Draft Report

Housing Needs Assessment

Routt County

Draft Report

September 18, 2009

Routt County Housing Needs Assessment

Prepared for

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EXECUTIVE SUMMARY

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Routt County Housing Needs Assessment

This Executive Summary contains the primary research findings from the Routt County housing needs assessment, conducted by BBC Research & Consulting (BBC) in late 2008 and early 2009. The study was funded by the Colorado Division of Housing (CDOH) and led by the Yampa Valley Housing Authority (YVHA).

The purpose of this needs assessment is to answer the following questions:

> How have housing prices—both rental and for sale—changed in Routt County during the past 10 years?
>
> Can the average-wage worker afford to rent in Routt County? Can they afford to buy a home?
>
> What is the affordable housing like in Routt County, in terms of product type, location and size?
>
> Where are the biggest gaps in supply and demand for housing?
>
> How many housing units are needed to house future workforce?

Methodology

The primary data and information sources used in the study include the following:

- Population and household levels, housing units and vacancy rates from the State of Colorado, Department of Local Affairs;
- Social and economic information from the Census' 2007 American Community Survey (ACS) three year estimates;
- Rental data from ACS and survey research;
- Data on subsidized rental units from the Yampa Valley Housing Authority;
- Data on home resales from the Multiple Listing Service and County Assessor (provided from the RCLCO study, see below);
- Focus groups conducted with seniors and Hispanic/Latino workers; and
- Data from a housing needs survey distributed to Routt County residents.

We also incorporated data from a housing market study conducted by Robert Charles Lesser & Company (RCLCO) in spring and summer of 2008. This study included a large survey of residents in Steamboat Springs to determine the demand for workforce housing in the City.

First, Some Demographics

Reviewing a County's demographics and economic base as part of a housing study is important because:

- Demographics can influence housing choices and needs. Single people are more likely to rent and live in smaller, more dense housing. Families are more likely to prefer larger units, single family detached homes, often near desirable schools.
- As households age, their likelihood of becoming disabled increases. Seniors, particularly those over the age of 75 years, may need accessibility improvements to their homes. They might also seek out more dense living arrangements to eliminate yard care (e.g., condos or patio homes) or assisted living facilities.
- Income levels determine what households can afford to pay in rent or mortgage costs, and geographically where households can live.
- The types of jobs available in communities and their wage rates, relative to housing costs, determine if residents can live and work in the same community.

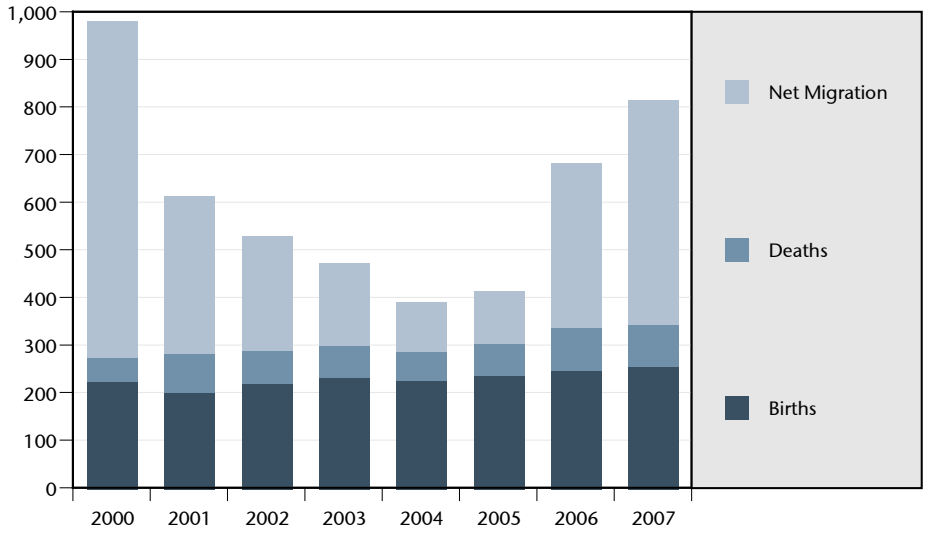
Population. As of July 2007, the Colorado State Demography Office estimated the population of Routt County at 23,060 people. Steamboat Springs is by far the largest incorporated area in the County, making up about half of the County's total population as of July 2007.

Population in Routt County has grown by 3,370 people since April 2000, or by 2.3 percent per year. On average, Routt County added 481 people per year between 2000 and 2007.

Net migration—more people moving into the County than moving out—has been the biggest factor for the County's growth swings, as demonstrated by the following exhibit.

Exhibit ES-1. Drivers of Population Growth, Routt County, 2000 to 2007

Source:
Colorado State Demographer.

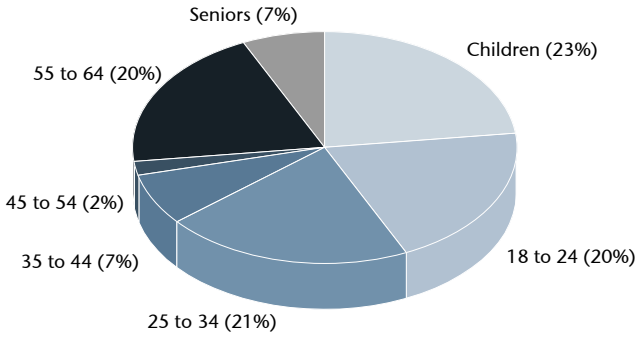


Key household characteristics. Most of Routt County's residents are married couples and households with children. Almost 25 percent of the County's households are single people or people living with roommates. About 10 percent of Routt County residents between the ages of 16 and 64 have a disability.

Contrary to the typical image of persons living in poverty in resort communities—that they are mostly young, temporary workforce with parental support—Routt County's poor are also made up of children and seniors. As shown below, children make up 23 percent of the County's poor; 27 percent are seniors. Persons between the ages of 18 and 34 make up 41 percent.

Exhibit ES-2.
Poverty by Age, 2007

Source:
American Community Survey, 2005-2007.



Overall, poverty is low in the County, with 6 percent of residents living below the poverty line.[1]

Employment. Routt County's unemployment rate as of June 2009 was estimated at 7.7 percent by the Colorado Department of Labor & Employment—more than double the rate in June 2008.

This increase was driven by slowdowns construction, services and retail trade—the County's primary employment sectors. Despite the County's efforts to diversify its economy, Routt County, like most resort communities, remains very dependent on construction, recreation and tourism, as demonstrated by the following exhibit.

Exhibit ES-3.
Dominant Employment Industries, Routt County, 2007

Source:
Colorado State Demographer.

	Percent of all jobs
Construction	18%
Accommodation and food services	11%
Retail Trade	10%
Government	9%
Arts	7%
Health services	7%
Real estate	7%
Professional and business services	6%
Other services	6%
Percent of all jobs—above industries aggregated	**81%**

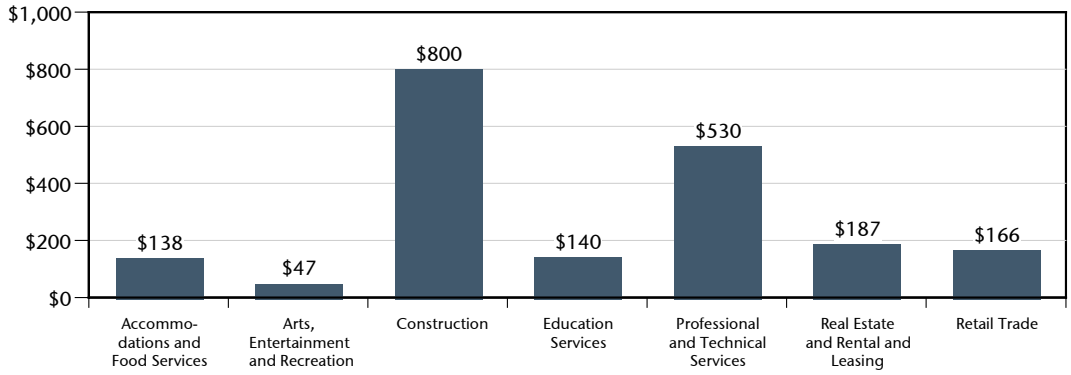
[1] Poverty is defined as roughly $20,000 and less for a family of four.

Since 2000, wages have increased slightly in the County, but not enough to keep up with the triple percentage point increases in housing costs. According to the Department of Labor & Employment, the average weekly wage for Routt County in 2nd Quarter 2008 was $738. This would be equivalent to $18.45 per hour or $38,376 per year, assuming a 40-hour week worked all year.

Industries that have experienced very little wage increases since 2000 include Arts, Entertainment and Recreation; Educational Services; Retail Trade; and Accommodations and Food Services—all important contributors to County employment. In contrast, employees in construction and professional and technical services saw big gains in income, at least through 2008.

Exhibit ES-4 compares these wage increases.

Exhibit ES-4.
Increases in Average Weekly Wages by Major Employment Sectors, Routt County, 4Q 2000 to 4Q 2008



Source: Colorado Department of Labor and Employment.

The Cost of Housing

There were almost 3,500 more housing units in Routt County in 2007 than in 2000 (31 percent increase). Of these new units:

- 65 percent were built in Steamboat Springs
- 27 percent were built in unincorporated Routt County
- Many are seasonal units. Vacant units made up 61 percent of the change in units between 2000 and 2007. The County's overall vacancy rate rose from 29 percent in 2000 to 37 percent in 2007, as shown below.

Exhibit ES-5.
Change in Housing Units and Vacancies, 2000 to 2007

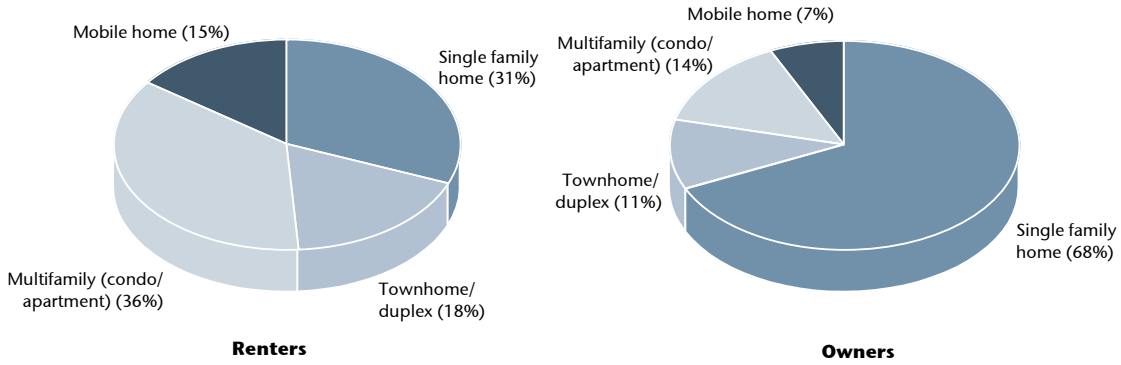
	Total Housing Units		Numerical Change	Percent Change	Occupied Housing Units		Vacant Housing Units		Vacancy Rate	
	2000	*2007*	*2000 to 2007*	*2000 to 2007*	*2000*	*2007*	*2000*	*2007*	*2000*	*2007*
Routt County	**11,217**	**14,679**	**3,462**	**31%**	**7,953**	**9,289**	**3,264**	**5,390**	**29%**	**37%**
Hayden	670	805	135	20%	626	703	44	102	7%	13%
Oak Creek	446	545	99	22%	372	420	74	125	17%	23%
Steamboat Springs	6,381	8,641	2,260	35%	4,089	4,784	2,292	3,857	36%	45%
Yampa	214	258	44	21%	183	213	31	45	14%	17%
Unincorporated	3,506	4,430	924	26%	2,683	3,169	823	1,261	23%	28%

Source: U.S. Census Bureau and Colorado Department of Local Affairs.

Although much of the construction in the County in the past decade has been in multifamily dwellings, detached, single family units remain a very popular choice with both owners and renters. Our survey data showed that residents prefer to live in single family units, even if this means they can't live in their location of choice.

The market currently reflects these preferences: 68 percent of owners live in detached, single family homes; just 14 percent live in condos. Thirty-one percent of ***renters*** live in single family homes, which is not much less than the proportion of renters living in multifamily units (36 percent).

Exhibit ES-6.
Types of Units Renters and Owners Live In, Routt County, 2007



Source: American Community Survey, 2005-2007.

However, given the limited supply of detached homes in the County, future workforce will need to adjust their preferences to afford to live in the County, especially Steamboat Springs.

Recent price increases. Routt County has seen a substantial increase in for sale home prices, especially relative to income gains and rental increases. In 2000, the median value of a home was $268,500. In 2008, the median value was estimated at $470,000—an increase of $201,500 (75 percent).

In 2008, a household would need to earn about $65,000 more to be able to afford the median priced home than they would have needed to earn in 2000. The median household income of Routt County households has increased since 2000—but only by $9,141 (or about $1,305 per year). By comparison, the median rent has increased by just $38 during the same time period.

Exhibit ES-7 below compares the change in the median prices of for sale and rental units with the change in the median income of households in Routt County.

Exhibit ES-7.
Rise in For Sale Housing v. Income Increases, 2000 to 2008

Source:
BBC Research & Consulting.

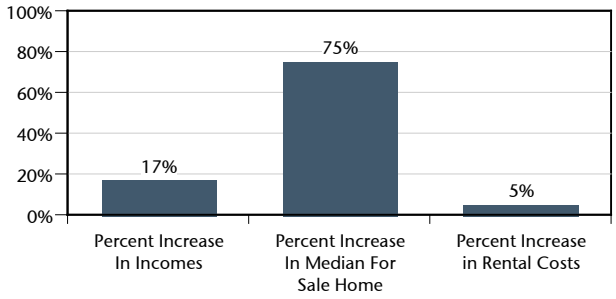


Exhibit ES-8 shows how prices have changed since 1998 (10 years ago) and 2003 (5 years ago) for single family detached homes, condos and townhomes. Every community except for Yampa has seen prices more than double and triple (and, for single family homes in Yampa, prices almost doubled).

The price increases in Oak Creek (for single family homes and condos) and Hayden (for townhomes) are particularly telling. The dramatic rise in prices suggests that as Steamboat Springs became less affordable for buyers wanting single family detached and townhome units, demand for such products grew in these communities.

Exhibit ES-8.
Price Changes in Routt County, 1998, 2003 and 2007

Median Price	1998	2003	Percent Change 1998—2003	2008	Percent Change 2003—2008	Percent Change 1998 —2008
Single Family Homes						
Hayden	$115,500	$161,500	40%	$277,500	72%	**140%**
Oak Creek	$91,213	$142,500	56%	$345,000	142%	**278%**
Steamboat Springs	$269,500	$402,000	49%	$753,000	87%	**179%**
Yampa	$105,000	$99,000	-6%	$199,000	101%	**90%**
Unincorporated Routt	$180,000	$277,000	54%	$410,000	48%	**128%**
Condominiums						
Hayden	N/A	N/A	–	N/A	–	–
Oak Creek	$55,000	$86,500	57%	$184,000	113%	**235%**
Steamboat Springs	$143,900	$200,000	39%	$350,000	75%	**143%**
Yampa	N/A	N/A	–	N/A	–	–
Unincorporated Routt	$95,500	$120,000	26%	$205,000	71%	**115%**
Townhomes						
Hayden	$32,500	$136,700	321%	$145,000	6%	**346%**
Oak Creek	$93,500	$145,000	55%	$270,000	86%	**189%**
Steamboat Springs	$218,500	$290,000	33%	$586,500	102%	**168%**
Yampa	N/A	N/A	–	N/A	–	–
Unincorporated Routt	$60,000	$98,500	64%	$173,250	76%	**189%**

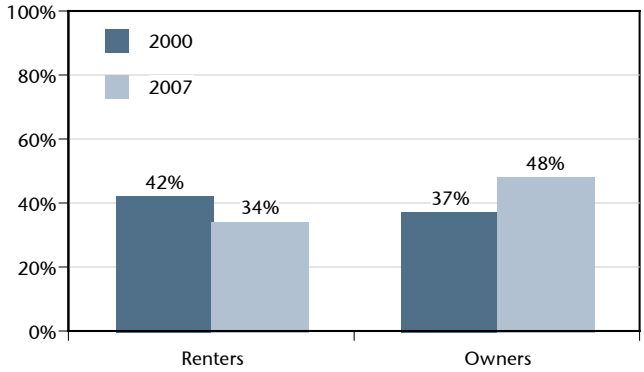
Note: N/A indicates that there were not enough sales available to report data.
Source: BBC Research & Consulting using County Assessor's data from RCLCO.

Cost burden increases. As for sale housing prices have risen, "cost burden"—when a household pays more than 30 percent of their household incomes in housing costs—has increased. Cost burdened households are more vulnerable to evictions and foreclosures than are households who are not cost burdened.

The level of cost burden in Routt County is much higher for owners than for renters. Cost burden increased dramatically for owners during this decade, when for renters it declined, as shown below.

Exhibit ES-9.
Cost Burden for Renters and Owners, 2000 and 2007

Source:
Colorado Department of Local Affairs.



Workforce affordability. Workers who want to buy a single family home in Routt County have very limited options in the open market unless they make more than $75,000, desire a small condominium or mobile home or have a substantial amount of money to put down to lower their mortgage payment on a townhome, medium- to large-size condominium or single family home.

And, finding an affordable detached single family home in Steamboat Springs is particularly difficult. In 2007, there were only 2 homes priced under $400,000 sold through the Multiple Listing Service (MLS) in Steamboat Springs. Conversely, the vast majority of affordable condos are located in Steamboat Springs. These units have much deeper levels of affordability but are generally small (studios or 1 bedrooms with less than 600 square feet) and difficult for larger households to occupy. Mobile homes are the other affordable alternative. Steamboat Springs' affordable housing stock is currently more oriented towards single people living with roommates or couples not planning to expand their household size.

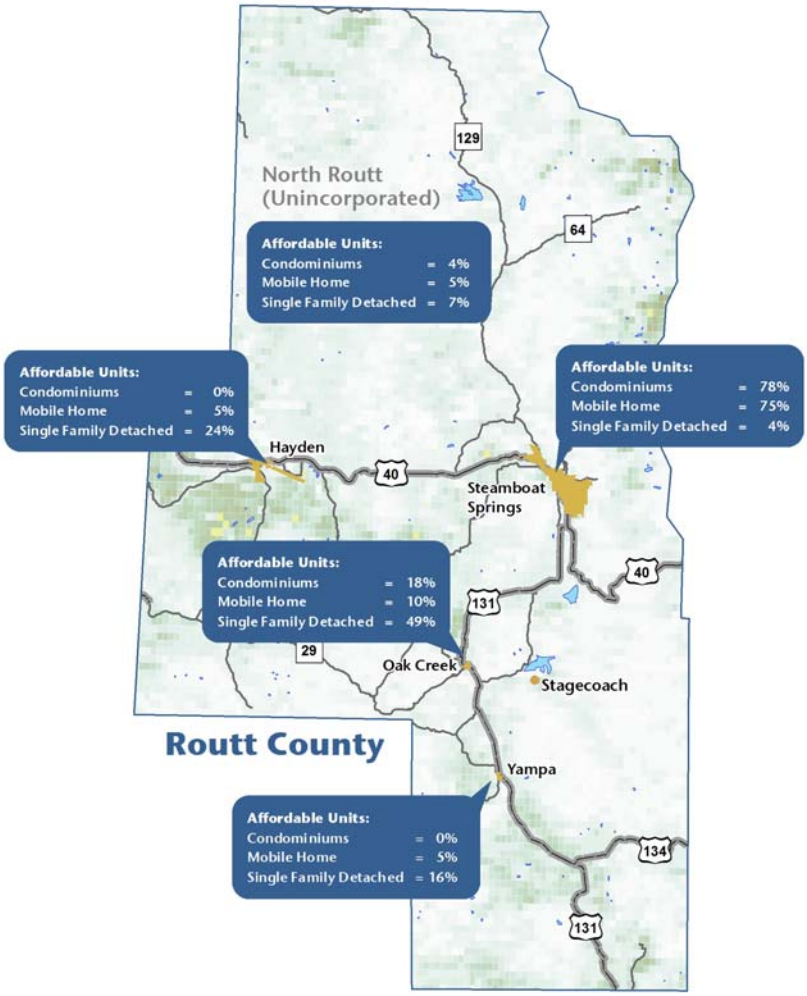
What is affordable to the average-wage, two-worker household (earning $38,376 each worker)? Exhibit ES-10 shows the type of units and location that a two-worker household earning the average wage could afford to buy. The exhibit shows the geographic distribution of affordable units by housing type. For example, of all of the affordable condominiums available, 78 percent are in Steamboat Springs.

In sum, these choices include:

- Small condo or mobile home in Steamboat Springs.
- Medium size condo in Hayden.
- Older, small single family homes in Oak Creek and Hayden.

Exhibit ES-10.
Percent of Affordable Units to Average Worker Household, Routt County 2007

Source:
BBC Research & Consulting using County Assessor's data from RCLCO.



Why workers may leave the County. Almost one-third of the renters in the surveys conducted for this study had families; one-third of the workers in the RCLCO survey were couples with children at home. Another 7 percent were couples planning to have children.

Having children is one of the reasons that cause workers to rethink staying in the Steamboat Springs area. Affordable housing that is sized for families and near work is difficult to find. Working 1.2 jobs becomes increasingly difficult—although more economically necessary—when children are in the picture.

As these workers leave the workforce to move elsewhere, the economy in Routt County may become increasingly dominated by younger workers without family commitments, older workers in semi-retirement and temporary/foreign workers—people for whom housing is easier to find because 1) They already own housing in the area, or 2) They are willing to rent and live in smaller units.

Market Imbalance

A modeling effort called a "gaps analysis" was conducted to pinpoint areas in the Routt County housing market that are out of balance. This modeling effort found that:

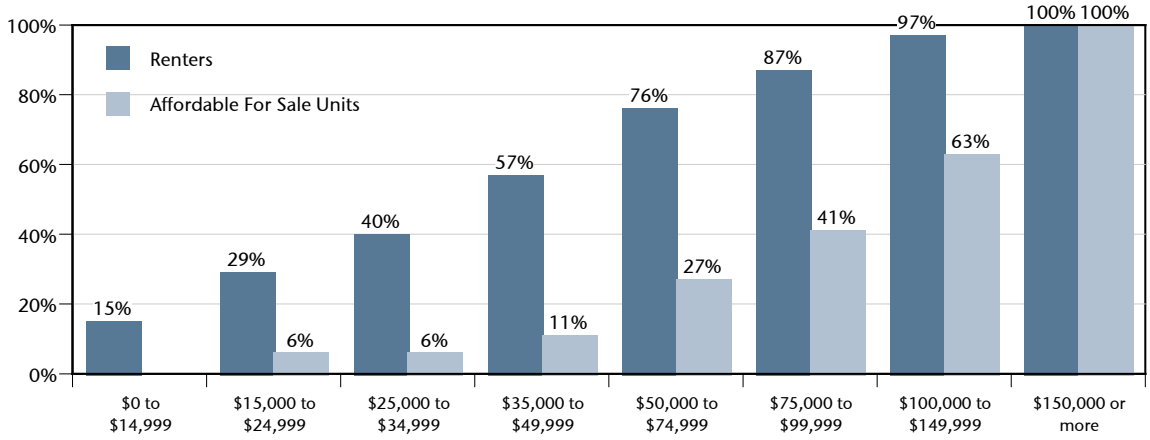
- The rental market is limited for extremely low income renters. Renters earning less than $15,000 per year can't find units that are affordable to them. These 300 renters who are living in housing that is more expensive than they can afford need deeply subsidized units, priced at less than $325. That is, the "catch up" rental gap for the County's lowest income renters is 300 units.

- Renters earning $50,000 can afford just 10 percent of units for sale—largely mobile homes and condos.

- Renters earning $75,000 can afford just 10 percent of ***single family*** homes for sale in Routt County. At $100,000, they can afford 20 percent.

The gap in affordability for renters wanting to buy is demonstrated in Exhibit ES-11 below. The bars show a large difference in the ***cumulative*** proportion of renters and units affordable to them.

Exhibit ES-11.
For Sale Gap for Renters Wanting to Buy, Routt County, 2008



Source: BBC Research & Consulting.

Data from our survey show that if the County's market was more in balance, renters would buy homes—and they are willing to make some trade-offs to be homeowners. Two thirds of renters would like to buy in Routt County (just 15 percent wouldn't change anything about their housing situation).

Exhibit ES-12 shows the trade offs that renters are willing to make to live in their community of choice. Compared to low income residents overall, renters are much more willing to make tradeoffs. The least desired trade off for renters is living in a condominium.

Exhibit ES-12.
Tradeoffs Acceptable to Renters as compared to Owners

Source:
BBC Research & Consulting.

Tradeoff	Percent of Respondents Willing to Make tradeoff	
	Renters (n=19)	*Owners (n=82)*
Buy a duplex/triplex	74%	35%
Buy a condominium	42%	14%
Buy a townhome	80%	27%
Rent	89%	11%
Buy a deed restricted home	71%	24%

The vast majority of renters expressed an interest in buying a deed-restricted home: 46 percent said they were somewhat interested and 29 percent said they were very interested.

Current and Future Needs

What we know now:

- The full effect of the housing market crisis on Routt County is unknown. The for sale market continues to be limited for renters earning $75,000 and less who want to buy; this is unlikely to change substantially.
- Because of employment uncertainties, workers may be more comfortable renting in the short term, especially if they are new to their jobs. However, the County's lowest income renters, earning less than $15,000 per year, can't find units that are affordable to them. These 300 renters need units priced at less than $325 to afford to pay rent and utilities. That is, the "catch up" rental gap for the County's lowest income renters is 300 units.
- Low income owners who are already housed are likely to stay in their current situation rather than buy a deed-restricted product to move to their community of choice.
- Renters show interest in buying deed restricted products, yet their ability to qualify for a mortgage in the current market and make this trade-off is unknown.

What we expect for the future:

Development to address future workforce housing needs should be phased in slowly. Workers' preferences for buying products should be tested as units are planned and developed.

When the market picks up, there will likely be a need for a variety of price points and product types to meet housing needs. These include:

- Rental units to serve the County's lowest income residents, working low wage jobs. We estimate that 300 units will be needed priced at $575 per month and less, to serve the growth of the County's workforce who will be new renters.
- Rental units to serve moderate wage workers, some with families, who are testing the market and building confidence in their employment situation before they buy. Lease to own products should be explored. These renters should be able to afford market rate rents, although some may be part of the 300 households who need subsidized units (see above bullet).

- Affordable for sale products that are not small condos or mobile homes. Du/tri/fourplexes, townhomes, small lot detached single family homes are viewed most favorably and likely to have the greatest demand.

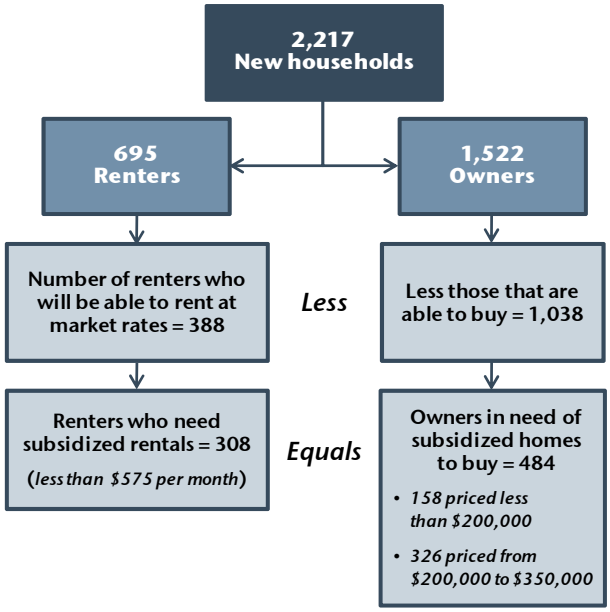
- Deed restricted products for renters who cannot afford to buy lower priced market rate units and are willing to make the trade-off to live in a larger unit in their community of choice. We estimate that there will be up to 484 new owners who will need homes priced at less than $350,000.

To accommodate future growth in the County, we estimate that 300 affordable rental units and 484 homeownership units will need to be created for future workforce (this is the County's "keep up" need). This assumes that the County experiences two-thirds of the growth estimated by the Colorado State Demographer (reflecting the economic downturn and the rise in County unemployment) and that the County's homeownership rate stays constant at 79 percent.

Exhibit ES-13 shows our growth projections and housing unit needs.

Exhibit ES-13.
Projected Workforce Housing Needs,
Routt County, 2009-2015

Source:
BBC Research & Consulting.



Future Workforce Housing Products

As demonstrated through the above analysis, the private market in Routt County is unable to adequately meet demand for housing in the County. There are two primary areas of unmet needs:

1) There are 300 few units for the County's lowest income renters (earning less than $15,000)

2) It is extremely difficult for moderate income households to buy in the County, especially single family detached homes.

In sum, the current need for low income rentals is modest and the gap for affordable for sale homes is great.

To accommodate future demand for housing from workforce, a range of housing choices needs to be offered, including rentals for families and moderate income households, who cannot or do not choose to buy because of employment and/or economic uncertainties. Developments like Steamboat 700, that offer mixed income environments for workforce, will be key for the County to create workforce housing.

Based on the consumer research that was conducted as part of the RCLCO study and the quantitative analysis performed for this study, we believe that the strongest demand for future housing will be in the following products:

- **Small lot single family homes.** The RCLCO study concluded that "the vast majority of Steamboat Springs workers are willing to accept a smaller lot home in order to be closer to their job."

- **Duplexes/triplexes/fourplexes and townhomes.** Our study found support for attached housing other than condominiums from workers who wanted to be in their "community of choice."

- **Deed restricted products.** These will serve a segment of the market that desires to buy but cannot afford even the subsidized rates on the homes we recommend above. The full extent of demand for such products is unknown in the current economic climate. These units need to be a minimum of 2 bedrooms and preferably not attached housing, based on the RCLCO study.

- **Market rate rentals.** These units will be important to serve the segment of the workforce who is reluctant to buy because of employment/economic uncertainties, is temporarily in the area or cannot afford to buy.

Geographic location of workforce housing. There are many reasons why Steamboat Springs is likely to house the County's future workers:

- Density is key to making affordable housing projects work financially. Current land uses in Steamboat Springs allow more density than in surrounding areas. Residents are more accustomed to density and are less likely to resist density in new developments.

- Most of the County's employment is located in Steamboat Springs.

- Workers with the lowest incomes are much more likely to rely on public transit or walk or bike to work than drive automobiles. As such, living close to their place of work is important.

SECTION I.
Introduction

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Introduction

In fall 2008, BBC Research & Consulting was contracted by the Yampa Valley Housing Authority to conduct a countywide housing needs assessment.

The primary purpose of the study was to identify the greatest housing needs in Routt County by household type, housing type, geographic location and income level. The study results will be used to help YVHA prioritize its resources to address housing needs, house the future workforce and respond to the changing housing needs of County residents.

Methodology

The primary data and information sources used in the study include the following:

- Population and household levels, housing units and vacancy rates from the State of Colorado, Department of Local Affairs;
- Social and economic information from the Census' 2007 American Community Survey (ACS) three year estimates;
- Rental data from ACS and survey research;
- Data on subsidized rental units from the Yampa Valley Housing Authority;
- Data on home resales from the Multiple Listing Service and County Assessor (provided from the RCLCO study, see below); and
- Data from a housing needs survey distributed to Routt County residents.
- We also incorporated data from a housing market study conducted by Robert Charles Lesser & Company (RCLCO) in spring and summer of 2008. This study included a large survey of residents in Steamboat Springs to determine the demand for workforce housing in the City.

It should be noted that YVHA received a grant from the Colorado Division of Housing (DOH) to conduct the study. The organization of this report, data and analysis reflect the requirements of the DOH template for housing needs assessments.

Report Outline

The remainder of the report is made up of the following sections:

- **Section II. Economic and Demographic Framework.** This section provides information on population growth, household characteristics, income and poverty and employment.

- **Section III. Housing Demand Analysis.** This section provides information on the County's existing housing stock in terms of tenure (renter/owner), cost and affordability and condition. It also contains the results of a modeling effort called a "gaps analysis" that compares supply of housing at various price point with demand—and pinpoints where the market is not supplying needed housing.

- **Section IV. Citizen Survey.** This section discusses the results of our resident survey conducted for the study.

- **Section V. Focus Group Population Needs.** This final section of the report presents the findings from focus groups held with two distinct populations in Routt County that have unique housing needs: seniors and Latino/Hispanic households.

Our recommendations for addressing housing needs are contained in the Executive Summary.

SECTION II.
Economic and Demographic Framework

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Economic and Demographic Framework

This section of the report contains economic and demographic information about Routt County and the incorporated areas within the County to set the context for the housing analysis in the sections that follow.

Reviewing a County's demographics and economic base as part of a housing study is important because:

- Demographics can influence housing choices and needs. Single people are more likely to rent and live in smaller, denser housing. Families are more likely to prefer larger units, single family detached homes, often near desirable schools.

- As households age, their likelihood of becoming disabled increases. Seniors, particularly those over the age of 75 years, may need accessibility improvements to their homes. They might also seek out more dense living arrangements to eliminate yard care (e.g., condos or patio homes) or assisted living facilities.

- Income levels determine what households can afford to pay in rent or mortgage costs, and geographically where households can live.

- The types of jobs available in communities and their wage rates, relative to housing costs, determine if residents can live and work in the same community.

In addition, the data and information contained in this report is a required component of the Colorado Division of Housing's (DOH) template for housing needs assessments and for the U.S. Department of Housing and Urban Development's (HUD) Consolidated Plan regulations. Routt County received funding from DOH to conduct this housing needs assessment.

Geographic Area of Analysis

Exhibit II-1 shows Routt County and the incorporated municipalities within the County, which comprise the geographic area of analysis for this report. Where possible, we compiled and analyzed data at the following geographic levels:

- Routt County

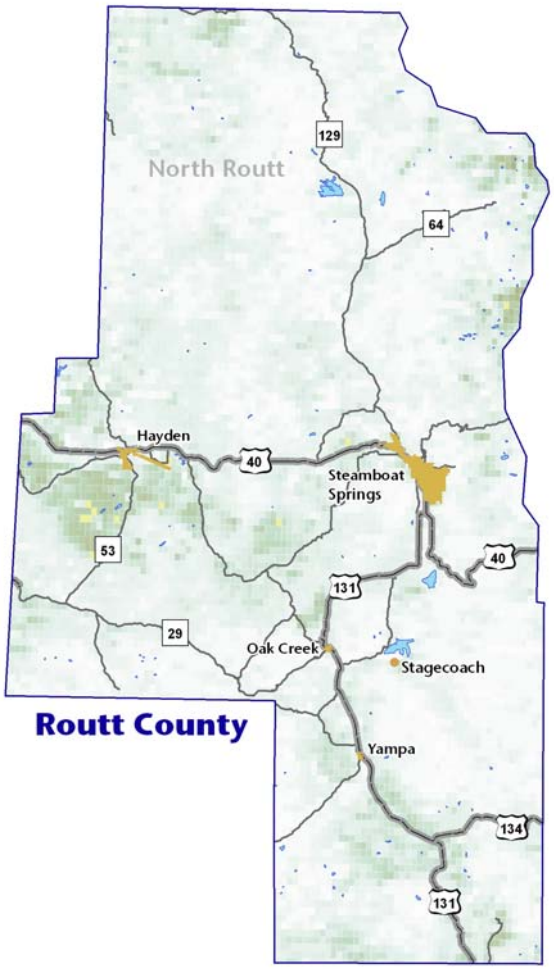
- The City of Steamboat Springs

- The Towns of Hayden, Oak Creek and Yampa

- The Stagecoach area

Exhibit II-1.
Routt County Geographic Boundaries

Source:
BBC Research & Consulting, 2009.



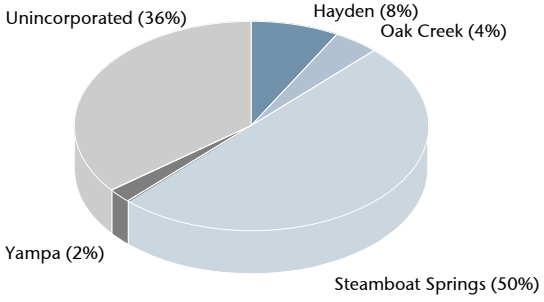
Community Characteristics

Population. As of July 2007, the Colorado State Demography Office estimated the population of Routt County at 23,060 people.

Steamboat Springs is by far the largest incorporated area in the County, with an estimated population of 11,502 in July 2007. Steamboat Springs made up about half of the County's total population as of July 2007. The unincorporated area of the County contained a little more than one-third of the County's overall population, as shown in Exhibit II-2.

Exhibit II-2.
Routt County Population by Municipality, 2007

Source:
Colorado State Demographer.

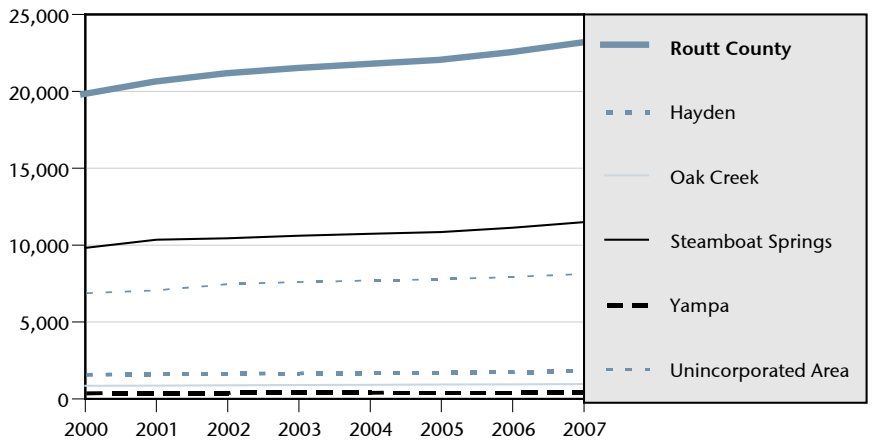


Routt County Total Population = 23,060

Population growth. The population in the County has grown by 3,370 people since April 2000, for a compound growth rate of 2.3 percent per year. On average, Routt County added 481 people per year between 2000 and 2007. Exhibit II-3 demonstrates the population growth in the County since 2000.

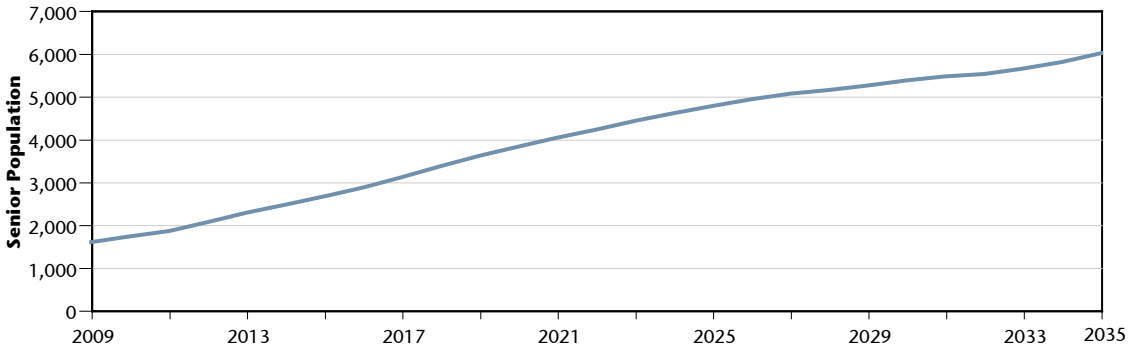
Exhibit II-3.
Population Growth
April 2000 to July
2007, Routt County

Source:
Colorado State Demographer.



Senior population. The state demographer estimates that about 6 percent of the County's population is seniors (over the age of 65 years old). The senior population is relatively small in the County at about 1,500 people. Like many communities in the country, the senior population is expected to grow rapidly in the future. Growth of the County's seniors is expected to be very strong between 2013 and 2019; by 2020, the number of seniors should reach 3,600. Exhibit II-4 shows the projected growth in the County's senior population between 2009 and 2035.

Exhibit II-4.
Growth in Senior Population, Routt County, 2009 to 2035



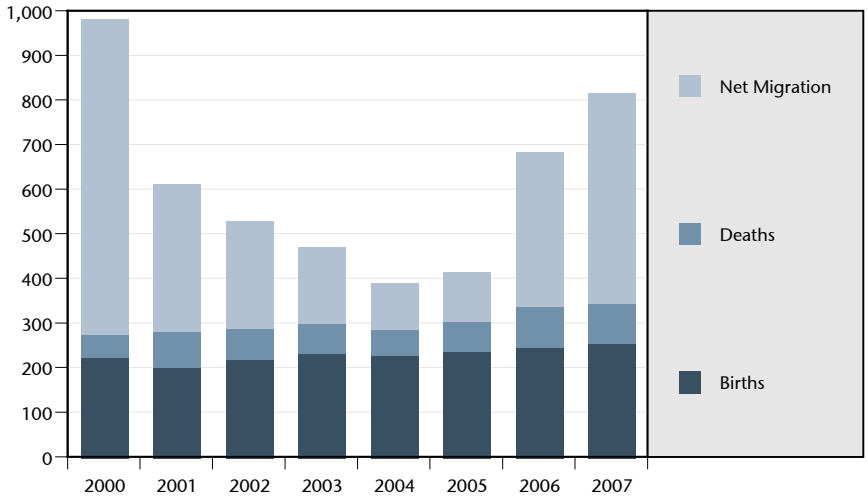
Source: Colorado State Demographer.

Why has Routt County grown? Exhibit II-5 shows the reasons that Routt County has grown since 2000, using data from the state demographer. "Natural population increase" is the difference between births and deaths; this measures how much of a community's growth is internal. Natural population increase has been relatively stable in Routt County since 2000, contributing about 160 people to the County on average each year.

Net migration—more people moving into the County than moving out—has been the biggest factor in the County's growth swings. Through net migration alone, the County has added about 300 people per year on average between 2000 and 2007.

Exhibit II-5.
Drivers of Population Growth, Routt County, 2000 to 2007

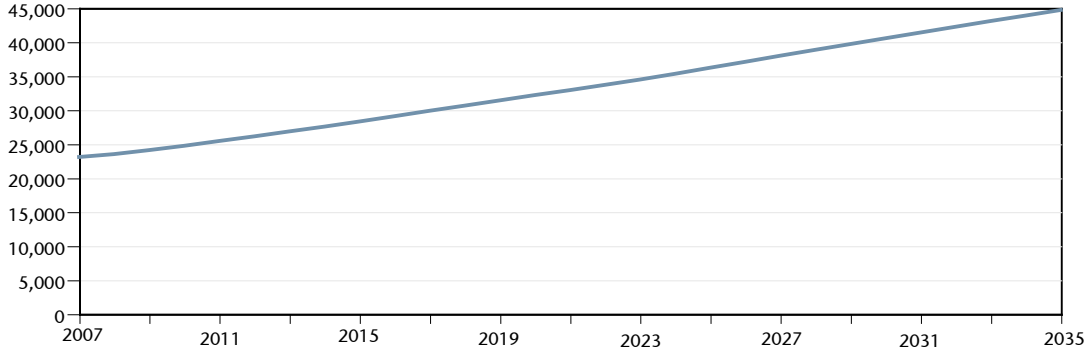
Source:
Colorado State Demographer.



Future growth. The Colorado State Demographer produces population forecasts at the County level. The most recent forecasts were prepared in October 2008 and estimate population growth through 2035. These estimates place Routt County's population at 28,285 in 2015, 32,152 in 2020 and 44,708 by 2035. These growth estimates assume an annual average growth of 3 percent, which is higher than the County has experienced in the current decade. It is very likely that, given the economic downturn and Routt County's dramatic rise in unemployment, the County's population in 2015 will be lower than the 28,285 estimated.

Exhibit II-6 shows the estimated population growth for Routt County from 2007 to 2035.

Exhibit II-6.
Estimated Population Growth, Routt County, 2007 to 2035



Source: Colorado State Demographer.

Household composition. For counties the size of Routt County, certain demographic and economic data are now available from a special census dataset called the American Community Survey (ACS), based on samples drawn from 2005 through 2007. This data set is used to report the household, income and poverty data in this and following sections.

The Census divides households into two broad categories, family and "nonfamily." Family households consist of married couples, parents and grandparents with children and other types of arrangements where related persons are living together. Nonfamily households are generally unmarried partners, single persons and unrelated roommates.

The majority of Routt County's residents live in family households. Of those residents living in nonfamily households, most are living alone (72 percent), followed by living with unmarried partners (13 percent) and roommates (20 percent).

About 9 percent of the County's households have at least one senior living in the household. Most seniors live with someone else they are related to (about 68 percent).

About 10 percent of Routt County residents between the ages of 16 and 64 have a disability.

Where do families live? According to ACS estimates, 81 percent of the County's family households live in detached, single family homes. Just 11 percent live in attached housing and 8 percent live in mobile homes.

Female householders (e.g., single women with children) are more likely to live in attached/multifamily housing than their male counterparts.

Ninety-four percent of married-couple, family households own their homes; just 6 percent rent. For male householders (e.g., single men with children), the homeownership rate is also high at 93 percent. It is much lower for female householders at 59 percent.

Where do non-families live? An estimated 46 percent of nonfamily (single persons, roommates living together) households live in detached homes; 46 percent live in attached/multifamily housing. Eleven percent lives in mobile homes.

As one would expect, the County's attached/multifamily housing is largely occupied by nonfamily households: An estimated 70 percent of the County's occupied attached/multifamily units have non-families living in them.

Sixty-one percent of nonfamily households own their homes; 39 percent rent. Exhibit II-7 on the following page summarizes the households characteristics previously detailed.

Exhibit II-7.
Household Living Arrangements, Routt County, 2007

Source:
American Community Survey, 2005-2007.

	Percent
Residents' Living Arrangements	
Family households (related parties)	77%
Nonfamily households (unrelated)	23%
Characteristics of those living in nonfamily households:	
Single persons	57%
Roommates	20%
Unmarried partners	11%
Housing Type	
Family households	
Live in single family detached homes	81%
Live in multifamily homes	11%
Live in mobile homes	8%
Nonfamily households	
Live in single family detached homes	46%
Live in multifamily homes	43%
Live in mobile homes	11%

Income and poverty. The ACS estimates the median household income in Routt County at $62,753 in 2007. This means that half of households earn more than $62,753 and half earn less.

Exhibit II-8 shows the distribution of household income in Routt County. Fifteen percent of Routt County households earn less than $25,000; 38 percent earn less than $50,000. Most—40 percent—earn between $50,000 and $100,000. About one-fifth earn more than $100,000.

Exhibit II-8.
Income Distribution, Routt County Households, 2007

Source:
American Community Survey, 2005-2007.

	Number	Percent
Total	**10,001**	**100%**
Less than $10,000	490	5%
$10,000 to $14,999	151	2%
$15,000 to $19,999	442	4%
$20,000 to $24,999	416	4%
Less than $25,000	**1,499**	**15%**
$25,000 to $29,999	393	4%
$30,000 to $34,999	367	4%
$35,000 to $39,999	466	5%
$40,000 to $44,999	471	5%
$45,000 to $49,999	597	6%
$25,000 to $50,000	**2,294**	**23%**
$50,000 to $59,999	927	9%
$60,000 to $74,999	1,063	11%
$75,000 to $99,999	2,016	20%
$50,000 to $100,000	**4,006**	**40%**
$100,000 to $124,999	1,010	10%
$125,000 to $149,999	373	4%
$150,000 to $199,999	502	5%
$200,000 or more	317	3%
More than $100,000	**2,202**	**22%**

The U.S. Department of Housing & Urban Development calculates the Median Family Income, or MFI, for each County in the United States annually. MFI is used to determine eligibility for housing programs. HUD applies the following income definitions to housing programs:

- "Extremely low income"—households earning 30 percent of less of the MFI, or $22,710 in Routt County (2008);
- "Very low income"—households earning 31 to 50 percent of the MFI, or between $22,711 and $37,850. ***The very low income level is equivalent to what the average full-time worker in Routt County earned in 2008.***
- "Low income"—households earning 51 to 80 percent of MFI, or $37,851 to $60,560.
- Households earning more than 80 percent of the MFI are considered moderate to high income by HUD, depending on the proportion of their income to the overall MFI.

Exhibit II-9 shows the breakdown of MFI for Routt County households as of 2007. This distribution is based on an MFI of $75,700 for a 4-person household.

Exhibit II-9
Income Distribution by MFI,
Routt County, 2008

Note:
The table is based on a 4-person MFI of $75,700.

Source:
U.S. Department of Housing & Urban Development and BBC Research & Consulting.

		Percent of Households in MFI category
0-30% of MFI, $22,710	1,291	13%
31-50% of MFI, $37,850	1,201	12%
51-80% of MFI, $60,560	2,228	22%
81-120% of MFI, $90,840	2,340	23%
More than 120% of MFI, $90,841+		29%

Note that in the survey we conducted for this study (see Section IV) we used $50,000 in household income as our separation between "low income" households and non-low income households for ease of analysis and to make data easier to understand and interpret, especially for lay audiences.

Exhibit II-10 shows the distribution of income by age. Adults between the ages of 45 and 64 have the highest incomes, with almost one-third earning more than $100,000. Except for the County's very youngest households, about 60 percent of households in each age cohort earn more than $50,000.

Exhibit II-10.
Income by Age Group, 2007

Source:
American Community Survey, 2005-2007.

	Householder under 25 years	25 to 44 years	45 to 64 years	65+ years
Less than $20,000	37.7%	10.6%	6.6%	15.6%
$20,000 to $50,000	30.7%	26.3%	28.2%	23.1%
$50,000 to $100,000	31.6%	46.6%	34.6%	40.5%
More than $100,000	0.0%	16.5%	30.6%	20.9%

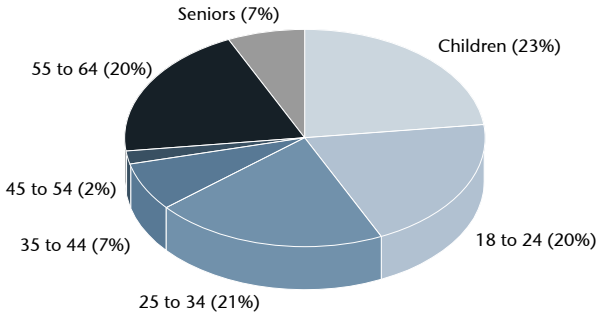
Residents who are of Hispanic descent have much lower median incomes than do residents who are not: The median income of households who classified themselves as White, Not Hispanic on Census surveys was $64,003, compared to $35,068 for Hispanic households.

Poverty. The 2007 ACS estimates that 6 percent of the County's population lived in poverty in 2007. The definition of poverty differs by family size and is equivalent to an income of less than $22,000 for a family of four.

Contrary to the typical image of persons living in poverty in resort communities—that they are mostly young, temporary workforce with parental support—Routt County's poor are also made up of children and seniors. Children make up 23 percent of the County's poor; 27 percent are seniors. Persons between the ages of 18 and 34 make up 41 percent. Exhibit II-11 shows the proportion of persons living in poverty by age range.

Exhibit II-11.
Poverty by Age, 2007

Source:
American Community Survey, 2005-2007.



The incidence, or rate of poverty, is highest for the County's youngest adults (ages 18 to 24); 16 percent of the County's 18 to 24 year olds are poor[1]. This is followed by persons between the ages of 55 and 64, as shown in Exhibit II-12.

Exhibit II-12.
Incidence of Poverty by Age, 2007

Source:
American Community Survey, 2005-2007.

	Estimated Number Living in Poverty	Percent of Age Cohort Living in Poverty
Children	294	7%
18 to 24	259	16%
25 to 34	272	7%
35 to 44	87	3%
45 to 54	27	1%
55 to 64	262	10%
Seniors	97	7%

How do residents in Routt County earn a living? How many receive retirement income? The ACS provides some data on source of income that can be used to determine how Routt County households make money. Again, contrary to some perceptions, most Routt County's households are not living off of inheritance or savings. The vast majority of residents—86 percent—work for a living. About 14 percent of households do not earn salaries. Less than 10 percent of households receive Social Security Income.

About one-third of the County's households do earn money from dividends, interest or rental income, sometimes in addition to earned income.

[1] The presence of students in a community affects this rate; students are Colorado Mountain College in Steamboat Springs likely raise the incidence of poverty for the 18 to 24 age cohort.

In sum, Routt County is largely made up of households who work jobs to earn a living. The employment section below describes where these households work.

Employment. Exhibit II-13 shows the primary employment industries in Routt County as of 2007. The data show the number of jobs by employment sector (e.g., retail trade, government). The table shows only those industries that make up more than 5 percent of total jobs in the County.

Exhibit II-13.
Dominant Employment Industries, Routt County, 2007

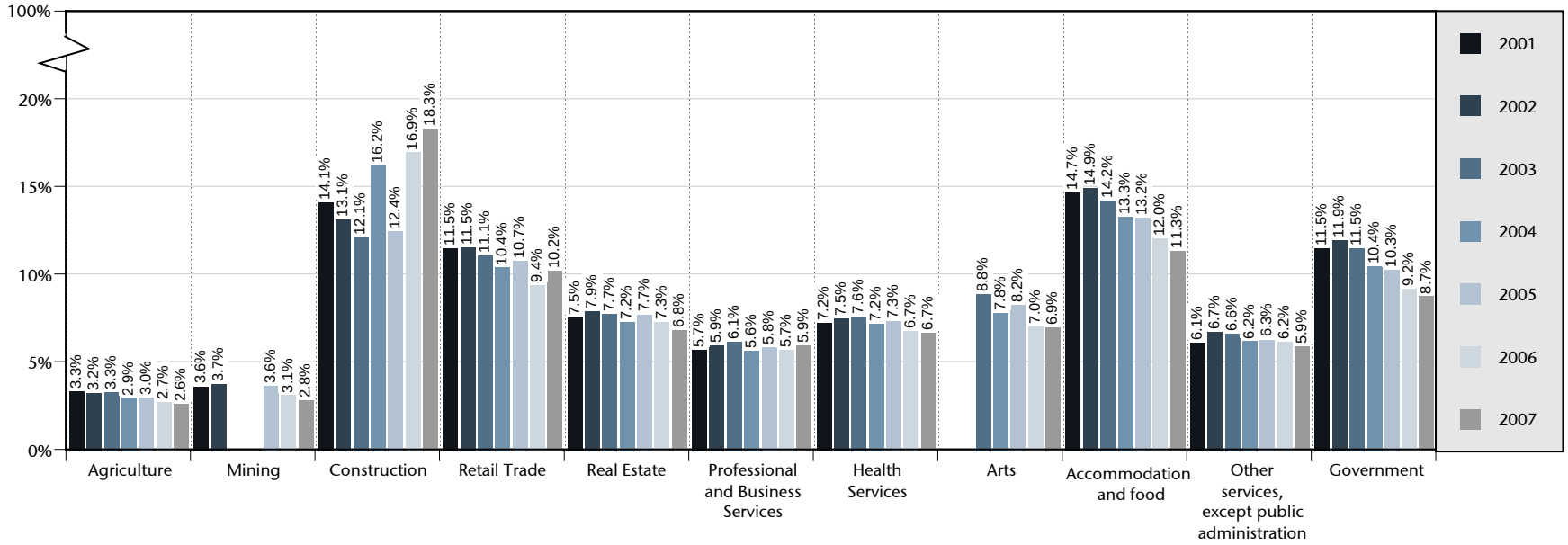
Source:
Colorado State Demographer.

	Percent of all jobs
Construction	18%
Accommodation and food services	11%
Retail Trade	10%
Government	9%
Arts	7%
Health services	7%
Real estate	7%
Professional and business services	6%
Other services	6%
Percent of all jobs—above industries aggregated	**81%**

The table shows how vulnerable the County is to economic change related to housing and real estate and tourism. Despite the County's efforts to diversify its economy, Routt County, like most resort communities, remains very dependent on construction, recreation and tourism.

Exhibit II-14 shows employment trends by industry in Routt County from 2001 to 2007. The County has experienced modest shifts in employment as construction has become a more important industry. However, given the softening the real estate industry, construction will likely be a smaller proportion of jobs in the next few years.

Exhibit II-14.
Trends in Primary Employment Sectors, Routt County, 2001 to 2007



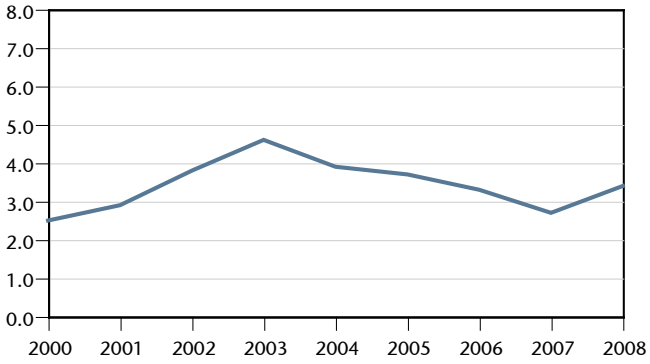
Source: Colorado State Demographer.

Routt County's unemployment rate as of June 2009 was estimated at 7.7 percent by the Colorado Department of Labor & Employment. This is about the same as the state overall and much higher than the lowest rate of the decade of just under 3 percent (2007).

Exhibit II-15 shows ***annual*** trends in unemployment in Routt County through 2008.

Exhibit II-15.
Annual Unemployment Rate, 2000 to 2008, Routt County

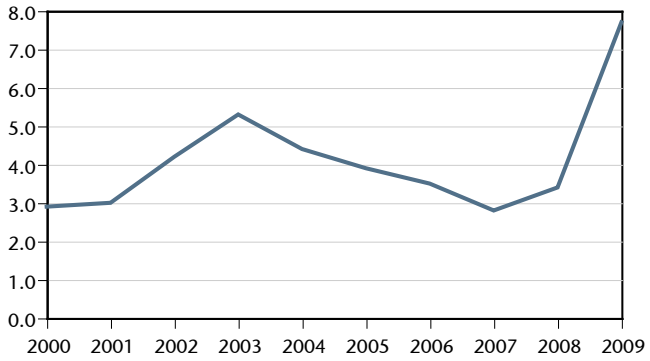
Source:
LAUS Unit, LAUS system output file.



The County's June 2009 unemployment rate is more than double what it was just a year ago (June 2008). Exhibit II-16 shows the June unemployment rate from 2000 through 2009.

Exhibit II-16.
Unemployment Rate, June 2000 to June 2009, Routt County

Source:
LAUS Unit, LAUS system output file.

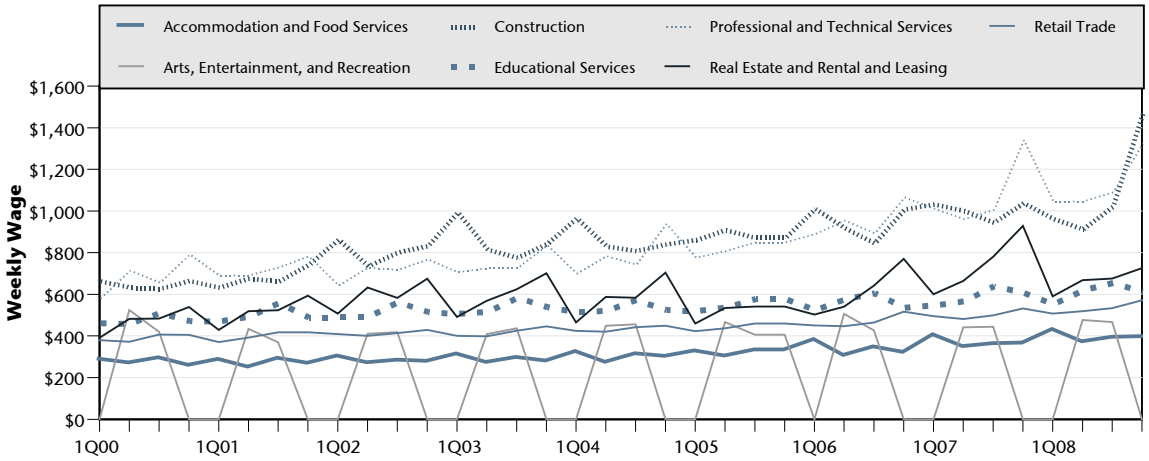


According to the Department of Labor & Employment, the average weekly wage for Routt County in 2nd Quarter 2008 was $738. This would be equivalent to $18.45 per hour or $38,376 per year, assuming a 40-hour week worked all year. The Department shows a jump in the average in the 4th quarter of the year to $916/week.

Exhibit II-17 shows the average weekly pay for key industries in Routt County from first quarter 2000 through fourth quarter 2008. The data show relatively little increase in wages for the industries of Arts, Entertainment and Recreation ($47/week increase); Educational Services ($140/week increase); and Accommodations and Food Services ($138/week). Employees working in Retail Trade and Real Estate experienced slightly higher increases ($166 and $187/week, respectively).

The largest increases occurred for the Construction ($800/week) and Professional and Technical Services industries ($530/week).

Exhibit II-17.
Weekly Wages, Key Industries in Routt County, 1st Quarter 2000 — 4th Quarter 2008



Note: Arts, entertainment and recreation values are missing for the first and fourth quarters.
Source: Colorado Department of Labor & Employment.

As examined in Section III, most of these increases are inadequate to compensate for the increase in home prices over the same period.

Commuting. The 2007 ACS estimates that three-fourths of Routt County's residents who reside in a designated town live in the same town in which they work. One quarter commute to work outside their place of residence.

Exhibit II-18 shows commute patterns by income level for 2007 according to ACS estimates. The data demonstrate that the County's lowest income workers are much more likely to carpool, walk and/or bike ("use other means") to work than higher income workers. ACS data also show that workers who use public transit and walk have much lower median incomes than workers who drive alone; they are also more likely to be renters. These data emphasize the importance of worker housing being located near places of work.

Exhibit II-18.
Means of Transportation to Work, Routt County, 2007

	Drive alone to work	Carpooled	Take public transportation	Walked	Other means (e.g., bike)
Less than $15,000	55.2%	18.9%	5.2%	10.3%	9.1%
$15,000 to $24,999	71.0%	20.5%	0.0%	3.9%	4.6%
$25,000 to $49,999	78.0%	12.8%	1.4%	5.3%	2.5%
$50,000 to $74,999	78.6%	11.3%	0.0%	1.1%	9.0%
$75,000+	82.2%	11.4%	0.0%	1.7%	4.6%

Source: American Community Survey, 2005-2007.

Foreign workers. In the Colorado resorts, low-wage jobs are commonly filled by foreign workers, often working for a short period of time and then returning to their home country. The U.S. Census collects statistics on place of birth of a community's population. The vast majority of Routt County's population was born in the United States. An estimated 3 percent were not U.S. citizens in 2007.

Location neutral businesses. During the past few years, the impact of Location Neutral Businesses (LNBs)—businesses that allow some employees, particularly executives, the freedom to work from a location of their choice—on areas like Routt County have been documented[2]. It is estimated that as many as 1 in 10 resident households in Steamboat Springs was involved in a LNB. The owners of such businesses typically moved from some of the country's largest urban areas seeking a small town atmosphere and slower lifestyle. These households are in their prime years for earnings, often have children and have higher incomes than the average worker in town. Such businesses have been a welcome addition to small town economies, which struggle to find diversification. The extent to which LNBs will be affected by the national economic downturn is unknown. It is likely, however, that the migration of LNB owners will slow related to anxiety over economic conditions and the challenges of selling or renting a home in the current housing market.

[2] http://yampavalley.info/sites/default/files/newyorktimes_article_081307.pdf

SECTION III.
Housing Demand Analysis

SECTION III.
Housing Demand Analysis

This section of the report contains an analysis of housing needs in Routt County. It begins with an overview of the housing inventory, discusses housing market conditions, and concludes with a comparison of supply and demand, identifying where the market is undersupplying housing.

Where relevant, data from the survey of workers conducted by Robert Charles Lesser & Company (RCLCO) during the summer of 2008 is used in this section. This large survey provides some of the most recent data on tenure, worker residency and housing type.

Housing Inventory

The Colorado Department of Local Affairs (DOLA) estimates a total of 14,679 housing units in Routt County as of 2007. DOLA reports that 37 percent of these units are vacant[1]. This compares to 11,217 housing units in 2000 and a vacancy rate of 29 percent.

Between 2000 and 2007, the number of housing units in Routt County increased by 3,462—a 31 percent increase in units. Of the 3,462 new units, 65 percent were built in Steamboat Springs and 27 percent were built in unincorporated Routt County.

In 2007, the County had 2,100 more vacant units than it did in 2000. Vacant units accounted for 61 percent of the total change in units between 2000 and 2007. The increase in vacant units was most extreme in Steamboat Springs, where vacant units rose by more than 1,500, accounting for 69 percent of the total increase in units.

Exhibit III-1 shows the change in vacancy rates and housing units between 2000 and 2007 by community in Routt County.

Exhibit II-1.
Change in Housing Units and Vacancies, 2000 to 2007

	Total Housing Units		Numerical Change	Percent Change	Occupied Housing Units		Vacant Housing Units		Vacancy Rate	
	2000	*2007*	*2000 to 2007*	*2000 to 2007*	*2000*	*2007*	*2000*	*2007*	*2000*	*2007*
Routt County	**11,217**	**14,679**	**3,462**	**31%**	**7,953**	**9,289**	**3,264**	**5,390**	**29%**	**37%**
Hayden	670	805	135	20%	626	703	44	102	7%	13%
Oak Creek	446	545	99	22%	372	420	74	125	17%	23%
Steamboat Springs	6,381	8,641	2,260	35%	4,089	4,784	2,292	3,857	36%	45%
Yampa	214	258	44	21%	183	213	31	45	14%	17%
Unincorporated	3,506	4,430	924	26%	2,683	3,169	823	1,261	23%	28%

Source: U.S. Census Bureau and Colorado Department of Local Affairs.

[1] Vacant housing units are those that are not occupied on a regular basis by a resident or group or residents during the majority of a calendar year. Seasonally occupied units are considered "vacant."

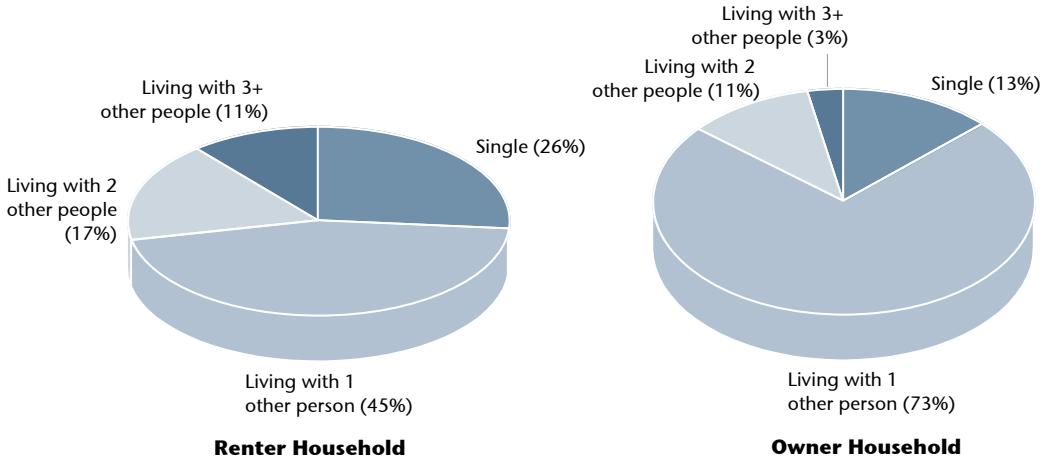
Condition. According to the Census, the median year housing units in Routt County were built was 1985, which leads to the assumption that a good portion of the housing stock in Routt County is new and in good condition. The 2000 Census also provides data on renters and owners having selected financial and physical housing conditions[2]. Less than half of a percent of owner households had two or more selected conditions, while 2 percent of renters had two or more selected conditions. These are much lower rates when compared to the state overall, where 1 percent of owners and 4 percent of rents experienced two or more of the selected conditions.

Homeownership. According to the RCLCO data, 70 percent of households in Steamboat Springs own their homes, compared with 69 percent for the County overall and 67 percent for Colorado households. Conversely, the proportion of households renting is 26 percent in Steamboat Springs (with 4 percent in other arrangements), 31 percent for the County overall and 33 percent for Colorado overall.

Data from the Census American Community Survey puts the homeownership for Routt County overall at a higher 79 percent. The RCLCO/BBC combined survey data puts the homeownership rate at 75 percent.

Exhibit III-2 shows the living arrangements of renters and owners, according to the RCLCO survey. Renters are more likely to be living with more than one person.

Exhibit III-2.
Living Arrangements of Renters and Owners, 2008



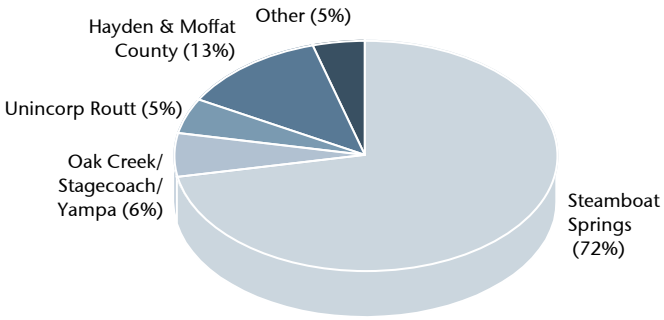
Source: RCLCO Survey, 2008.

[2] The variable "Selected conditions" is defined for owner- and renter-occupied housing units as having at least one of the following conditions: (1) lacking complete plumbing facilities, (2) lacking complete kitchen facilities, (3) with 1.01 or more occupants per room, (4) selected monthly owner costs as a percentage of household income in 1999 greater than 30 percent, and (5) gross rent as a percentage of household income in 1999 greater than 30 percent.

Steamboat Springs has a much higher proportion of renters, as shown in the following exhibit.

Exhibit III-3.
Renter Distribution by Municipality, Routt County, 2008

Source:
RCLCO Survey, 2008.



Almost one-third of renters in Routt County live in detached, single family homes. Another one-third lives in developments with 3 units or more (e.g., condominiums, apartment complexes). Fifteen percent live in mobile homes and the remaining one-fifth of renters live in townhomes and duplexes.

Owners mostly live in detached single family homes (68 percent), followed by townhomes and mobile homes (each 7 percent).

Exhibit III-4 shows the types of units occupied by Routt County residents depending on their tenure (renter/owner).

Exhibit III-4.
Types of Units Renters and Owners Live In, Routt County, 2007

Source:
American Community Survey, 2005-2007.

	Renters	Owners
Single family home	31%	68%
Townhome/duplex	18%	11%
Multifamily (condo/apartment)	36%	14%
Mobile home	15%	7%

Assisted housing. The provision of publicly subsidized housing is relatively new to the Routt County market. Nonprofit and local government efforts to provide affordable housing in Routt County began in 1997 with the Regional Affordable Living Foundation (RALF), a nonprofit Community Housing Development Organization. RALF was absorbed by the Yampa Valley Housing Authority, a government body, in 2003. Together, more than 200 units affordable to resident earning less than 120 percent of the AMI (approximately $90,000 in 2008) have been managed, constructed and/or are in the planning stages. These affordable units include:

- 55 affordable units in Hillside Village Apartments (19 one bedroom and 26 two bedroom). These units were created through the U.S. Department of Agriculture (USDA) and target very low income residents.

- 36 for sale condominiums in the West End Village (all 2 bedroom, 2 bath), created under a USDA Self Help grant.

- Purchase of the Fish Creek Mobile Home Park which contains 68 units to preserve affordability of the park.

- 21 sweat equity units in various developments in Routt County through a USDA self help grant.

- 30 deed restricted units in Fox Creek Village, supported by a grant from the Colorado Division of Housing.

- 67 planned units in Elk River Village pending funding.

- The Grand County Housing Authority administers 32 Housing Choice Vouchers within Routt County and has a wait list consisting of 21 people. Of the 32 vouchers holders, 9 are elderly and 14 are disabled.

In addition, Habitat for Humanity has developed single family homes for families earning less than 60 percent of AMI. Habitat has a goal to increase the number of homes built to 10 per year.

Through the City of Steamboat Springs' Inclusionary Zoning and Linkage Ordinance, more than 150 affordable units have been planned or created as part of new residential and commercial development since 2006. The City Council chose to suspend linkage obligations in early 2009 and is considering changes to the Inclusionary Zoning Ordinance that would allow fee-in-lieu in addition to other compliance methods.

Special needs assisted housing. In addition to the assisted housing previously mentioned are housing units available to house special needs populations (i.e., seniors, persons with developmental disabilities, homeless, etc.). The following discusses these housing units:

- Senior housing—Routt County has two senior independent living housing projects, with a total of 36 units. These were subsidized through USDA Rural Development funds:
  - Selbe Apartments is located in Steamboat Springs and provides 24 one bedroom units for independent senior living.
  - West Routt Senior Housing is located in Hayden and provides 12 units of independent senior living.

  Additionally, the county houses two more independent living developments, one located in Steamboat Springs and the other in Oak Creek, that provide 37 units for seniors. Hayden is also home to an assisted living facility that provides space for 20 residents. According to the Routt County Foundation for Seniors, Inc., who manages three of the four senior independent living developments, they have been working with the Housing Authority to obtain Housing Choice Vouchers to assist with rent in Oak Creek.

- Persons with developmental disabilities—Horizons Specialized Services assists persons with developmental disabilities and their families in finding and accessing services they need. Housing options include:
  - Group Homes
  - Semi-Independent Apartment Program; and
  - Supported Living Services

- Homeless—According to the Colorado Point-In-Time homeless count conducted in January 2007, there were 905 homeless persons (both sheltered and unsheltered) in Region 1, which includes Delta, Garfield, Mesa, Moffat, Pitkin, Rio Blanco and Routt counties.

- Extremely low income households—A recent study by the National Low-Income Housing Coalition found that extremely low-income households (earning $24,180, which is 30 percent of the AMI of $80,600) in Routt County can afford a monthly rent of no more than $605, while the HUD Fair Market Rent for a two bedroom unit in the county is $1,042. For single-earner families at the minimum wage, it would be necessary to work 110 hours a week to afford a two-bedroom unit at the HUD Fair Market Rent for the county. A person receiving a monthly SSI payment earns $674 and is able to afford a monthly rent of $202, while the Fair Market Rent for a one bedroom unit is $801 a month.

Affordability

The median price of homes sold in Routt County during 2007 was $459,000, according to an analysis of Multiple Listing Service (MLS) data performed by RCLCO. A review of the County assessor's data puts the median value of an owner-occupied housing unit sold in the County in 2008 at a very close $470,000[3].

In 2000, the Census estimated the median home value in the County at $268,500. Based on these estimates, the median has increased by $201,500, or by an average of $25,000 per year. This equates to a 75 percent increase in value since 2000, or an average of 9 percent per year.

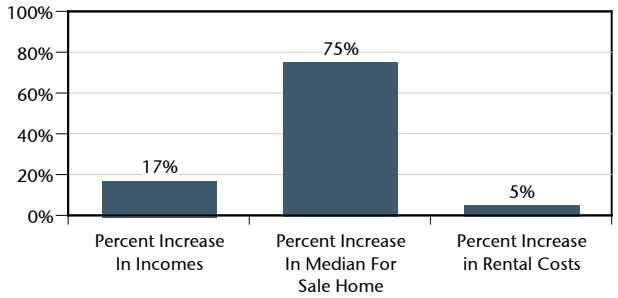
In 2008, a household would need to earn about $65,000 more to be able to afford the median priced home than they would have needed to earn in 2000. The median household income of Routt County households has increased since 2000—but only by $9,141 (or about $1,305 per year).

In 2000, the median rent in Routt County was $740 according to the Census. In 2007, the median had increased to $778—by just $38. Renters who are unable to buy are fortunate that rents have not increased at the same pace as for sale housing between 2000 and 2008. A renter would need to earn $29,600 in 2007 to afford the median rent.

Exhibit III-5 compares the change in the median prices of for sale and rental units with the change in the median income of households in Routt County.

Exhibit III-5.
Rise in For Sale Housing v. Income Increases, 2000 to 2008

Source:
BBC Research & Consulting.



[3] The ratio of the median home price to the median family income is .16.

For sale housing. Workers who want to buy a single family in Routt County have very limited options in the open market unless they make more than $75,000, desire a small condominium or mobile home or have a substantial amount of money to put down to lower their mortgage payment on a townhome, medium- to large-size condominium or single family home.

And, finding an affordable detached single family home in Steamboat Springs is particularly difficult. In 2007, there were only 2 homes priced under $400,000 sold through the Multiple Listing Service (MLS) in Steamboat Springs. Conversely, the vast majority of affordable condos are located in Steamboat Springs. These units have much deeper levels of affordability but are generally small (studios or 1 bedrooms with less than 600 square feet) and difficult for larger households to occupy. Mobile homes are the other affordable alternative.

Exhibit III-6 shows the median prices of homes for sale in Routt County communities in 2007[4]. It is easy to see why mobile homes can be an attractive option, as they offer very deep levels of affordability. However, increases in land lease payments can add substantial cost to the price of a mobile home, especially in periods of escalating costs. It is not uncommon for the lease payment to exceed the payment for the unit itself.

Exhibit III-6.
Median Price of Sold Homes, Routt County Communities, 2007

	Hayden	Oak Creek	Other Routt County	Steamboat Springs	Yampa
Single family homes	$277,500	$345,000	$410,000	$735,000	$199,000
Condominiums	N/A	N/A	$205,000	$350,000	N/A
Townhomes	$145,000	$270,000	$173,250	$586,500	N/A
Mobile Homes	$20,000	$17,000	$49,250	$38,750	N/A

Source: County Assessor's data from RCLCO.

What could the average-wage worker buy? According to the Colorado Department of Labor and Employment, the average-wage worker in Routt County earned $38,376 as of second quarter 2008. Workers at this income level could afford to buy a home priced no more than $106,700 after accounting for taxes, insurance and utilities. Two workers earning the average wage could afford a home priced at $213,300.

[4] The data available for 2008 had far fewer transactions; as such, we used 2007 to better represent the cyclical nature of the market.

During 2007, a two-worker household earning the average wage could afford to buy the following units in Routt County:

Exhibit III-7.
What an Average Wage Worker Household (2 workers) Could Afford to Buy, 2007

Community	No. of Affordable Units	Percent of all Affordable Units	Type of Units
Hayden	21	10%	Mostly single family homes
Oak Creek	43	21%	Even distribution among all unit types
Steamboat Springs	119	58%	Majority condos and mobile homes
Yampa	10	5%	Single family and mobile homes
Other Routt	11	5%	Even distribution among all unit types
Total	**204**	**100%**	

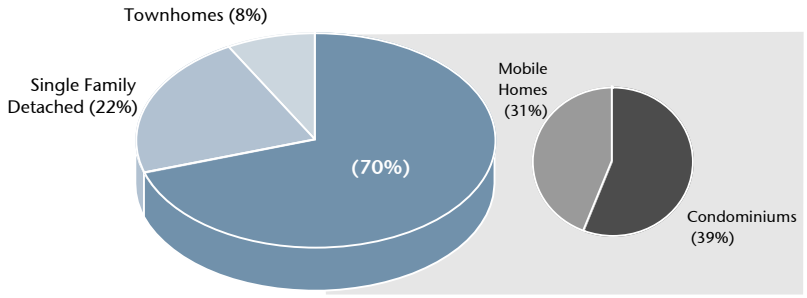
Source: BBC Research & Consulting using County Assessor's data from RCLCO.

The slight majority of units are located in Steamboat Springs and are either mobile homes or condominiums. Oak Creek offers the next highest number of affordable units, followed by Hayden.

Exhibit III-8 on the following page identifies the affordable units by type. The exhibit demonstrates the limited number of single family detached and townhome units, also identified in the RCLCO study as a "noticeable gap" in the for sale market.

Exhibit III-8.
Type of Units For Sale and Less than $214,000, 2007

Source:
BBC Research & Consulting using
County Assessor's data from RCLCO.



A review of for sale homes as of April 1, 2009 showed average-wage workers wanting to buy in Steamboat Springs remained limited to small condominiums (less than 600 square feet). This was mostly true of Hayden as well, although Hayden condominiums offered more square footage. A handful of older, single family detached homes were available in Oak Creek.

Price increases. Price increases in Routt County over the past 10 years have been substantial. Exhibit III-9 shows how prices have changed since 1998 (10 years ago) and 2003 (5 years ago) for single family detached homes, condos and townhomes. Every community except for Yampa has seen prices more than double and triple (and, for single family homes in Yampa, prices almost doubled).

The price increases in Oak Creek (for single family homes and condos) and Hayden (for townhomes) are particularly telling. The dramatic rise in prices suggests that as Steamboat Springs became less affordable for buyers wanting single family detached and townhome units, demand for such products grew in these communities.

Exhibit III-9.
Price Changes in Routt County, 1998, 2003 and 2007

Median Price	1998	2003	Percent Change 1998—2003	2008	Percent Change 2003—2008	Percent Change 1998 —2008
Single Family Homes						
Hayden	$115,500	$161,500	40%	$277,500	72%	**140%**
Oak Creek	$91,213	$142,500	56%	$345,000	142%	**278%**
Steamboat Springs	$269,500	$402,000	49%	$753,000	87%	**179%**
Yampa	$105,000	$99,000	-6%	$199,000	101%	**90%**
Unincorporated Routt	$180,000	$277,000	54%	$410,000	48%	**128%**
Condominiums						
Hayden	N/A	N/A	–	N/A	–	–
Oak Creek	$55,000	$86,500	57%	$184,000	113%	**235%**
Steamboat Springs	$143,900	$200,000	39%	$350,000	75%	**143%**
Yampa	N/A	N/A	–	N/A	–	–
Unincorporated Routt	$95,500	$120,000	26%	$205,000	71%	**115%**
Townhomes						
Hayden	$32,500	$136,700	321%	$145,000	6%	**346%**
Oak Creek	$93,500	$145,000	55%	$270,000	86%	**189%**
Steamboat Springs	$218,500	$290,000	33%	$586,500	102%	**168%**
Yampa	N/A	N/A	–	N/A	–	–
Unincorporated Routt	$60,000	$98,500	64%	$173,250	76%	**189%**

Note: N/A indicates that there were not enough sales available to report data.
Source: BBC Research & Consulting using County Assessor's data from RCLCO.

The impact of the current housing market decline on Routt County remains to be seen. Although prices are falling nationwide, the impact of the housing market crisis varies dramatically depending on the area. A slow down in demand for housing in Routt County could increase the supply of affordable units in the County, although it is too early to tell if price points will drop low enough to make a big difference in the affordable supply

Geographic variation. Exhibits III-10a and 10b shows the distribution of for sale units affordable to the average-wage two-worker household by type of unit. These units are priced at less than $214,000.

As the exhibits demonstrate, workers looking for affordable homes to buy in Steamboat Springs are largely limited to mobile homes or condominiums. If they are looking for affordable single family homes, they will have the best luck in Oak Creek and Hayden—although the number of affordable units is limited in these communities too (only 32 units in the two communities combined).

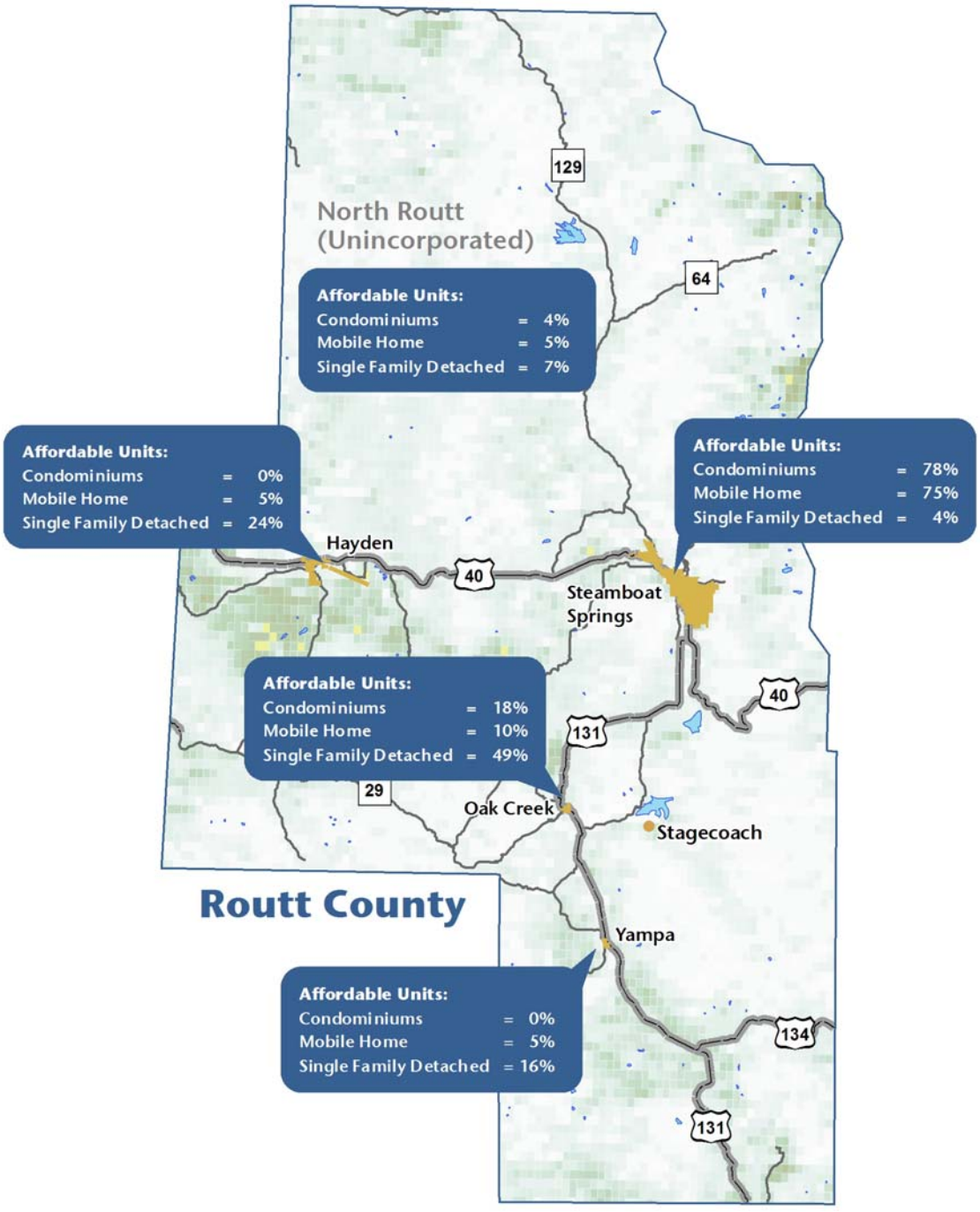
Exhibit III-10a.
Percent of Affordable Units by Municipality, Routt County 2007

Note:
There were only 16 affordable townhomes, too few to show geographically.

Source:
BBC Research & Consulting using County Assessor's data from RCLCO.

	Percent
Affordable Condominiums (78 total), 2007	
Hayden	0%
Oak Creek	18%
Steamboat Springs	78%
Yampa	0%
Unincorporated Routt	4%
Affordable Mobile Homes (63 total), 2007	
Hayden	5%
Oak Creek	10%
Steamboat Springs	75%
Yampa	5%
Unincorporated Routt	5%
Affordable Single Family Homes (45 total), 2007	
Hayden	24%
Oak Creek	49%
Steamboat Springs	4%
Yampa	16%
Unincorporated Routt	7%

Exhibit III-10b.
Percent of Affordable Units by Municipality, Routt County 2007

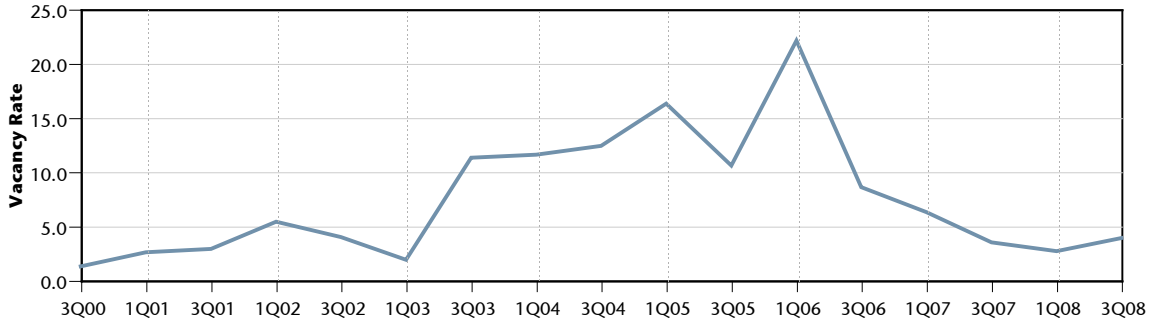


Source: BBC Research & Consulting using County Assessor's data from RCLCO.

Rental housing. As mentioned above, the median rental cost has changed little during the current decade: In 2000, the median rent in Routt County was $740 according to the Census. In 2007, the median had increased to $778—by just $38.

The third quarter 2008 apartment vacancy survey conducted for the State Division of Housing estimated the median rent in Steamboat Springs at $758[5]. Rental vacancies were estimated at 3.9 percent in the Steamboat Springs market, down considerably from 2006 but higher than in 2007, as shown in the following exhibit.

Exhibit III-11.
Rental Vacancies, Steamboat Springs, 2000 to 2008



Source: Colorado Multifamily Housing Vacancy & Rental Survey.

Jobs/housing ratio. The jobs/housing ratio in a community provides a measure of how well a community is housing its workforce. In 2007, the Colorado Department of Labor reported 20,508 jobs in Routt County. This compares to 9,289 occupied housing units, for a jobs/housing ratio of 2.21.

A jobs-to-household ratio of less than "1" means that there is less than one job opportunity available within the workforce area for each household residing in that town. This suggests that residents leave their place of residence for work. Conversely, a ratio higher than 1 means that residents of other communities commute in for work and/or that residents are working more than one job to make ends meet.

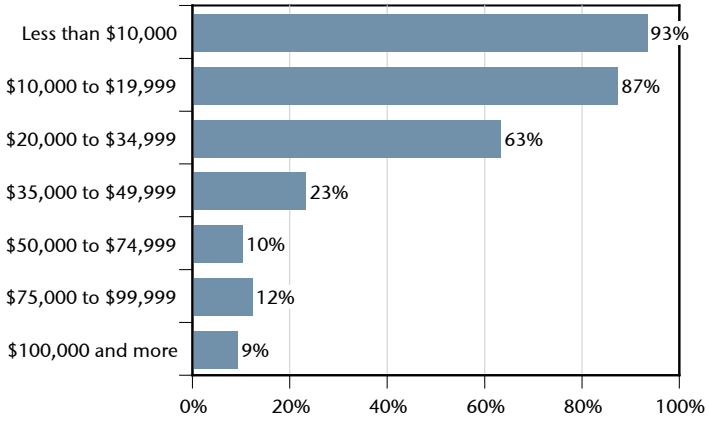
The ratio increased from 2.11 in 2001, indicating that jobs grew faster than housing units for workforce and/or that workers are working more jobs in 2007 than in 2001.

[5] Data from the survey are reported for a sample of properties in Steamboat Springs only. It should be noted that this survey represents rental units in multifamily complexes only, not single family homes that are rented.

Cost burden. The Division of Local Affairs (DOLA) collects and reports data on renter cost burden. As of 2007, DOLA estimates that 34 percent of all renters in Routt County are cost burdened, paying 30 percent and more in housing costs. This is down from 42 percent in 2000.Cost burden is the worst for the County's lowest income renters, as shown in Exhibit III-12.

Exhibit III-12.
Renter Cost Burden by Income Level, 2007

Source:
Colorado Division of Housing.



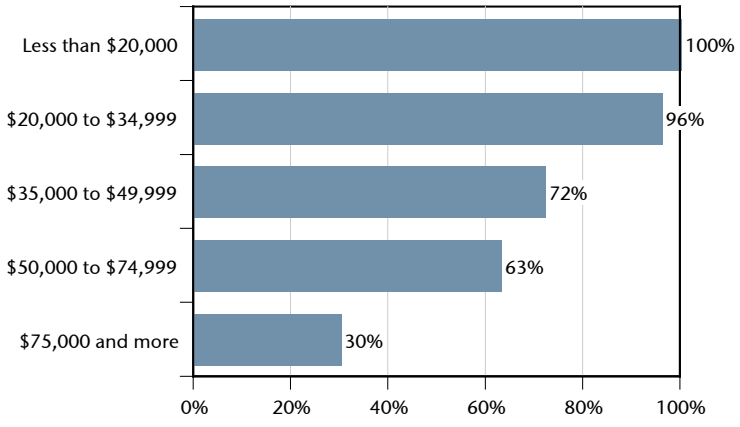
It should be noted that renters earning less than $35,000 make up 35 percent of all renters. Therefore, although these renters face very high levels of cost burden, many of the County's renters do not. This is because the County has some relatively high income renters: almost one-fourth earns more than $75,000, according to the state's data.

In 2007, 48 percent of owners in Routt County who had a mortgage were cost burdened. This up from 37 percent in 2000—a 30 percent rise. Given the County's for sale housing costs, it is not surprising that owner cost burden is higher than renter cost burden.

High levels of cost burden are also more persistent for owners, as shown in the following exhibit. While high levels of cost burden diminish for renters at the $35,000 mark, this does not occur for owners until they are earning at least $75,000. And, still, of those earning $75,000, more than 1,000 owner households with a mortgage face cost burden.

Exhibit III-13.
Owner Cost Burden by Income Level, 2007

Source:
Colorado Division of Housing.



Foreclosures. Foreclosures in Routt County have thus far been modest. According to the Colorado Division of Housing, the 18 month foreclosure rate in Routt County was .16 percent as of the end of second quarter 2008. Routt County represented less than one percent of all foreclosures in the state.

Gaps Analysis

To examine how well Routt County's current housing market meets the needs of its residents—and to determine how likely it is to accommodate demand of future residents and workers—we completed an exercise called a "gaps analysis." The gaps exercise compares the supply of housing at various price points to the number of households who can afford such housing. If there are more housing units than households, the market is "over-supplying" housing at that price range. Conversely, if there are too few units, the market is "under-supplying" housing.

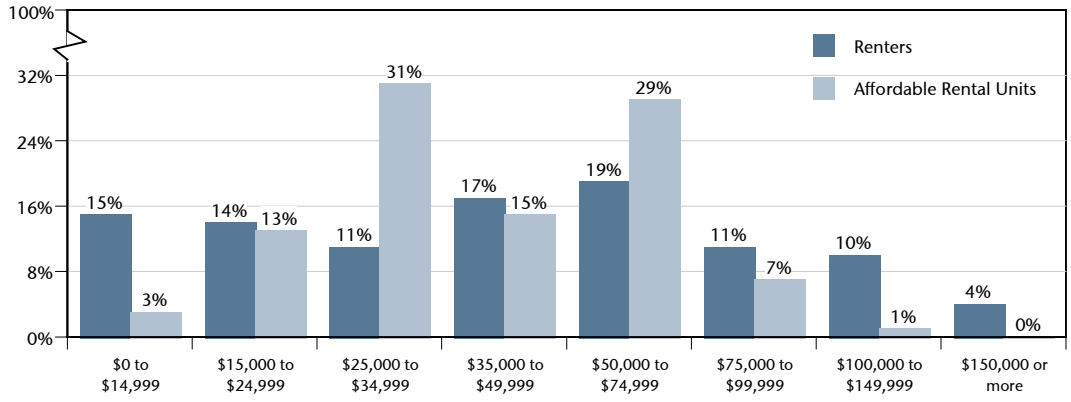
This section presents the results of the gaps analysis. Specifically, it answers the following questions:

- How easy is it for renters to find units in their affordability range?
- How easy is it for renters who want to be homeowners to buy in Routt County?
- How well will the County be able to keep up with workforce growth?

Renters. The rental market in Routt County is largely priced to serve renters earning between $25,000 and $75,000 per year. These households can afford to pay between $625 and $1,250 per month in rent and utilities without being cost burdened. Seventy-seven percent of the County's rental units fall within this price range—compared to 40 percent of renters.

Exhibit III-14 compares the proportion of renters in the County with the units to serve them. As demonstrated by the Exhibit, for renters earning less than $15,000 per year, there are very few units (just 3 percent of the market) to serve them. Renters earning between $25,000 and $75,000 per year have a range of units from which to choose. The Exhibit also demonstrates that the County has many high income households who are choosing to rent, perhaps because they cannot afford a home to buy and/or because of economic or employment uncertainty.

Exhibit III-14.
Rental Gap, Percentages, Routt County, 2008



Source: BBC Research & Consulting.

Specifically, there are 452 renters living in the County who earn less than $15,000 per year. These renters make up 15 percent of the County's renters. There are 134 rental units to serve these renters—leaving a gap of 318 units. There is also a gap for the County's higher income renters who are "renting down"—renting units that cost less than they could afford to pay. This may be because they can't find more expensive units to rent but is more likely an effort to save money for a potential downpayment on a home to buy.

Exhibit III-15 demonstrates the rental gap in the Routt County.

Exhibit III-15.
Rental Gap, Number of Units, Routt County, 2008

Income Ranges		Renters		Maximum Affordable Rent	Total Units for Rent	Public Housing Units	Rental Gap
Low	*High*	*Number*	*Percent*				
$0	$14,999	452	15%	$ 325	109	25	-318
$15,000	$24,999	413	14%	$ 575	398	19	5
$25,000	$34,999	338	11%	$ 800	978	6.5	647
$35,000	$49,999	506	17%	$ 1,175	489	4.5	-13
$50,000	$74,999	568	19%	$ 1,775	924		355
$75,000	$99,999	337	11%	$ 2,400	235		-102
$100,000	$149,999	303	10%	$ 3,625	36		-266
$150,000	$500,000	131	4%	$ 12,375	0		-131
Total		**3,047**	**100%**		**3,169**	**55**	

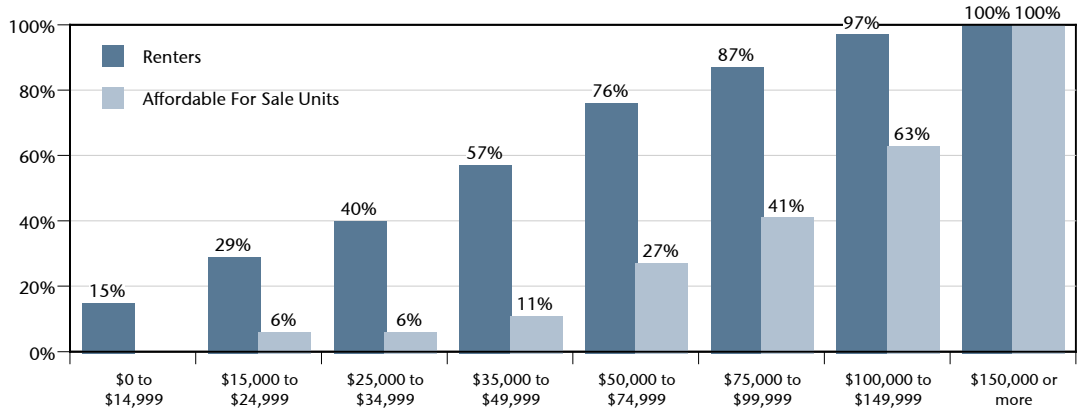
Source: BBC Research & Consulting.

The renters who cannot find affordable units aren't lacking housing—rather, they are paying more for housing than they can afford. This means they have to cut back in other areas and are at-risk of eviction and/or homelessness. The good news is that the County's gap is pretty small, which makes it easier to address.

Adequate rental stock is good news for the County's renters because it is hard to find affordable homes to buy in the County. Exhibit III-16 compares the ***cumulative*** proportion of units affordable to renters across income ranges with the proportion of units available in the market. Fifty-seven percent of the County's renters earn between $35,000 and $50,000—but just 11 percent of the for sale market is affordable to them. Renters have very limited choices in the market until they earn at least $75,000.

Exhibit III-16 presents this information in tabular form, further demonstrating the gap in affordability of the County's for sale market to its renter population.

Exhibit III-16.
For Sale Gap for Renters Wanting to Buy, Routt County, 2008



Source: BBC Research & Consulting.

SECTION IV.
Citizen Survey

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Citizen Survey

The following survey analysis combines the records from the RCLCO online resident survey conducted in the summer of 2008 with records from a BBC survey distributed through utility bills, at coffee shops and other public areas in Steamboat in fall 2008.[1]

These survey data were segmented into two samples: low income respondents earning less than $50,000 per year and renters. This segmentation was done so that the survey data best represented the needs of workers who may face some of the biggest challenges to funding housing in Routt County.

Low Income Residents

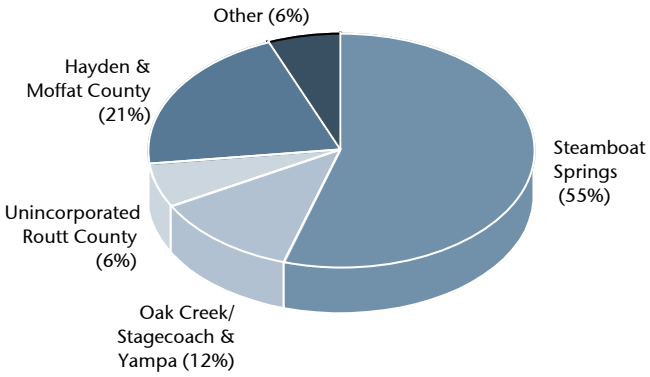
The sample of survey respondents that were low income (less than $50,000 per year) were analyzed separately. It combined 131 records from the RCLCO survey with 50 new records from the BBC survey, for a total sample of 181 low income respondents.

The BBC survey effort targeted low income residents of Routt County. Thirty-six percent of respondents to the BBC survey were low income by this definition, compared to 23 percent of respondents to the RCLCO survey. The average annual income of this sample of low income persons working in Steamboat Springs was about $32,000.

Respondent profile. The following exhibit depicts the distribution of these respondents by their reported area of residence.

Exhibit IV-1.
Residence of Low Income Survey Respondents

Source:
RCLCO and BBC Research & Consulting.



Over half of the low income respondents said they lived in Steamboat Springs (55 percent) and the rest in the surrounding area, most commonly Hayden and Moffat County (2` percent) and the Oak Creek/Stagecoach and Yampa area (12 percent).

[1] Response rates to individuals questions varied, and missing responses were ignored in the analysis of survey questions, so the total sample sizes of individual questions will vary. Additionally, the BBC survey asked some questions that were not included in the RCLCO survey, so these will reflect a much smaller sample size.

Comparing these data to the population distribution of survey respondents of all income levels shows that low income respondents are much more likely to live in Hayden and Moffat County, while higher income respondents are more likely to call Steamboat Springs and Unincorporated Routt County home, as seen in the exhibit below.

Exhibit IV-2.
Income Level and Place of Residence, Low Income Residents

Source:
RCLCO and BBC Research & Consulting.

Community	Low-income *(Less than $50,000/year)*	Mid-income *($50,000-$99,999/year)*	High-income *($100,000 or more/year)*
Steamboat Springs	54.7%	61.9%	63.7%
Oak Creek/ Stagecoach & Yampa	12.3%	12.3%	5.4%
Unincorp Routt	6.1%	11.0%	17.6%
Hayden & Moffat County	20.7%	12.3%	8.8%
Other	6.1%	2.6%	4.4%
Total	**100%**	**100%**	**100%**

The survey asked respondents to indicate how long they had been residing in their current homes. These data varied widely by tenure. Over 43 percent of renters compared to only 9 percent of owners said they had lived in their homes for less than a year. Conversely, 12 percent of renters had been in their homes 6 years or more, compared to 45 percent of owners.

Among the low income survey respondents, over 42 percent indicated they intend to stay in the Steamboat Springs area indefinitely or for at least 10 years. More than a quarter of respondents said they did not know how much longer they would be in the Steamboat area.

Tenure. Most of these respondents owned their homes (55 percent), while about 38 percent were renters and few said they lived temporarily with friends or relatives and were not paying rent. A breakdown of tenure by place of residence is shown below.

Exhibit IV-3.
Tenure of Low Income Residents by Community

Community	Total Respondents	Renters		Owners	
		Number	*Percent*	*Number*	*Percent*
Steamboat Springs	97	47	48%	45	46%
Oak Creek/Stagecoach and Yampa	22	4	18%	17	77%
Unincorp Routt	11	4	36%	7	64%
Hayden & Moffat County	36	10	28%	23	64%
Other	11	3	27%	6	55%
All communities	**177**	**68**	**38%**	**98**	**55%**

Source: RCLCO and BBC Research & Consulting.

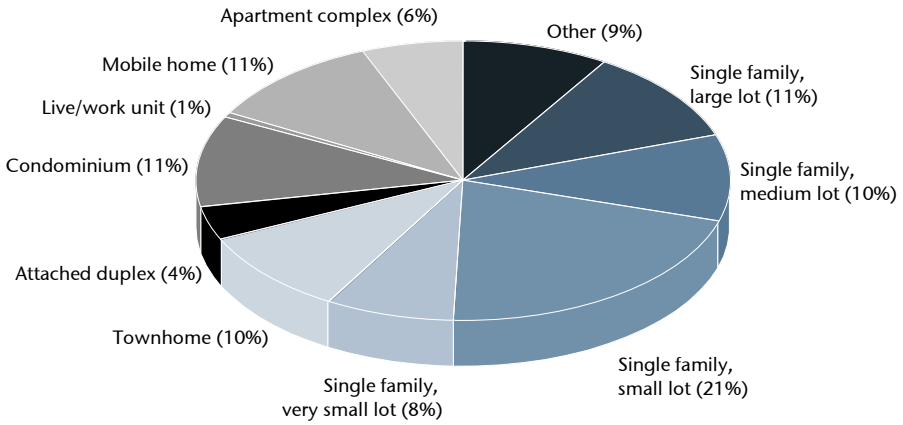
Low income residents of Steamboat Springs were much more likely than residents of other communities to be renters. For example, 48 percent of survey respondents in Steamboat Springs were renters, compared to 36 percent of respondents in Unincorporated Routt County and less than 30 percent of other communities. Those living in Oak Creek/Stagecoach and Yampa were particularly likely to own their homes.

Housing type. Almost half of respondents said they lived in single family homes. Of these, lived on single family lots they characterized as "small." Almost 17 percent lived in condominiums or apartments, another 11 in mobile homes, 10 percent in townhomes, and 6 percent in apartment buildings.

Exhibit IV-4. Distribution of Low Income Residents by Housing Type

Note:
SFS is a single family home.

Source:
RCLCO and BBC Research & Consulting.



Bedrooms. Almost two thirds of respondents lived in homes with either two bedrooms (29 percent) or three (37 percent). Almost 19 percent lived in one-bedroom homes and the remaining 15 percent lived in homes with four or more bedrooms.

Only 1.8 percent of these low income respondents reported having less than one bedroom for every two members of their household (e.g. a 3-person household living in a one-bedroom home, or a 5-person household living in a two-person home). This percentage of "crowded" housing units among low income respondents was on par with the rate for survey respondents of all income levels, suggesting that crowding is not a problem that disproportionately affects low income households in Routt County.

Household composition. Most low income respondents were single, either living alone (40 percent) or living with a roommate (16 percent). Over 10 percent lived with their spouse or partner and no children, and 28 percent lived with children or family.

Employment. Respondents were asked to identify the industry in which they work. The largest proportion said they worked in leisure, hospitality and food services (over one in four respondents), followed by government (one in six) and education (one in six).

Over half of respondents (55 percent) said they had been with their current employer for less than three years. About one in five persons said they had been with their current employer for less than one year, and about 22 percent said they had been with their current employers for over 10 years. More than half of respondents said they only had one job (55 percent), while one in four said they had a year-round second job and 19 percent said they had a seasonal second job.

Housing costs. The average monthly housing costs of the low income respondents to the surveys was approximately $970, while the median monthly housing cost was $800. The respondents living in Steamboat paid more on average than residents of other areas—over $1,000 per month compared to $825 in Oak Creek/Stagecoach/Yampa and $818 in Hayden/Moffat County.

Exhibit IV-5.
Housing Costs by Place of Residence, Low Income Residents

Community	Total Reporting	Total Housing Costs (without Utilities)					Average Total Housing Cost**	Median Total Housing Cost
		Less than $500	*$500-$999*	*$1,000-$1,499*	*$1,500-$1,999*	*$2,000 or more*		
Steamboat Springs	77	12%	48%	23%	8%	9%	$1,007	$788
Oak Creek/ Stagecoach and Yampa	21	10%	52%	24%	14%	0%	$900	$825
Unincorp Routt	8	*	*	*	*	*	*	*
Hayden & Moffat County	31	13%	58%	23%	6%	0%	$818	$750
Other	9	*	*	*	*	*	*	*
Total	**146**	**11%**	**50%**	**23%**	**10%**	**5%**	**$970**	**$800**

Notes: * Insufficient sample size of reporting respondents
** Excludes cases in which respondents indicated $0 in monthly housing costs.

Source: RCLCO and BBC Research & Consulting.

The higher ***average*** cost in Steamboat was mostly related to a number of low income respondents with very high housing costs. Nine percent of low income Steamboat respondents paid $2,000 or more per month in rent, while virtually no respondents in other areas reported monthly housing costs above $2,000. As a result, the median monthly housing cost among low income Steamboat residents was much less.

Utilities. The median monthly cost of utilities reported by low income respondents was $200. About 56 percent of respondents had monthly utility costs between $100 and $299, while 30 percent paid $300 or more per month in utilities, and 14 percent paid less than $100 per month.

Transportation. Average commuting time was 0 to 10 minutes for residents of Steamboat (as expected), 21 to 40 minutes for residents of Hayden, Oak Creek/Stagecoach and Yampa, and 41 to 60 minutes for residents of Craig—implying that most residents work in the Steamboat Springs area.

The average monthly cost of transportation was $332 for all low income survey respondents. Transportation costs include car payments, insurance and gas. As expectedly, this varied greatly by place of residence, with higher transportation costs for those with longer commutes.

Exhibit IV-6.
Transportation Costs by Place of Residence, Low Income Residents

Place of Residence	Total Reporting	Monthly Transportation Costs				Avgerage Transportation Costs**
		Less than $200	*$200-$399*	*$400-$599*	*$600 or more*	
Steamboat Springs	92	36%	36%	15%	13%	$286
Oak Creek/Stagecoach and Yampa	20	10%	35%	45%	10%	$422
Unincorp Routt	10	*	*	*	*	$331
Hayden & Moffat County	27	22%	37%	26%	15%	$348
Other	10	*	*	*	*	$533
Total	**159**	**28%**	**36%**	**21%**	**14%**	**$332**

Notes: * Insufficient sample size of reporting respondents
** Excludes cases in which respondents indicated $0 in monthly housing costs.

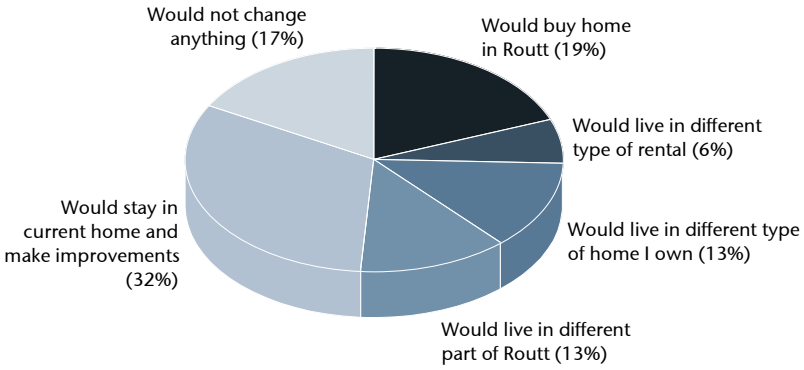
Source: RCLCO and BBC Research & Consulting.

Steamboat residents, who only had a short intra-city commute, spent an average of $286 per month on transportation, while those commuting from the south (Oak Creek/Stagecoach and Yampa) spent $422 per month on average, and those commuting from the west (Hayden and Moffat County) spent an average of $348 per month.

Housing preferences. The BBC survey asked respondents what changes they would make to their current housing situation. The distribution of these responses is shown in the exhibit below.

Exhibit IV-7.
Changes Low Income Residents Would Make to Housing Situation

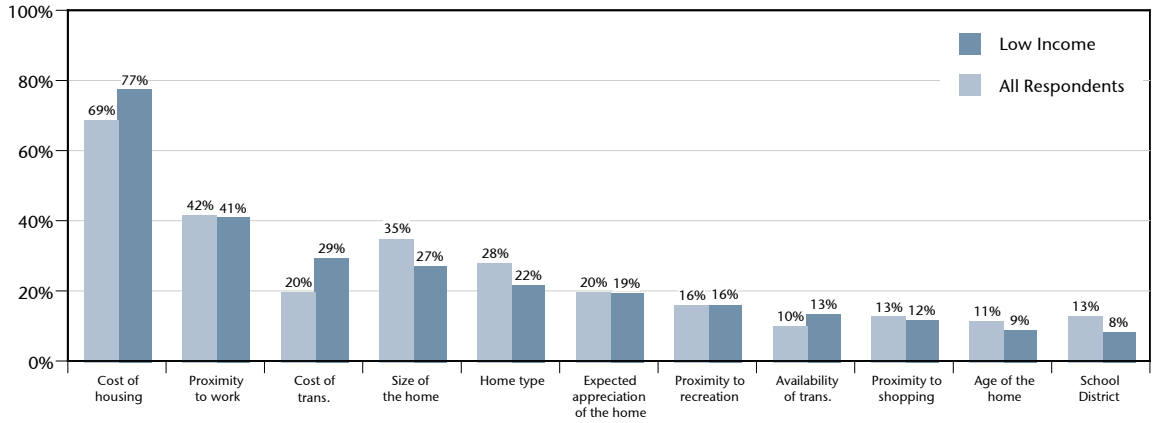
Source:
BBC Research & Consulting.



When asked in the BBC survey about what changes they would make to their current housing situation, 17 percent of respondents said they wouldn't change anything. Almost one-third said they would like to live in their current home but make improvements, and almost one in five respondents (mostly current renter) said they would like to buy a home in Routt County.

The surveys asked respondents to identify those factors that most affected their decision on where to live. Exhibit IV-8 demonstrates the frequency of the factors mentioned for low income and all respondents.

Exhibit IV-8.
Factors Affecting Choice of Where to Live, Low Income Residents



Source: RCLCO and BBC Research & Consulting.

By far the factor most affecting respondents' decision of where to live is the cost of housing. Over three in four (77 percent) of low income respondents said cost of housing was a major factor in their decision, compared to slightly less among respondents of all income levels (69 percent). Other important factors for low income residents were proximity to work (41 percent) and the cost of transportation (29 percent). Low income respondents were significantly more likely than all respondents to identify cost of transportation as an important factor in their housing location decision, while respondents of all income levels were more likely to choose home characteristics (age and type).

The BBC survey also gave respondents a series of tradeoff questions in which they were asked to identify the sacrifices they would be willing to make in order to live in their community of choice in Routt County. Of the 50 low income respondents to the BBC survey, 37 responded to the tradeoff questions. Respondents were most willing to live in a duplex/triplex or a townhome, slightly less inclined to rent or live in a deed restricted home, and least willing to live in condominiums, as shown in the following exhibit.

Exhibit IV-9.
Tradeoffs Acceptable to Low Income Residents

Note:
n = 37

Source:
BBC Research & Consulting.

Tradeoff	Willing	Not willing
Buy a duplex/triplex	49%	51%
Buy a condominium	25%	75%
Buy a townhome	49%	51%
Rent	41%	59%
Buy a deed restricted home	38%	62%

Deed restrictions. Respondents were asked to indicated how interested they were in a deed-restricted home. Thirty-nine percent said they were not interested at all, while 10 percent said they were mostly uninterested, 29 percent said they were somewhat interested and 22 percent said they were very interested. The proportion of low income respondents "very interested" in deed restricted homes was much higher than higher income respondents: 16 percent of respondents with annual incomes between $50,000 and $100,000 were very interested, and no respondents making more than $100,000 per year said they were very interested.

When asked how much less the price of a deed restricted home would need to be in order for them to consider purchasing it, respondents were evenly split. Slightly less than a third (32 percent) said they would accept a price less than $65,000 below market value, another 32 percent said that it would only accept a home priced more than $65,000 below market value, and over 35 percent said they were not interested at all in a deed restricted home.

Respondents were also asked how much they would be willing to pay for deed restricted detached homes, townhomes and condominiums. About 32 percent were willing to pay more than $200,000 on a deed restricted home, 28 percent were willing to pay more than $200,000 on a deed restricted townhome, and only 13 percent were willing to pay more than $200,000 on a deed restricted condominium unit.

Renters

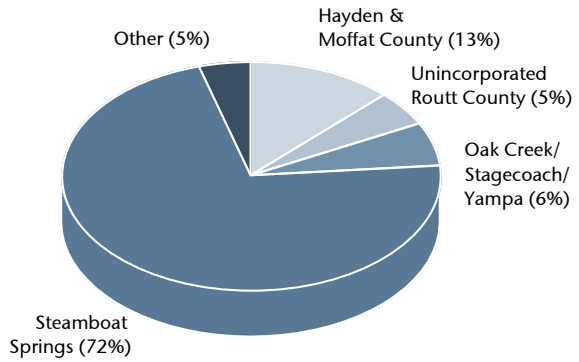
A similar analysis was conducted for the sample of survey respondents that said they currently rented their homes. This sample combined 175 records from the RCLCO online survey and an additional 27 records from the BBC survey, for a total of 202 records representing renters.

The average annual income of renters was almost $71,000. This roughly equivalent to a two-earner household earning the average wage and working full time. (According to the Department of Labor & Employment, the average annual wage for a full time worker in Routt County was $38,376 per year in 2008).

Respondent profile. The following exhibit depicts the distribution of renters responding to the surveys by their reported area of residence.

Exhibit IV-10.
Residence of Renter Survey Respondents

Source:
RCLCO and BBC Research & Consulting.



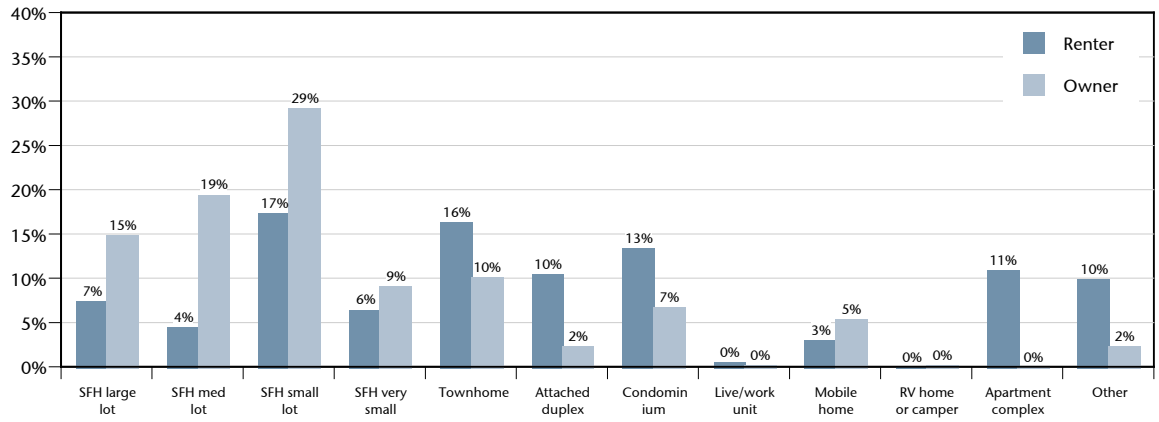
Steamboat Springs houses the large majority of the renter population, according to the surveys. While about 60 percent of survey respondents overall named Steamboat Springs as their place of residence, 72 percent of renter respondents live in Steamboat.

Forty-three percent of renters had been in their current homes for less than a year, 45 percent between 1 and 5 years and only 12 percent for 6 or more years. As expected, owners had lived in their homes for much longer – only 9 percent of owners had lived in their homes for less than a year and almost 45 percent for 6 or more years.

About 34 percent of survey renters said they planned to stay in the Steamboat area for 10 or more years, less than the 46 percent of all survey respondents who said this. Renters were also more likely to be uncertain of their futures – 28 percent of renters versus 19 percent of all respondents said they "did not know" how many more years they would be in the Steamboat Area.

Housing type. Exhibit IV-11 demonstrates the distribution of surveyed renters by type of housing, compared to surveyed owners.

Exhibit IV-11.
Type of Housing, Renter v. Owners



Source: RCLCO and BBC Research & Consulting.

Over a third of renters (36 percent) said they lived in single family homes – much less than the 73 percent of owners who lived in single family homes. Conversely, renters were much more likely to be living in townhomes (16 versus 10 percent), duplexes (10 versus 2 percent), and condominiums/apartments (24 versus 7 percent). However, single family homes made up a large share of rental housing – about 36 percent, compared to 24 percent of rental housing comprised by apartments and condominiums.

Household composition. Over half of renters were single, either living alone (25 percent) or living with a roommate (27 percent). Almost 17 percent lived with their spouse or partner no children, and 29 percent lived with children or family.

Employment. Surveyed renters were asked to identify the industry in which they work. The largest proportions said they worked in leisure, hospitality and food services, followed by government.

A majority of surveyed renters (59 percent) said they had been with their current employer for less than three years. Almost one-third had been with their current employers for less than a year, and 11 percent had been with their current employer more than 10 years. Almost 60 percent said they only had one job, while about 20 percent said they had a year-round second job and another 20 percent said they had a seasonal second job.

Housing costs. The average monthly rent reported by the surveyed renters was approximately $1,040. The renters living in Steamboat paid the most – almost $1,090 per month on average compared to $820 per month in Oak Creek/Stagecoach/Yampa and $870 per month in Hayden/Moffat County.

Exhibit IV-12.
Cost of Rent by Place of Residence, Renters

Community	Total Reporting	Cost of Rent					Average Cost of Rent**	Median Cost of Rent
		Less than $500	*$500-$999*	*$1,000-$1,499*	*$1,500-$1,999*	*$2,000 or more*		
Steamboat Springs	126	7%	44%	21%	22%	6%	$1,097	$950
Oak Creek/ Stagecoach and Yampa	12	17%	58%	17%	8%	0%	$819	$863
Unincorp Routt	8	*	*	*	*	*	*	*
Hayden & Moffat County	22	9%	68%	14%	5%	5%	$869	$750
Other	6	*	*	*	*	*	*	*
Total	**174**	**8%**	**48%**	**20%**	**19%**	**6%**	**$1,049**	**$850**

Source: RCLCO and BBC Research & Consulting.

About 29 percent of renters in Steamboat Springs paid more than $1,500 per month in rent, while this proportion was 12 percent in Hayden and Moffat County.

Utilities. The median monthly cost of utilities reported by renters was $200. About 63 percent of respondents had monthly utility costs between $100 and $299, while a fourth paid $300 or more per month in utilities, and 10 percent paid less than $100 per month.

Transportation. The average monthly cost of transportation was $400 for all surveyed renters. Transportation costs include car payments, insurance and gas. As expectedly, this varied greatly by place of residence, with higher transportation costs for those with longer commutes.

Exhibit IV-13.
Transportation Costs by Place of Residence, Renters

Community	Total Reporting	Monthly Transportation Costs				Avgerage Transportation Costs**
		Less than $200	*$200-$399*	*$400-$599*	*$600 or more*	
Steamboat Springs	128	27%	30%	16%	27%	$390
Oak Creek/ Stagecoach and Yampa	12	0%	25%	58%	17%	$462
Unincorp Routt	8	*	*	*	*	*
Hayden & Moffat County	18	22%	33%	17%	28%	$491
Other	6	*	*	*	*	*
Total	**172**	**25%**	**31%**	**19%**	**25%**	**$400**

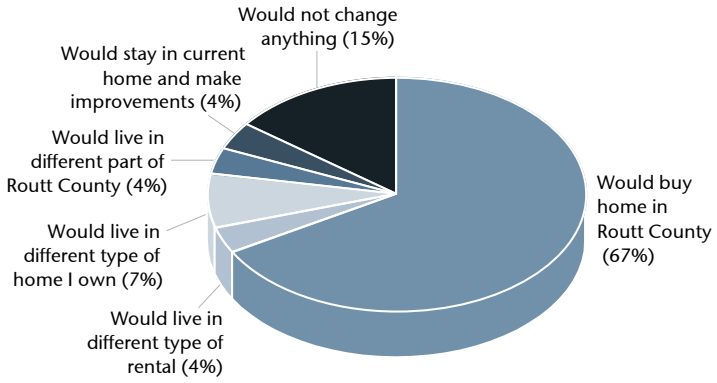
Notes: * Insufficient sample size of reporting respondents
** Excludes cases in which respondents indicated $0 in monthly housing costs.
Source: RCLCO and BBC Research & Consulting.

Steamboat residents, who only had a short intra-city commute, spent an average of $390 per month on transportation, while those commuting from the south (Oak Creek/Stagecoach and Yampa) spent $468 per month on average, and those commuting from the west (Hayden and Moffat County) spent an average of $491 per month.

Housing preferences. When asked in the BBC survey about what changes they would make to their current housing situation, two-thirds of surveyed renters said that they would like to buy a home in Routt County. Almost 15 percent were satisfied with their current housing situation and said they "wouldn't change anything." Only one or two respondents indicated they would like to live in a different housing type or live in a different part of the County.

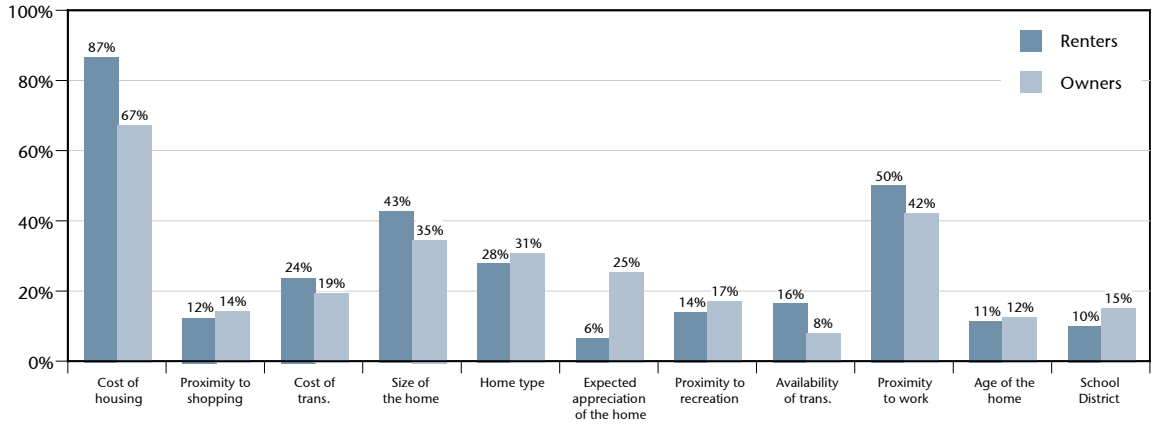
Exhibit IV-14.
Changes Low Income Residents Would Make to Housing Situation

Source:
BBC Research & Consulting.



The surveys asked respondents to identify those factors that most affected their decision on where to live. Exhibit IV-6 demonstrates the frequency of the factors mentioned for renters as compared to respondents who owned their homes.

Exhibit IV-15.
Factors Affecting Renters' Choice of Where to Live



Source: RCLCO and BBC Research & Consulting.

By far the factor most affecting respondents' decision of where to live is the cost of housing, indicated as a major factor in deciding where to live by 87 percent of renters. Cost of housing was an important factor for those who owned their homes, but was mentioned by a smaller majority (67 percent) of these respondents. Other important factors for low income residents were proximity to work (50 percent), size of the home (43 percent) and home type (28 percent). Of lesser importance to renters as compared to owner was the potential appreciation of the home (as expected). Of greater importance were the availability of transportation and proximity to work.

The BBC survey also gave respondents a series of tradeoff questions in which they were asked to identify the sacrifices they would be willing to make in order to live in their community of choice in Routt County. Of the 27 renters responding to the BBC survey, between 19 and 21 responded to each of the tradeoff questions. As expected, renters said that they were most willing to rent in order to be in their desired part of Routt County. They were largely willing to live in townhomes (80 percent) or duplexes/triplexes (74 percent) as well, and large portions of renters already live in these types of housing. Renters were largely interested in deed-restricted units (71 percent) but were least interested in living in condominiums (48 percent). When compared to owners, renters were much more willing to accept any of these tradeoffs in order to live in their preferred part of Routt County, as shown in the exhibit below.

Exhibit IV-16.
Tradeoffs Acceptable to Renters as compared to Owners

Source:
BBC Research & Consulting.

Tradeoff	Percent of Respondents Willing to Make tradeoff	
	Renters (n=20)	*Owners (n=82)*
Buy a duplex/triplex	74%	35%
Buy a condominium	42%	14%
Buy a townhome	80%	27%
Rent	89%	11%
Buy a deed restricted home	71%	24%

Deed restrictions. Respondents were asked to indicated how interested they were in a deed-restricted home, and renters showed a significant interest in deed restricted properties. Of the 24 renters that responded to this question, the largest portion (46 percent) said they were somewhat interested, and 29 percent said they were very interested. Only 25 percent said they were mostly uninterested or not interested at all.

Most renters said the most they would pay for a deed restricted home, townhome or condominium would be between $101,000 and $200,000. Over half said they would consider buying a deed restricted unit if it were price at least $51,000 below market value.

SECTION V.
Focus Group Populations' Housing Needs

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This section reports the results of focus groups addressing the housing needs of two subpopulations in Routt County: seniors and Hispanic/Latino individuals. These populations were identified by members of the Routt County community as potentially having more challenges in finding housing than others in the community. This section explores the existence of such challenges.

Seniors

In partnership with the Visiting Nurse Association, BBC conducted two focus groups with Routt County seniors about their housing needs. The Visiting Nurse Association (VNA) Living Well program recruited the focus group participants.

A total of 27 seniors participated in the focus groups. Participants in the focus groups included:

- 23 owners of single family homes in Routt County;
- One duplex owner; one condo owner;
- One renter of an apartment in a single family home; and
- One tenant of an income-restricted senior housing building in Steamboat.

On average, the participants had lived in Routt County for 20 years. The most recent arrivals moved to Clark two years ago.

The majority (23) of the participants were from the Steamboat Springs area. Two were from Hayden and another two were from Clark.

Based on the discussion, the participants in the focus groups, in general, were more affluent than the typical senior, but may be representative of Steamboat Springs seniors. For example, some of the participants owned multiple homes and many had paid off their homes in Steamboat Springs. The largest housing issue for these seniors was not lack of affordable housing—but the lack of supply of privately provided senior housing and/or finding adequate health care/home aides to allow them to stay in their current homes. In one group, participants discussed that there wasn't any place for people with money to downsize to, with respect to a senior community

Senior Housing Needs. Not surprisingly, focus group participants prefer to stay in their homes as long as possible. As they look to the future, they acknowledge that at some point they may need in-home assistance with daily living or may need to downsize to a smaller unit that is perhaps part of a senior housing community.

- Currently, there are two, income-restricted independent living senior housing buildings in Steamboat and a skilled nursing facility at the hospital. There is an assisted living facility in Hayden (The Haven). One participant lived in one of these properties, and she was unhappy with the rules, but it is the only place she can afford to live. The other participants did not believe they would be able to live in those properties, even if they wanted to, because they are full and because they are income-restricted.

- If seniors want to downsize from their current multi-story single family home, their options are extremely limited. To their knowledge, there are no single-story single family homes, patio homes, cottages or bungalows for purchase in the area. There are no age-restricted communities that offer private independent living spaces with the potential to progress along the continuum of care (e.g., completely independent to assisted living to skilled nursing). The only senior-restricted housing is income restricted, so the community's more affluent seniors have no senior-only options. Some have looked into purchasing condos, but the products available are not suited for their needs (e.g., no elevators).

- For many of the participants, an age-restricted planned community had a great deal of appeal, especially if it were located in Steamboat. Benefits of such a community include the ability to downsize to a smaller home (many want 2 bedrooms, 2 baths) and the social opportunities a community would offer. In addition, being able to add varying degrees of in-home assistance as needed was valued.

- Most seniors plan to live in their homes for as long as possible. For non-medically related assistance, participants seemed to be confident that they could hire people to assist them as needed for tasks such as snow removal, shopping, etc. While the VNA provides some medical assistance, participants were concerned that they would not have sufficient medical resources to potentially meet their needs. One participant told the story of how she had to move her husband (diagnosed with Parkinson's) to a residence in another state because she could not find a qualified live-in nurse. Once he passed away, she returned to Steamboat.

- There was a perception among the seniors that qualified caregivers could not afford to live in Steamboat.

Hayden VNA Campus. Participants discussed their interest in and opinions of staged housing concepts, where seniors buy or rent a patio home and progressively add assistive services as needed before formally moving into assisted living arrangements or skilled nursing facilities.

Two aspects of this type of living environment were particularly important to participants:

- **Privacy:** All want their own living space, complete with (for most) two bedrooms, a kitchen, living room and private baths (most wanted two). Many were not interested in apartment-style buildings; rather, they preferred the concept of patio homes, bungalows or cottages.

- **Social interaction:** One of the appeals of this type of living arrangement is to interact with peers—e.g., having the option to eat dinner in a dining facility, going on pre-arranged outings or participating in other activities with fellow residents was appealing to most of the participants.

That a community might be located in Hayden was, in general, not appealing, particularly to Steamboat residents. They truly love all that Steamboat offers, from outdoor sports to shopping and cultural activities. They do not believe that Hayden has the same appeal.

The participants were very familiar with senior-only communities privately developed across the country. They suggested that such a development in Steamboat would be very appealing.

Hispanic/Latino Community

Hispanic individuals represent one of the most rapidly growing segments of the population in many communities in Colorado. Their housing needs and preferences may differ somewhat from those of the general population, but survey efforts typically fail to capture a representative sample of Hispanic persons.

To address the housing needs of the Hispanic population, BBC conducted focus groups and stakeholder interviews on site in Routt County over several days in late June 2009. In all, 16 Hispanic individuals living or working in Routt County were interviewed, and an additional 6 stakeholder interviews were conducted with public officials, social workers and other professionals.

Hispanic population. The Hispanic population in Routt County has grown rapidly over the past decade, as it has in other resort communities and throughout Colorado. The presence of a sizeable Hispanic community in Routt County is a rather new phenomenon. Exhibit V-1 below shows Census estimates regarding the size of the Hispanic population in Routt County and several other comparison counties in 2000 and 2008.

Exhibit V-1.
Hispanic Population by County, 2000 and 2008

	2000 Census		2008 Estimate			
	Hispanic pop.	*% of total pop.*	*Hispanic pop.*	*% of total pop.*	Numeric growth	Percent growth
Routt County	**634**	**3%**	**1,020**	**4%**	**386**	**61%**
Eagle County	9,682	23%	14,915	29%	5,233	54%
Garfield County	7,300	17%	13,834	25%	6,534	90%
Grand County	543	4%	730	5%	187	34%
Moffat County	1,247	9%	2,019	15%	772	62%
Summit County	2,306	10%	3,915	15%	1,609	70%

Source: U.S. Census, 2008 Population Estimates and 2000 Decennial Census.

Routt County's Hispanic population is estimated to be 1,020, representing only 4 percent of the County's total population. By these data, Routt has on of the smallest Hispanic populations relative to its total population when compared to neighboring counties and similar mountain counties.

Between 2000 and 2008, Routt County's Hispanic population is estimated to have grown by 386 individuals, or 61 percent—far outpacing the 15 percent growth in the non-Hispanic growth over the same period. Hispanics represented 12 percent of the population growth in Routt County over this period, while they represented a much higher 49 percent of population growth in Eagle County, 49 percent in Summit County, and 56 percent in Garfield County. In Moffat County, the Hispanic population grew by 15 percent while the non-Hispanic population declined by 1 percent, meaning that Hispanics accounted for all of the net growth in that County.

Data from Steamboat School District RE-2 confirm these basic findings, showing that Hispanic students represent 6 percent of total enrollment. School district administrators say that this proportion has increased over the years, but suggest that Hispanic students have not represented a disproportionate share of enrollment growth in recent years (that is, there is equal growth in the school age population from non-Hispanic families having children).

Anecdotal evidence from Hispanic individuals and other persons familiar with the Hispanic community suggest that Hispanics may represent more than 4 percent of the total population, as estimated by the Census.

Hispanic household characteristics. Hispanic households differ from the rest of Routt County households in a number of ways. For example, compared to non-Hispanics, the County's Hispanic population is more likely to live in family households, to be renters, to occupy mobile homes and to live in overcrowded conditions. Exhibit V-2 highlights some of these differences.

Exhibit V-2.
Hispanics Compared to Total Population, Selected Characteristics

Source:
American Community Survey 2005-2007.

	Hispanic population	Total population
Median Household Income	$35,068	$62,753
Households by Tenure		
Owner	70%	79%
Renter	30%	21%
	100%	**100%**
Population by Household Type		
In family households	85%	77%
In non-family households	15%	23%
	100%	**100%**
Households by Housing Type		
1, detached or attached	42%	67%
2 to 4 units	0%	13%
5 or more units	15%	10%
Mobile home, boat, RV, van, etc.	43%	9%
	100%	**100%**
Households by Occupants per Room		
1.00 or less occupants per room	88%	100%
1.01 or more occupants per room	12%	0%
	100%	**100%**

Specifically, the great majority of Hispanics in Routt live in family households (85 percent), while only 15 percent live alone or with unrelated roommates. Hispanics are slightly more likely to live in family households than the total population (85 percent versus 77 percent). Hispanic households in Routt County has a median incomes much lower than that of all families in Routt County—$35,068 compared to $62,752.

Hispanic households differ most notably from the broader population in the type of housing in which they live. They are much more likely to live in mobile homes—in fact, the largest proportion of Hispanic households (43 percent) live in mobile homes, compared to only 9 percent of the total population. They are also more likely to live in apartments with 5 or more units (15 versus 10 percent). According to managers at several of the largest mobile home parks around Steamboat, 10 to 15 percent of their residents are Hispanic.

The ACS estimates that 70 percent of Hispanic households own their homes, which is less than the rate across the total population (79 percent) but still remarkably high. This is due in large part to the preponderance of mobile homes in the Hispanic community, which are generally reported as owner-occupied (even if the occupant pays a lease for the land).

Overcrowding is defined as more than one household member per room in a housing unit. According to ACS estimates, less than 50 Routt County households live in crowded conditions, and all of these households are Hispanic. This means that the incidence of crowding is 12 percent among Routt County Hispanic households while zero among non-Hispanic households. These data show that overcrowding is a problem faced almost exclusively by Hispanic households in the County.

Focus group and interview findings. In all, sixteen Hispanic individuals living or working in Routt County were interviewed, and an additional six stakeholder interviews were conducted with public officials, social workers and other professionals. These included:

- Six (6) Hispanic employees at a Steamboat restaurant;
- Six (8) Hispanic parents living with their children in the Steamboat area;
- Three (3) single male workers;
- Managers at several Steamboat-area mobile home parks;
- The HR directors overseeing hospitality staff at several Steamboat resorts;
- Administrators at the Steamboat school district and the ESL program; and
- Officials at the local transportation authority

Focus group participants were recruited to represent a diverse sample of Routt County's Hispanic population (single workers and families, homeowners and renters). The focus group participants should not be considered to be a "representative sample" of the population as a whole, but they were asked to speak on behalf of the other Hispanic households they knew in addition to their own households.

Why Routt County? The Hispanic individuals interviewed in the focus groups have been living in the County for 6 years, on average. The number of years these participants had lived in Routt County ranged from 1 to 19 years.

The focus group participants said their decision to move to Routt County was based on the greater availability of jobs and the higher salaries in most industries. In past years, competition for jobs in construction and hospitality was much lower in Steamboat than in other areas. Although respondents reported that the cost of living in the County was high, relatively high wages offset this. Participants also reported that by living frugally they were able to send more money back to their families in Mexico. Remittances to Mexico generally represented 10 to 15 percent of the earnings of the Hispanic individuals interviewed.

While all Hispanic individuals said they were drawn to Steamboat for its jobs opportunities and higher wages, most of the Hispanic individuals with families said that their decision to continue living in Steamboat were largely based on quality of life considerations as well. Participants who had children said that they greatly preferred raising their children in Steamboat instead of the Front

Range to keep their children away from gang activity. The schools in Steamboat got high marks from Hispanic parents. Focus groups considered the English as a Second Language classes available in the community to be of great value. Across the board, focus group participants characterized Steamboat Springs to be a friendly, welcoming place for Hispanics.

The only participants who said they were inclined to leave Steamboat were all young individuals who saw better opportunities for education elsewhere, or single workers who said that they would consider moving somewhere where they could find a job with greater hours.

Housing situation. About half of the focus group participants said they lived in mobile homes, while a large portion lived in apartments, and only two said they lived in single family detached housing. Most of the participants were renters. Renters included all of the participants who lived in apartments and about half of the participants who lived in mobile homes, while the few who lived in single family detached homes were homeowners (these individuals had been in the community for many years).

Most mobile home residents said that while they would like to live in a single family home, they were satisfied in their mobile home and considered it acceptable. However, many of them said they wished their mobile home parks were more aesthetically pleasing like some of the mobile home parks on the Front Range. Only one mobile home park was reportedly a particularly unpleasant place to live and raise a family.

All but one of the focus group participants live in Steamboat and its immediate environs. The participants reported that a large concentration of Hispanic individuals live in nearby Craig (including one focus group participant), and a large number of these individuals commute to Steamboat for work.

Costs. Across the board, Hispanic individuals characterized the cost of living as very expensive. The focus group participants living in mobile homes said they paid around $550 per month in rent. Those living in apartments said their rent totaled between $700 and $1,200 per month. Many individuals interviewed said that one of the greatest challenged to finding a place to live in Steamboat is the fact that most landlords require a deposit of 3 months rent—a burdensome requirement that is not common in most other communities.

Focus group participants noted the higher cost of living in Routt County, including housing, expensive groceries, smaller housing units, and burdensome housing deposit requirements, but they all seemed to suggest that they were worthwhile sacrifices to be able to live and work in Steamboat. For the most part, they said they were able to adapt to the cost of living in Steamboat. Most of the renters said they shared their apartments with several other individuals, while most of the families lived in more affordable mobile homes. Participants said that the cost of groceries in Steamboat was much higher than in other areas, and many said they traveled to Denver once a month exclusively for grocery shopping. Many of the single participants said they stayed with friends and relatives when they first moved to Steamboat or during other periods of transition within the County.

Overcrowding. Overcrowding is a problem for many Hispanic households in Routt County and is to a large degree symptomatic of the high cost of living in an expensive resort community. The American Community Survey estimates that almost 12 percent of Hispanic-occupied housing units in Routt County are overcrowded (more than 1 occupant per room). This rate was much higher for Hispanic households in other resort communities including Summit (19 percent), Eagle (19 percent), Garfield (25 percent). Less costly counties with large Hispanic populations had lower rates of overcrowding in Hispanic households, including Pueblo (3 percent), Weld (8 percent), Denver (9 percent), and Adams (10 percent). More expensive mountain communities have significantly higher rates of overcrowding of Hispanic households, but these data indicate that the problem in Routt County is less widespread than in similar mountain communities.

Discussions with Hispanic residents of Routt County and social workers revealed a strong perception of an overcrowding problem in the Hispanic community. All focus group participants said that they knew of several cases of Hispanic individuals and families living in crowded conditions, and several focus group participants indicated that they shared small apartments with around 3 other individuals in order to cut costs. Most participants were familiar with some extreme cases of overcrowding, including an 8-person families sharing a one-bedroom housing unit, and over 10 people sharing a one-bedroom apartment.

Commuting. Routt County has a rather small Hispanic population as a percentage of the total County population, especially in comparison to Moffat County. Hispanics represent about 15 percent of the population in Moffat compared to just 4 percent in Routt, and Moffat's Hispanic population is about twice the size of Routt's (2,019 versus 1,020).

Human resources personnel at Steamboat's largest resort oversee a housekeeping staff of 50 individuals, virtually all of whom are reported to be Hispanic. Of these, 35 (about 70 percent) commute all the way from Craig. Of the 35 that commute, only one-third use the shuttles while the rest drive on their own or carpool. The manager at another resort estimated that about 3 in every 5 members of his small housekeeping staff commuted from Craig.

BBC spoke with Steamboat Springs Transportation Services (SST) regarding its daily commuter shuttles between Craig and Steamboat Springs, and to understand ridership represented by Hispanic workers. According to SST, ridership of the its two daily shuttles that leave Craig for Steamboat in the morning and return in the evening was 37,801 one-way person-trips in 2008, up from about 33,000 in 2007. Ridership fluctuates from 2,491 in November to 3,750 in January, which means that during the peak commuter period an estimated 60 persons use the Craig-Steamboat shuttle per day. Bus drivers estimate that 80 percent of riders on this route are Hispanics, which means that the shuttle system serves roughly 50 Hispanic commuters per day.

Combining this figure with the estimate from hospitality staff directors that about 1/3 of their workers who live in Craig use the shuttle, an estimated 150 Hispanic individuals commute to Steamboat Springs from Craig per day.

The focus groups only included one Craig resident, but most participants were familiar with Craig and some had considered locating these at some point. They estimated that the cost of housing in Craig was about half of the cost in the Steamboat area. However, focus group respondents who lived and worked in Steamboat said that moving to Craig was not an attractive alternative to their current housing situation for a number of reasons:

- The cost of gas for the commute from Craig to Steamboat offsets the savings of living in Craig to a large degree.
- The road conditions of US-40 linking Craig and Steamboat are frequently hazardous in the winter months and complicate a daily commute.
- Carpooling could be difficult to coordinate given the multiple jobs held by many Hispanic individuals and conflicting schedules.
- The commuter shuttle was not perceived to be a cheap alternative ($7 one way) to many focus group participants, and they said that it would not work with their schedules.
- While focus group participants agreed that Craig remains much more affordable than Steamboat, some said that its relative affordability has diminished, perhaps due to the energy development activity in Moffat County.

Focus group participants said that commuting from Moffat County was a more attractive option for individuals in stable families that require a larger, more comfortable home, or those who have a spouse that works in Moffat County.

The economic downturn. Focus group participants said that in the past 6 months, many have seen their hours cut and incomes fall, while their housing costs have remained the same. They reported that many of their friends have left Steamboat as a result of the economic crisis. In general, they have not relocated to the Front Range or other parts of Colorado, but have gone back to their home country. In contrast, the School District reports that to date, few Hispanic students have left the district.

Hispanic individuals also reported that competition for jobs in Routt County has increased. They point to migration from elsewhere in Colorado and Texas, saying it increased in the early part of the current economic recession due to the fact that the economies of resort communities were faring better than areas on the Front Range. A larger labor market has made things even more difficult now that the economic slowdown has affected Routt County and caused jobs and hours to be cut and wages to decline.

Many of the single Hispanic workers in the focus groups said they would move if jobs were available elsewhere. Some participants said they knew of individuals who were "stuck" in Routt County—no longer with the income to support the high costs of living in the Steamboat Area, but without a new job prospect to move for and, in some cases, without money to pay for the costs of relocating. However, most of the individuals with families expressed their desire to continue living in Routt County due to the County's schools and quality of life.