Gunnison Valley

Housing Needs Assessment

September 2024

Commissioned by:

GVRHA

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

In partnership with:

GUNNISON COUNTY

CITY OF GUNNISON COLORADO

VALLEY HOUSING FUND

CRESTED BUTTE, COLORADO A National Historic District

MtCB Mt. Crested Butte, CO

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INTRODUCTION

PURPOSE

The 2024 Gunnison Valley Housing Needs Assessment was sponsored by the Gunnison Valley Regional Housing Authority with the financial support and oversight from Gunnison County, the Towns of Crested Butte and Mt. Crested Butte, the City of Gunnison and the Valley Housing Fund.

The purpose of this assessment is to evaluate the housing market in the Gunnison Valley ("Valley") in serving the Valley's employment needs and identifying the housing needs of those who make their living locally. It answers questions such as how much and at which price points housing is needed to support local residents and the workforce. The study quantifies where gaps exist, providing the number and type of homes needed to attract and retain workers across all income levels of the local economy. This assessment provides a single source of information that can be used by local jurisdictions and authorities to collaborate and to enable elected officials and appointed authorities to craft land use, transportation, and housing policies and direct investment that affect affordable housing goals locally and across the region.

The data and information in this assessment will help to:

- Guide long-term planning in the Valley by informing the development of housing policies, identifying new development opportunities, and creating programs that address the growth needs of each community;
- Educate the community and stakeholders about the housing issues that affect the local workforce and employers and the benefits to the local community, economy, and environment of expanding housing opportunities for residents and employees; and
- Help the Valley entities acquire financing for local housing projects and programs.

The assessment was structured in two phases. This final report includes the results of both phases. Phase I involved an employer survey, extensive outreach through one-on-one listening sessions, and secondary data analysis. Phase II, which began in June 2024, included a resident survey, providing detailed data on resident housing characteristics, housing challenges, needs, and preferences. This phased approach ensured that essential analysis was completed in time for local jurisdictions to remain eligible for state housing funding opportunities.

The assessment builds upon data from prior studies, which include the 2016 Gunnison Valley Housing Needs Assessment and 2021 Gunnison Valley Housing Market Update.

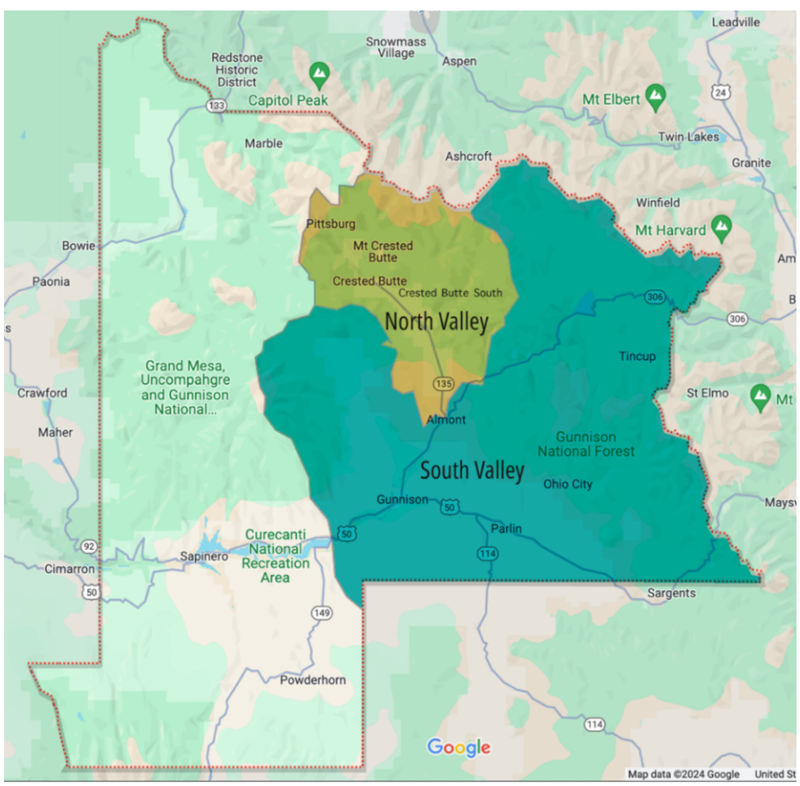
STUDY AREA

This report examines the housing market for the Gunnison Valley as a whole, as well as the sub-markets of the North and South Valley, which are defined in the following table and map. The Valley does not cover the entire county but includes the primary population centers and is covered by the Crested Butte Census County Division (CCD) ("North Valley") and the Gunnison CCD ("South Valley"), which represent distinct market areas and coincide with secondary data availability.

The following table shows how the three market areas examined in the 2016 assessment translate into the simplified North and South market areas in this study and the 2021 Housing Market Update. The shift aligned the available sub-market data sets with the available submarket geographies.

	2016 Gunnison Valley Housing Needs Assessment	2021 Gunnison Valley Housing Market Update and 2024 Gunnison Valley Housing Needs Assessment
North Valley	Included the Towns of Crested Butte and Mt. Crested Butte, and the unincorporated subdivisions as far south as, but not including, Crested Butte South	Includes the Towns of Crested Butte and Mt. Crested Butte, Crested Butte South and unincorporated subdivisions south to, but not including Almont. This is the region encompassed by the Crested Butte CCD.
Mid Valley	Included Crested Butte South, Almont and the area in between and the Taylor River area	N/A (Now part of North and South Valleys, unless otherwise specified in report sections)
South Valley	Included the area in and around the City of Gunnison and Ohio Creek	Includes Almont and the Taylor River area, the area in and around the City of Gunnison and Ohio Creek, and Pitkin and the Quartz Creek Valley. This is the region encompassed by the Gunnison CCD.

Gunnison Valley



Source: Google Maps

METHODOLOGY

A combination of primary research, local data, and existing public secondary data sources were used for this analysis. This section provides a brief overview of primary research methodology. More details are provided in Appendix B – Detailed Methodology, Data Sources, Definitions.

Employer Survey

An online survey of employers was conducted in March 2024 of large and small employers encompassing the full range of industries in the Gunnison Valley.[1] The response rate was high, with a total of 134 participating employers, representing 5,017 jobs, or 44% of jobs in the Gunnison Valley.

The employer survey examined the number of year-round and seasonal workers (summer and winter), where workers live (commute patterns), employee retention and recruitment issues, to what extent employee housing is perceived to be an issue, the severity of housing problems by type of employee, and interest in providing housing assistance for employees.

We received generous assistance from the Gunnison Country Chamber of Commerce and Crested Butte/Mt. Crested Butte Chamber of Commerce and Housing Working Group members in distributing the survey link and helping to conduct individual outreach and follow up phone calls to recruit participation.

Resident Survey

An online survey was conducted in mid-June through the month of July to collect information on housing preferences of residents and employees, future plans, employment, household characteristics, housing perceptions and conditions, and other issues. The link to the survey was widely distributed through media, employers and multiple other outreach efforts. The Gunnison Valley Housing Authority led the efforts, with support from the project sponsors. Booths were set up at local events, posters were distributed at the recreation centers, grocery stores, bus stops and other community spaces. The top employers were personally contacted to encourage their participation though sending it to their employees. In total, responses were received from 986 residents in the Gunnison Valley: 357 North Valley, and 629 South Valley.

The margin of error for survey tabulations is within about 2.5% at the 95% confidence interval, meaning that for any tabulation the percent reported is within plus or minus 2.5% from what is actually the case. For data representing less than the full population of responses (e.g., homeowners only), the margin of error will be higher.

Key Informant Interviews

Interviews were conducted with a variety of community members and professionals. The objective was to obtain information and insights from specialists in residential markets, including real estate agents, property managers, developers, and mortgage lenders. Qualitative information on trends, challenges,

[1] A table of responses by industry is provided in Appendix B.

housing preferences and shifts in demand obtained from these interviews provides a local context from which to ground trends shown by secondary and other data sources.

WHAT IS AFFORDABLE HOUSING IN THE GUNNISON VALLEY?

"Affordable" Defined

Consistent with the 2016 assessment and the 2021 market update, this study requires an understanding of housing affordability. This report uses the following standard, which is commonly applied by federal and state housing programs, local housing initiatives, mortgage lenders and rental leasing agents:

> *Housing is generally considered to be affordable (or attainable) when the monthly housing payment is equal to no more than 30% of a household's gross income*[2].

Because affordability is a function of housing costs and household income, affordability can be a problem for a broad range of income levels, not just low-income households.

Household Incomes and Affordable Housing Prices

For ease of use and implementation of this Assessment, resident and employee housing needs are calculated for households earning at various income levels based on the area median income (AMI) limits established by the U.S. Department of Housing and Urban Development (HUD). Federal and state housing and financing programs use HUD AMI limits to qualify and categorize housing as affordable for various income levels. AMI is published annually by the U.S. Department of Housing and Urban Development (HUD) for each county and varies by household size.

The following table shows HUD AMI for Gunnison County. A household earning 100% AMI earns the median, or middle, income for that household size. Households earning less than the middle income are identified as earning a lower percentage AMI (e.g., 80% AMI).

Gunnison County AMI by Household Size, 2024

AMI	1 PERSON	2 PERSON	3 PERSON	4 PERSON
120%	86,520	98,880	111,240	123,600
100%	72,100	82,400	92,700	103,000
80%	57,680	65,920	74,160	82,400
60%	43,260	49,440	55,620	61,800
50%	36,050	41,200	46,350	51,500
30%	21,630	24,720	27,810	30,900

Source: Colorado Housing and Finance Authority Income Limits

The average household size in the Gunnison Valley is approximately 2.0 persons. The table below shows affordable rent and home purchase prices for various household income levels, based on the Area Median Income (AMI) for the average 2-person household size. The maximum purchase price assumes a 30-year fixed-rate mortgage at a 7% interest rate, with 20% of the payment covering taxes, insurance,

[2] Max purchase price assumes 30-year mortgage at 7% with 5% down and 20% of the payment covering taxes, HOA, PMI and insurance.

and HOA fees, and a 5% down payment. Since each development is unique, these assumptions should be tested against the actual expense burden on residents when determining affordable rent and purchase prices. See Appendix A for a comprehensive table.

Maximum Affordable Rents and Purchase Price by AMI, Gunnison County, 2024

AMI	50%	80%	100%	120%	150%
Max. Household Income	$41,200	$65,920	$82,400	$98,880	$123,600
Max. Affordable Rent	$1,030	$1,648	$2,060	$2,472	$3,090
Max Affordable Purchase Price*	$130,400	$208,600	$260,700	$312,900	$391,100

*Assumes 2-person household, 30-year fixed rate mortgage at 7% interest with 20% of payment covering taxes, insurance and HOA fees and 5% down.

ACKNOWLEDGEMENTS

The consultant team, comprised of Western Spaces, LLC, WSW Consulting, LLC, and Urban Rural Continuum, would like to thank everyone who gave their time, assistance, knowledge, and expertise to this process. Information in this report relied on participation from many individuals and organizations through interviews, data sharing, outreach, etc. We are grateful for the time given by everyone we reached out to, including the Housing Working Group listed below in alphabetical order by first name.

- Amanda Wilson, City of Gunnison Manager
- Andie Ruggera, Senior Planner – City of Gunnison
- Anton Sinkewich, City of Gunnison Community Development Director
- Cathie Pagano, Assistant County Manager for Community & Economic Development
- Chris Lopez, Community Relationship Manager – Southwest Colorado
- Derek Harwell, Association Manager, Crested Butte South Property Owners Association
- Erin Ganser, Director of Housing – Town of Crested Butte
- Julie Baca, Commissioner – Gunnison County Planning Commission
- Laura Puckett Daniels, County commissioner and Chair of Board, Gunnison Valley Regional Housing Authority
- Lauren Koelliker, Executive Director, Valley Housing Fund
- Melissa LaMonica, Executive Director, Gunnison Valley Regional Housing Authority
- Neal Starkebaum, Community Development Director at Town of Mt. Crested Butte,
- Ricardo Esqueda, City of Gunnison as Community and Policy Liaison
- Shannon Hessler, Planner II, Mt. Crested Butte

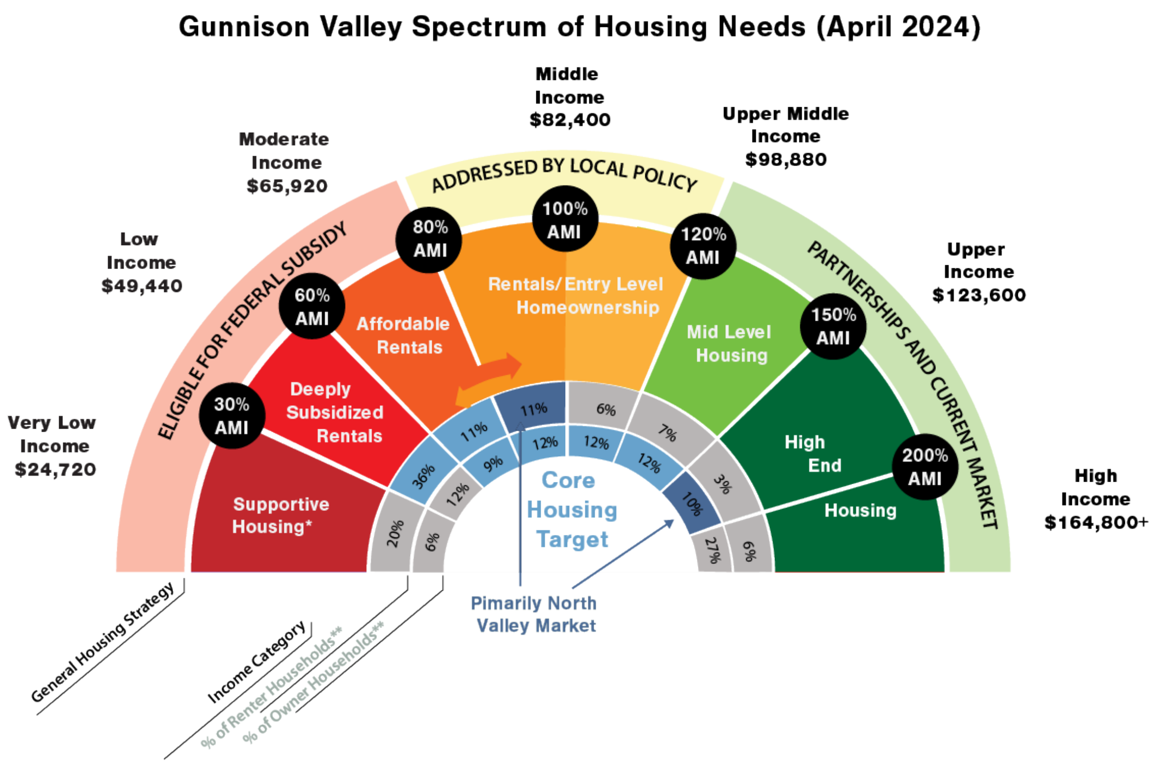
We would like to give particular thanks to the small subset of the Housing Working Group comprised of Melissa, Erin, and Lauren who were instrumental throughout the assessment’s preparation, especially helping with data access, employer and resident survey distribution, and review of working drafts.

This report is made possible by local participation, drawing from both data and the lived experiences of Gunnison Valley residents. We appreciate the opportunity to work with communities committed to addressing housing needs for the benefit of the Valley's residents, economy, and overall well-being.

KEY FINDINGS – COMMUNITY HOUSING UNITS NEEDED

SPECTRUM OF HOUSING NEEDS IN THE GUNNISON VALLEY

This Assessment centers on the understanding of what households can afford for housing in the Gunnison Valley and explores where their needs are being met, and where there are gaps. It uses the definition that housing is affordable when monthly housing costs (rent or mortgage, plus utilities, insurance, and property taxes/HOA) is equal to no more than 30% of a household's gross income (i.e., income before taxes).



Source: Dept. of Housing and Urban Development for 2-person household (AMI incomes); consultant team
**Source: Ribbon Demographics, LLC

The housing bridge, illustrated above, presents a picture of what affordability for the residents and workforce in Gunnison Valley should look like and forms the basis by which housing gaps in the community have been identified. The bridge portrays a spectrum of housing that is affordable and most likely to be sought out by households in different income groups. It indicates the percentage of households in the Valley earning incomes in each area median income range and the type of housing likely to be needed at the different income levels. It shows where the market is providing housing and at which price points additional housing is needed to address current shortfalls and to keep up with future retirements and job growth ("Core Housing Target"). By addressing Core Housing Target needs, Gunnison Valley could improve the availability of housing that is affordable to households at all income levels, providing options for changing life circumstances.

I need to leave the Valley because I don't see it being possible to continue to live here long term. Although I have a good job, I cannot even come close to being able to afford a house."
-Resident survey respondent

More specifically:

- For local residents and employees searching for rental options, the market is expensive and scarce. A two-person household earning below $80,000 per year (about 100% AMI) will have a hard time finding housing that would be defined as affordable in the market (i.e., $2,000 or less per month).
- Households making their living locally are mostly priced out of all types of market rate ownership housing, including condominiums, townhomes, and single-family homes – housing has simply gotten too expensive. The historic release valve provided by lower priced homes in the South Valley has diminished - housing priced under $500,000 is now scarce everywhere in the Valley.

To address the current housing shortfall and keep up with projected job growth, **at least 75% of the estimated 1,300 to 1,550 homes needed to support local residents and employees** by 2029 in the Valley **will need to be priced below market**. The following table shows how much of the total housing need is due to the current housing shortfall ("catch-up") and how much is due to anticipated retirements and projected job growth ("keep-up"). Jurisdictions and the Valley as a whole will need to make their own policy decisions regarding whether it is in their interest or capacity to address all of the identified needs or focus on certain components of projected needs.

Catch-Up and Keep-Up Housing Needs through 2029[3]

	Units Needed (low)	Units Needed (high)
Total Catch-Up (Existing Needs)	**480**	**480**
Overcrowding	55	55
Functional Rental Market	145	145
Unfilled Jobs	280	280
Total Keep-Up (Projected Needs)	**820**	**1,070**
Job Growth	265	515
Retiring Employees	555	555
Total Housing Units Needed through 2029	**1,300**	**1,550**

Note: figures rounded to nearest 5

[3] More detail on how estimated catch-up and keep-up housing needs are calculated is provided in the Current and Projected Community Housing Needs section of this report. Estimates are also provided for housing needs by North and South Valley and ownership/rental units, recognizing that locally-generated goals in combination with opportunities (primarily funding and land) and private market performance will all be factors when determining income targeting, price points, owner/renter mix and the location of housing produced to address needs.

Addressing housing needs will require well designed and aggressive local policies, financial subsidies, and creative partnerships that build upon the existing achievements of the jurisdictions, local organizations, employers, developers, and the community. Determinations on how each jurisdiction and the Valley as a whole respond to the estimated housing needs is based on each community's values and growth goals.

This Housing Needs Assessment provides the information and story behind the housing spectrum. The Assessment summarizes the local housing challenges of residents, employees, employers, and the community as whole; and the already great strides that have been and are being taken to improve community housing options that support a thriving and vibrant Gunnison Valley.

COMMUNITY HOUSING SUCCESSES

> The Valley's community housing stock now represents about 10% of the Valley's occupied housing units.

The Valley has built a commendable amount of community housing since 2016, 255 units in total, significantly ramping up community housing investment. Most (70%) of this new inventory was built in the South Valley where the community housing inventory more than doubled since 2016. The Valley's community housing stock now represents about 10% of the Valley's occupied housing units.

Employers have also been active, with 42% of 2024 survey respondents providing some type of housing assistance to employees. Survey respondents reported providing 503 beds rented to employees, 47 units of temporary/relocation housing for employees, housing stipends ranging from $100 to $600 per month, and helping 87 employees in recent years with first/last/deposit payments to secure rental units. Over 70% desire to begin or continue helping employees with housing.

The provision and development of this much community housing should be celebrated. Bringing such projects to fruition is fraught with challenges and barriers. Overcoming these headwinds requires the public, private, non-profit, and all community sectors to commit to and support the goal of housing the community.

(See *Housing Inventory* section)

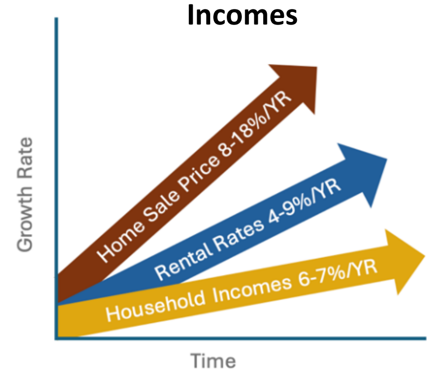
CONTINUED COMMUNITY HOUSING SHORTFALL

Despite successes in providing housing that is and will remain affordable for residents, market trends continue to impose significant challenges for residents, employees, employers, and the community overall. A few key observed trends illustrate the underlying challenge of housing affordability and availability for local residents and employees in the Valley.

1. Incomes are not keeping up with rising home prices and rents.
2. Job growth and housing development are not aligned.
3. Local housing opportunities in the South Valley are disappearing.

1. Incomes are not keeping up with rising home prices and rents.

Change in Home Prices and Incomes



The balance between household income and what housing costs is a struggle. This is not new; this imbalance was apparent in 2016 but has gotten worse.

The increase in home sale prices has been outpacing the rise in resident incomes, meaning that it has become harder for people earning their living locally to buy homes. Whereas a household earning $160,000 per year in 2016 could have afforded median priced housing for sale in the Valley; today, a household must earn $350,000 (422% AMI) to afford median priced housing for sale in the Valley at $1,099,000 in 2023.

In the North Valley, rent increases, while significant in recent years, have been more aligned with increases in resident incomes since 2016. When starting from a position of poor affordability, particularly in the North Valley, however, this just means that rentals have remained out of reach; they have not become more affordable.

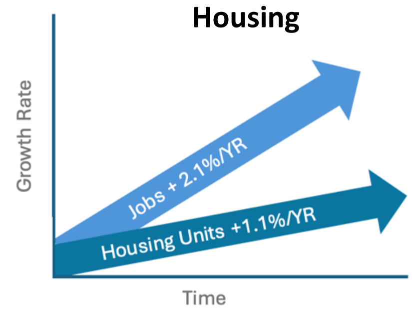
South Valley residents have been feeling the pinch even more so. Rents have been rising three-times faster in the South Valley, shrinking the gap between North and South Valley rents.

Overall, rentals are moderately affordable when compared to many resort-impacted communities, but the lack of supply and, in many cases, quality, makes finding housing to rent extremely hard. Additionally, the vast majority of resident renters need homes priced below $2,000 per month (80% AMI). Only 13 listings were available in February and March throughout the Valley at or below this price. New rental units cannot be built for this price in the Valley without financing assistance (e.g., Low Income Housing Tax Credits, local subsidies, free land and water taps, etc.).

(See *Market Conditions* and *Household Demographics (Household Income Distribution)* sections)

2. Job growth and housing development are not aligned.

Change in Jobs and Housing



Since 2016, the overall growth in housing units, regardless of occupancy, has occurred at about one-half the rate of job growth – creating more of a shortage.

Despite this, new development included a very commendable 247 units of restricted community housing units, meeting about 40% of the below-market housing needed during this time to accommodate employees filling new jobs. More community housing, however, is needed to address demand and achieve a functional rental market with a 5% vacancy.

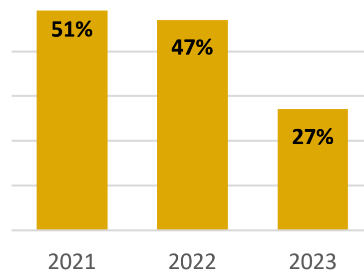
To be successful, new development needs to at least keep pace with job growth to ensure new employees can find the housing they need. Further, **addressing community housing needs is more than just adding supply – it is adding supply at the right price to support the resident and employee**

community. Of the 1,300 to 1,550 housing units projected to be needed through 2029, at least 75% need to be priced below market to meet the growing needs of local residents and employees. Responding to this need will require a combination of market rate development, public/private/non-profit partnerships, creative financing, supportive policies, and community involvement.

(See *Housing Inventory, Economic Conditions,* and *Current and Projected Community Housing Needs* sections).

3. Local housing opportunities in the South Valley are disappearing.

% of Homes Sold for <$500,000: South Valley



Just a couple years ago, homes priced below $500,000 were available in the South Valley, which is where the majority of employees who work in both the North and South Valley searched for and found homes to buy. Beginning in 2020 and continuing through last year, **homes priced below $500,000 have been quickly disappearing**. Only 33 homes are now for sale at this price point, 26 of which are condos in the North Valley built primarily for part-time occupancy and have HOA fees in excess of $500 per month.

Households looking to buy a home will find few options below $800,000 in the North Valley or below $500,000 in the South Valley. A $500,000 home, however, requires incomes upwards of $165,000 per year (200% AMI) to afford. Only 19% of residents have incomes at this level.

Rents in the South Valley, once 40% lower than in the North Valley, are now only 20% lower, as **housing prices across the Valley are rising and converging at the higher end.**

As the housing options that residents and employees can afford diminish in the Valley, it becomes even more important to provide opportunities locally.

(See *Market Conditions* and *Household Demographics (Household Income Distribution)* sections)

4. Housing problems are still prevalent among residents.

> *"My household is dual income, multiple degrees, no kids. All our money goes to rent, leaving nothing to build up savings. We are one emergency or extra expense away from not being able to make rent. If we want to have a family, we cannot do so in the Valley."*
> - Resident survey Respondent

Several other indicators point to the housing struggles – observed and hidden – that residents are experiencing. The resident survey probed several potential problems, from the inability for residents to find suitable housing, housing costs far exceeding their ability to pay (i.e., cost burden), needs for home repairs to address livability, and stress experienced from uncertain and changing housing market factors and prices. These issues are summarized in the below table, along with an estimation of the number of owner and renter households in the Valley that are experiencing each problem.

While many of these problems are duplicative – meaning that some households that are severely cost-burdened are also dissatisfied with their home and are still searching for suitable housing – the table illustrates the extent to which each problem affects owners and renters in the Valley. When devising programs, prioritizing objectives and planning housing to serve residents, it is important to understand these underlying issues and their relevant impacts.

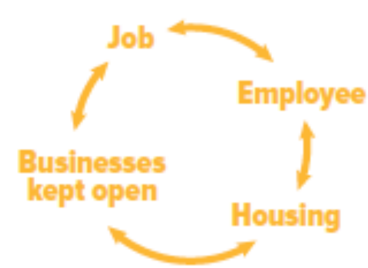
Housing Problems Affecting Residents

	Response %		Household #'s	
	Owners	Renters	Owners	Renters
Homeless/poorly housed:				
Homeless - living in vehicle/couch surfing	-	3%	-	96
Still searching for suitable housing I can afford	2%	12%	80	337
Overcrowded - more than 2 per bedroom	1%	4%	54	106
Housing conditions:				
Very dissatisfied	3%	10%	134	272
Upgrades needed to accommodate disability	1.5%	2%	67	54
Households displaced/forced to move in the past 5 years:	12%	54%	520	1,499
Converted to short term rental	-	12%	-	332
Rent increased too much	-	21%	-	574
Lease renewal was not an option	-	27%	-	743
Owner moved in	-	11%	-	310
Home was sold	-	21%	-	577
Unstable households:				-
Severely cost-burdened (>50% of income needed to pay for housing)	11%	18%	495	486
Housing stress - worried I may not have stable housing in 2 months	5%	38%	210	1,065
Payment stress - utilities threatened to be turned off at least once in past 12 months	5%	8%	208	209

Source: 2024 Resident Survey

BUSINESSES VALLEY-WIDE ARE ADVERSELY IMPACTED

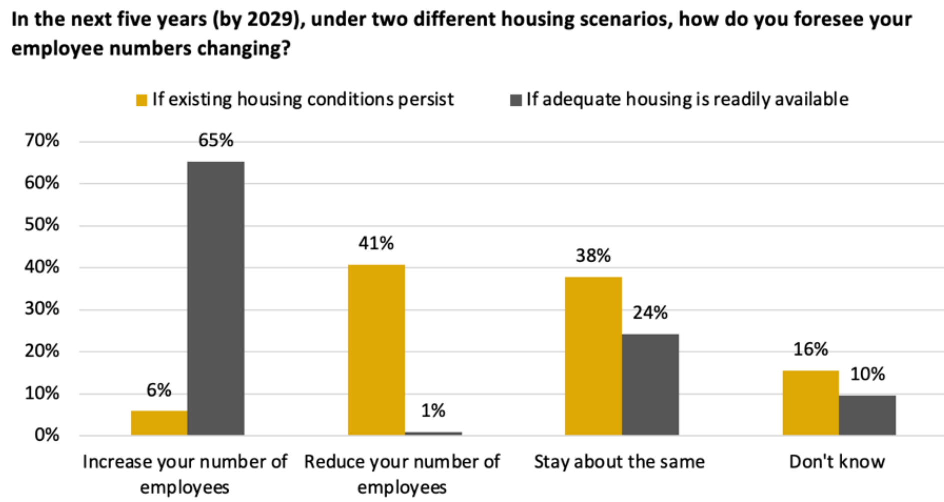
Jobs, employees, housing, and businesses are tied together. Businesses cannot function if employees cannot find homes.



When asked to what extent the availability of housing for the workforce is a problem in the Valley in the 2024 employer survey, nearly all employers (92%) felt that it was one of the more serious problems, if not the most critical problem. Over 70% of employers have encountered problems keeping or hiring employees due to the lack of housing.

The effect this has on Valley employers is significant. This winter, over 8% of jobs were unfilled. While the labor shortage is a national trend, having an available and affordable supply of homes for employees to occupy is a competitive advantage in tight labor markets.

Primary problems experienced due to understaffing include employees covering multiple jobs, employees being overworked and experiencing burnout, unskilled employees filling positions, followed by a decreased ability to provide quality customer service, increased employee turnover, and an inability to grow businesses. Just over 40% of North Valley employers stated they needed to reduce hours or periodically shut doors due to inadequate staffing.



Note: Percentages may not add to 100% due to rounding
Source: 2024 Employer Survey

If tight housing conditions persist, most employers indicated that they will either reduce their number of employees (41%) or stay the same size (38%) over the next five years. If more housing options affordable for employees are available, these same employers expect they could fill the vacant jobs they currently have and relieve some of their overworked employees by increasing their number of employees to meet demands (65%).

Therefore, the lack of housing for residents and the workforce impacts not only business revenue and their ability to operate, but also the health and quality of life for employees and residents, available services, local tax revenue, and the experience of visitors.

(See *Housing Inventory* and *Economic Conditions* sections).

HOUSEHOLD DEMOGRAPHICS

POPULATION

The population of the Gunnison Valley is estimated to be about 16,800, representing 94% of the county's population. The Valley's population increased slightly faster per year between 2020 and 2024 (1.4% per year) than in the prior decade (1.0% per year from 2010 to 2020). Over two thirds (68%) of Valley residents live in the South Valley, which has remained fairly consistent since 2010. The Colorado Demography Office forecasts 0.85% per year population growth on average from 2024-2029, below the longer-term rate of about 1.11% in the county and Valley from 2010-2024. The Valley will be home to about 17,560 residents in 2029 if it grows at the rate forecasted by the state and 17,800 if it grows at its higher longer-term rate.

Population, 2010-2024

	2010 Census	2020 Census	2024 Estimate
Gunnison County	15,324	16,918	17,837
Gunnison Valley	14,419	15,951	16,833
North Valley	4,501	5,116	5,372
South Valley	9,918	10,835	11,461

Source: U.S. Census, ACS 2018-2022 5-year estimates, local building permits

The age distribution of the Valley is very similar to that of Gunnison County, but there are differences from south to north. The median age of the South Valley is about 31, much lower than the North Valley (43), which would be expected given the presence of Western Colorado University. About 41% of the South Valley population is between the ages of 19 to 34 and 44% of the North Valley population is between the ages of 35 to 54. Senior residents aged 65 and up represent about 12% of the Valley, with a higher share in the south than in the north. Overall, the population is aging slowly, particularly in the North Valley, where the median age has risen by about 3 years since 2016.

Estimated Age Distribution

	Gunnison County	Gunnison Valley	North Valley	South Valley
Under 18	16%	16%	17%	16%
19 to 24	18%	19%	5%	25%
25 to 34	14%	15%	12%	16%
35 to 44	14%	14%	22%	11%
45 to 54	12%	12%	22%	8%
55 to 64	12%	11%	13%	10%
65+	14%	12%	9%	14%

Source: U.S. Census, ACS 2018-2022 5-year estimates

The Hispanic or Latino population makes up about 10% of all residents of Gunnison County and the Gunnison Valley. The majority of this population resides in the South Valley, where 13% of residents are of Hispanic or Latino origin. The percentage of residents of Hispanic or Latino origin has remained relatively steady or increased slightly over the past decade.

Percentage of Residents of Hispanic or Latino Origin

	2012	2017	2022
Gunnison County	8%	9%	10%
Gunnison Valley	9%	9%	10%
North Valley	4%	3%	5%
South Valley	11%	12%	13%

Source: U.S. Census, ACS 2018-2022 5-year estimates

HOUSEHOLDS

The Gunnison Valley is estimated to have about 7,100 households (occupied housing units), representing 94% of all households in Gunnison County. Like population, the average rate of growth of the number of households in the Valley grew faster from 2020 to 2024 (1.6% per year) than in the decade from 2010 to 2020 (0.9% per year). About two thirds (67%) of Valley households are in the South Valley.

Households, 2010-2024

	2010 Census	2020 Census	2024 Estimate
Gunnison County	6,516	7,135	7,581
Gunnison Valley	6,126	6,680	7,109
North Valley	2,052	2,256	2,381
South Valley	4,074	4,424	4,728

Source: U.S. Census, ACS 2018-2022 5-year estimates, local building permits

Fifteen percent of households in Gunnison County and the Valley have one or more people with a disability, 83% of which live in the South Valley.

Households with one or more people with a disability

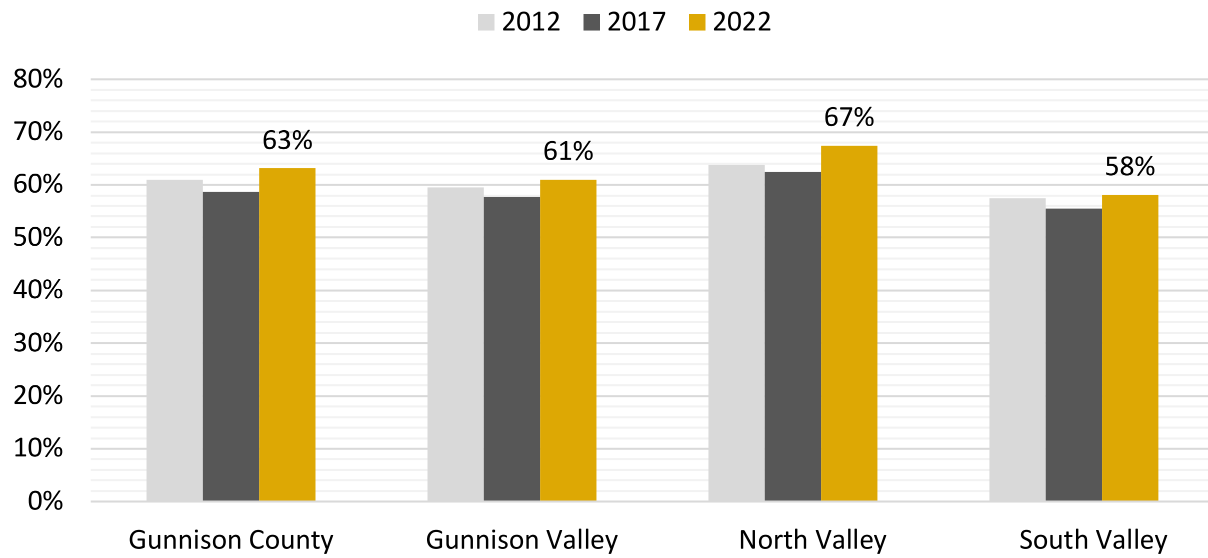
Gunnison County	15%
Gunnison Valley	15%
North Valley	8%
South Valley	18%

Source: U.S. Census, ACS 2018-2022 5-year estimates

TENURE OF HOUSEHOLDS (OWN AND RENT)

About 6 out of 10 households in Gunnison County (63%) and Gunnison Valley (61%) own their home, which is very similar to the estimated homeownership rate ten years prior. The rate of homeownership remains higher in the North Valley (67%) than the South Valley (58%).

Homeownership Rate, 2012-2022



Source: ACS 5-year estimates (2008-2012; 2013-2017; 2018-2022)

HOUSEHOLD INCOME DISTRIBUTION

The U.S. Department of Housing and Urban Development (HUD) calculates the median family income (MFI) for each county annually, which forms the basis for area median income (AMI) limits used in state and federal housing programs. Tracking changes in the MFI provides insight into how household incomes in the Gunnison Valley have shifted over time.

- In 2024, the MFI for Gunnison County is $120,100, nearly double what it was in 2016.
- Between 2016 and 2020, changes in MFI were relatively modest. However, since 2020, rising wages and inflation have led to much larger increases, with MFI jumping over 20% in both 2022 and 2024.

Despite these income increases, rapid housing price growth and limited availability continue to create affordability challenges for local residents and workers.

HUD Median Family Income, Fiscal Year 2016-2024

Fiscal Year	HUD MFI	Annual Change (%)
2016	$68,800	---
2017	$70,800	2.9%
2018	$69,200	-2.3%
2019	$71,000	2.6%
2020	$75,400	6.2%
2021	$80,600	6.9%
2022	$98,100	21.7%
2023	$100,000	1.9%
2024	$120,100	20.1%

Source: HUD Income Limits Documentation System

The distribution of households in Gunnison County by AMI is shown below. The table also shows the income range for the average household size in the Valley (2-persons) at each AMI level.

- About one in three households (33%) earn less than 60% AMI, or about $50,000 for a 2-person household.
- About one in five (19%) households earn above 200% AMI, most of which are homeowners.

The table also illustrates the point at which households that are renting often become homeowners, which occurs when incomes rise to between 80% to 100% AMI. As shown below, a similar percentage of owners and renters earn between 80% to 100% AMI. A much higher percentage of homeowners (61%) earn over 100% AMI than renters (22%); conversely, a much higher percentage of renters (67%) earn 80% AMI or less than owners (27%). This trend is common among communities and helpful to understand when devising homeownership programs.

Gunnison Valley Household Income Distribution, 2024

	Income Range (2-person household)	Rent	Own	Total
<60%	< $49,440	56%	18%	33%
60.1-80%	$49,441 to $65,920	11%	9%	10%
80.1-100%	$65,921 to $82,400	11%	12%	12%
100.1-120%	$82,401 to $98,880	6%	12%	10%
120.1-150%	$98,881 to $123,600	7%	12%	10%
150.1-200%	$123,601 to $164,800	3%	10%	7%
200.1-300%	$164,801 to $$247,200	4%	9%	7%
>300%	> $247,200	2%	18%	12%
TOTAL	-	100%	100%	100%

Note: Percentages may not add to 100% due to rounding
Source: CHFA; Ribbon Demographics, LLC; consultant team

Renters earning between 80 to 100% AMI often seek to become homeowners; programs helping this happen can retain employees and young families in the community.

The following table illustrates the type of employees that may fall within various AMI levels, as illustrated by a 1-person household earning within the typical wage range for various industries in the Gunnison Valley.

- Primarily service workers and entry-level construction laborers can be expected to earn 70% AMI or less;
- Mid-level teachers, emergency responders, and health care workers are likely to earn in the middle range (80% to 120% AMI); and
- Professional staff, such as engineers, physicians and nurse practitioners, may earn in the upper range (e.g., over 150% AMI).

Gunnison Valley Occupations, Income, and Affordable Housing Cost, by AMI Range

Gunnison Valley Occupation	1 Person Household Income [1]	Single Person Affordable Monthly Housing Cost [2]	2024 AMI Range
Lodging Staff	$30-$40k	$750-$1,000	40%-55%
Childcare workers	$30-$45k	$750-$1,150	40%-60%
Restaurant and Bar (wait staff, bartenders, food prep, cooks)	$30-$50k	$750-$1,250	40%-70%
Construction Laborers	$32-$50k	$800-$1,250	45%-70%
Crested Butte Mountain Resort (entry level - lift operator, etc.)	$40-$45k	$1,000-$1,150	55%-65%
Teacher (entry to mid-level)	$48-$61k	$1,200-$1,500	65%-85%
Police and Sheriff's Patrol Officers, Paramedic	$54-$79k	$1,350-$2,000	75%-110%
Registered Nurse (RN)	$67-$91k	$1,650-2,250	90%-125%
Civil Engineer	$75-$112k	$1,900-$2,850	100%-160%
Physician Assistant / Nurse Practitioner	$95-$140k	$2,400-$3,500	135%-195%

[1] Represents paid wage only; exclusive of tips (where applicable). Represents typical wages paid in Gunnison County; individual employers may vary
[2] Represents 30% of 1-person household income, rounded
Note: 2024 AMI ranges are rounded to nearest five
Source: Colorado Dept. of Labor and Employment OEWS, GWSD Teacher Salary Schedule 2023-2024, Colorado Sun

ECONOMIC CONDITIONS

Current and projected economic conditions are important drivers of housing needs. This section includes information on the current and projected total number of jobs, jobs and wages by sector, seasonal changes in employment, jobs held per worker and workers per household, number of unfilled jobs and anticipated retirements, and presents employer perceptions about the current housing market. Projections of future job growth do not include analyses of available land use and zoning capacity. Land use capacity is a critical element to realizing the projected growth. Jurisdictions can use these projections to help seed discussions about local growth goals and the capacity for each community's land use plans to accommodate growth.

JOBS ESTIMATES AND PROJECTIONS

There are currently over 13,000 jobs in Gunnison County. Almost all jobs (87%) are estimated to be in Gunnison Valley. Of these, 58% are in the South Valley and 42% in the North Valley, which has been fairly consistent since 2016.

- Between 2012 to 2022, jobs in the county grew at an average rate of about 2.1% per year. This time period included the Covid downturn and recovery.[4]
- Looking forward, the Colorado Demography Office projects a slower rate of growth from 2024 to 2029 (about 1.1% average growth per year). This is in part due to demographic changes toward an older population and projected insufficient in-migration and retention of younger workers to replace retirees and fill new jobs.[5]

In the following table, the "low" growth rate reflects the slower pace of job growth projected by the Demography Office. The "high" growth rate assumes historic patterns will continue.

Job Estimates and Projections

				Average Yearly % Growth	
	2024	2029 (low)	2029 (high)	(low)	(high)
Gunnison Valley	11,477	12,111	12,714	1.08%	2.07%
North Valley	4,854	5,122	5,377	1.08%	2.07%
South Valley	6,623	6,989	7,337	1.08%	2.07%

Source: Colorado Demography Office, LEHD, ESRI, Consultant Team

[4] The 2016 Assessment estimated jobs would grow at a rate of about 2% between 2016 and 2020, coinciding closely with actual growth during this time.

[5] See "Demographic Trends in Colorado Ski Towns," presentation to Colorado Association of Ski Towns by Greg Totten, Colorado Department of Local Affairs, March 5, 2024.

JOBS AND WAGES BY SECTOR

The distribution of wage and salary jobs by sector changed very little since the 2016 assessment. From 2016 to 2022, the largest change was in the Accommodation and Food Services sector, which declined by about 4 percentage points as a share of jobs in the county. This sector was hit very hard during the pandemic and still hasn't recovered to its pre-pandemic employment level.

Wage and Salary Job Distribution, 2016-2022

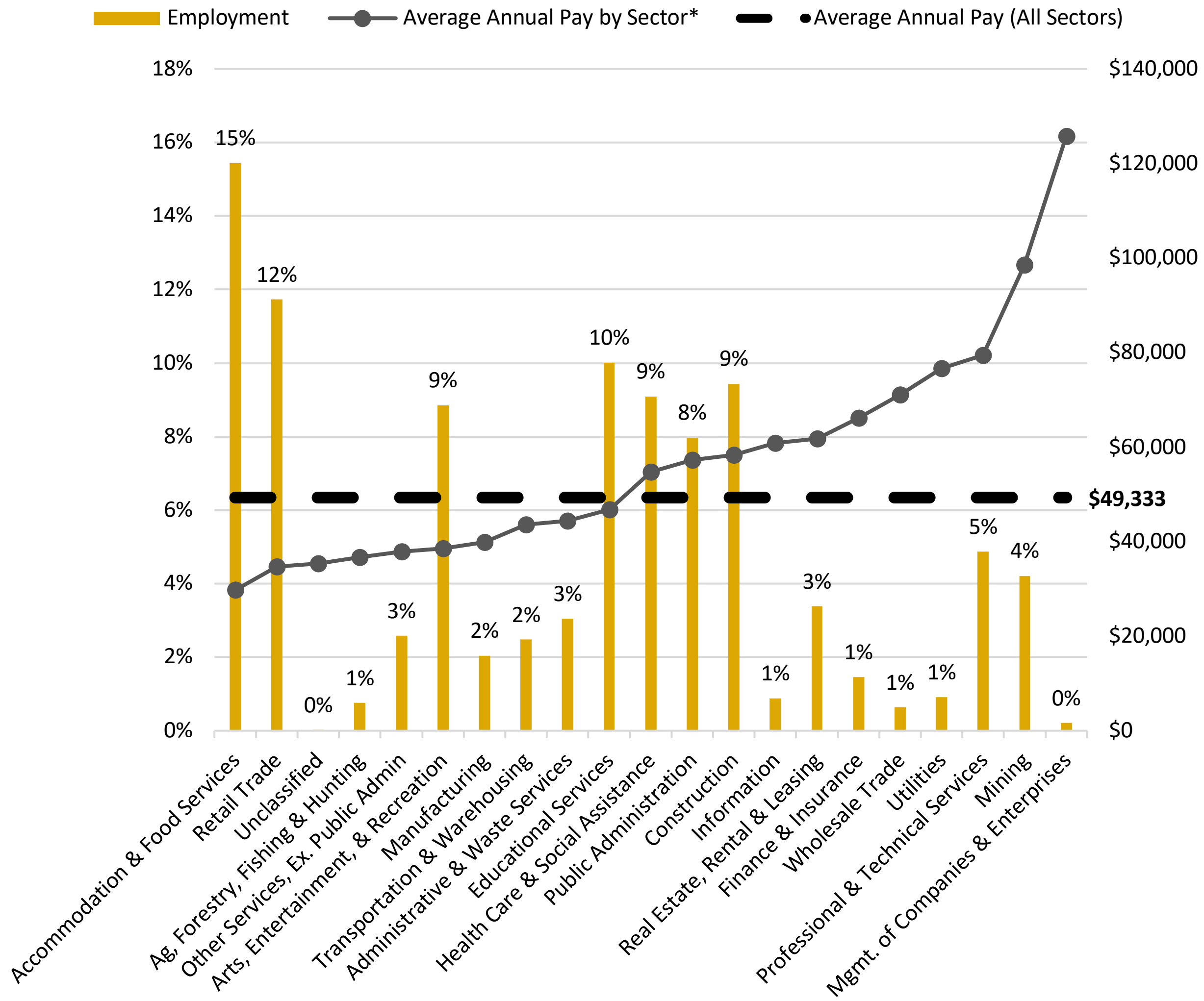
	2016	2018	2020	2022	Percentage Point Change (2016-2022) [1]
Accommodation and Food Services	19.4%	18.7%	15.6%	15.4%	-4.0
Retail Trade	12.6%	12.3%	12.6%	11.7%	-0.9
Arts, Entertainment, and Recreation	10.8%	10.6%	8.8%	8.9%	-1.9
Educational Services	9.8%	10.1%	10.7%	10.0%	0.2
Public Administration	8.6%	8.4%	8.6%	8.0%	-0.7
Construction	8.3%	8.9%	9.9%	9.4%	1.1
Health Care and Social Assistance	7.7%	8.2%	9.7%	9.1%	1.4
Professional and Technical Services	4.4%	4.4%	4.9%	4.9%	0.5
Real Estate and Rental and Leasing	3.2%	3.2%	3.3%	3.4%	0.2
Other Services, Ex. Public Admin	2.9%	2.7%	2.2%	2.6%	-0.3
Administrative and Waste Services	2.5%	2.8%	3.2%	3.0%	0.6
Finance and Insurance	2.0%	1.8%	1.7%	1.5%	-0.5
Transportation and Warehousing	1.9%	2.2%	2.7%	2.5%	0.6
Mining	0.0%	0.0%	0.0%	4.2%	4.2
Other	6.0%	5.9%	6.0%	5.4%	-0.6

[1] Differences may exist due to rounding
Note: Percentages in all other columns may not add to 100% due to rounding
Source: BLS QCEW, Consultant Team

The annual average wage paid by jobs in Gunnison County in 2022 was $49,333. Wages have increased an average of 5.6% per year since 2016, including a 10% increase in 2022.

- Three prominent employment sectors pay wages that are well below the average annual wage in the county. Jobs in Accommodation and Food Services; Arts, Entertainment, and Recreation; and Retail make up about 36% of all jobs in the county, but pay $29,744, $38,532, and $34,684, respectively.
- Education, Health Care, Public Administration, and Construction comprise another 36% of jobs, and all pay wages at or just above the average wage in the county.

Gunnison County Wage and Salary Employment and Annual Pay by Sector, 2022



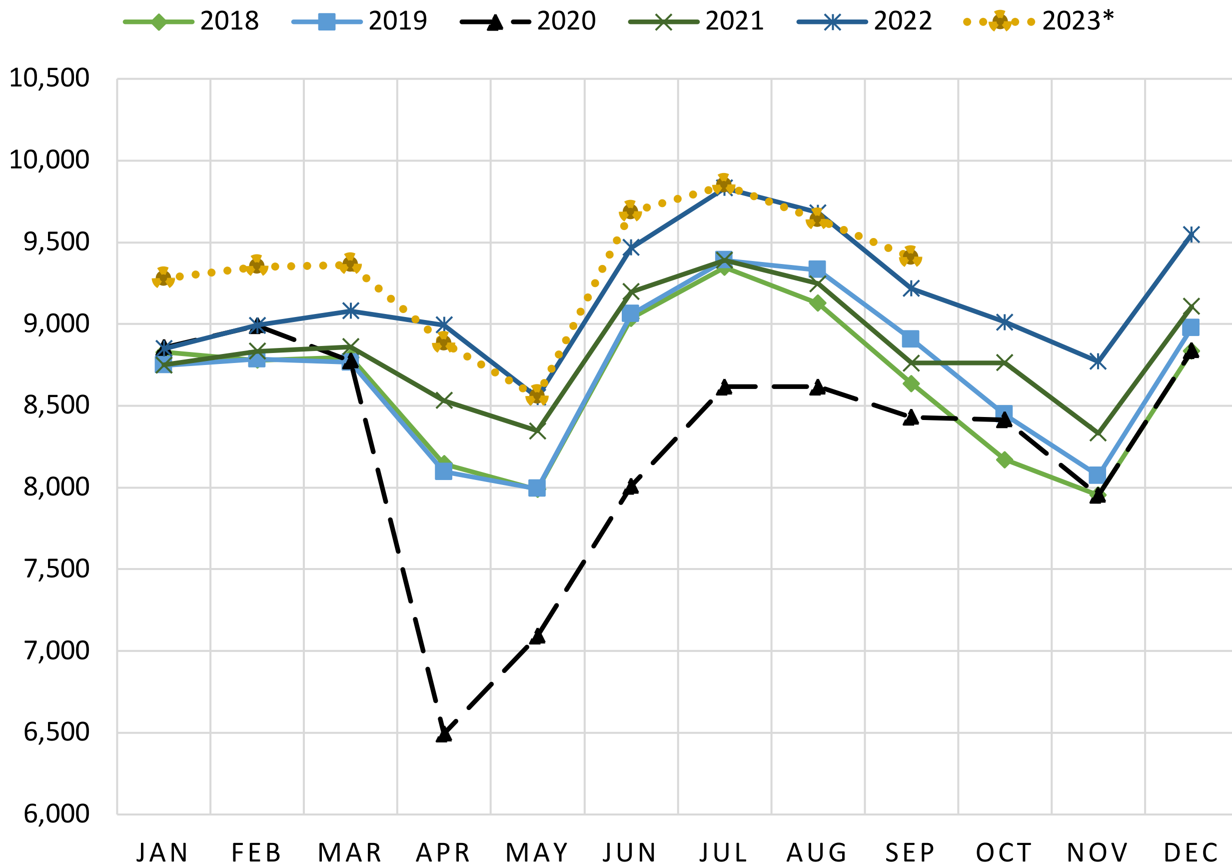
Note: Wages represent average wages paid by employers in each sector; data does not include tips or other income that is not paid directly by the employer
Note: Percentages may not add to 100% due to rounding
Source: CO Department of Labor and Employment, LMI Gateway (QCEW), Bureau of Labor Statistics (QCEW), Consultant Team

SEASONALITY OF JOBS

Gunnison County continues to experience employment peaks in both the summer and the winter, although the change from seasonal lows to highs is less than prior to Covid, indicating a slight decrease in job seasonality.

- Jobs rose 12% in the summer and 7% in the winter in recent years from the lows seen in May and November.
- Prior to Covid (in 2016 to 2019), the rise was about 16% in the summer and 10% in the winter.

Seasonality of Jobs: Gunnison County Wage and Salary Employment, 2018 to Q3 2023



*2023 figures through September from BLS are preliminary and subject to change
Source: BLS QCEW

JOBS PER EMPLOYEE AND EMPLOYEES PER HOUSEHOLD

Because jobs require people to fill them, and people need homes to live in, this section provides the information necessary to translate new or unfilled jobs into the number of housing units needed by workers filling them.

- The 2016 assessment estimated that employed residents hold an average of 1.24 jobs. Employees in most mountain resort communities hold 1.2 to 1.3 jobs on average.[6] Employees responding to the 2024 employee/household survey hold 1.28 jobs on average.
- Households with at least one employed person have about 1.87 employees on average per the 2024 resident survey.

[6] Research in similar resort communities show employees have consistently held between 1.2 and 1.3 jobs on average over at least the past decade. See, e.g., Eagle County, CO (2023); Teton County, WY (2022); Incline Village, CA (2021); San Miguel County, CO (2018); Town of Mammoth Lakes, CA (2017); Estes Park, Colorado (2015); etc.

Translation of Jobs to Households

	Gunnison Valley	North Valley	South Valley
Total Jobs (2023) (SDO, ESRI)	11,380	4,813	6,568
Jobs per employee (2024 employee survey)	1.28	1.28	1.28
Total employees filling jobs	8,890	3,760	5,130
Employees per household	1.87	1.87	1.87
Total households with at least one employee	4,755	2,010	2,745

Note: Differences are due to rounding
Source: SDO, LEHD, ESRI, consultant team

In addition to the jobs supplied in the Gunnison Valley, about 14% of households have at least one person that works from home on business conducted mostly outside of the Gunnison Valley. These remote workers are residents of the area, but do not hold one of the estimated Gunnison Valley jobs. The percentage of households with remote workers has remained fairly consistent since 2016, with only Mid Valley households increasing slightly (29% in 2024, up from 26% in 2016).

Do one or more household members work from a home office on business conducted all or mostly outside of the Gunnison Valley (e.g., remote worker)?

	North Valley	Mid Valley	South Valley	Overall
Yes	18%	29%	10%	14%
No	82%	71%	90%	86%

Source: 2024 Resident Survey

COMMUTING

Employers responding to the survey were asked where their jobs are located and where their workers live. Geographic regions for job locations included:

- The North Valley, Mid Valley, and South Valley to coincide with the market areas in this report and the 2016 assessment.
- Respondents were given the additional option of indicating jobs that occur in "multiple locations." This includes construction, federal government jobs, some hospital staff, landscapers, and other jobs that do not occur at a fixed location in the Valley. The nature of these jobs means that employees will be commuting throughout the Valley, regardless of where they live.

This information is used to understand worker commute patterns within the Valley.

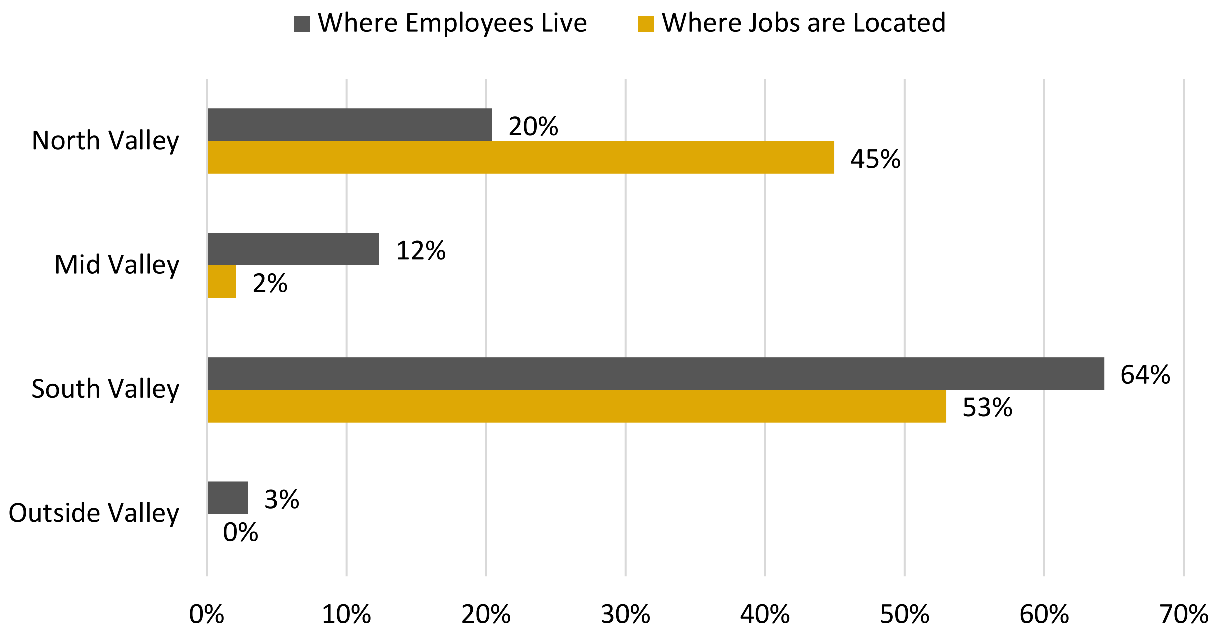
Where Workers Live

To reduce commuting, the percentage of employed residents living within a particular region of the Valley should be about the same as the percentage of jobs located within that region. Overall, commuting patterns have changed little since 2016. This is a positive trend because it indicates a relative balance between job locations and where workers reside within the Valley, even amid rising housing costs and stagnant wages, particularly in the North Valley.

Comparing where jobs are located to where employees are living shows that there is an imbalance of where jobs are located and where workers live:

- The South Valley is a net supplier of housing for workers in the Valley; the North Valley is a net supplier of jobs.
- A very low percentage of employees commute in from homes outside the Valley (3%, or about 270 employees).

Where Gunnison Valley Jobs are Located Compared to Where Employees Live: 2024



Note: Percentages may not add to 100% due to rounding
Source: 2024 Employer Survey

More specifically:

- The North Valley houses about 51% of its workers, with 47% commuting from the South Valley and just 2% commuting from outside of the Valley. This is very consistent with commute patterns observed in 2016. Of employees that live and work in the North Valley, 24% reside in the area around Crested Butte South.
- The South Valley, in contrast, houses 88% of its workers, with just 7% coming from the North Valley and an additional 4% coming from outside of the Valley.
- Of employees working in jobs that occur in multiple locations, such as construction and landscaping, 79% reside in the South Valley, with 19% in the North Valley and 3% commuting from outside of the Valley.

Where Workers Live

	Work North Valley	Work South Valley	Work Multiple Locations
Live North Valley	51%	7%	19%
Live South Valley	47%	88%	79%
Live Outside the Valley	2%	4%	3%
Total	100%	100%	100%

Shading denotes workers live in the same region they work
Note: Percentages may not add to 100% due to rounding
Source: 2024 Employer Survey

Where Residents Work

The resident survey asked employed residents where they and members of their household work. Based on responses:

- About 90% of households in the North Valley with employed occupants have at least one household member that works in the North Valley. In other words, Gunnison Valley employees are unlikely to be residing in the North Valley unless at least one member of the household is employed in the North.
- Households in the South Valley that are employed are also very likely to have a local employee (91%).
- A higher percentage of South Valley households have an employee commuting to the North Valley (37%) than North Valley households with employees commuting to the South Valley (27%).
- The most notable change since 2016 is that a higher percentage of North Valley households have at least one employee **leaving** the Valley **for work** – 19% in 2024 compared to 13% in 2016, due mostly to a rise in apportioned mid Valley residents working outside of the Valley.

Where Resident Households Work

	Place of residence:	
Where work:	North Valley	South Valley
North Valley	90%	37%
South Valley	27%	91%
Outside of Gunnison Valley	19%	14%

Note: Totals add to over 100% because many households have more than one employee and some employees work in multiple locations
Source: 2024 Resident Survey

Commute Method

Residents were asked to specify whether workers in their household work from home, travel to work, or do a combination of the two. Based on responses:

- About two-thirds of employees living in the Valley travel to work all of the time (64%). Another 23% both work from home and travel to work some days.

- About 11% of employees work from home. Employees living in the North Valley and Mid Valley are more likely to work from home (14% and 22%, respectively) than employees living in the South Valley (8%).

Do employed household members work from home or travel to work?

	Place of residence:			
	North Valley	Mid Valley	South Valley	Overall
Work from home and travel to work	28%	29%	20%	23%
Work from home only	14%	22%	8%	11%
Travel to work only	57%	47%	71%	64%
Total	100%	100%	100%	100%

Note: Percentages may not add to 100% due to rounding
Source: 2024 Resident Survey

Survey respondents were asked to report how frequently they use each of the following modes of travel to get to work each week. As shown below:

- Working at home and telecommuting are more common among workers living in the Mid Valley than in the North and South;
- Employees living in the North and Mid Valley are more likely to use the bus than those living in the South Valley;
- North Valley employed residents are the most likely to walk or bike and least likely to drive alone than employees living in the Mid or South Valley.

Which modes of travel do you use to commute to work throughout the week?

	Place of residence:			
	North Valley	Mid Valley	South Valley	Overall
Work at home	36%	44%	27%	31%
Car (one person)	70%	80%	83%	80%
Carpool/vanpool	4%	13%	9%	9%
Bus	21%	28%	14%	18%
Walk or bike	50%	10%	38%	36%
Telecommute	5%	14%	4%	6%

Note: Totals add to over 100% because respondents use more than one commute mode each week
Source: 2024 Resident Survey

RETIRING EMPLOYEES

As employees retire, employers will need to fill those jobs, and the new employees will need housing. Many retirees will stay in the Valley and remain in their homes, although some will sell their homes and leave. If they do leave, most of those homes will not be attainable to new employees. They will likely be purchased by other retirees, second homeowners, or investors.

Respondents to the employer survey report that about 11.6% of their employees will retire within the next five years, which is higher than that reported in 2016 (7%).

UNFILLED JOBS AND TURNOVER

Unfilled Jobs

When employers cannot fill jobs, business hours are reduced, employees are overworked, and service levels decline. This affects not only local business operations, but level of service to visitors and residents, and, ultimately, tax revenue to the community. Employers have reported increased difficulty recruiting and retaining workers to fill positions. In this tight labor market environment, having housing opportunities for the local workforce provides a competitive advantage. Unfilled jobs are a key indicator of the need for additional workforce housing.

- About 8.1% of jobs in the Valley during the winter of 2024 were unfilled. This varies by job location, with those operating in multiple locations (healthcare, government, construction, etc.) reporting the highest unfilled job rate (11.2%) and those operating in the South Valley reporting the lowest rate (4.0%).
- Valley employers estimate 5.0% of jobs were unfilled last summer. This is up from 2016, when employers reported that about 3.4% of summer jobs were unfilled.

Unfilled Jobs

	Winter 2023/24	Summer 2023
Gunnison Valley	8.1%	5.0%
North Valley	7.8%	7.9%
South Valley	4.0%	3.4%
Multiple Locations	11.2%	7.1%

Source: 2024 Employer Survey

Understaffed

Over 80% of employers across the Valley have experienced problems related to being understaffed, the most prevalent being employees covering multiple jobs/positions (65%), followed by employee dissatisfaction/frustration/burnout (55%), and unskilled employees filling positions (42%).

- Employers in the North Valley are more likely than South Valley employers to experience employee dissatisfaction/frustration/burnout (59%) and unskilled employees filling positions (44%). Almost one-half (46%) of employers in the North Valley report that they are unable to grow their business due to a lack of staff compared to about one-fifth (22%) of employers in the South Valley.
- Employers in the South Valley, as well as those operating in multiple locations, are more likely to report reduced business hours/periodically closed doors due to being understaffed (41% South and 46% multiple locations) compared to the North Valley (18%).
- Close to one-third of North and South Valley employers have experienced decreased level of service and increased employee turnover due to being understaffed.

Has your business experienced any of the following problems related to being understaffed in the last year? (mark all that apply)

	Gunnison Valley	North Valley	South Valley	Multiple Locations
Employees covering multiple jobs/positions	65%	69%	65%	73%
Employee dissatisfaction/frustration/burnout	55%	59%	51%	73%
Unskilled employees filling positions	42%	44%	38%	27%
Decreased level of service/unsatisfied customers	36%	36%	35%	46%
Increased employee turnover	35%	31%	35%	64%
Inability to grow the business	34%	46%	22%	27%
Reduced business hours/periodically closed doors due to being understaffed	30%	18%	41%	46%
Exclusive / None of the above	18%	18%	16%	18%

Source: 2024 Employer Survey

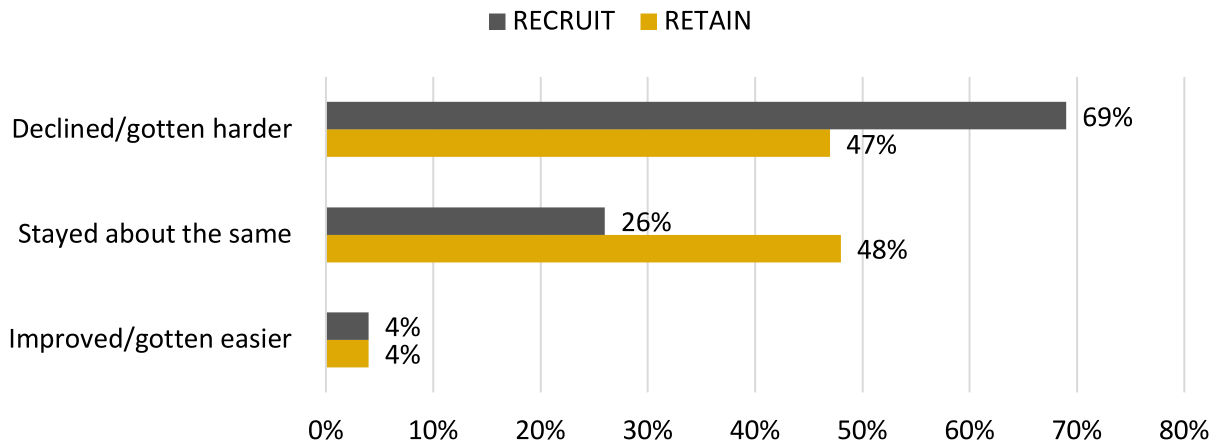
Hiring and Keeping Employees

Recruiting employees to fill jobs and to replace employees that leave is costly to a business. Aside from affecting business service levels and operations when jobs are unfilled (as discussed above), it costs money to recruit and train new employees, which quickly adds up when employees need to be replaced and job offers are declined.

Employers across the Valley report that their ability to both recruit new employees and retain existing employees has declined/gotten harder across the Valley in the last three years. The ability to recruit employees refers to employers' capacity to attract and hire suitable candidates to fill open positions. Employers' ability to retain employees refers to their effectiveness in keeping current staff employed in their jobs.

- Recruiting new employees: About 69% of employers across the Valley report a decline in their ability to recruit qualified employees over the past three years. North Valley employers, who have historically found it more difficult to recruit employees than other parts of the Valley, were less likely to feel that recruiting employees has gotten worse in recent years than employers in the South Valley. In other words, recruiting employees has continued to be hard in the North, but has gotten harder in the South.
- Retaining existing employees: About half of employers across the Valley reported that retaining employees has gotten harder and the other half reported that employee retention has remained about the same. Businesses operating in multiple locations indicate the highest rate of difficulty retaining employees, with 60% indicating that employee retention has declined or gotten harder in the last three years.

How has your ability to RECRUIT and RETAIN qualified employees changed over the past three years?



Note: Percentages may not add to 100% due to rounding
Source: 2024 Employer Survey

Employers were asked how many employees left their employment over the past year and how many potential hires declined jobs due to a lack of housing.

- The number of employees that left employment equates to 2.6% of employees in the Valley, or 240 employees which needed to be replaced.
- The number of potential hires that declined positions is equivalent to about 4.4% of Valley employees, or 400 employees in the Valley.

How many people, in your estimation, did not accept a job or left your employment in the past 12 months due to lack of housing?

	% Total Employees	# Total Employees
# of employees that LEFT your employment	2.6%	240
# of potential hires that DID NOT ACCEPT employment	4.4%	400

Source: 2024 Employer Survey

When employers were asked about the issues they experienced when finding or keeping qualified employees, “no/few applicants” was the most prevalent issue (76% of respondents), followed by a “lack of housing” (71%), and “unskilled applicants” (53%). Other issues were less of a problem, but show some differences by job location:

- In the South Valley, the lack of childcare (30%) is much more of an issue than reported by North Valley employers (15%).
- In the North Valley, workers tired of long commutes (20%) and employers observing drug/substance abuse issues (25%) are more prevalent than in the South Valley (3% and 11%, respectively).

In the past year, have you experienced any of the following issues in finding or keeping qualified employees? (select all that apply)

	Gunnison Valley	North Valley	South Valley	Multiple Locations
No/few applicants	76%	80%	73%	83%
Lack of housing	71%	70%	73%	75%
Unskilled applicants	53%	48%	54%	75%
Work ethic/dedication problems	37%	38%	32%	42%
Lack of childcare options	24%	15%	30%	33%
Drug/substance abuse	20%	25%	11%	33%
Lack of transportation	18%	15%	19%	25%
Long commute/tired of commuting	15%	20%	3%	25%
NONE OF THE ABOVE	13%	13%	14%	0%

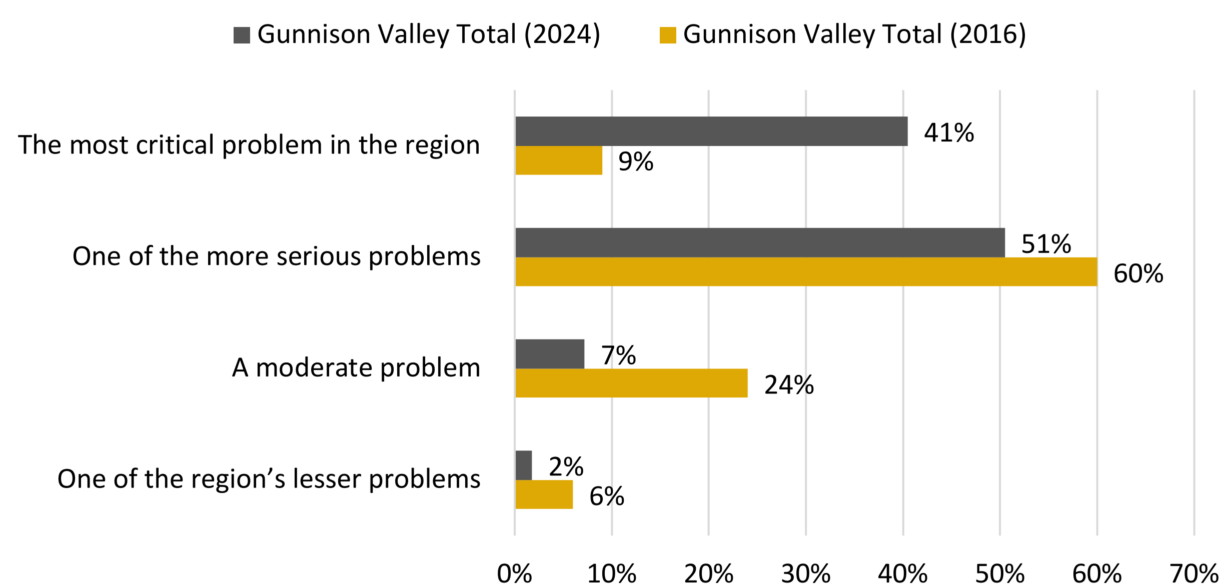
Source: 2024 Employer Survey

EMPLOYER PERCEPTIONS OF THE WORKFORCE HOUSING PROBLEM

Availability of Housing

The lack of availability of housing that is affordable for employees has become more of a problem for employers in the Valley since 2016. Nearly all employers (92%) stated the availability of housing is either the most critical problem or one of the more serious problems in the region, compared to 69% in 2016.

"Do you feel that the availability of housing that is affordable for the workforce in the Gunnison Valley is:" (2016 Compared to 2024)

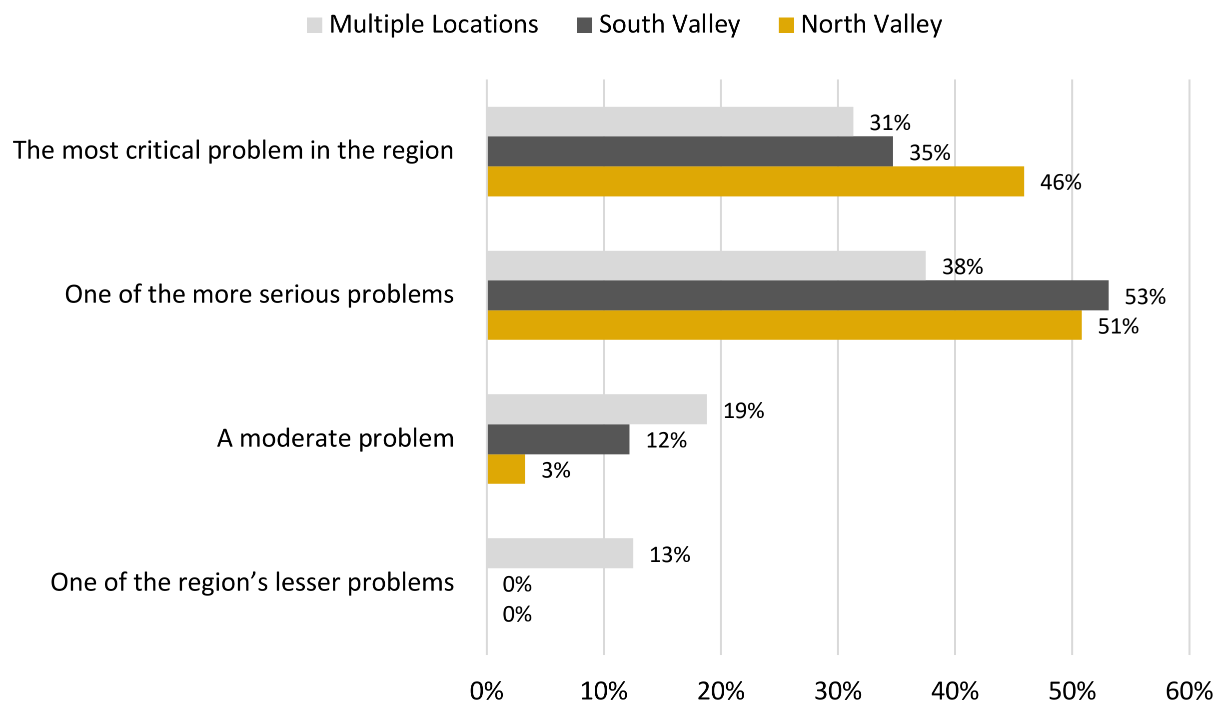


Note: Percentages may not add to 100% due to rounding
Source: 2024 Employer Survey

Differences by employer and job location are apparent:

- In the North Valley, 96% of employers indicated the availability of housing is the most critical (46%) or one of the more serious problems (51%).
- In the South Valley, 88% of employers indicated the availability of housing is the most critical (35%) or one of the more serious problems (53%).
- The percentage of employers stating housing is "the most critical problem" increased by about 30 percentage points among both North Valley and South Valley employers since 2016.

Do you feel that the availability of housing that is affordable for the workforce in the Gunnison Valley is:



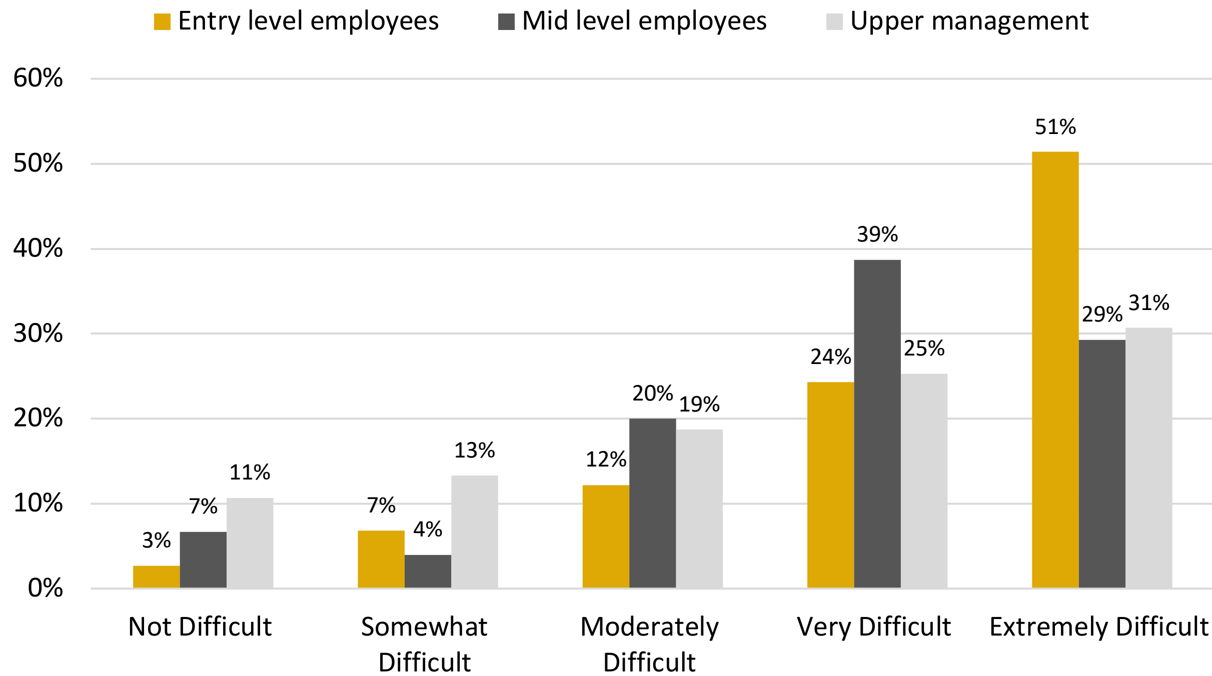
Note: Percentages may not add to 100% due to rounding
Source: 2024 Employer Survey

Difficulty Locating Housing

Employers report that employees across all levels have difficulty finding housing.

- Employers feel the issue is most pronounced for entry-level workers, 51% of whom find it "extremely difficult" to find housing.
- Mid-level and upper-level employees still struggle. About 76% of mid-level employees find it very difficult (39%) or extremely difficult (29%) to find housing. Over one-half (56%) of upper management employees also find it very (25%) or extremely difficult (31%) to find housing.
- Difficulty locating housing is consistent across both the North and South Valleys and is particularly acute for employees who work in multiple locations.

To what extent do your employees have difficulty locating housing in the area?



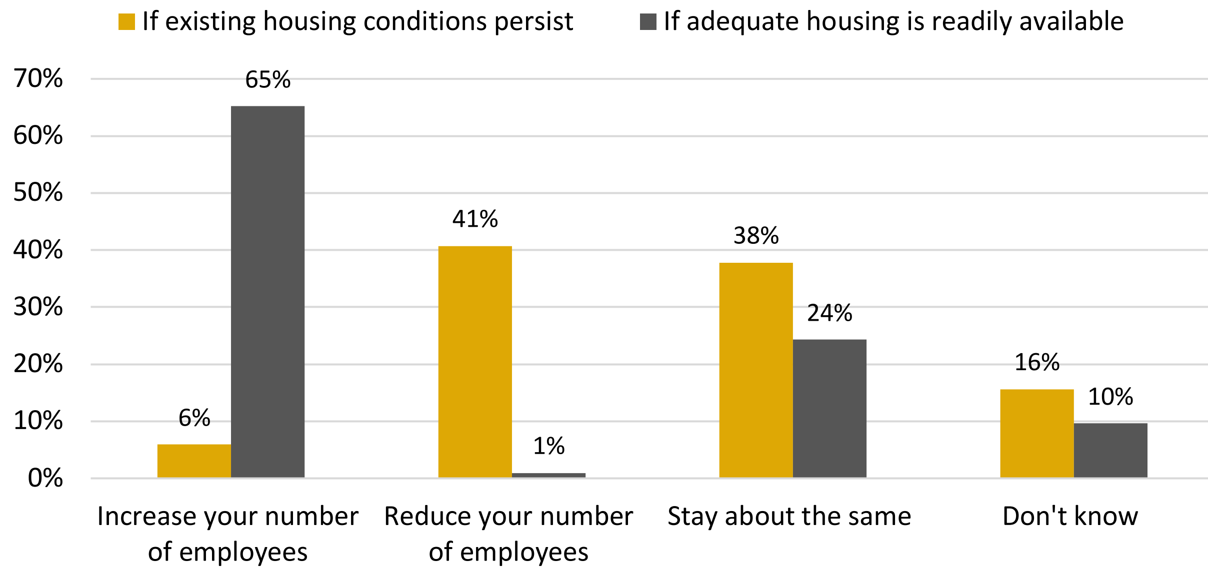
Note: Percentages may not add to 100% due to rounding
Source: 2024 Employer Survey

Projected Change in Employment

The lack of housing for employees making their living in the Valley is stifling employers' ability to acquire the staff they need to meet the current demand on their services, much less grow to keep up with increased demand. When asked whether employers expect to add employees, stay the same, or decrease their number of employees over the next five years, responses varied depending upon whether current housing conditions persist or if adequate housing were readily available in the Valley.

- Given current housing conditions, only 6% of employers indicated they would increase their number of employees, while 41% indicated they would reduce their number of employees.
- If adequate housing were readily available, the situation flips: 65% of employers indicated they would increase their number of employees and only 1% indicate they would decrease their number of employees.
- These patterns are similar throughout the Valley, with a slightly higher percentage of employers in the North Valley indicating they would increase their number of employees if adequate housing were available (71%) than South Valley employers (64%).

In the next five years (by 2029), under two different housing scenarios, how do you foresee your employee numbers changing?



Note: Percentages may not add to 100% due to rounding
Source: 2024 Employer Survey

HOUSING INVENTORY

This section discusses the housing inventory in Gunnison Valley, including the number of housing units and occupied housing, community housing inventory, employer housing participation, short term rental estimates, and pending development.

TOTAL HOUSING UNITS

About 670 new housing units are estimated to have been added to the Valley's housing stock in the last four years based on a review of residential permits issued.

Housing Units, 2010-2024

	2010 Census	2020 Census	2024 Estimate
Gunnison County	11,412	12,131	12,889
Gunnison Valley	10,064	10,536	11,203
North Valley	4,150	4,355	4,596
South Valley	5,914	6,181	6,606

Source: U.S. Census, ACS 2018-2022 5-year estimates, local building permits

OCCUPIED HOUSING UNITS

Nearly two-thirds (63%) of housing units in the Valley are occupied by local residents, while the remaining 37% are second homes, short-term rentals, or vacant properties awaiting sale or rental. Occupancy remains low in the North Valley at 52%, though it has risen from 46% in 2016. In the South Valley, nearly three-quarters (72%) of units are occupied by residents, consistent with the 2016 rate.

Housing Units by Occupancy, 2024 Estimate

	Gunnison County	Gunnison Valley	North Valley	South Valley
Housing Units	12,889	11,203	4,596	6,606
Occupied Units / Households	7,581	7,109	2,381	4,728
% occupied	59%	63%	52%	72%
Owner Households	4,786	4,334	1,605	2,729
Renter Households	2,795	2,775	776	1,999

Source: U.S. Census, ACS 2018-2022 5-year estimates, local building permits

COMMUNITY HOUSING INVENTORY

Community housing refers to dwellings occupied by or available to residents who live and/or work in the Valley that carry an occupancy, use, income, and/or price restriction.

There are 698 community housing units in the Valley with various levels of use, price, or occupancy restrictions, representing about 10% of occupied housing units in the Valley.

- Since 2016, about 255 community housing units have been added to the Valley, comprising 37% of the community housing inventory.

- About 56% of community housing units are in the North Valley and 44% in the South Valley. The South Valley more than doubled their community housing inventory since 2016.
- About 60% of community housing units in the Valley are rentals, one third are for homeownership, and the remainder can be either rented or owned by residents.

Gunnison Valley Community Housing by Location and Tenure

	Gunnison Valley	North Valley	South Valley
Homeownership			
Through 2016	137	98	39
2017-July 2024	89	47	42
Own Total	**226**	**145**	**81**
Rentals			
Through 2016	242	154	88
2017-July 2024	166	31	135
Rent Total	**408**	**185**	**223**
Either Homeownership or Rental			
Through 2016	64	64	0
2017-July 2024	0	0	0
Either Total	**64**	**64**	**0**
Total Homeownership and Rentals	**698**	**394**	**304**

Source: Gunnison Valley Housing Needs Assessment (Nov. 2016); Towns of Mt. Crested Butte and Crested Butte, GVRHA, Valley Housing Fund, Gunnison County Assessor records

Specific community housing developments since 2016 are shown in the following table and include:

- North Valley: New community housing inventory in the North Valley included new units in Crested Butte's Paradise Park neighborhood and other small projects, with more focus on homes for ownership than rentals.
- South Valley: A few larger community housing developments comprise most of the new inventory.
  - GardenWalk – a mix of studio, one- and two-bedroom units with income limits of 30%-60% AMI and below. The development was financed with 9% Low Income Housing Tax Credits (LIHTC) and a low-interest loan from the Valley Housing Fund by Belmont Development.
  - Paintbrush Apartments – a mix of studios and 1-, 2-, and 3-bedroom apartments. Units are affordable to households earning between 80% to 200% AMI and are restricted for occupancy by full-time workers in Gunnison County, retirees from a local job, or a person with a disability who previously worked in Gunnison County. The apartments were built through a public-private partnership between Gunnison County and Gatesco, Inc.
  - Lazy K – comprising 21 free market homes and 44 income-restricted cabins and multi-plexes (2 to 5 units per building). Lazy K was a partnership between the City of Gunnison and High Mountain Concepts and included grant funding from DOLA.

Gunnison Valley Community Housing Inventory Built Since 2016

Project	Total Units	Own	Rent
Mt. Crested Butte	**2**	**2**	**0**
Homestead	2	2	---
Crested Butte	**75**	**45**	**30**
Paradise Park – Town Sponsored	35	35	0
Paradise Park – Self Build	10	7	3
Resident Occupied Affordable Housing (ROAH)	3	0	3
VHF - Paul Redden Workforce Housing	3	0	3
Miscellaneous	24	3	21
Gunnison	**177**	**42**	**135**
Wills Way	3	3	0
Paintbrush	76	0	76
GardenWalk	36	0	36
Lazy K	44	39	5
Sawtooth Phase 1	18	0	18
Unincorporated Gunnison County	**1**	**0**	**1**
CB South	1	0	1
Total	**255**	**89**	**166**

Note: excludes 4 units in Crested Butte that are currently owner occupied but otherwise have a long term rental restriction.
Source: Towns of Mt. Crested Butte and Crested Butte, GVRHA, Valley Housing Fund, Gunnison County Assessor records

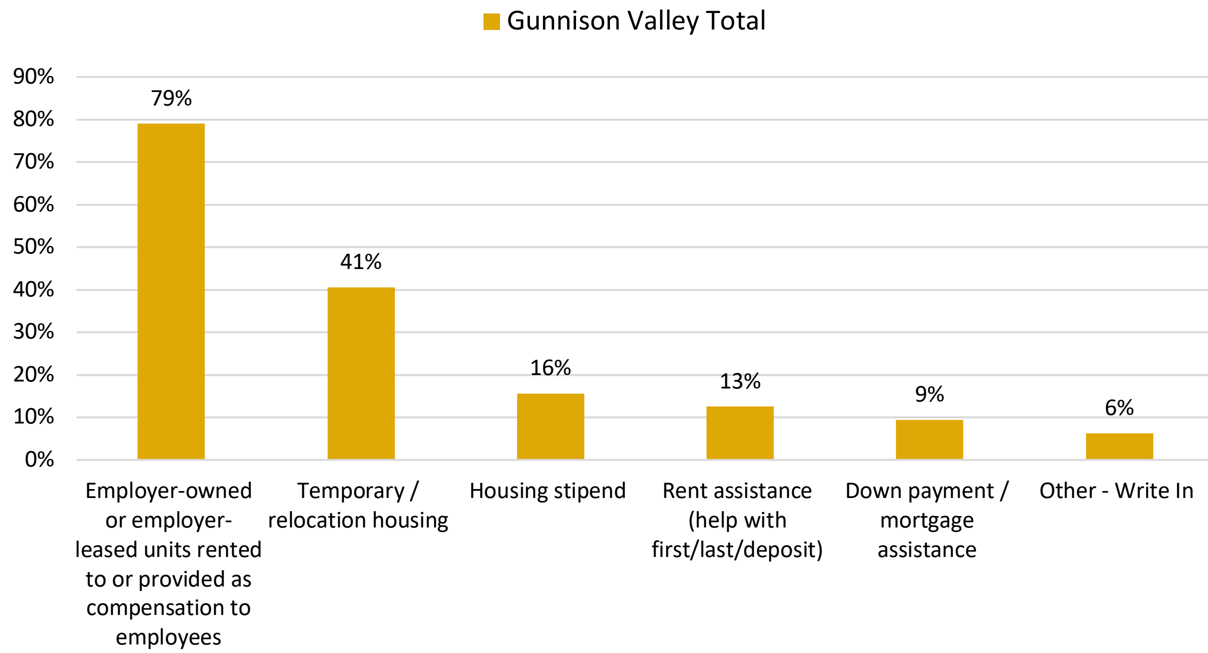
EMPLOYER ASSISTED HOUSING

Many employers in the Valley assist their employees with housing. The level and type of assistance has changed over time. About 41% of employers responding to the survey reported providing some sort of housing assistance to their employees in 2024.

Of employers providing assistance:

- 79% of employers providing assistance across the Valley have employer-owned or employer-leased units rented to or provided as compensation to employees. Responding employers provide 503 beds in the Valley.
- 41% of employers reported providing temporary/relocation housing, for a combined total of 47 units.
- About 16% of employers providing assistance support their employees with a housing stipend, ranging from $100 per month up to $600 per month. While helpful, some challenges with this tool include that, without increased supply, it puts more upward pressure on rents, and the stipend often goes into the pocket of out-of-area owners rather than recirculating in the local economy.
- 13% of employers provided assistance with first/last/deposit on rental units, helping 87 employees.

What type of housing assistance do you currently provide? (select all that apply)



Source: 2024 Employer Survey

The majority of employers that do not provide assistance indicated that they cannot afford to (62%), followed by a preference to pay higher wages (32%), and their desire to not be in the housing business (28%). Only 2% of employers responding had provided housing in the past that was not successful.

If you do not provide housing assistance, why not?

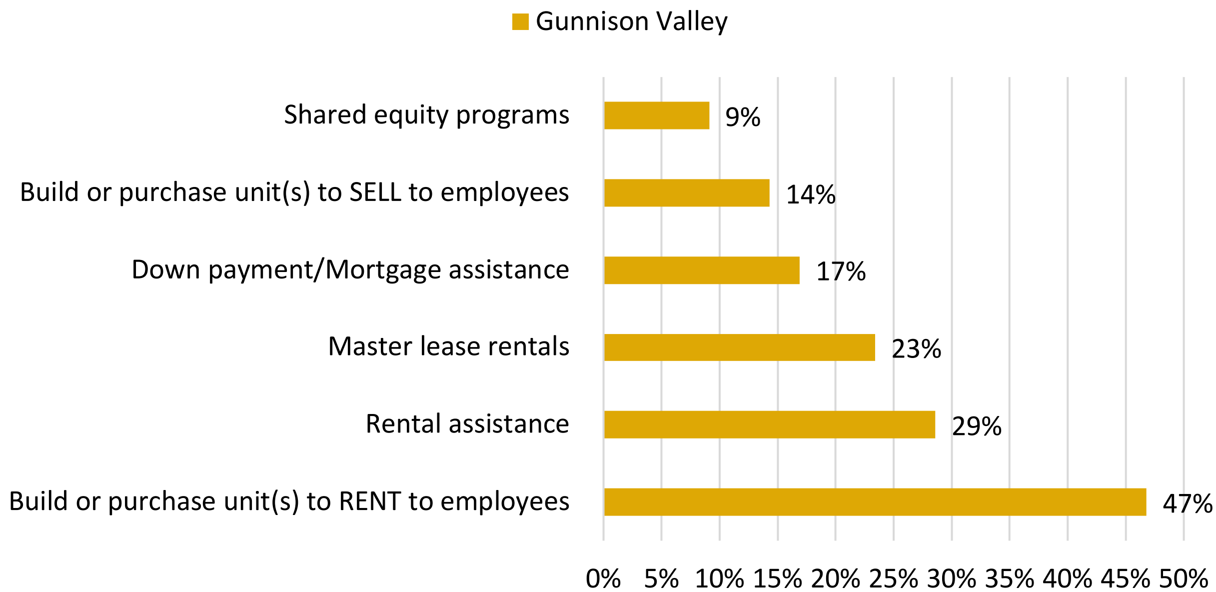
	Gunnison Valley
Cannot afford to provide housing or housing assistance	62%
I prefer to pay higher wages instead	32%
Do not want to be in the housing business	28%
Housing assistance is not needed for our employees	17%
Do not have the expertise or knowledge to help with housing	17%
Housing is the employee's responsibility	17%
Provided housing in the past that was not successful	2%

Source: 2024 Employer Survey

When employers were asked whether they would consider providing housing assistance for employees in the future, 71% indicated they would consider at least one of several options. Of employers that would consider helping with housing:

- 47% indicated they would consider building or purchasing unit(s) to rent to employees.
- North Valley employers are most likely to consider this option (54%) compared to South Valley employers and those in multiple locations (33% both).
- South Valley employers are more likely to consider rental assistance, master leasing rentals and down payment/mortgage assistance than other employers in the Valley.

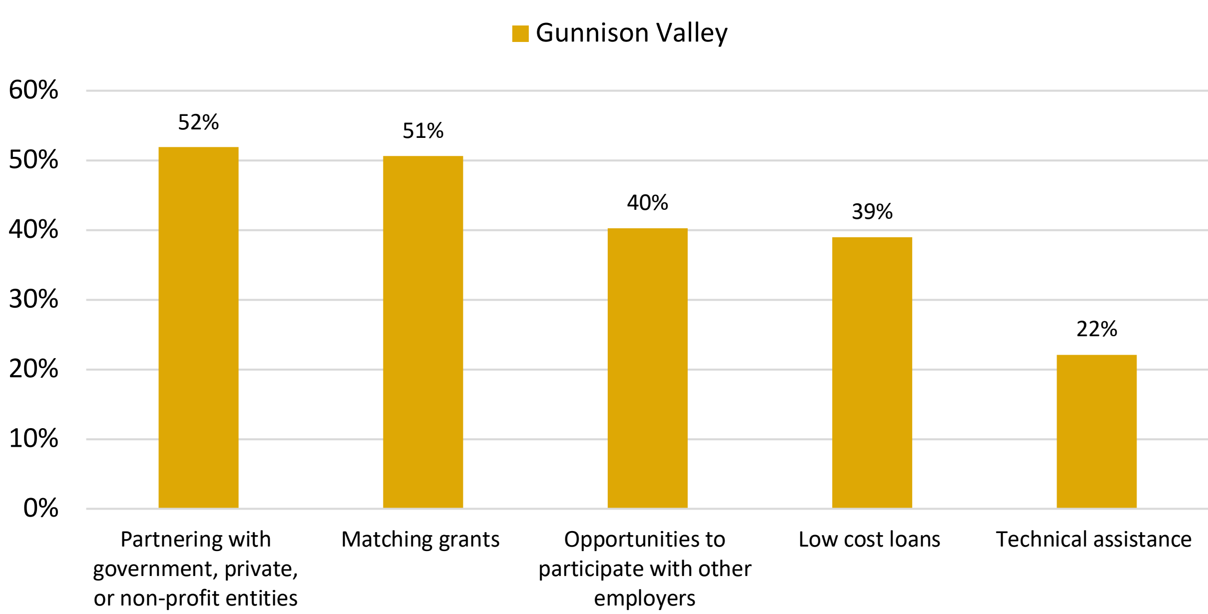
In the future, would you consider providing any of the following types of housing assistance for employees? (Include both current and potential types)



Source: 2024 Employer Survey

There is an opportunity to collectively engage employers in housing solutions to share and build upon the experiences and successes of other employers in the community. When employers were asked what would encourage them to offer, or keep offering, housing support, the most supported options were partnering with government, private or non-profit entities, matching grants, and opportunities to participate with other employers.

What would encourage you to offer, or keep offering, housing support? (select all that apply)



Source: 2024 Employer Survey

SHORT TERM RENTALS

A short-term rental (STR) is defined as the rental of a property for a period of less than 30 days. Short term rentals become a concern when they reduce the inventory of units available for local residents and employees to rent and increase investment buyers who compete with residents for homes. Further, STR's also put pressure on the service industry to increase the number of jobs needed in the Valley while decreasing available housing units for the workforce. Many mountain communities throughout the west have moved toward increased regulation and requirements on short term rentals, if not limiting their use or banning them altogether.

Effects on Resident Households

The resident survey asked whether renters had been forced to move within the past five years due to multiple reasons. In 2024, 23% of displaced renters cited the conversion of their rental into a short-term rental (STR) as the reason, which shows very little change to the 20% reported in 2016. In total, approximately 332 renters were displaced over the past five years due to these circumstances.

Aside from issues of displacement and increased pricing pressure due to investor speculation, short term rentals impact the quality of life of residents. Approximately 4% of owners and 10% of renters reported dissatisfaction with their home due to disturbance from nearby short-term rentals. Problems were slightly more prevalent in the North Valley (affecting 9% of households) than in the South Valley (affecting 6% of households).

Less than 3% of resident owners responding to the survey reported that they occasionally or frequently rent all or part of their home as a STR.

Local Short Term Rental Licensing Requirements

In the Valley, only Crested Butte and Mt. Crested Butte require STR's to be licensed. Crested Butte is the only jurisdiction in the Valley that has a regulatory cap on the number of short-term rentals allowed.

- Since 2016, the number of STR's increased in Mt. Crested Butte and in the South Valley, but the Town of Crested Butte has fewer today than in 2016. Just since April 2021, active listings Valley wide have increased from 929 to 1,375, or almost 50%.
- According to AirDNA.com, there were about 1,375 total active listings in the Valley in April 2024. Of these:
  - Nine out of ten Valley listings on AirDNA.com are in the North Valley, with high concentrations in Mt. Crested Butte and Crested Butte.
  - A lower concentration of listings was seen in the Meridian Lake, Skyland and Riverbend areas, along with Crested Butte South.
  - The South Valley had about 145 active listings, with almost 70% in or near Gunnison. This is a five-fold increase since 2016 when the South Valley had only about 30 short-term rentals.

> While Crested Butte implemented an STR cap after a moratorium, leading to a decline in STR's in the town since 2016, the rest of the county did not follow suit. Since April 2021, active listings Valley-wide have increased by nearly 50%.

» The average daily rate in the North Valley ($454) is about 88% higher than in the South Valley ($242).

Short-Term Rentals: Active Listings, Occupancy, and Average Daily Rate (April 2024)

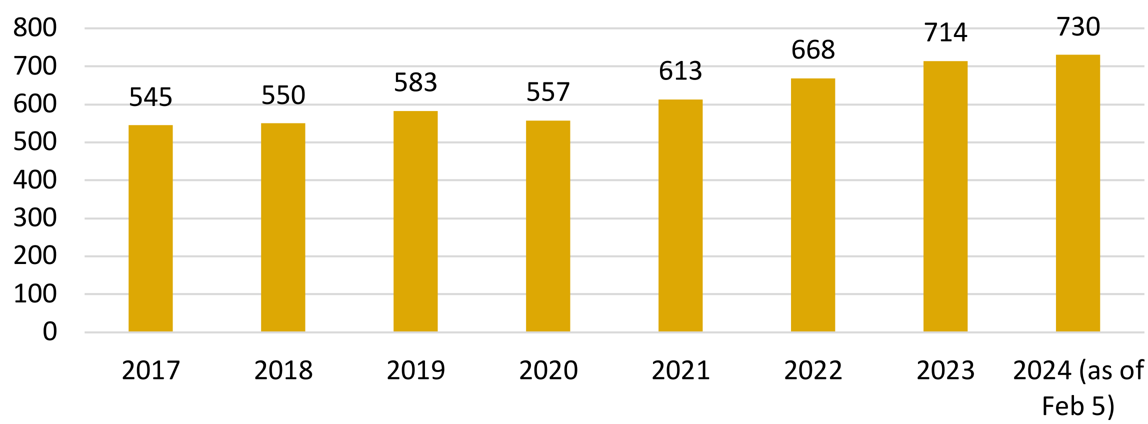
	North Valley [1]	South Valley [2]
Total Active Listings	1,276	145
Occupancy Rate	53%	59%
Average Daily Rate	$454	$242

Note: represents AirDNA geographies: [1] Crested Butte and [2] Total listings from Gunnison, Almont, Pitkin, Ohio City, Parlin; occupancy and avg. daily rate represent Gunnison geography only.
Source: AirDNA.com, accessed 4/11/24

Mt. Crested Butte

The Town of Mt. Crested Butte created a STR licensing program in 2020, requiring any property or part of a property rented for a period of 30 days or less to have a short-term rental license. A new STR license currently costs $275 per calendar year and $200 each year to renew. There is no license limit, and the number of active licenses has grown year over year since 2020. As of February 5, 2024, there were 730 active STR licenses, 185 more than in 2017 (a 34% increase). This equates to nearly one half of all housing units in the town.

Town of Mt. Crested Butte Active STR Licenses, 2017-2024 [1]



[1] as of February 5, 2024
Source: Town of Mt. Crested Butte

Town of Crested Butte

The number of short-term rentals in the Town of Crested Butte has declined since 2016. With the Town's new STR ordinance, the number will fall to less than 198 units, or 15% of the Town's 1,272 housing units. There were an estimated 240 short-term rentals late in 2016; in early April 2024, there were 206.

In Crested Butte, STR's must have one of two available vacation rental licenses and adhere to other regulations summarized below:

- Primary Occupancy License: Issued to people who live in or long-term rent their property for a minimum of six months per year. These licenses are allowed in all zone districts and are exempt from the block face concentration limit. A maximum of 90 rental nights is allowed per year, and there is no cap on the number of licenses issued. The annual license fee is $250.

- Unlimited license: Allowed only in certain zone districts (R1, R1A, R1C, R1D, R1E, R2, R2C, R3C, B3, and B4). Limited to two per block face, with unlimited rental nights per year. A minimum of 29 rental nights is required per year, and the number of licenses is capped at 198. The annual license fee is $800 annual license fee.

Of the 206 issued licenses, 188 are unlimited licenses (10 lower than the maximum allowed) and 18 are primary licenses. Both license types are taxed at 7.5%.

PENDING DEVELOPMENT

In total, about 380 units of community housing are under construction, approved, or in the planning pipeline. Most of the pending units are in the North Valley, 75% of which are part of the County's Whetstone development.

The volume of potential community housing units and opportunities in the Valley is impressive. While some projects are under construction or have approval to move forward, others are still in the planning phase. Delivery of all units in the table below by 2029 is far from guaranteed. Developing in today's market is challenging due to high construction costs, interest rate uncertainty, funding partner requirements, community opposition to growth, and other potential barriers to completion.

Gunnison Valley Pending Community Housing, 2024-2029

North Valley	Name	Status	Own	Rent	Total
Mt. Crested Butte	Homestead (est. avg. 80% AMI)	Under Construction	22	0	22
Crested Butte	Paradise Park - Infill (est. up to 140% AMI)	Under Construction	0	14	14
Crested Butte	TP-3	Approved	Unknown	Unknown	16
Crested Butte	Mineral Point (est. avg. 30%-60% AMI)	Under Construction	0	34	34
County	Whetstone (est. avg. 115% AMI)	Planning In Process	0	255	255
North Valley Total			**22**	**303**	**341**
South Valley					
Gunnison	Sawtooth Phase 2 (est. avg. 80% AMI)	Approved/Under Construction	0	32	32
Gunnison	Other (est. avg. 80% AMI)	Planning In Process	5	0	5
South Valley Total			**5**	**32**	**37**
Gunnison Valley Total			**27**	**335**	**378**

Source: Gunnison Valley Housing Task Force, local jurisdictions

MARKET CONDITIONS

This section analyzes the for-sale market and rental market. It looks at changes in pricing and availability, along with local workforce affordability.

OWNERSHIP MARKET

Corresponding with analyses throughout this report, the ownership housing market is discussed for the Valley as a whole and the North and South Valley markets, which show significant differences in terms of pricing and availability. The two market areas were delineated using the following MLS categories:

- North Valley: Mt. Crested Butte, Crested Butte, Crested Butte South, Crested Butte Rural
- South Valley: Almont, Gunnison, Gunnison Rural, Quartz Creek Valley

Sales for market rate units and community housing/deed restricted sales are analyzed separately to illustrate the significant price difference between these products.

Price Trends

Market Rate Sales

Market rate sales analyses include condominium/townhome and single family home sales (modular and stick built combined). Condotels are excluded, as are sales of manufactured homes because direct comparison with other home types is challenging since manufactured home sales often do not include the underlying land.[7] Sales of homes known to have a deed restriction are also excluded in this section.

Home sale prices in the Gunnison Valley have increased significantly since the 2016 assessment. Housing prices had been increasing since 2016 at a moderate pace until 2020 when prices in Gunnison County and most other communities exploded. While Covid stalled listings and sales in spring 2020, the market quickly rebounded when summer arrived with strong demand fueled by the ability to work remotely and motivation to escape dense urban areas and experience the mountain lifestyle.

- Between 2015 and 2020, the median price of single family homes sold in the North Valley increased by 86% and nearly doubled in the South Valley (92% increase). The median price of condos/townhomes rose 177% in the North Valley and 155% in the South Valley. Changes in home sale prices far outpaced increases in resident incomes during this period.[8]
- Home sale prices continued to increase through 2023, with a slight pullback in 2023 for single family homes in the North Valley and condos/townhomes in the South Valley. The median sale price of single family homes rose at a faster pace in the South Valley between 2020 and 2023 (18% per year on average) than the North Valley (13% per year on average), with condos/townhomes growing at slower, but still substantial, rates of 6% per year in the South and 11% per year in the North.

[7] There were only 54 manufactured home sales from 2021-2023.

[8] See Household Demographics – Housing Income Distribution section of this report.

- The number of condo/townhome sales declined year over year from 2021 to 2023, while the number of single family home sales declined from 2021 to 2022 before picking up again in 2023. Sales were impacted by the spike in mortgage rates in 2022, which remained high in 2023.
- Looking ahead into 2024, interviews with real estate agents in the North and South Valleys indicate a loosening of the market, with more listings coming online as spring approaches. Coming into summer there is an indication of pent-up demand, and units that are competitively priced are expected to sell quickly.

Gunnison Valley Sale Prices by Home Type, 2015 and 2020-2023

	North Valley		South Valley	
	Sales (#)	Median Sale Price	Sales (#)	Median Sale Price
2015 [1]				
Single Family	-	$695,000	-	$230,000
Condos/Townhomes	-	$210,000	-	$125,000
2020				
Single Family	150	$1,290,000	145	$439,300
Condos/Townhomes	176	$582,500	57	$319,000
Overall (SF + Condos / Townhomes)	326	$792,000	202	$386,250
2021				
Single Family	150	$1,635,500	166	$535,000
Condos/Townhomes	229	$545,000	78	$317,500
Overall (SF + Condos / Townhomes)	379	$850,000	244	$439,000
2022				
Single Family	78	$1,935,000	85	$568,000
Condos/Townhomes	149	$759,000	63	$440,500
Overall (SF + Condos / Townhomes)	227	$975,000	148	$506,250
2023				
Single Family	82	$1,862,500	117	$725,000
Condos/Townhomes	101	$799,000	24	$381,250
Overall (SF + Condos / Townhomes)	183	$1,125,000	141	$650,000

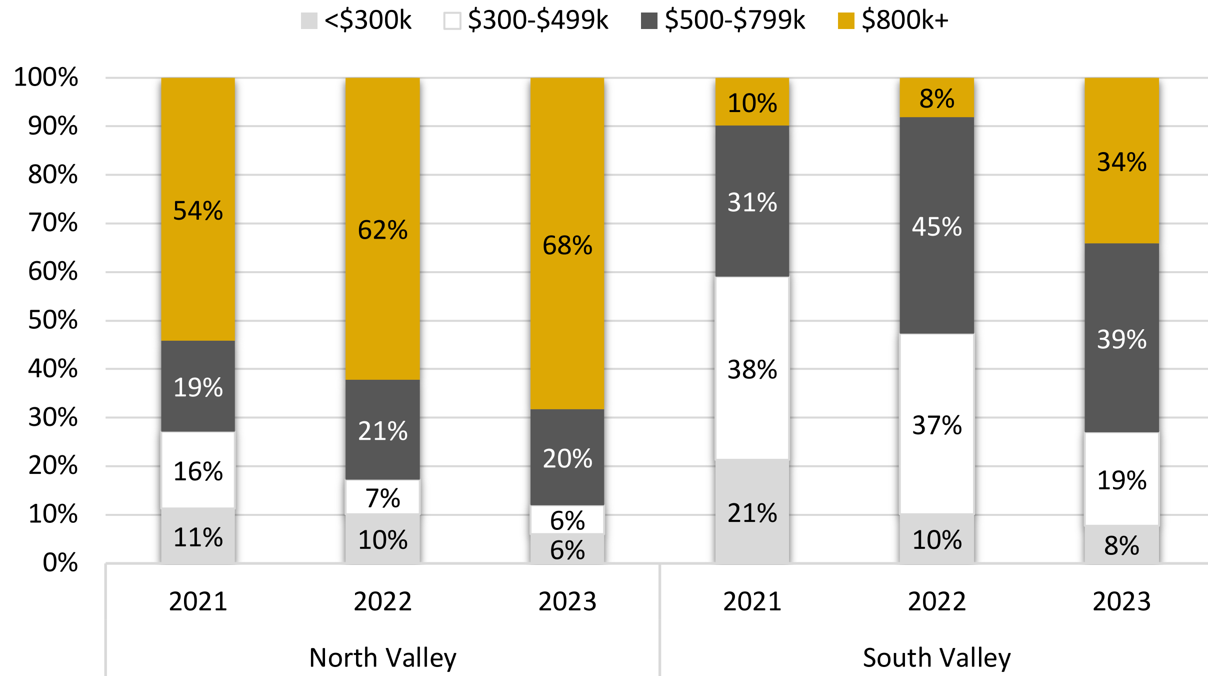
Source: MLS, consultant team (2020 through 2023)
[1] Source: 2016 Gunnison Valley Housing Needs Assessment

The share of market-rate sales from 2021 to 2023 shifted upward into higher price brackets across the Valley, with the South Valley experiencing a profound change in the market. Whereas homes in the North Valley have long been priced out of reach for the majority of local residents, the South Valley has historically provided opportunities for residents to purchase homes ranging below $500,000. These opportunities are quickly disappearing.

- The share of homes sold in the South Valley priced below $500,000 dropped from the majority of sales in 2021 (59%) to only 27% of sales in 2023 – a 32-percentage point decline.

- In the North Valley, the share of homes that sold for over $800,000 rose from just over one-half of sales in 2021 (54%) to over two-thirds of sales (68%) in 2023. Households need to earn $250,000 or more per year (300% AMI) to afford homes at this price point.

North Valley and South Valley Home Sale Distribution by Price, 2021-2023



Note: Percentages may not add to 100% due to rounding
Source: MLS, consultant team

Community Housing/Deed Restricted Sales

Deed restricted housing provide opportunities for local residents and employees to purchase homes at prices they can afford. Many deed restrictions protect homes from rising at escalated market rates to preserve long term affordability for future residents.

- Between 2021 and 2023, just under 80 deed restricted homes were sold. The highest number of sales occurred in 2023 when the Lazy K development came online in Gunnison.
- The annual median sale price over the three years ranged from $260,000 to $290,000, which would be affordable to a household earning between 100% and 110% AMI in 2024 and equates to yearly household incomes of $82,000 to $92,000 per year for a 2-person household.

Gunnison Valley Deed Restricted Home Sales, 2021-2023

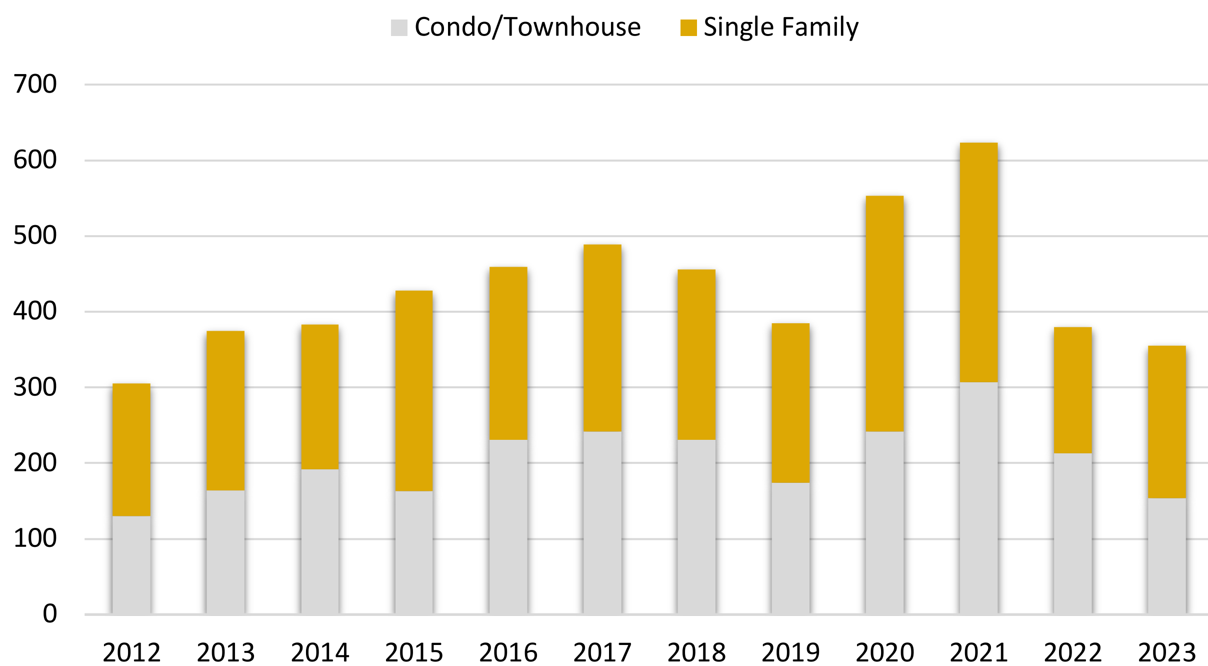
Year	Sales (#)	Average Sale Price	Median Sale Price
2021	11	$418,987	$258,000
2022	19	$577,690	$289,000
2023 [1]	38	$538,293	$268,271

Note: excludes sale price of $0 and properties with more than one unit.
[1] excludes 22 sales to Mt. Crested Butte in Homestead development
Source: Gunnison County Assessor

Sales Volume

The number of sales per year, inclusive of deed-restricted homes, spiked in 2020 and 2021 to the highest level in at least 10 years. Sales in 2022 declined precipitously (44%) from the 2021 high and fell to below 2013 levels in 2023, coinciding with a quick and dramatic rise in mortgage interest rates. Despite the decreased sale volume, however, home prices have still been increasing, indicating that a lack of supply is also affecting sales volumes.

Gunnison Valley Sales per Year, 2012-2023



Source: MLS, consultant team

Availability

A general industry standard is that when the number of homes available for sale is below a 6-month supply, it is a seller's market – meaning that there are more buyers than homes available to purchase, resulting in rising prices. It is important to examine the details, however, as discussed below.

- In March 2024, there were only 171 homes listed for sale in the Gunnison Valley. In August 2016, however, over twice as many homes were listed for sale (396 homes listed for sale).
- Eight out of ten listings in March 2024 were in the North Valley, and over half of all listings were condos or townhomes. Only 32 homes are listed for sale in the South Valley.
- Listed prices are very high and unaffordable for most working households. A 2-person household would need to earn 422% AMI (about $350,000 per year) to afford the median home listed in the Valley in March 2024. In 2016, a household earning 282% AMI ($160,000 in 2016) could have afforded the median listing.

Availability, Price, and Affordability of Homes For Sale, March 2024

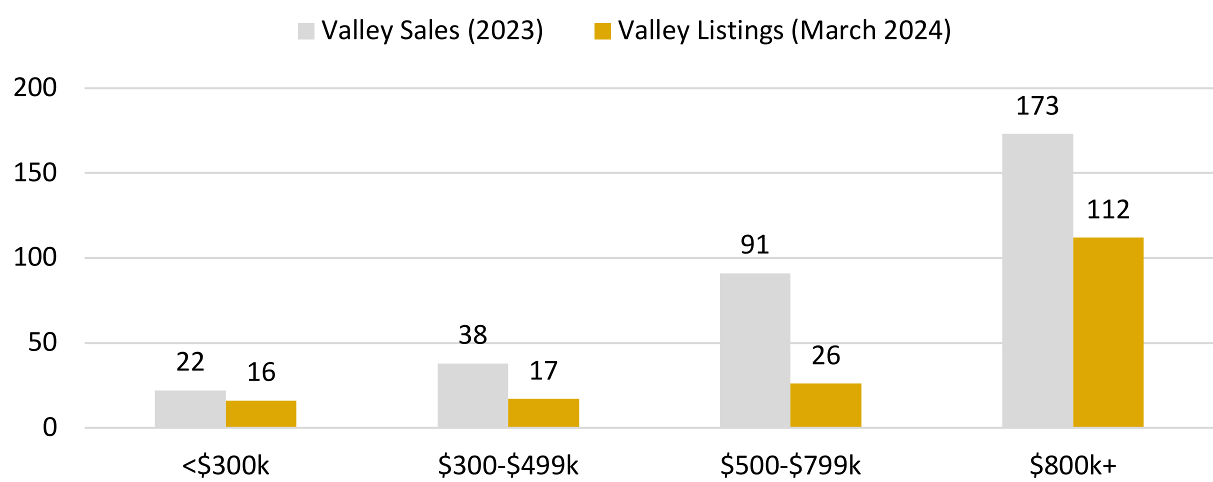
	North Valley	South Valley	Gunnison Valley
Number of listings			
Condos/Townhomes	85	5	90
Single Family	54	27	81
Overall (SF + Condos/Townhomes)	139	32	171
Median Asking Price			
Condos/Townhomes	$785,000	$420,000	$747,500
Single Family	$2,945,999	$895,000	$2,184,000
Overall (SF + Condos/Townhomes)	$1,295,000	$869,500	$1,099,000
AMI to Afford Median Price			
Condos/Townhomes	301%	161%	287%
Single Family	1130%	343%	838%
Overall (SF + Condos/Townhomes)	497%	334%	422%

Source: MLS, consultant team

The Valley had about a 6-month supply of inventory in March 2024 (9 months of inventory in the North Valley and less than 3 months in the South Valley) relative to their respective 2023 average monthly sales volume. This metric, however, is skewed because of the high percentage of homes listed for $500,000 or more and because 2023 sales volume was a ten-year low. For homes under $500,000:

- There is about a 2 month supply of inventory in the South Valley, or a total of six (6) units.
- A total of 27 units were for sale in the North Valley, which would imply over a 12 month supply. This is misleading, however. Twenty-six (26) North Valley units are condominiums (all but four in Mt. Crested Butte) with monthly HOA fees in excess of $500 per month and built primarily for part-time occupancy.

Gunnison Valley 2023 Sales Compared to March 2024 Listings



Source: MLS, consultant team

Local Workforce Affordability

The ability of working households to afford to buy a home in the Valley is very challenging. About three quarters (73%) of owner households have annual incomes under $165,000 (200% AMI) and need homes priced under about $520,000. Only 20% of listings in the spring of 2024 are priced under $520,000, leaving working households with very few choices.

Homeowner Income Distribution Compared to Available Homes for Sale

AMI	Maximum Affordable Price	Owner Household Income Distribution	North Valley Listings	South Valley Listings	Gunnison Valley Listings
<60%	$156,400	18%	0%	3%	1%
60.1-80%	$208,600	9%	1%	0%	1%
80.1-100%	$260,700	12%	8%	3%	7%
100.1-120%	$312,900	12%	1%	0%	1%
120.1-150%	$391,100	12%	1%	9%	3%
150.1-200%	$521,500	10%	8%	3%	7%
200.1-300%	$782,200	9%	12%	19%	13%
>300%	> $782,200	18%	69%	63%	68%
	Total	**100%**	**139**	**32**	**171**

[1] Max purchase price assumes 30-year mortgage at 7% with 5% down and 20% of the payment covering taxes, HOA, PMI and insurance.
Note: Percentages may not add to 100% due to rounding
Source: MLS; CHFA; Ribbon Demographics, LLC; consultant team

Financing Availability

Lenders providing loans to homebuyers in the Valley indicate the loan volume for local buyers has decreased with the tight market, partially due to high interest rates. Rates were very low through the pandemic and have increased to over 7% since then. Not only does this affect the demand for units to buy, but also affects the supply of homes for sale since owners with current lower-interest mortgages are staying put.

Residents seeking a loan typically can qualify, however, little product at any price point is available. Households looking to buy may explore purchasing land and building given the low availability of units on the market; however, high construction costs and interest rates have a notable dampening effect.

Providing loans for deed restricted products can be complicated, but is possible in the Valley, especially if the lender is backed by the USDA. The structure of the deed restriction is important, as many providers require that deed restrictions go away in the event of foreclosure.

Residents purchasing homes that require higher debt to income ratios may be required to put 20% down and pay mortgage insurance. Both factors decrease the ability for residents to afford to purchase homes.

Loans for condominiums can be a challenge. Monthly HOA fees decrease the affordability of units. There are no condominiums in the county that are FHA approved, which reduces lending options.

RENTAL MARKET

Vacancy

As a general rule, double-digit vacancy rates are considered to be very high, rates at or below 3% are very low, and a vacancy rate of around 6% that is trending downward is typically an indication to developers that construction of additional units should begin. These "rules of thumb," however, vary by market area.

Rental listings in the Gunnison Valley were monitored in February and March of 2024. A total of 48 listings were found during this period. This equates to a rental vacancy rate under 1%; the same vacancy rate observed in 2016.

There is slightly more availability in the North Valley (1.65% vacancy); however, many listings are more suited to seasonal visitors, providing fully furnished units and short-term or month-to-month lease options.

Rental Vacancy Rate (March 2024)

	February Listings	March Listings	Average Number	Total Rental Households	Average Monthly Vacancy Rate
Gunnison Valley	27	21	24	2,772	0.87%
North Valley	15	11	13	786	1.65%
South Valley	12	10	11	1,986	0.55%

Source: Crested Butte News, Gunnison Times, Craigslist, Zillow, Property Manager Websites, Facebook, consultant team

When vacancy rates are this low, the rental market is near capacity and cannot absorb new residents or employees moving to the area. This results in several issues:

- Renters have difficulty moving from one unit to another as their circumstances change or landlords impose higher rents or new rules;
- Renters fear reporting needed repairs to landlords due to concerns of retaliation through rent increases or non-renewal of leases;
- New employees struggle to find housing when hired by local businesses;
- Rents increase at rates much faster than incomes; and
- Landlords have little incentive to make repairs and capital investments.

Rent Trends

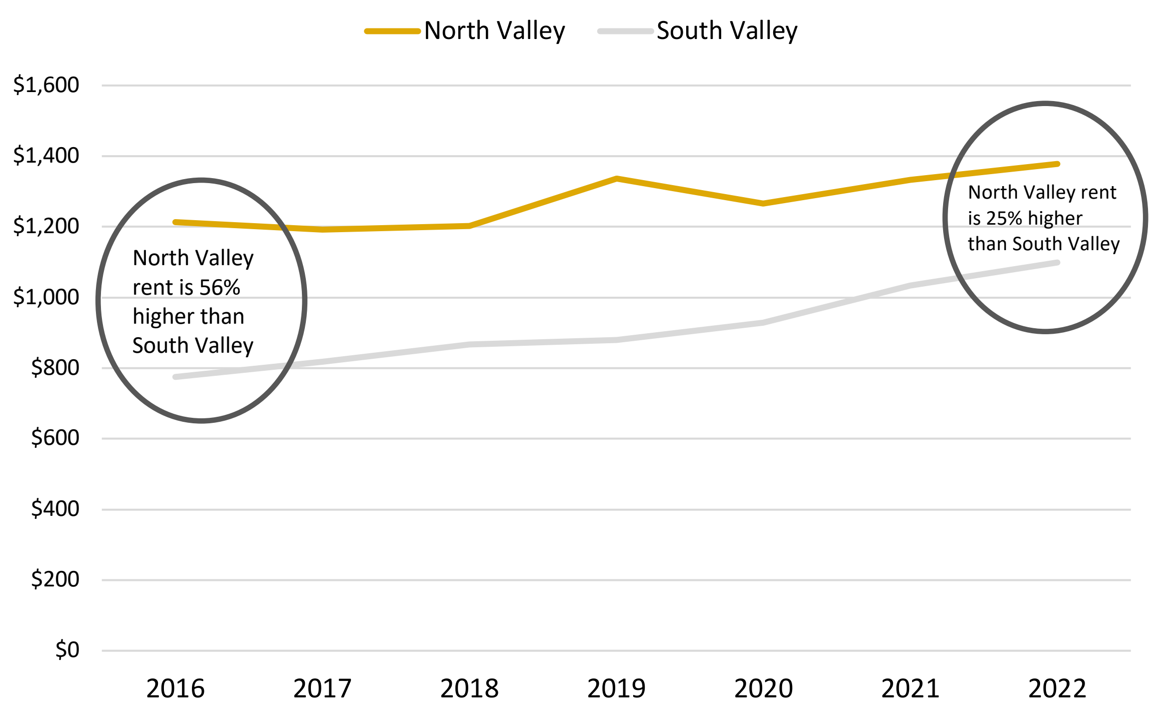
Property managers expressed that there were many early concerns around the rental market when the Covid shutdown occurred in 2020; however, rent delinquencies did not become as widespread as feared. The market soon experienced a surge in rental rates that outpaced what many locally employed renters could afford. As rents escalated and housing availability decreased, overcrowding became more common.

Historically, rents in the North Valley have been higher than those in the South Valley, although trends show that the gap is closing.

The below chart illustrates changes in median gross rents in the North and South Valley as reported by the ACS, which includes rent plus utilities. The ACS data shows that median gross rents increased 42% between 2016 and 2022 in the South Valley, compared to a lower 14% in the North Valley. As a result, where the median gross rent in the North Valley was 56% higher than the South Valley in 2016, as of 2022, this gap had closed to a 25% difference.

Please note that, while the ACS data is helpful to illustrate changes in rents over time, the data is not reflective of current rents charged by property managers. [9] The next section presents data on current rents in Gunnison Valley.

Median Gross Rent



Source: American Community Survey

[9] While this information is valuable for observing long-term trends, ACS rent rates are lower than current market pricing. ACS data represents information from existing renters, which includes a mix of new and long-term renters. Renters that have been in their units for several years typically pay less than full market rates, particularly in fast rising markets, because many landlords impose more modest rent increases for existing tenants than market prices may allow.

Current Rents

Property managers are the best source of information on current rents in a community. The below table illustrates the typical 2024 rents in the Gunnison Valley compared to the average price of available rentals advertised in February and March of 2024. As shown:

- Advertised rentals generally fall on the high side of the ranges given. This is largely because most managed rentals are filled by word of mouth and are never advertised. The units listed, therefore, tend to be higher priced homes that local employees cannot afford.
- Households need to earn close to 100% of the area median income to afford the average rent reported by property managers in the North Valley; about 70% AMI in the South Valley. One- and two-bedroom rents are more affordable, falling at or below 80% AMI in the North and below 60% AMI in the South.
- Advertised rentals cost more. Incomes between 90% to over 120% AMI are needed to afford 2-bedroom or larger advertised rentals. One-bedroom rents are affordable to a household earning 70% AMI.

Rents by Bedroom Size: 2024

North Valley	0/1-bedroom	2-bedroom	3-bedroom	4-bedroom	Overall
Property manager interviews	$1,189	$1,900	$2,301	$3,100	$2,021
Feb/Mar 2024 advertised rentals	$1,450	$2,100	$2,850	na	na
AMI affordability [1]	58%	82%	99%	120%	98%
Income needed to afford rent	$47,560	$76,000	$92,040	$124,000	$80,840
South Valley	**0/1-bedroom**	**2-bedroom**	**3-bedroom**	**4-bedroom**	**Overall**
Property manager interviews	$821	$1,292	$2,106	$2,357	$1,464
Feb/Mar 2024 advertised rentals	$1,450	$2,299	$2,295	$4,500	na
AMI affordability [1]	40%	56%	91%	92%	71%
Income needed to afford rent	$32,840	$51,680	$84,240	$94,280	$58,560

[1] AMI affordability of property manager interview rents. Calculation assumes 2 people in a 0/1 bedroom units, 3 people in 2- and 3-bedroom units, and 4-people in 4-bedroom units.

Source: Property manager interviews; Crested Butte News, Gunnison Times, Craigslist, Zillow, Property Manager Websites, Facebook; consultant team

Local Workforce Affordability

There is a distinct mismatch between the distribution of renter households and available rentals. While 56% of renter households make 60% AMI or below, only 8% of available rentals fall into this income band. Additionally, there are more rental listings between 100% and 150% AMI (51%) compared to renter households (13%).

Property managers note very little turnover and very little availability for residents. Given the lack of choice, many renters would like to move but cannot. The markets in the North and South Valley share these conditions:

- Vacancy rates far below a functional market vacancy level.

- Scarce inventory; there is a very low supply of units available to rent compared to demand from employees seeking housing.
- Increasing rental rates.
- Average rents for occupied units are well below rents for currently listed units.
- Aging inventory.

Renter Income Distribution Compared to Available Homes for Rent

AMI	Household Income Range (2-person household)	Maximum Affordable Monthly Rent	Renter Household Income Distribution	Rental Listings (March/April 2024) (%)	Rental Listings (March/April 2024 (#)
<60%	$49,440	$1,236	56%	8%	3
60.1-80%	$65,920	$1,648	11%	11%	5
80.1-100%	$82,400	$2,060	11%	13%	6
100.1-120%	$98,880	$2,472	6%	18%	8
120.1-150%	$123,600	$3,090	7%	33%	15
150.1-200%	$164,800	$4,120	3%	9%	4
200.1-300%	$247,200	$6,180	4%	7%	3
>300%	> $247,200	> $6,180	2%	0%	0
Total	-	-	100%	100%	45

Excluded three incomplete listings

Source: CHFA; Ribbon Demographics, LLC; Crested Butte News, Craigslist, Zillow, Property Manager Websites, Facebook; consultant team

HOUSING PROBLEMS

This section evaluates key indicators that quantify housing problems in the Gunnison Valley, including cost burden, overcrowding, the condition of homes, forced relocations, and homeless or near homeless residents. Additionally, it addresses specific problems faced by vulnerable populations in the special needs subsection, such as seniors, individuals with disabilities, and Spanish-speaking residents.

COST BURDEN

When housing payments exceed 30%, households have insufficient residual income to afford other necessities like food, transportation and health care. Housing payments include rent plus utilities for renters and mortgage payments plus utilities, property taxes, property insurance and homeowners association payments for homeowners.

In the Gunnison Valley, approximately 2,740 households (39%) are cost burdened by housing payments that exceed 30% of the gross income of household members combined. Renters are much more likely than owners to pay more than 30% of their income on housing (50% compared with 31%).

Cost burden increased from 25% in 2016 to 39% in 2024.

Percentage of Income Spent on Housing Payment by Own/Rent, Gunnison Valley

% of Income = Housing Payment	Own	Rent	Overall
30% or less	69%	50%	61%
31.1% to 50%	20%	33%	25%
More than 50%	11%	18%	14%
Total Percent Cost Burdened	31%	50%	39%
Total Households Cost Burdened	1,364	1,388	2,740

Source: 2024 Resident Survey

Residents of the North Valley are more likely to spend in excess of 30% of their income on housing, yet, due to the larger population, there are more households that are cost burdened in the South Valley.

Percentage of Income Spent on Housing Payment by Area

% of Income = Housing Payment	North	South
30% or less	59%	63%
31.1% to 50%	21%	27%
More than 50%	20%	10%
Total Percent Cost Burdened	41%	37%
Total Households Cost Burdened	977	1,768

Source: 2024 Resident Survey

Very low income households (≤60% AMI) are particularly hard hit by the cost of housing in the Gunnison Valley - 73% are cost burdened. The percentage drops sharply as incomes rise.

Percentage of Income Spent on Housing Payment by AMI

Percent of Income Spent	≤60 %	60.1-80%	80.1-100%	100.1-120%	120.1-200%	Over 200 %
30% or less	27%	48%	64%	75%	89%	93%
31.1% to 50%	32%	40%	27%	20%	10%	7%
More than 50%	41%	12%	9%	5%	1%	0%
Total Percent Cost Burdened	73%	52%	36%	25%	11%	7%
Total Households Cost Burdened	1,707	370	305	175	139	101

Source: 2024 Resident Survey

OVERCROWDING

Overcrowding does not have a strict definition. The Census Bureau defines overcrowded housing units as those with more than 1-person per room. Occupancy limits, whether imposed by a municipality or property owner/manager, are usually based on a per-bedroom limit, and the most common standard is no more than two persons per bedroom.

Valley wide, 2.5% of homes—equivalent to 176 households—are considered overcrowded based on this standard. Renters are more than twice as likely as homeowners to experience overcrowded living conditions.

Overcrowding by Own/Rent

	Own	Rent	Overall
Two or less persons per bedroom	98.7%	96.2%	97.5%
More than two persons per bedroom (overcrowded)	1.3%	3.8%	2.5%
Number of overcrowded households	54	106	176

Source: 2024 Resident Survey

Overcrowding is relatively uncommon in both the North and South regions of the Valley. In the North, 1.6% of households are overcrowded (about 39 households). In the South, the rate is slightly higher, with 3.0% of households overcrowded (about 143 households).

Overcrowding by Area

	North	South
Two or less persons per bedroom	98.4%	97.0%
More than two persons per bedroom (overcrowded)	1.6%	3.0%
Number of overcrowded households	36	140

Source: 2024 Resident Survey

In 2016, overcrowding was most prevalent among low-income households (≤ 50% AMI). However, this trend has shifted, and now affects households similarly up to the 80.1% to 120% middle income category.

Overcrowding by Income

Overcrowding	≤60 %	60.1-80%	80.1-120%	120.1-200%	Over 200%
Two or less persons per bedroom	97.6%	97.3%	96.7%	99.8%	100.0%
More than two persons per bedroom (overcrowded)	2.4%	2.7%	3.3%	0.2%	0.0%

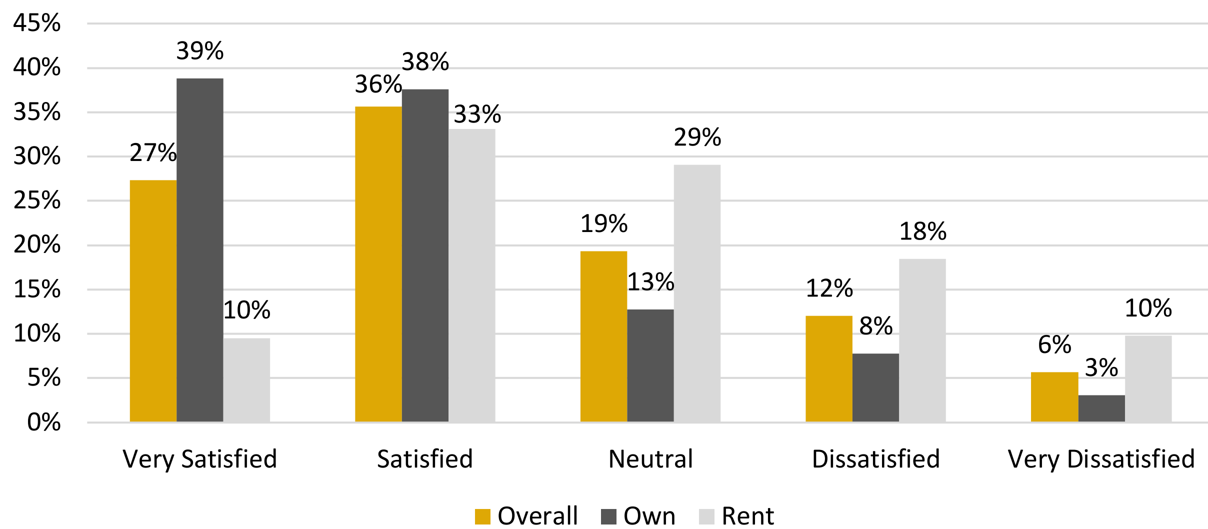
Source: 2024 Resident Survey

SATISFACTION WITH CURRENT HOME

Respondents were asked about their level of satisfaction with their current residence. Overall, 63% of respondents are either satisfied or very satisfied, with 19% being neutral.

Renters (28%) were much more likely than owners (11%) to be dissatisfied or very dissatisfied.

Which choice best describes your satisfaction with your current residence?



Source: 2024 Resident Survey

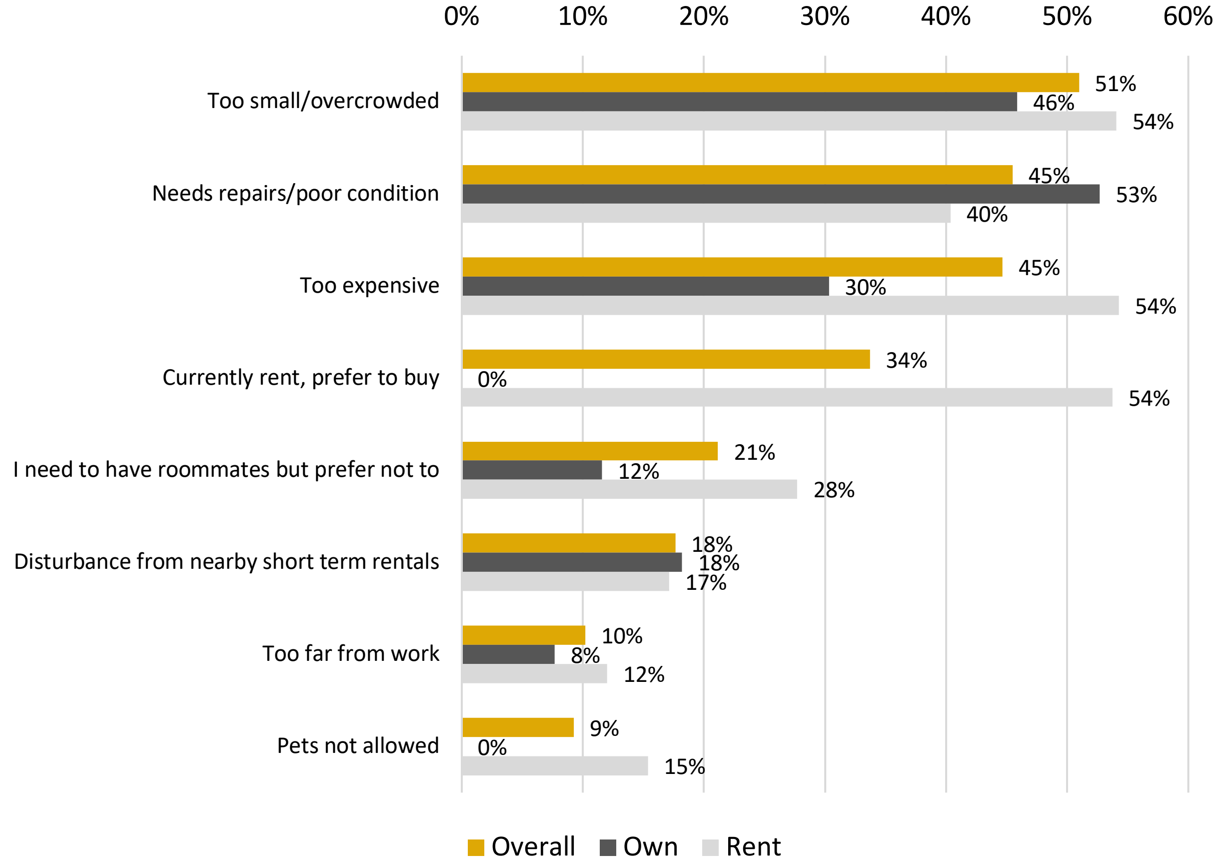
Reasons for Dissatisfaction

The reasons for dissatisfaction with current residences vary between homeowners and renters.

- Among renters, the most common issues are because they desire to own a home (54%), live in a space that is too small or overcrowded (54%) and their housing too expensive (54%). Other notable concerns include the need to have roommates (28%) and restrictions on having pets (15%).
- The predominant issue among homeowners is that their home is in need of repairs or in poor condition (53%), followed by too small/overcrowded (46%). This indicates that programs that can assist with home repairs or remodels may be helpful.

- A lower concern, but one that is equally shared by renters and owners, is disturbance from short term rentals, affecting about 18% of households.

Why are you not fully satisfied with your residence? (check all that apply)



Source: 2024 Resident Survey
Sorted by Overall from highest to lowest

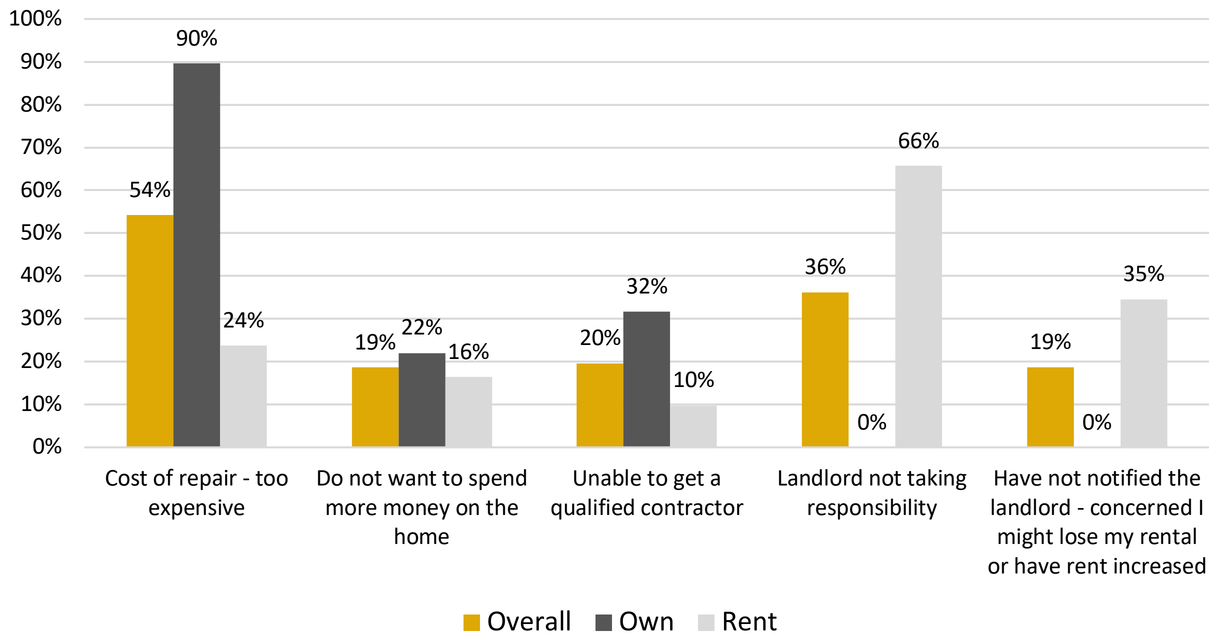
Reasons why repairs have not been made

Overall, 17% of households are dissatisfied with their homes, citing the need for repairs. This includes 23% of renters and 15% of homeowners. Among these respondents, an additional question was asked to understand why these repairs have not been made.

"Basic improvements fail to be made or take a long time. It took 2 ½ years before I had a screen on my one window."
- Resident Survey Respondent

- For homeowners that have not made repairs, the primary barrier is the cost (90%), followed by difficulty finding a qualified contractor (32%) and reluctance to spend more money on their home (22%).
- For renters, 66% reported that repairs have not been made because their landlord has not taken responsibility. Additionally, 35% of renters have not notified their landlord about needed repairs out of concern that it might lead to rent increases or the loss of their rental. Cost is also a factor for renters, but to a lesser extent, with 24% citing it as a reason for not making repairs.

If your home needs repairs, why have the repairs not been made?



Source: 2024 Resident Survey

FORCED RELOCATION

Approximately 2,038 households (12% of owners and 54% of renters) have been forced to move within the past five years. Notably, 66% of these households have experienced being forced to move more than once during this period. This represents an increase from 2016, when 9% of owners and 42% of renters were forced to relocate.

Forced to Move within Past 5 Years

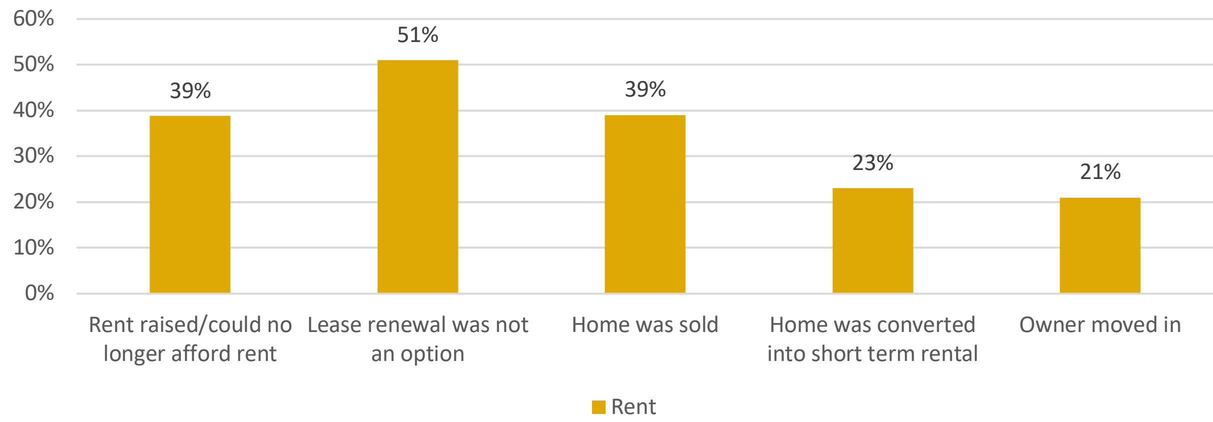
	Overall	Own	Rent
No	71%	88%	46%
Yes	29%	12%	54%
# of households forced to move	2,038	522	1,511

Source: 2024 Resident Survey

Among renters, the most common reason for being forced to move is due to lease renewal not being an option (51%) rent increases or home was sold (39%), followed by home was converted to a short term rental (23%) and owner moved in (21%).

The trend of converting homes to short term rentals, and thus losing workforce housing stock, has remained steady since 2016, when 20% listed this as a reason, compared to 23% in 2024.

Reason Forced to Move within Past 5 Years by Tenure (Renters)



Source: 2024 Resident Survey

Plan to Move

Looking to the future, households were asked if they plan to move within the next five years either because they want to or have to.

- Renters are much more likely to plan to move (85%) than owners (31%), with just under one-third of renters (31%) planning to leave the valley. In total, about 1,570 households (22%) plan to leave the valley in the next five years.
- Of households planning to move, 44% are doing so because they have to, equating to 23% of households overall.

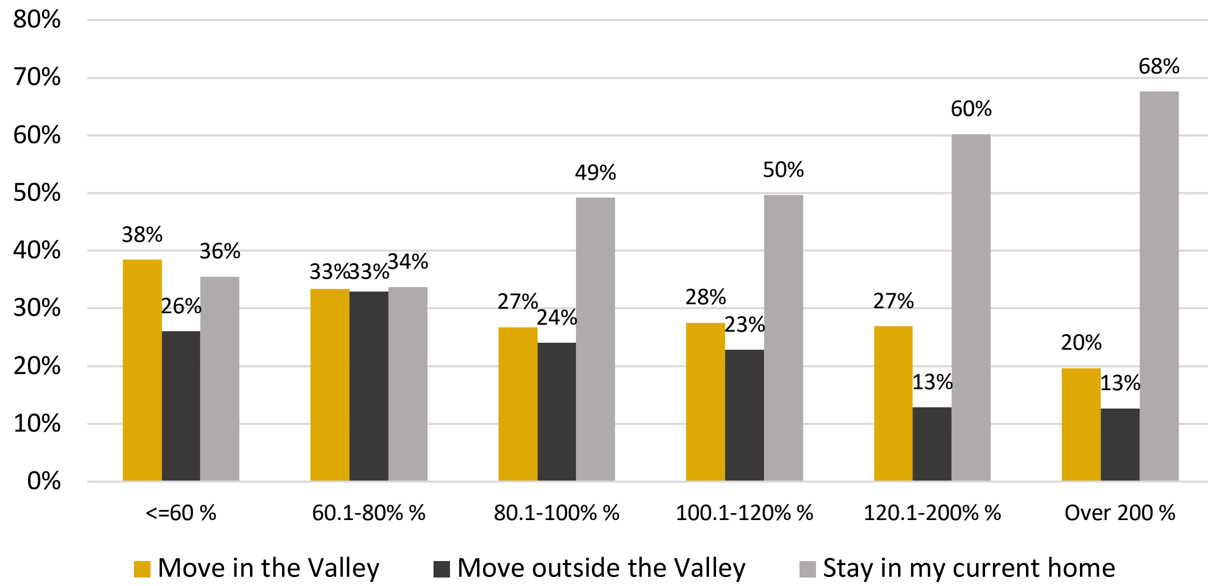
Plans to Move in Next Five Years

	Own	Rent	Overall
Stay in my current home	69%	15%	48%
Move into a different home in the Valley	15%	54%	30%
Move into a different home outside of the Valley	16%	31%	22%
Number of Households Leaving the Valley	708	858	1,571
Move into a different home – because I have to:	7%	48%	23%
Stay in my current home – because I have to:	20%	6%	14%

Source: 2024 Resident Survey

In 2016, lower income households earning below 50% AMI were the most likely to leave the valley (25% of households). In 2024, close to one-fourth or more of households earning below 120% AMI are considering leaving the valley. This drops significantly among higher income households.

Plan to Move by AMI



Source: 2024 Resident Survey

Of households that are leaving the valley, the overwhelming reasons given relate to cost of housing, cost of living overall, and the unavailability of alternative housing for owners and renters. Renters in particular noted the inability to buy a home or afford or find a rental upgrade.

Seniors who are leaving the area noted lack of affordable senior options and a desire for warmer climates or to be nearer family.

HOMELESS AND UNSTABLE HOUSEHOLDS

Around 2% of survey respondents indicated they are homeless, either couch surfing with friends or living in a tent, camper, or vehicle. This equates to 142 households in the Gunnison Valley. Additionally, 6% reported that they still have yet to find suitable housing they can afford, despite residing in the Valley, indicating many are under- or unsuitably housed.

Housing instability is a significant concern for many respondents. About 18% are worried they may not have stable housing in the next two months, with renters being particularly affected (38% compared to just 5% of homeowners). Regionally, 17% of South Valley residents and 18% of North Valley residents share this concern.

In the past year, 6% of households have faced threats of utility shutoffs, with renters (8%) more affected than homeowners (5%). This issue is more prevalent in the South (8%) compared to the North (2%).

Stability by Tenure and Location

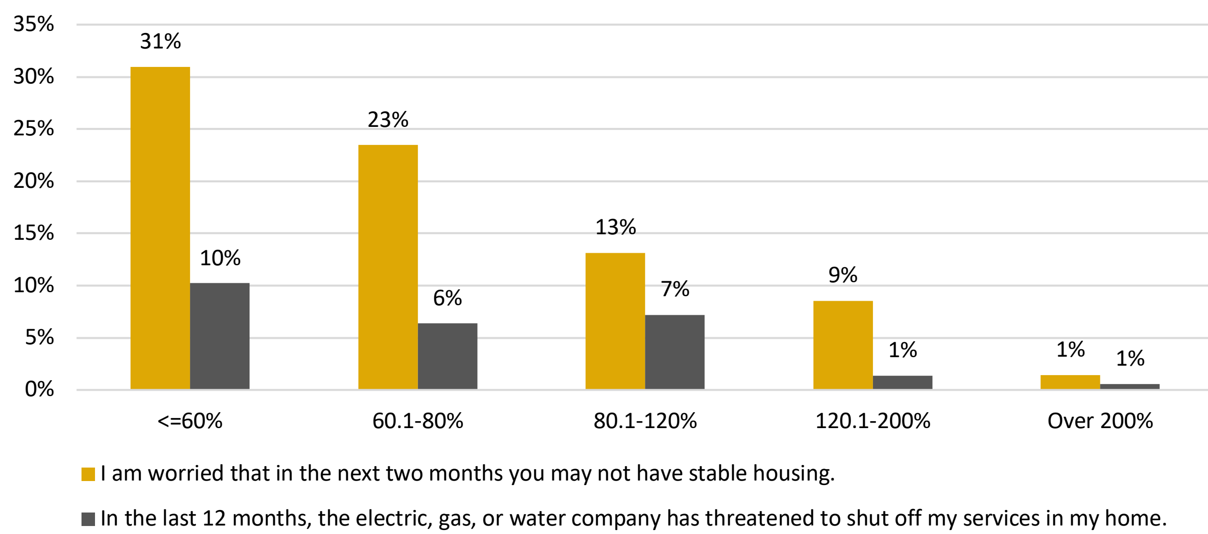
	Overall	Own	Rent	North	South
I am worried that in the next two months I may not have stable housing.	18%	5%	38%	18%	17%
In the last 12 months, the electric, gas, or water company has threatened to shut off my services in my home.	6%	5%	8%	2%	8%

Source: 2024 Resident Survey

Concerns about housing stability vary across income levels. Among households earning 60% or less of the median income, 31% are worried they may not have stable housing in the next two months. This concern decreases as income increases, with only 1% of households earning over 200% of the median income expressing similar worries.

Threats of utility shutoffs in the past 12 months are also more common among lower-income households, with 10% of those earning 60% or less experiencing this issue, although households earning up to 120% AMI are still somewhat affected (7%). In contrast, only 1% of households in the highest income bracket reported such threats.

Stability by Income



Source: 2024 Resident Survey

VULNERABLE POPULATIONS

This summary highlights key differences among vulnerable populations in terms of housing conditions and challenges. These finding could help develop targeted programs to address the needs of vulnerable populations. Additional tables and comparisons are provided in the Appendix to this report.

Senior-Headed Households

- Less likely to be cost burdened (38%) compared to the overall population (39%).

- More likely to live in unsatisfactory conditions due to the high cost of repairs (84% vs. 54% for the overall population).
- 22% of households with a member aged 65 and over report a disability, compared to just 5% of households without members in this age group.

Hispanic/Latino Households

- Higher rates of overcrowding (16.4%) compared to the entire population (2.7%).
- 53% indicated their home needs repairs, of those, the primary reason listed for the repairs not being made were because their landlord is not taking responsibility (64%) and 36% of those needing repairs indicated they haven't notified their landlord, fearing rent increases or eviction.

Persons with a Disability

- About 22% of households with a person with a disability report that their housing does not adequately accommodate their needs, equating to roughly 130 households. The primary home modifications reported included the home being too small, handicap bars or other bathroom modifications, new flooring/remove carpets, and access ramps or home without stairs being needed.

HOUSING PREFERENCES

This section examines the type, tenure, number of bedrooms, and amenities preferred by local residents. This data can be used to guide implementation of solutions to the housing problems of the previous chapter.

OWN OR RENT

For the many households planning to move (see Housing Problems), most would prefer to become or remain homeowners.

Current owners that plan to move mostly want to purchase a different home (85%) rather than rent. Over one-half of renters prefer to buy a home (54%) rather than rent.

Desire to Own or Rent

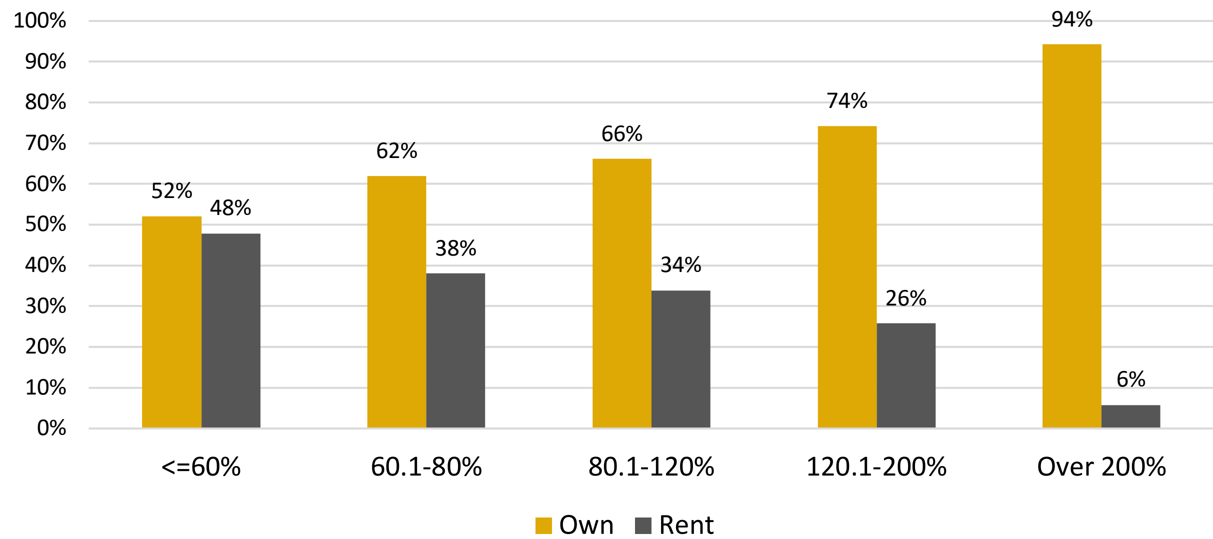
	Currently:				
If you plan to move, do you prefer to:	**Overall**	**Own**	**Rent**	**North Valley**	**South Valley**
Own	63%	85%	54%	62%	63%
Rent	11%	3%	15%	14%	9%
Either own or rent	26%	12%	31%	23%	27%
Total	100%	100%	100%	100%	100%

Source: 2024 Resident Survey

When looking to move within the Valley, preferences for owning versus renting vary by income level.

- Among households earning 60% or less of the median income, preferences are nearly split, with 52% preferring to own and 48% preferring to rent.
- As income levels rise, the desire to own increases notably. For those earning 120.1-200% of the median income, 74% prefer to own, while only 26% prefer to rent.
- This trend is even more pronounced among the highest earners, with 94% of households earning over 200% of the median income expressing a preference for homeownership and only 6% preferring to rent.

Desire to Own or Rent by Income



Source: 2024 resident Survey

Willingness to Purchase a Deed Restricted Home

Interest in purchasing a deed-restricted home to live in their preferred community is highest among renters, with 64% expressing willingness, compared to only 34% of homeowners. Conversely, one-half of homeowners would not consider purchasing a deed-restricted home, while only 13% of renters share this view.

When looking at income levels, those earning between 60.1% and 80% of the Area Median Income (AMI) show the strongest interest, with 73% willing to purchase a deed-restricted home. Interest declines among higher-income households, particularly those earning over 200% AMI, where only 25% are interested, and 50% would not consider such a purchase.

Would you have interest in purchasing a deed restricted home in your preferred residence location?

	Own	Rent	Overall
No - I would not purchase a deed restricted home	50%	13%	25%
Unsure/need more information	16%	22%	20%
Yes - I would purchase a deed restricted home to live in my preferred community	34%	64%	54%
Total	100%	100%	100%

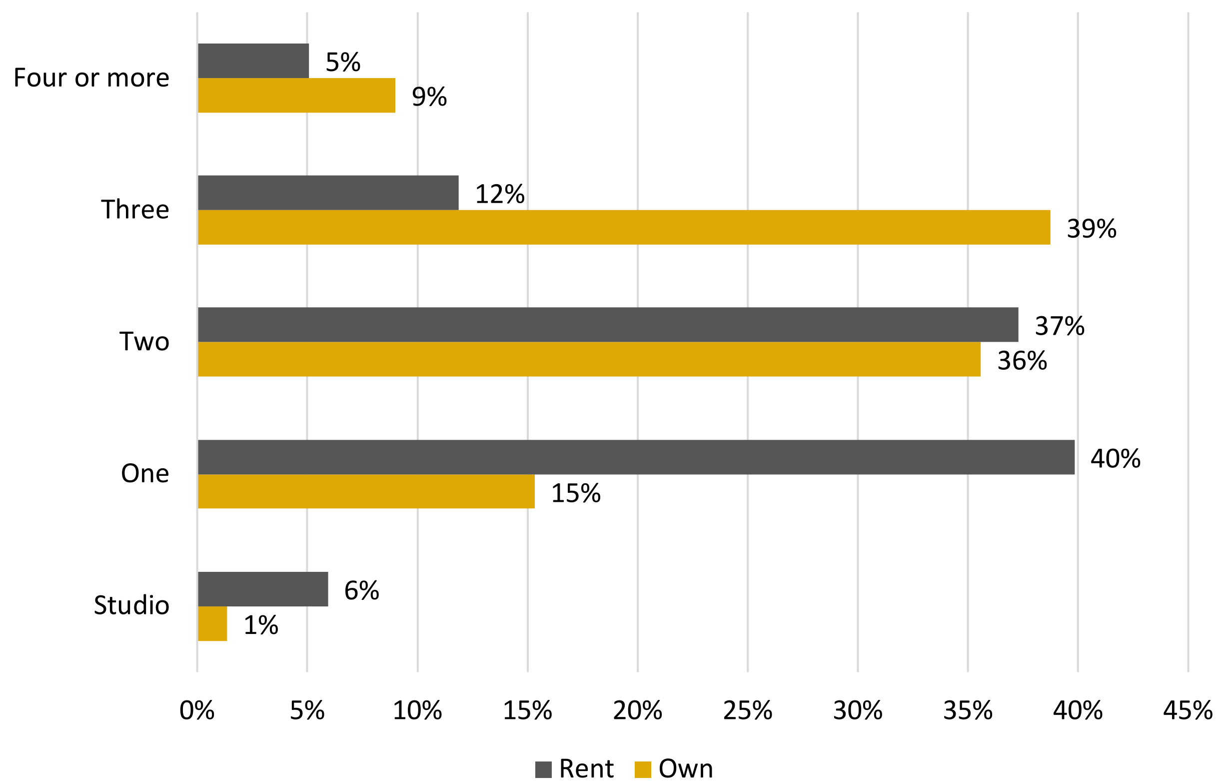
Source: 2024 Resident Survey

NUMBER OF BEDROOMS

When looking for a new home, the bedroom needs of prospective homeowners and renters differ significantly. Among households looking to buy a home, the majority (39%) need three bedrooms, followed by 36% who need two bedrooms. Only a small portion of potential homeowners are seeking one-bedroom (15%), four or more bedrooms (9%), or studio homes (1%).

In contrast, renters primarily seek smaller homes. A substantial 40% of households that would consider renting a home are looking for one-bedroom homes, and 37% need two bedrooms. Far fewer renters are interested in three-bedroom homes (12%), four or more bedrooms (5%), or studios (6%).

Bedrooms Needed by those looking to buy or rent



Source: 2024 Resident Survey

LOCATION PREFERENCES

There is a clear preference among residents to stay within their current region. Of those living in the South, 85% wish to remain there, while only 15% consider moving to the North. Conversely, 94% of North residents prefer to stay in the North, with only 6% considering a move to the South. This strong regional attachment highlights the distinct preferences for staying within familiar areas.

Where want to live (rows) by Where live now (columns)

	South (live)	North (live)
South (want to live)	85%	6%
North (want to live)	15%	94%
Total	100%	100%

Source: 2024 Resident Survey

CURRENT AND PROJECTED COMMUNITY HOUSING NEEDS

This section addresses the question:

How many additional housing units are needed to address housing deficiencies for residents and support the labor force needed to sustain businesses and the economy.

Needs are projected through 2029 and quantified in two categories:

- Catch-Up Needs – the number of housing units needed now to address current deficiencies in housing based on employees needed to fill unfilled jobs and the number of units needed for a functional rental supply.
- Keep-Up Needs – the number of projected units needed to keep-up with projected housing need through 2029 based on job growth and jobs vacated by retiring employees. Housing shortages worsen when local job growth and the need for more workers exceeds the growth in available housing units.

This section estimates housing units needed to support employers, keep up with future job growth and improve housing options for area residents based on information presented in other sections of this report. Estimates are a subset of the total need for housing in the county. Estimates do not include current waitlists for housing, residents that want to move into a new or different home, or households that will be forced to leave due to housing conditions. Nor do figures represent the entire housing market – remote workers or retirees moving in from elsewhere, investment buyers, second homeowner purchases, and other market segments, which are outside the scope of this analysis.

The estimate includes housing that may be provided by the market, and gaps where the market is unlikely to provide housing needed to support the local workforce. Communities typically do not address 100% of the estimated housing needs. There is leeway for vision, policy and locally-generated goals in combination with opportunities (primarily funding and land) and private market performance to determine income targeting, price points, owner/renter mix and the location of housing produced to address needs and target effective housing programs and approaches.

CATCH-UP NEEDS

Overcrowding

Overcrowding is still a problem in the Valley, with 2.5% of households reporting they live in this condition (See *Housing Problems* section). This translates to 178 overcrowded households in the Valley. As stated in the 2016 assessment, overcrowding can only be addressed by building additional units. Due to the price of housing, cultural needs, and household preferences, increasing the supply of workforce housing for one-third of these households will help address the issue.

Units Needed to Address Overcrowding	
Total over-crowded households (2.5%)	178
% needed to address overcrowding	30%
New housing units needed	**55**

Note: figures rounded to nearest 5

Functional Rental Market

The current rental supply in the county is not functional because vacancies are below 1%, placing substantial upward pressure on rents. When vacancy rates are this low, the rental market is near capacity and cannot absorb new residents or employees moving to the area, much less provide opportunities for current residents to find more suitable rentals as their housing needs change. Renters are "stuck" in their homes, and subject to burdensome rent increases.

A 5% vacancy level, while still low, provides some choice and availability of units for residents and employees. To increase the vacancy rate to 5%, about 145 additional rental units are needed.

Rentals Needed for a Functional Market	
Renter-occupied units (2024 est.)	2,775
Number of rentals if 5% vacancy rate	2,920
Total number of units needed for 5% vacancy rate	**145**

Note: figures rounded to nearest 5

Unfilled Jobs

Labor is in short supply, both locally and nationally. In such a competitive environment, the near-zero rental vacancy rates, and high and rising home prices and rents, make it even more difficult to attract labor to the area. Seventy-one percent (71%) of employers stated that the lack of housing affected their ability to find and keep employees. More housing that local employees can afford is needed for businesses to hire and retain the workers they need to thrive.

Employer survey respondents reported that 8.1% of jobs were unfilled this winter, which is high and has been affecting business operations and employee satisfaction. To house the employees needed to fill jobs, about 280 housing units are needed.

Unfilled Jobs	
Valley Wage and Salary Jobs (2024 est.)	8,341
Percent Unfilled (%)	8.1%
Unfilled Jobs	675
Jobs per employee	1.28
Employees filling jobs	525
Employees per households with a worker	1.87
New housing units needed	**280**

Note: figures rounded to nearest 5

KEEP-UP NEEDS

Job Growth

To keep up with projected job growth over the next five years, ranges between 265 and 515 additional units will be needed by 2029 to house the projected increase in employees in the Gunnison Valley. The low end of the range is based on the Colorado Demography Office's projected rate of job growth in Gunnison County, whereas the high end of the range is based on the county's annual average growth rate from 2012-2022. This calculation of estimated keep-up needs is independent of zoning capacity to accommodate residential growth or the communities will to change zoning regulation as land use and zoning capacity are critical determinants of realized job growth. Jurisdictions can use these projections to help seed discussions about the capacity for each community's ability to accommodate growth, and to determine where residential growth could, or should occur based on local and regional goals.

Homes needed for Job Growth	Low	High
Increase in jobs (2024 – 2029)	634	1,236
Jobs per employee	1.28	1.28
Employees filling jobs	495	965
Employees per households with a worker	1.87	1.87
New housing units needed	**265**	**515**

Note: figures rounded to nearest 5

Retiring Employees

Employers will need to fill the jobs vacated by retirees in addition to any newly created jobs. Some retirees will leave the area upon retirement; however, when they sell their homes, the majority will be purchased by second-home owners or remote workers rather than local employees. Given current market conditions, the assumption is that all employees filling jobs vacated by retirees will require additional housing.

Employers reported about 11.6% of their workforce will likely retire over the next five years and employees report an even higher percentage. About 1,040 employees will be needed to fill jobs vacated by retirees, which equates to 555 housing units.

Retiring Employees	
Anticipated retirements (% of 2024 estimated total Valley jobs)	11.6%
Anticipated retirements (#)	1,330
Jobs per employee	1.28
Employees filling jobs	1,040
Employees per households with a worker	1.87
New housing units needed	**555**

Note: figures rounded to nearest 5

SUMMARY OF CATCH-UP AND KEEP-UP NEEDS

Based on estimated catch-up and keep-up needs in the Gunnison Valley through 2029, an additional 1,085 to 1,335 housing units will be needed, or an average of 215 to 270 housing units per year. This estimate includes homes that the free market will provide and units for which subsidies, incentives and/or mandates will be required. The catch up and keep up estimates provide a framework for policy discussions and coordination among the jurisdictions and across the Valley as a whole to determine desired growth and economic expansion.

Catch-Up and Keep-Up Needs through 2029

	Units Needed (low)	Units Needed (high)
Total Catch-Up (Existing Needs)	**480**	**480**
Overcrowding	55	55
Functional Rental Market	145	145
Unfilled Jobs	280	280
Total Keep-Up (Future Needs)	**820**	**1,070**
Job Growth	265	515
Retiring Employees	555	555
Total Housing Units Needed through 2029	**1,300**	**1,550**

Note: figures rounded to nearest 5

Housing Needs by Area

Assigning the 1,300 to 1,550 housing units based on where jobs are located (42% in the North Valley; 58% in the South Valley) results in the need for about 545 to 650 units in the North and 755 to 900 units in the South if current trends persist. This distribution represents the respective impact that jobs in the North and South Valleys have on the need for housing in the area.

Although cross-commuting remains prevalent and some residents prefer to live on one side of the Valley and commute to the other, distributing housing units by job location would improve the housing/jobs balance in the Valley and provide opportunities to reduce cross-commuting. It also places most new homes in the Valley's job centers of Gunnison, Crested Butte, and Mt. Crested Butte near existing infrastructure. It is recognized, however, that the ratio of housing provided in the North and South Valley may shift based on local policies, partnerships, opportunities throughout the Valley, and the assessment of local and regional land use planning and zoning capacities and the Valley's jurisdiction's ability and desire to accommodate growth.

Housing Units Needed by Area

	Low	High
Gunnison Valley	**1,300**	**1,550**
North Valley (42%)	545	650
South Valley (58%)	755	900

Note: figures rounded to nearest 5
Source: LEHD

Housing Needs by Own/Rent

Ownership and rental housing for local employees and residents is needed. While the majority of workers filling new jobs will rent homes (upwards of 70%), homes for ownership are also needed for current renters looking to purchase homes. If ownership opportunities are provided, this can then free up rentals for occupancy.

Due to the high unfilled job rate, overcrowding, anticipated retirees, projected job growth, expressed struggles by employers, and extreme shortage of rentals affordable to the workforce, the below table recommends a larger focus on rental units: about 65% rentals and 35% ownership. The precise ratio, however, is dependent upon the community's desired direction, land use expectations and housing policy.

- Rentals are needed to help recruit new workers and residents to the region and provide the ability for current residents to move into different rentals as household needs change.
- Ownership is needed to retain year-round residents, help keep young families and employees that desire to buy in the community, and support community stability.

Housing Units Needed by Tenure

	Low	High
Total Catch-Up (Existing Needs)	**480**	**480**
Ownership (35%)	170	170
Rentals (65%)	310	310
Total Keep-Up (Future Needs)	**820**	**1,070**
Ownership (35%)	285	375
Rentals (65%)	535	695
Total Housing Units Needed through 2029	**1,300**	**1,550**
Ownership (35%)	455	545
Rentals (65%)	845	1,005

Note: figures rounded to nearest 5

The Gap

Only about 25% of needed housing units in the Gunnison Valley are expected to be provided by the market. This is because the cost to build is very high, exceeding the purchasing power of local working households. The gap not served by the market will total about 1,065 units by 2029.

The income level the market now serves varies within the Gunnison Valley, as shown in the following table. This shows that below-market prices vary by market area:

- In the North Valley, below-market units for ownership should be primarily priced below $650,000 (250% AMI) and rentals below $2,050 per month (100% AMI) for a 2-person household.
- In the South Valley, below-market units for ownership should be priced below $400,000 (150% AMI) and rentals below $1,600 per month (80% AMI) for a 2-person household.

While affordable homeownership opportunities for households earning under 80% AMI are undersupplied, producing homes at this price will not occur without substantial subsidies or programs such as Habitat for Humanity. These households also often have trouble qualifying for loans and meeting down payment purchase requirements.

Gap in Housing Needs by Area, AMI and Own/Rent

Market does not provide | Market partially provides | Market provides

AMI	Max Household Income (2-person household)	Maximum Affordable Purchase Price	Owner Household Income Distribution	North Valley Units Needed	South Valley Units Needed	TOTAL Units Needed
Owner Units						
60% or less	$49,440	$156,400	18%	38	53	91
60.1-80%	$65,920	$208,600	9%	20	27	47
80.1-100%	$82,400	$260,700	12%	26	36	62
100.1-120%	$98,880	$312,900	12%	25	35	60
120.1-150%	$123,600	$391,100	12%	24	34	58
150.1-200%	$164,800	$521,500	10%	20	28	49
200.1-300%	$247,200	$782,200	9%	19	26	44
Over 300%	> $247,200	> $782,200	18%	37	52	89
Total Ownership Need			**100%**	**210**	**290**	**500**
		Ownership Gap (below market units)		*163*	*198*	*362*
AMI	**Max Household Income (2-person household)**	**Maximum Affordable Monthly Rent**	**Renter Household Income Distribution**	**North Valley Units Needed**	**South Valley Units Needed**	**TOTAL Units Needed**
Rental Units						
60% or less	$49,440	$1,236	56%	219	301	520
60.1-80%	$65,920	$1,648	11%	42	57	99
80.1-100%	$82,400	$2,060	11%	42	57	98
100.1-120%	$98,880	$2,472	6%	25	35	60
120.1-150%	$123,600	$3,090	7%	26	36	62
Over 150%	> $164,800	> $4,120	9%	36	49	86
Total Rental Need			**100%**	**390**	**535**	**925**
		Rental Gap (below market units)		*315*	*387*	*702*

Note: Differences are due to rounding; units that are planned for construction have NOT been subtracted from the estimates of needs

PROPOSITION 123 CONSIDERATIONS

Petition Considerations

Local government entities in the Gunnison Valley can submit a petition for policy flexibilities when applying for Proposition 123 - Affordable Housing Financing Funding through the Colorado Housing and Finance Authority (CHFA).

Approval of the petition can only increase income limits for projects that are awarded funding through the Land Banking Program, Equity Program, and Concessionary Debt programs administered by CHFA. Projects that have not been awarded funding from these programs cannot benefit from this petition.

Language from Colo. Rev. Stat. § 29-32-105.5 states:

> *(5) The division may approve the petition to use different percentages of area median income, but only if:*
>
> > *(a) The submitted housing needs assessment:*
> >
> > > *(I) Is published by the state or is a local housing needs assessment that utilizes data from the state demographer or other publicly accessible sources, which in either case may be supported by other relevant and verifiable community data;*
> > >
> > > *(II) Has been completed within the past three years of the petition date; and*
> > >
> > > *(III) Is accompanied by a narrative description of why other funding sources cannot be utilized, are not sufficient, or are not accessible to meet the housing needs described within the petition; and*
> >
> > *(b) The division determines that the current eligibility standards would cause implementation of this article in a manner inconsistent with demonstrated housing and workforce needs within the jurisdiction, taking into consideration regional workforce commuting trends.*
> >
> > *[and]*
>
> *(6) If the division grants the petition, the division shall establish the percentages of area median income based on the average needs identified in a housing needs assessment.*
>
> Colo. Rev. Stat. § 29-32-105.5

Before proceeding to fill out the petition form, communities should ensure they have the information and documents below.

1. Housing Needs Assessment: An assessment of the average housing needs within the community, completed within the last three years, using state demographer data or other reliable and verifiable sources.
2. Justification: A narrative description of why alternative funding sources are not being utilized or are insufficient to meet the housing needs outlined in the petition.
3. Project Information: Includes the project name, address, municipality/county name, requested financing amount, preferred financing structure, CHFA program name, involved

developers/stakeholders, targeted Community Area Median Income (AMI), housing type, tenure (rent or ownership), and total housing units.

4. Approval and Impact: The approval of a community's petition does not alter CHFA's obligation to prioritize high-density housing, mixed-income housing, and environmentally sustainable projects. Approved projects must still meet the demonstrated housing needs of the rural resort community.

Data References

In consideration of the statute and the potential for local government entities in the Gunnison Valley to file a petition, the following is included:

AMI Bands

When converting household and income data from Ribbon Demographics to Gunnison Valley AMI bands, specific attention was paid to lining up with AMI targets for funding opportunities through the Affordable Housing Financing Fund and the Affordable Housing Support Fund.

Program	Maximum AMI
Land Banking	60% AMI for Rental 100% AMI for For-sale
Equity	90% AMI (per project average)
Concessionary Dept Program	60% AMI (per project average, unless debt is subordinate)

Data Sources and Methodology

The statute specifies using data from the "state demographer or other publicly accessible sources". This needs assessment utilizes secondary data provided by the Colorado Demography Office, U.S. Census, American Community Survey 5-year estimates, U.S. Census Longitudinal Employer-Household Dynamics, Colorado Department of Labor and Employment, and Bureau of Labor Statistics. Throughout the assessment, clear references are made to data sources and methodologies, ensuring that readers can independently verify and replicate the provided calculations, charts, and tables. These assumptions do not evaluate land use capacity for each jurisdiction.

To supplement the secondary data collected, an employer survey was administered. Specifics regarding the survey methodology are included in Appendix B of this report. The survey was used to quantify retiring employees and unfilled jobs in the housing need calculations. Additionally, the survey was used to better understand where jobs are located in the Valley and where workers live. The survey plays a key role in quantifying these variables, especially with the scarcity of secondary data sources for the specific geographic areas addressed in this report.

A petition should be "based on the average needs identified in a housing needs assessment". These vary by location in the Valley and should be project specific. The petition should also take into consideration workforce commuting trends, which are quantified in the report sourcing employer survey data. While commuting within the county is prevalent, in-commuting from outside of the Valley only represents about 3% of jobs. Because in-commuting from outside of the Valley is low, the total number of housing units needed are all accounted for as being needed in the Valley.

APPENDIX A - AREA MEDIAN INCOME TABLE

The Area Median Income (AMI) is included throughout this report because it is a metric used by affordable housing funders. CHFA publishes the AMI annually.

Gunnison County – 2024 Income Limits								
AMI	**1 PERSON**	**2 PERSON**	**3 PERSON**	**4 PERSON**	**5 PERSON**	**6 PERSON**	**7 PERSON**	**8 PERSON**
120%	86,520	98,880	111,240	123,600	133,560	143,400	153,360	163,200
100%	72,100	82,400	92,700	103,000	111,300	119,500	127,800	136,000
80%	57,680	65,920	74,160	82,400	89,040	95,600	102,240	108,800
70%	50,470	57,680	64,890	72,100	77,910	83,650	89,460	95,200
60%	43,260	49,440	55,620	61,800	66,780	71,700	76,680	81,600
55%	39,655	45,320	50,985	56,650	61,215	65,725	70,290	74,800
50%	36,050	41,200	46,350	51,500	55,650	59,750	63,900	68,000
45%	32,445	37,080	41,715	46,350	50,085	53,775	57,510	61,200
40%	28,840	32,960	37,080	41,200	44,520	47,800	51,120	54,400
30%	21,630	24,720	27,810	30,900	33,390	35,850	38,340	40,800

Source: Colorado Housing and Finance Authority, 2024 Income Limit and Rent Tables

APPENDIX B - DETAILED METHODOLOGY, DATA SOURCES, DEFINITIONS

EMPLOYER SURVEY

Responses from 134 employers representing 5,017 winter jobs were received; this represents 44% of all jobs in the Gunnison Valley, a very high response rate. The 2016 survey received 120 employer responses, representing a similar 40% of all jobs in the Valley and a similar number of employer responses from those located in the North and South Valleys.

We received generous assistance from the Gunnison Country Chamber of Commerce and Crested Butte/Mt. Crested Butte Chamber of Commerce and housing task force members in distributing the survey link and helping to conduct individual outreach and follow up phone calls to recruit participation.

	% Respondents
Government, transportation, public utilities	22%
Retail sales (grocery, sporting goods, etc.)	12%
Professional services (legal, medical, technical, etc.)	10%
Non-profit	9%
Other – Write In	8%
Construction	7%
Bar/restaurant	7%
Real estate/property management	6%
Recreation/entertainment/arts	4%
Health care and social assistance	4%
Lodging/hotel	3%
Manufacturing or wholesale trade	2%
Finance/banking	2%
Education	2%
Total %	**100%**
Total # responses	**134**

KEY INFORMANT INTERVIEWS

Interviews were conducted with a variety of community members and professionals.

Real estate agents and lenders: Information was obtained on the ownership market including current prices, recent trends, occupancy patterns, availability and what households are seeking when looking to purchase or rent a unit. This discussion helped define housing preferences among locals and second homeowners searching for homes in the Gunnison Valley, including unit type, price points and amenities. Information was also collected on the availability of financing and the challenges faced when residents try to buy a home.

Property managers: Managers of market-rate and income/rent-restricted rentals provided information on the rental market including rents, vacancy rates, unit turnover, and units most in demand.

Developers: Local residential developers provided insight on construction trends and challenges and costs to build.

LOCAL AND SECONDARY DATA

A variety of sources of local and published information were referenced or used in the preparation of this report, including but not limited to:

- U.S. Census 2010 and 2020
- American Community Survey (ACS) 5-year estimates
- U.S. Census Longitudinal Employer-Household Dynamics (LEHD)
- State Demography Office, Colorado Department of Local Affairs (referenced as SDO and Colorado Demography Office herein).
- Employment information from the Quarterly Census of Employment and Wages (QCEW), Colorado Department of Labor and Employment and Bureau of Labor Statistics
- 2024 Area Median Income from the Department of Housing and Urban Development and Colorado Housing Finance Authority (CHFA)
- MLS Sales and Listings
- Environmental Systems Research Institute (ESRI)
- Gunnison County Assessor
- Residential permit and deed-restricted data from Gunnison County, Mt. Crested Butte, Crested Butte, Gunnison, and the Gunnison Valley Regional Housing Authority
- Pending development data from the Gunnison Valley Housing Task Force
- Short-term rental data from Mt. Crested Butte, Crested Butte, and AirDNA.com
- Ribbon Demographics, LLC HISTA Summary Report 2024
- Prior assessments and reports:
  - Gunnison Valley Housing Needs Assessment (November 2016)
  - Gunnison Valley Housing Market Update (May 2021)

DEFINITIONS

Affordable Housing: Housing is affordable if the monthly payment (rent or mortgage, plus utilities) is equal to or less than 30% of gross household income (before taxes). This is consistent with the definition provided in the Proposition 123 Statute.

Area Median Income (AMI): A term that generally refers to the median incomes published annually for counties by the US Department of Housing and Urban Development (HUD). In Colorado, these figures are published annually by the Colorado Housing Finance Authority (CHFA). They are used to set income and rent limits for affordable housing programs statutorily linked to HUD income limits (e.g. low-income housing tax credit rentals).

Community Housing: Dwellings occupied by or available to residents who live and/or work in the Gunnison Valley and that carry an occupancy, use, income, and/or price restriction. This concept is also referred to as "workforce" or "attainable" housing. The intent is that community housing meets the full range of rental and ownership housing types and prices needed to support household changes over time and ensure the Valley remains a complete and vibrant community.

Deed Restricted/Restriction: A deed is a legal document that defines who owns a particular property. Deed restrictions are stipulations written into a property's deed or recorded as a restrictive covenant. Such restrictions can be varied. Throughout this report, use of the terms deed restricted housing or a deed restriction(s) is generally in reference to written rules that limit the amount a property can be sold or rented for, or that restricts who it can be rented or sold to based on household income or the location of the tenant/future owner's employment, etc.

North and South Valley: Unless otherwise stated in this assessment, North Valley and South Valley were defined at the Census County Division (CCD) level. A CCD is a statistical geographic entity established cooperatively by the Census Bureau and officials of state and local governments to maintain a set of subcounty units that have stable boundaries and recognizable names.

- North Valley: Crested Butte CCD
- South Valley: Gunnison CCD