Dolores Town Board, previous and current, identifies housing affordability as a priority community issue. The Dolores Town Board believes that it is important that the people who serve our community including hourly employees, service industry, law enforcement and fire personnel, construction workers, public lands workers, teachers and other essential workers have the option to live in the community they serve. Sheriff Steve Nowlin, Fire Chief Mike Zion, Dolores Schools Superintendent Reece Blincoe and the USDA Forest Service District Ranger have all stated that finding affordable housing has become a disincentive for individuals and families when trying to hire law enforcement personnel, volunteer fire personnel, teachers and public lands personnel. The Forest Service District Ranger states “Where we are really seeing an impact is in the number of candidates that are applying for jobs. We used to get 15-30 applicants for our positions, but now we are lucky if we can get 2-5 applicants, and it is mostly related to housing costs. For entry level positions, it is a challenge to find affordable housing here”. In the 2022 Dolores community survey, 74% of respondents agreed that the town should address the lack of affordable housing.

Background Information: Identifying a Need

1. Montezuma County experienced the most dramatic increase in housing costs between 2019 and 2022, an 84% increase. (Source: Montezuma County Roadmaps to Recovery project)
2. In Dolores, the Medium home price is \$379,000. The annual income needed to support this type of purchase is estimated at \$72,633. The average teacher salary at Dolores 4A is \$41,006. With current housing trends, this salary is not enough to make housing rental or ownership attainable for single earner households and families in a similar income bracket. Income in Colorado significantly lags behind housing price increases.
3. Greatest Barriers to Housing Needs
 - Lack of/**limited interest by private sector** to build affordable housing
 - Lack of money/funding to address housing needs
 - High Cost of **building materials**
 - Limited willingness **of leaders** to make bold changes
4. Attainable workforce housing is defined by the Colorado Department of Local Affairs **in the statute “as up to 80% Average Median Income (AMI) for rental housing and up to 140% AMI for affordable homeownership”**. The Town of Dolores may want to limit the goal audience to 120% AMI.



Montezuma County Area Median Income for 2022: \$64,300 (Source: US Housing and Urban Development)

80% AMI-\$51,440

120% AMI-\$77,160

The recipients of the affordable housing project are directed at those in the workforce and NOT the very low-income populations. While large problems exist for those very low-income populations, there are other existing programs that serve those populations such as the Montezuma County Housing Authority.

MISSION, PURPOSE AND INTENT

The mission of the Dolores Affordable Housing program is to research and recommend opportunities for individuals and families in the workforce who desire to live in Dolores, and participate in the community, to afford a home. The recipients are those individuals and families whose earned income is up to 80% Average Median Income (AMI) for rental housing and up to 120% AMI for affordable homeownership.

1. A diversity in housing options benefits community vitality and health.
2. Housing affordability can be diverse. There are many options with minimal fiscal impact. Many other Colorado communities have implemented successful housing affordability programs that fit both the need and character of a community.
3. The Dolores Town Board is committed to continue an evaluation of the community's housing affordability needs. This includes assessing and implementing potential programs or packages of programs to address these needs.
4. The Dolores Town Board has created a Housing Task Force whose purpose is to:
 - a. work with the Town Manager and any consultant employed by the Town to implement and receive the maximum benefit from opportunities like the Housing Strategies Planning Grant;
 - b. assess the current and projected availability of and need for a diversity of housing options in Dolores;
 - c. identify any key gaps, and promptly work to fill those gaps;
 - d. develop a long-term Attainable Workforce Housing Plan for the Town of Dolores; and,
 - e. make recommendations to the Board of Trustees and Planning Commission, which may include, but are not limited to: research and findings, a range of options to promote attainable



housing; amendments to the current Land Use Code and Municipal Code that would promote affordable housing; grant and funding opportunities; identify vacant Town properties that may be suitable locations for affordable housing; and any other recommendations pertaining to the committee's purpose and goals.

Progress to Date

1. The Town of Dolores acquired a \$20,000 Housing Strategies Planning grant from the Department of Local Affairs and the town has committed to \$10,000. The town proceeded to solicit a Request for Qualifications from consultants/developers who focus on affordable housing projects.

2. Two consultant firms responded to the Town's Request for Qualifications. The Housing Task Force recommended selecting Rural Homes: For Sale for Locals LLC and the Dolores Town Board approved the recommendation. Rural Homes will work with the Task Force. The Rural Homes contract includes the design and planning for an affordable housing project on a Town owned property. This scope of work includes the analysis of land parcels that could be donated for affordable housing, a proposal and framework to select a site, the coordination of Environmental Engineering Phase 1, Geotechnical Engineering Soil Study, Schematic Civil Engineering, and an Existing Conditions Survey.

Rural Homes will develop a sketch plan proposal for an Affordable Housing Project using the compiled information. This sketch plan will include a site plan, project renderings and a project development budget.

3. Town staff and the Task Force will develop a plan for citizen participation.

4. The Town of Dolores has hired Community Recode to work with the Task Force to:
 - Identify preferred updates to the Land Use Code in alignment with the Colorado Department of Local Affairs Innovative Affordable Housing Strategies, and
 - Draft and revise the Land Use Code updates with guidance from the Task Force.