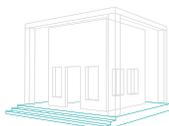
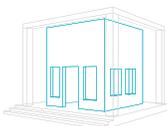


Town of Hayden Housing Needs Assessment Summer 2022

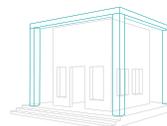
Report Prepared by:



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CAPPELL
CONSULTING

Table of Contents

Project Background and Objectives	01
Community Snapshot	
Defining Affordability Levels in Hayden	
Current and Projected Housing Needs	05
Why Hayden’s Housing Market isn’t Meeting it’s Housing Demand	
Summary of Needs	
Catch Up Needs	
Keep Up Needs	
Needs by Tenure and Income	
The Capital Gap	11
Data and Analysis	12
Demographics	
Job Market & Economy	
Employer Survey	
Housing Inventory	
Housing Market	
Strategies to Address the Need	28
Appendix	29
Area Median Income Charts	
Methodology	
Employer Survey	
Glossary	

Project Background and Objectives

In late 2021 the Town of Hayden received a grant to build on the work of the *2021 Hayden Forward Master Plan* and conduct this Housing Needs Assessment to better understand the current and future housing needs for the Town. With this data the Town will be equipped to incorporate housing goals into a long-term strategic plan to fulfill the economic resiliency and community growth vision set forth in the Master Plan.

This Housing Needs Assessment was informed by a Steering Committee representing Hayden residents, business leaders, non-profit service providers, elected officials, and local government staff. A survey of 29 local employers and a focus group of local realtors and property managers also helped to inform the research.

Based on a compilation of demographic and market research, the following analysis provides a concise summary of:

- The housing needed to catch up to the existing unfilled demand,
- The projected housing needed to meet future demand, and
- A breakdown of the tenures and price points needed to provide residents with housing options that are affordable based on local income levels.

With this information, the Town of Hayden can devise a Housing Action Plan to prioritize resources and address the identified needs, employing tools that make sense for the local context and are targeted towards the types of housing most needed in the community.

Community Snapshot

The Town of Hayden is in the northwestern region of Colorado, located in Routt County between the City of Craig to the West and Steamboat Springs to the East. Hayden is nestled in a rural landscape and the community's history is rooted in ranching, agriculture, and energy.

What do you want to see changed in the next 5 years in regards to housing in your community?

- *“More for the Town of Hayden, more housing of all types, of all kinds”*
- *“More rentals, a diversity of options, larger units”*
- *“More affordable housing so that people can stay in Hayden and opportunities to move up”*

- **Members of the Hayden Housing Needs Assessment Steering Committee**

Defining Affordability Levels in Hayden

“Affordable housing” is often thought of as rentals that are subsidized by the government, but it’s really just a calculation of housing costs divided by household income. This calculation is applied the same way whether a household makes minimum wage or six figures, regardless of the type of home, who built it, or if it is for rent or for-sale.

This Assessment centers on discovering what households can afford for housing in Hayden,

explores where their needs are being met, and where there are gaps. The projections are based on the premise that housing is affordable when the monthly payment (rent or mortgage) is no more than 30% of a household’s gross income (i.e., income before taxes). The “30% standard” is commonly applied by federal and state housing programs, local housing initiatives, mortgage lenders and rental leasing agents.

Home types range from emergency shelter to high-end luxury homes as shown in the figure above and generally correspond with household income.

A key tool for assessing what types of housing are needed is the Area Median Income or AMI. This base number is referred to as 100% AMI, which is \$81,900 for a 2-person household in Routt County.*



Source: WSW Consulting Inc

AMI	Household Composition	Household Income
30%	Line cook and child	\$24,570
50%	Pharmacy tech and child	\$40,950
80%	Cashier and Bartender	\$65,520
120%	Medical Secretary and Utility Operator	\$98,280

Source: CHFA 2022 Income Tables, BLS OEWS, and consultant team

*AMIs are evaluated at the county level, but because of the higher wages in Steamboat Springs, the AMI for Hayden is likely lower than the county.

The maximum monthly rent and for-sale price are derived from the household income of a 2-person household and shown as a percentage of AMI.

The monthly rent level shown is the maximum affordable amount, so if utilities are the responsibility of the tenant then they should be subtracted from the amounts shown to get at the actual rental amount.

AMI	Household Income Range (2-person household)	Maximum Affordable Rent	Maximum Affordable Sale Price
<30%	\$0-\$24,570	\$614	\$86,300
30.1-50%	\$24,570-\$40,950	\$1,024	\$143,800
50.1-80%	\$40,951-\$65,520	\$1,638	\$230,100
80.1-100%	\$65,521-\$81,900	\$2,048	\$287,600
100.1-120%	\$81,901-\$98,280	\$2,457	\$345,100
120.1-150%	\$98,281-\$122,850	\$3,071	\$431,400
150.1-200%	\$122,851-\$163,800	\$4,095	\$575,200
>200%	>\$163,800	>\$4,095	>\$575,200

The maximum sale price was calculated assuming a 30 year fixed rate mortgage, 5% down payment, and 6% interest rate.

Source: CHFA 2022 Rent and Income Tables; consultant team

A complete chart of household incomes by size and AMI is available in the appendix.

Current and Projected Housing Needs

Why Hayden's Housing Market isn't Meeting its Housing Demand

Construction Costs

Material and labor costs have been increasing for several years, a problematic trend that has been exacerbated by supply chain issues stemming from the Covid-19 pandemic and other global challenges. This has pushed construction prices above \$250/square foot, not including land or infrastructure costs, meaning developers can't build at prices affordable to most workers.

Housing and Jobs Mismatch

Many people live in Hayden and work elsewhere in order to maximize wages and reduce the cost of living; an arrangement that provides the added benefit of living in a quieter community where many people prefer to raise their families. This phenomenon has recently been bolstered with the rise of remote work. The ability to live in Hayden but work anywhere leads to even more competition for existing housing. This combined with the fact that remote workers and commuters often earn higher incomes, leads to a sharp upward trend in home prices and rental rates.

Limited Housing Availability

Today, the rental vacancy rate in Hayden is effectively 0% and the for-sale housing market has only about a 2 week supply; by contrast a healthy housing market has a rental vacancy rate of 5-7% and a 6 month for-sale market supply.

- Hayden's for-sale market is what's known as a "seller's market" because with more buyers than sellers, sellers are incentivized to increase prices. In addition, the very scarce supply of homes for sale limits the ability of households to move up into homeownership or a larger home or to downsize when household needs change.
 - The very low rental vacancy rate makes it difficult for new employees to move to Town or for current renters to move to a new rental as their situation changes. Such a limited supply also reduces the incentive for landlords to adequately maintain their properties or make capital investments.
-

Summary of Needs

This Housing Needs Assessment is targeted specifically at meeting the needs of Hayden residents and the Hayden workforce. The Cities of Craig and Steamboat Springs are also currently working to address the need for housing in their markets through the Craig Housing Action Plan and the Brown Ranch development, respectively. To the extent that demand from those markets is not met and "spills over" into Hayden, the needs numbers in this report are conservative. As with all projections, it will be essential to monitor the market and make periodic adjustments. It is also worth noting that additional demand coming from Steamboat Springs is more likely to be met through the traditional market.

While some of these needs will be addressed by the market, rising development costs, competition for land, and the challenge of making a profit off of affordably priced housing under those conditions, limits opportunities for meeting the housing needs of local residents and employees. The Town has some level of influence on these factors through land use policy, housing policy, and investment decisions. The best opportunities for the Town to facilitate residential development affordable to the local workforce will be explored further in creation of the Hayden Housing Action Plan.

The total number of housing units needed can be broken down into the number of units needed to create a functional housing market in Hayden—known as the “catch up need,” and the number of units needed to maintain a functioning housing market as the Town grows—known as the “keep up need.”

125-150 units

5-6x increase in annual housing production

In total, between 125-150 housing units are needed by 2027 to support the existing and future Hayden workforce and Town residents, or 25-30 units developed each year. Since 2012, there have been approximately five housing units developed annually in Hayden so this recommendation represents a 5-6x increase over historical production rates. However, in 2021, 13 building permits were issued for new residential units indicating increased development interest.

Catch Up Needs

Unfilled Jobs

Over half (56%) of employers responding to the 2022 Employer Survey indicated that they have unfilled jobs. Based on data collected in the survey an additional 26 homes are needed to house employees to fill these jobs. Employers are likely to continue to face challenges recruiting and retaining workers for reasons beyond housing, but without construction of additional housing that their employees can afford, housing scarcity will continue to stymie economic growth.

Unfilled Jobs	
2022 Employer Survey Unfilled Jobs	51
Jobs per employee (Routt County)	1.1
Employees per household with a worker (Routt County)	1.8
Housing units needed to support unfilled jobs	26

Healthy Vacancy Rate

The estimated rental vacancy rate in Hayden is extremely low. Only a smattering of available rentals were encountered over numerous months of searching, so a vacancy rate of 0% was used to calculate the number of units needed to create a functional rental market.

Rentals Needed for a Functional Market	
Renter-occupied units (2021 est.)	276
Average vacancy rate (~0%)	0
Total rentals	276
Number of rentals if 7% vacancy rate	297
Difference	21
New rental units needed (Difference minus existing vacant units)	21

Hayden’s very low rental availability rate presents challenges both to renters looking to move within Hayden and those wanting to move into the community. Rental scarcity is another factor that makes it difficult for local employers to fill vacant positions and grow their business, which hurts the local economy.

Such a tight rental market also provides little incentive for landlords to repair or properly maintain their rental units. While the physical condition of homes was not the top concern of surveyed employers, without the competition to improve housing quality that newer inventory provides, it is likely that Hayden’s housing quality will further deteriorate over time.

Balanced For-Sale Supply

There were six homes sold per month in 2021, which means that a six month supply of inventory would require 36 homes to be listed for sale. Yet, as of May 1, 2022, only 2 homes were for sale in Hayden. This amounts to a monthly supply of inventory of less than 0.5 months, an extremely low figure that is driving price escalation. Of those two current listings, neither is affordable to households with incomes typical of the local economy.

About 34 new homes are needed today to create a balanced supply. Increasing the supply to six months of inventory would contribute to stabilizing price growth, create more opportunities for renters to buy and current owners to move up or seniors to downsize.

For-sale Homes Needed for a Balanced Supply	
MLS sales (2021)	72
Average sales per month (divide by 12)	6
6-month supply	36
Available listings (May 1, 2022)	2
New for-sale homes needed	34

Development Pipeline Considerations

Several sites in Town seem promising for large scale development and several have already begun the development review process. This will undoubtedly contribute much needed supply to Hayden’s housing stock, but current development economics make it difficult to create new supply priced to support residents and the local workforce.

Based on all of the above factors, the Town needs approximately 80 units to meet the existing demand for housing and return to a functional housing market.

Keep Up Needs

Community Growth

Based on input from the 2022 Employer Survey and projections by the Colorado Demography Office, somewhere in the range of 25 to 50 new homes are needed to keep up with job growth. The high end of the range is more likely to hold if the economy does not slow down between now and 2027. The low end of the range assumes a slight slowdown relative to the county’s rate of job growth from 2010 to 2019.

Homes needed for Job Growth	
New Jobs through 2027	50-100
Jobs per employee	1.1
Employees per household with a worker (Routt County)	1.8
New housing units needed for job growth	25-50

Effects of Retirement

Twenty new homes are needed to house new employees backfilling jobs as current employees retire over the next 5 years.

Retirees	
# to retire by 2027	35
Employees per household with a worker (Routt County)	1.8
New housing units needed for backfilling and retirement	20

Between anticipated employment growth and housing needed to support backfilling jobs vacated by retiring employees Hayden will need an additional 45-70 units by 2027.

Total Housing Units Needed Through 2027



To build 125 to 150 homes in the next five years would require about 25-30 new homes to be built each year

Needs by Tenure and Income

To address the total need of 125-150 units, the community will need to focus on both rental and for-sale housing as well as housing at a variety of price points. This approach supports new residents establishing themselves in Town and addresses the needs of those ready to transition to longer-term more stable housing options that allow them to build equity and put roots down in the community.

For-Sale Needs and Rates

There were two homes for sale in Hayden as of May 1, 2022 at price points shown in the figure at right. Not one was affordable to households making less than about \$119,000 per year (well above the median household income).

The market will continue to serve most households earning 150% AMI and above, so the focus should be on building new for-sale housing priced from about \$230,000 to \$430,000.

For-Sale Homes on the Market May 1st 2022

4 bed/2 bath: \$549,000 (190% AMI)

3 bed/2 bath: \$419,900 (175% AMI)

AMI	Household Income Range (2-person household)	Maximum Affordable Sale Price	Total Household Income Distribution [1]	For-Sale Listings May 2022
<30%	\$0-\$24,570	\$86,300	15%	0
30.1-50%	\$24,570-\$40,950	\$143,800	9%	0
50.1-80%	\$40,951-\$65,520	\$230,100	22%	0
80.1-100%	\$65,521-\$81,900	\$287,600	13%	0
100.1-120%	\$81,901-\$98,280	\$345,100	12%	0
120.1-150%	\$98,281-\$122,850	\$431,400	16%	1
150.1-200%	\$122,851-\$163,800	\$575,200	5%	1
>200%	>\$163,800	>\$575,200	9%	0
Total	--	--	100%	2

[1] may not add to 100% due to rounding

Source: CHFA 2022 Income Limits, Ribbon Demographics, LLC, consultant team

Rental Needs and Rates

There are so few rentals in Town, that new rentals are needed across a wide price range up to about 100% AMI. One in four renters can pay no more than \$1,000 per month, a price that can only be achieved through deep subsidy. Another 49% of households need rents from \$1,000 to \$2,000.

AMI	Household Income Range (2-person household)	Maximum Affordable Rent	Renter Income Distribution [1]	Available Rentals
<30%	\$0-\$24,570	\$614	16%	0
30.1-50%	\$24,570-\$40,950	\$1,024	10%	1
50.1-80%	\$40,951-\$65,520	\$1,638	36%	0
80.1-100%	\$65,521-\$81,900	\$2,048	13%	0
100.1-120%	\$81,901-\$98,280	\$2,457	10%	3
120.1-150%	\$98,281-\$122,850	\$3,071	6%	0
150.1-200%	\$122,851-\$163,800	\$4,095	4%	0
>200%	>\$163,800	>\$4,095	6%	0
Total	--		100%	4

[1] may not add to 100% due to rounding

Source: CHFA 2022 Income Limits, Ribbon Demographics, LLC, consultant team

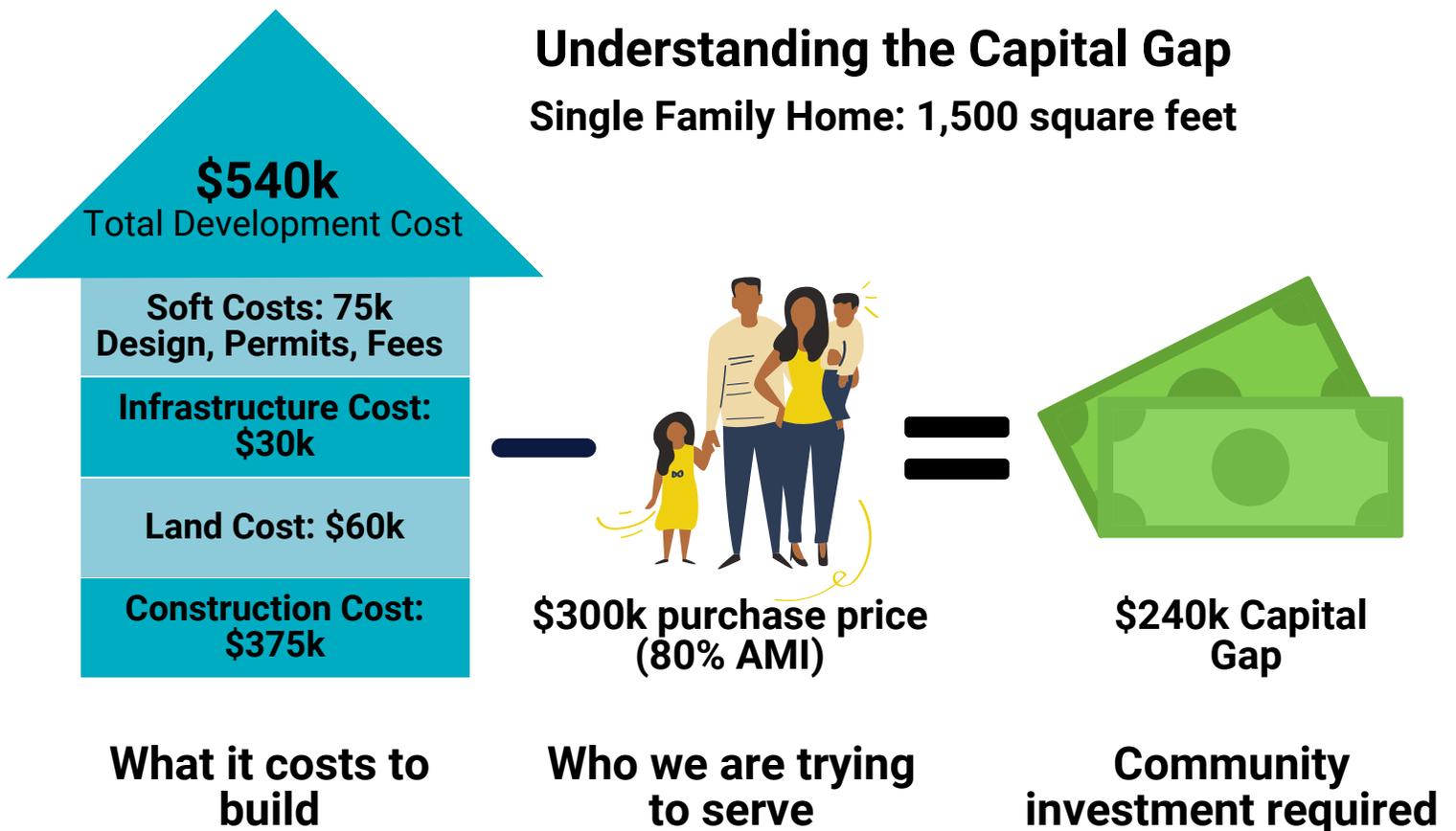
Hayden Forward Master Plan Market Context and Development Priorities

In the Master Plan's Economic Growth Framework, a trade area analysis estimates growth and the Hayden "fair" market share of regional housing demand. To meet the projections of the Master Plan, 158-210 housing units would need to be built over a 5-year period, a 26%-40% increase over the housing need identified in this report.

The 5-year projections in this Housing Needs Assessment will require a sizable increase in the rate of production since 2010. Those in the Hayden Forward plan are even more aggressive even adjusting for the share of vacation homes. Due to the cost of construction and construction labor limitations, development interest will likely be focused on higher price points and may not serve the actual housing needs of the local workforce.

Capital Gap

The majority of the homeownership market in Hayden is composed of households between 50% and 150% AMI. For-sale homes that would be affordable for these households would be priced between \$230,000 and \$430,000. Unfortunately, with the rising costs of land, labor, and building materials, the cost to build new housing exceeds these price points.



In order to fill this gap, the public and private sectors need to work together and leverage a variety of tools and resources. Priority strategies for the Town of Hayden will be discussed in more depth in the Hayden Housing Action Plan that follows this Assessment.

Data Analysis

The consulting team conducted research across five key topic areas to determine the amount of housing needed to achieve market functionality and support the Town's projected economic growth. This included looking at current and historic demographic trends, examining projections for the local job market and economy, understanding the impact of housing on local businesses through an employer survey, considering the amount and condition of existing housing inventory in Hayden, and analyzing current market trends for both rental and for-sale housing.

Demographics

Some of the demographic trends considered in a housing needs assessment include: rate of population growth or decline, household composition, resident age, and household income. These data points can help identify how much housing is needed, what home sizes and bedroom counts are undersupplied, and which housing price points should be targeted.

It is important to note that in the Hayden housing market, all housing forms and price points are undersupplied. The Town should consider a comprehensive strategy to address the different types of housing needed to sustain the community and support growth.



Key findings from the Hayden market include:

- The Town has seen a 5 percentage point decrease in residents in the 25-34 age group and a 4 percentage point increase in residents over 65.
- Other non-family households (e.g., roommates) increased by 6 percentage points since 2010.
- At least 22% of Hayden households are housing cost burdened.

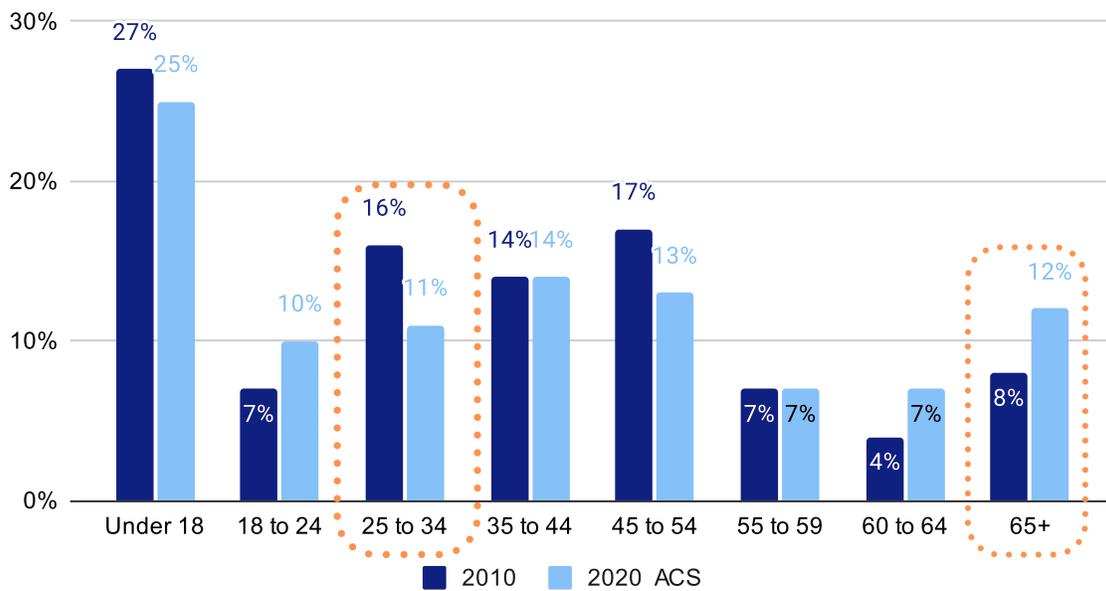
These factors suggest there may be a desire for smaller (1-2 bedroom) homes to support seniors interested in downsizing and for singles and couples just starting out. The family households with children increased slightly and this population may be interested in affordable homeownership opportunities.

Homeownership may be less of a priority for family households without children and non family households, and the share of each of these household types also appears to have grown since 2010.

Population

Hayden’s population has grown since 2010, but not rapidly. There were about 1,960 residents in 2021, or approximately 160 more than in 2010. Population growth has averaged about 0.8% per year since 2010, which is slower than Colorado and Steamboat, but faster than Routt County as a whole.

Age Distribution



Source: 2010 Census; ACS 2016-2020 5-year estimates

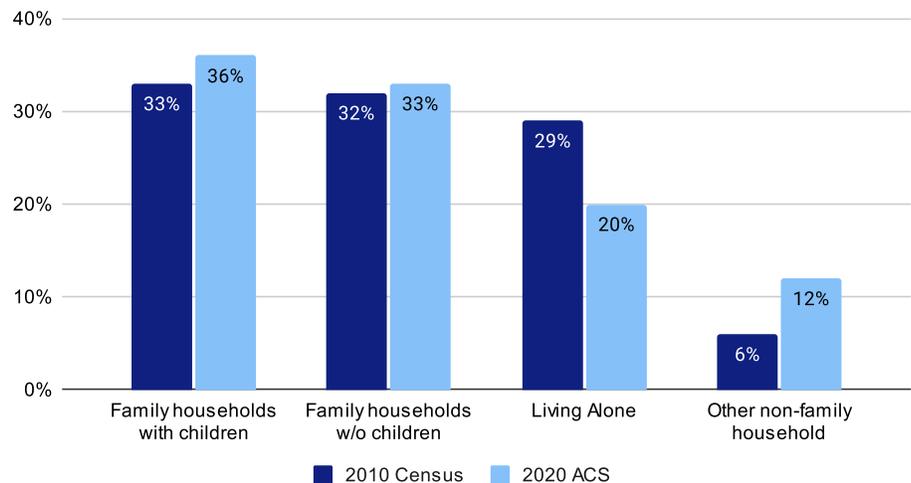
The median age in Hayden is slightly lower than the County (about 40), but higher than the State (37). There has been a decline in the share of residents from age 25 to 34 and an increase in the share of seniors (65+).

About 1 in 10 residents is Hispanic or Latino.

Households

There were almost 800 households in Hayden in 2021, or 63 more households than in 2010. The data shows a decline in the share of people living alone, while the share of households with children increased slightly, and the share of other non-family households (e.g., roommates) increased by six percentage points.

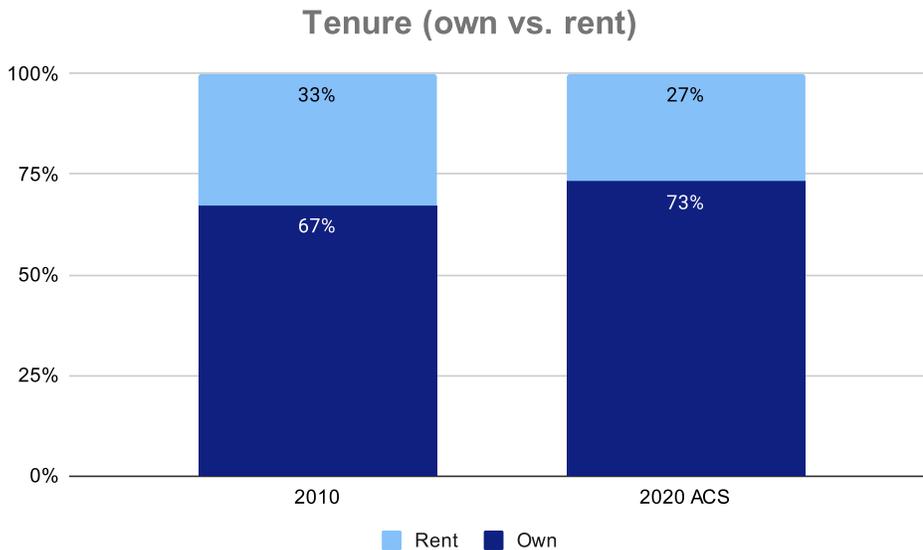
Household Types



Source: 2010 Census; ACS 2016-2020 5-year estimates

Tenure

The 2020 5-Year ACS shows that homeownership in Hayden has increased since 2010 with approximately 73% of households owning their home and 27% of households renting.



Source: 2010 Census; ACS 2016-2020 5-year estimates

This is similar to the trend observed over the same time period in Steamboat Springs, while ownership in Craig has decreased since 2010.

Housing Cost Burden

Data from the 2020 5-Year ACS indicates that 22% percent of households in Hayden are housing cost burdened, spending more than 30% of their income on housing costs. Unsurprisingly, the majority of residents experiencing housing

cost burden are those earning less than than the median income. When families and individuals are housing cost burdened they often face tough choices such as sacrificing necessities like prescriptions and groceries in order to make their rent or mortgage payments.

Job Market & Economy

Assessing housing demand requires considering local job market data such as historic and projected job numbers and employment rates, prevalent employment sectors and wage levels, and commuting patterns. This information helps to inform how housing demand will change over time as well as highlight current mismatches between wages and housing prices and between job centers and where people want to live.



Key findings from Hayden and Routt County economy include:

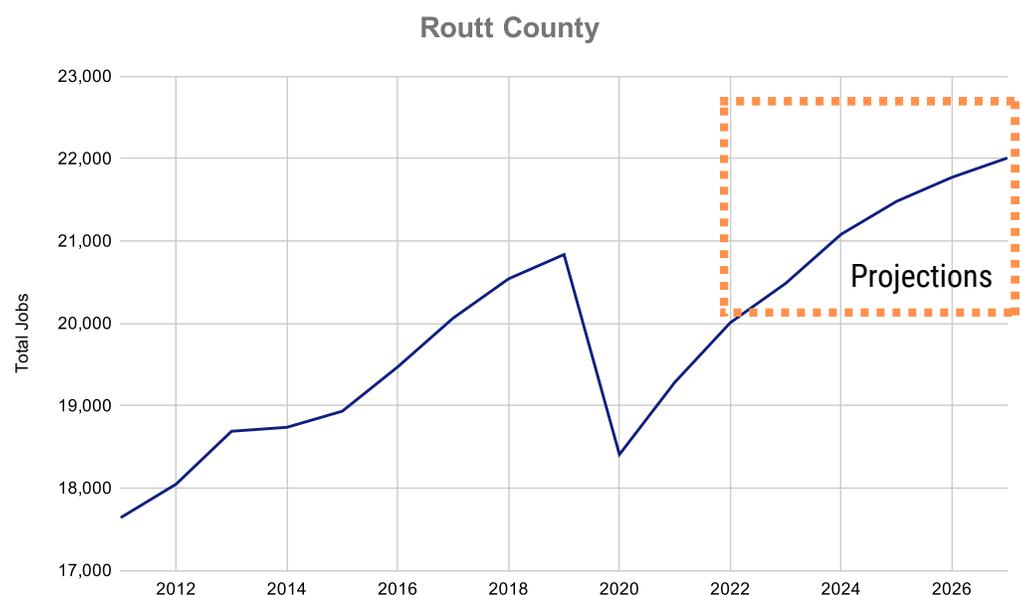
- Only 2 major employment sectors in Routt County (construction and healthcare) pay above the average annual wage.
- 86% of jobs in Hayden are filled by people commuting in.
- 88% of Hayden residents are employed in other communities.

The number of workers commuting both in and out of Hayden suggest that the cost of living in Hayden has exceeded what is affordable for local wages.

Job Numbers

The number of jobs in Routt County grew steadily for almost a decade in the lead up to the COVID pandemic declaration in March 2020. The Colorado Demography Office estimates that 2022 jobs will mirror those of 2017, and employment is not projected to eclipse the 2019 pre-COVID figure until 2024. If the economy slows, which appears increasingly likely, job projections may be revised downward. This would reduce the keep up need identified in this report if it comes to fruition.

Preliminary data indicate that the unemployment rate has fallen below 3%. In this environment, recruiting and retaining workers is difficult even if housing that was affordable to those earning local wages was prevalent. It is not, and therefore employers will continue to struggle, which impacts economic growth.



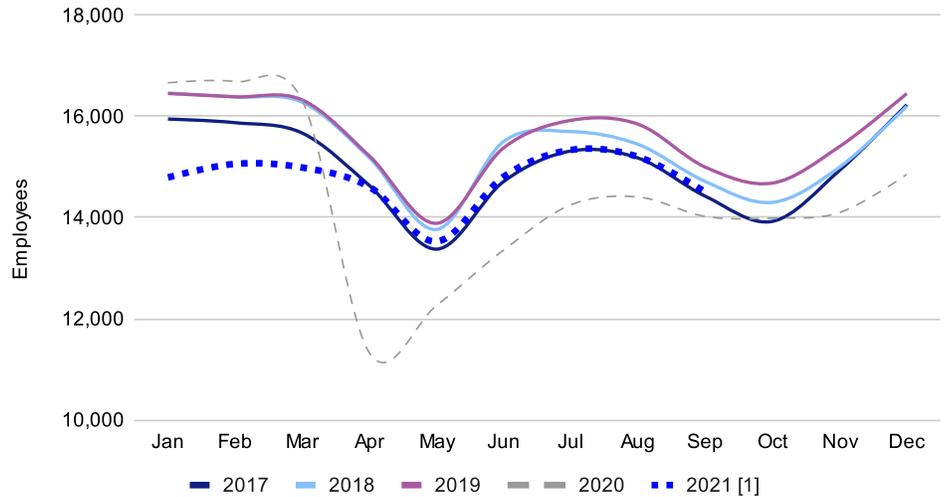
Source: Colorado Demography Office

Job Seasonality

Employment in the County peaks during the height of ski season and again during the height of summer tourism.

Although many Hayden workers commute to Steamboat to work in jobs tied directly to tourism, temporary seasonal housing for these workers should be located in or very near Steamboat. Hayden should focus on housing the year-round workforce.

Routt County Employment Seasonality

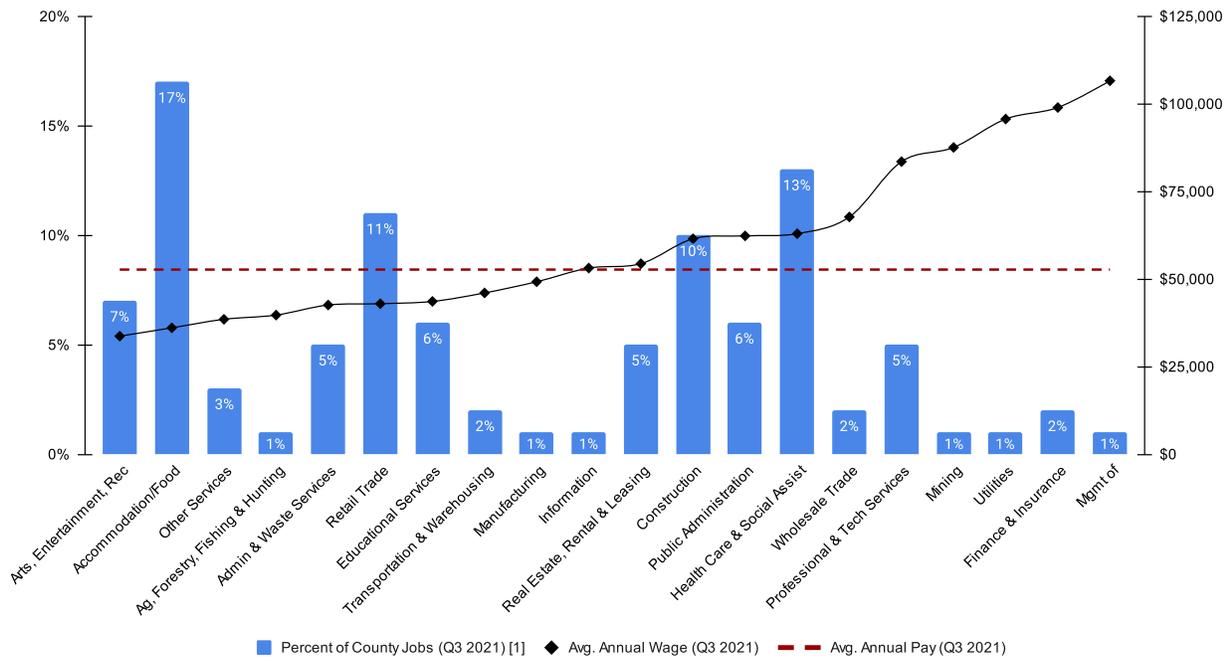


[1] preliminary data, subject to change
Source: BLS QCEW

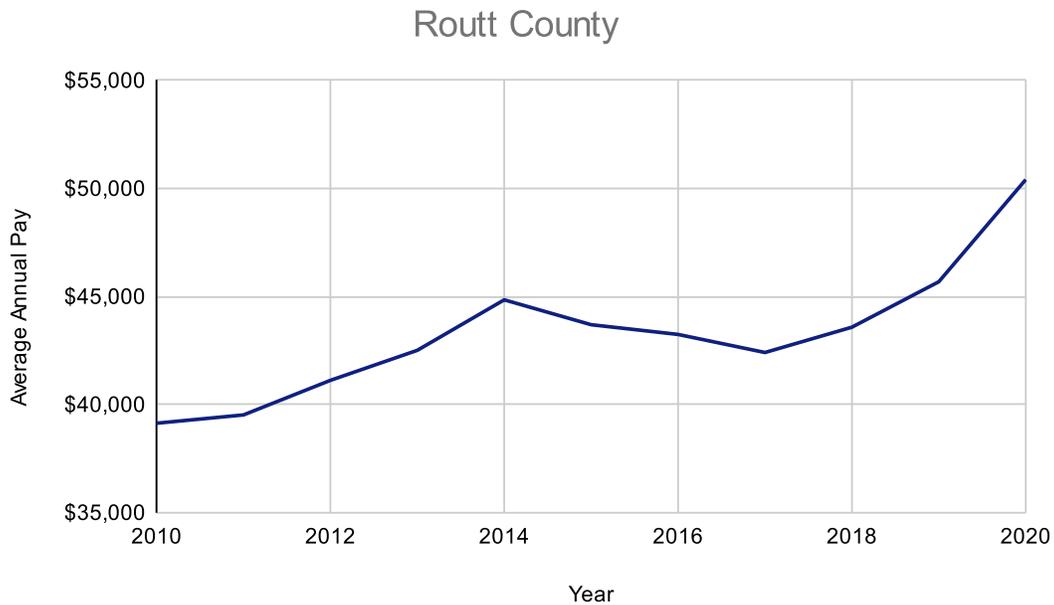
Jobs and Wages by Sector

Average annual pay in Routt County in the third quarter of 2021 was just under \$53,000 per year for jobs covered by unemployment insurance. As seen in the figure below, health care and construction are the only sectors with double digit shares of employment that pay more than the average.

Routt County



Source: BLS and Colorado Department of Labor and Employment LMI - QCEW data



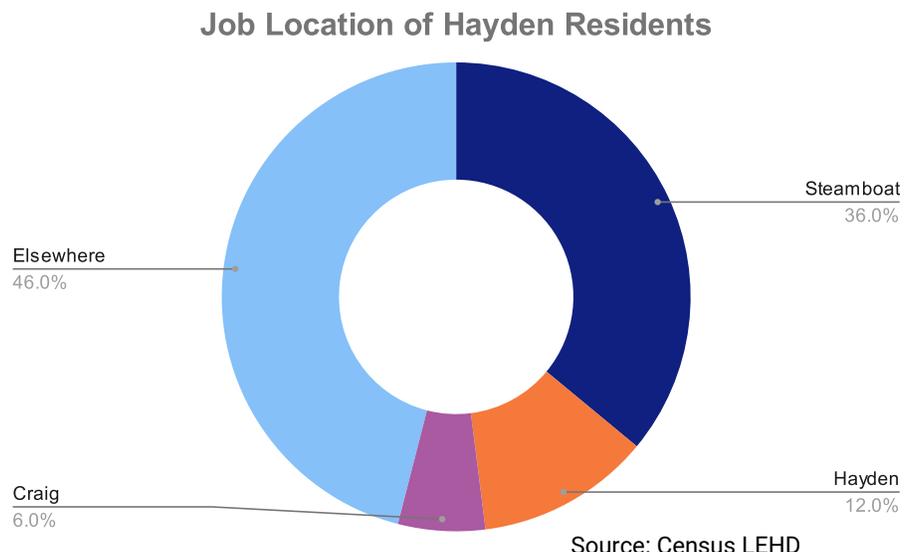
[1] workers covered by State unemployment insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program.
 Source: BLS and Colorado Department of Labor and Employment LMI - QCEW data

The average annual pay for covered employees^[1] from 2010 through 2020 increased at an annual average rate of 2.6% per year. Yet wage growth has occurred unevenly. From 2018 to the third quarter of 2021 workers enjoyed about a 21% increase in pay.

Increasing wages are important to help keep up with inflation and housing prices, but someone earning the average wage makes about 75% AMI (1-person household) and can only afford about \$1,300 per month in rent or a \$185,000 home for sale.

Commuting

Hayden has a net outflow of commuters despite 86% of those employed in Hayden coming in from elsewhere to work in Town. According to Longitudinal Employer-Household Dynamics (LEHD) data, 88% of workers living in Hayden are employed elsewhere. This means there are very few jobs in Town that are filled by people living in Town. It is unclear how many of these jobs are positions that allow employees to work from home and how many require a daily commute.



For those that do have a daily drive, the additional monthly cost to live in Hayden and work in Craig is estimated at \$398.

Community	Miles	Cost/Mile	Daily Cost of Commute (round trip)	Cost of Commute (per month)
Steamboat Springs	25	\$0.585	\$29	\$585
Craig	17	\$0.585	\$20	\$398

For those who commute to Steamboat the

*costs rounded to the nearest dollar

Source: Census LEHD, Colorado Demography Office, IRS 2022 standard mileage rate, Google Maps, consultant team

monthly cost is estimated to be \$585. These numbers are based on the IRS 2022 standard mileage rates which do not account for the recent increases in the cost of gasoline. Hayden residents who need to commute face significantly higher costs of living due to the addition of these transportation expenses.

A primary concern in 2022 will be labor shortages impacting business operations, which has been exacerbated by the dramatic rise in home and rent prices in the Steamboat Springs market. This is forcing lower wage workers out of Steamboat to look for housing in Hayden, Craig, and elsewhere, thereby increasing the number of residents needing to commute.

Employer Survey

Surveying local employers provides a more grounded understanding of how housing availability is impacting the local economy. It also offers a perspective into the types of housing current employees and prospective candidates are looking for.



Key findings from the Employer Survey include:

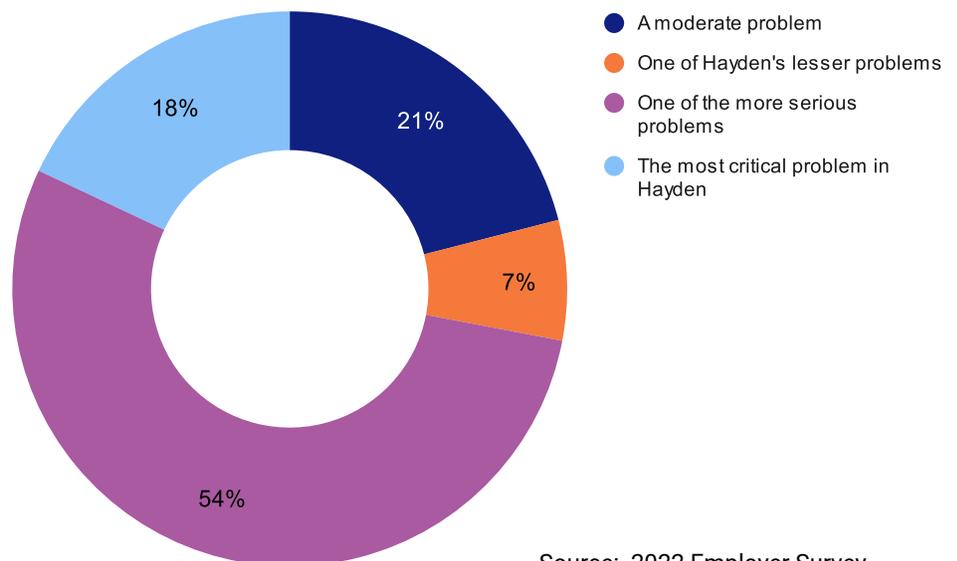
- 93% of employers believe housing affordability is between a moderate problem facing Hayden and the most critical problem.
- When asked about specific housing challenges, rental availability and rental prices were both top concerns.
- More than half of employers are already providing housing or cost of living assistance, and 30% are interested in partnering to find additional solutions.

To support the economic health of Hayden and build resiliency, more housing is needed across tenures and price points. The need for affordable rental housing is the most acute need felt by the business community. Working with employers should be a priority within the overall Hayden housing strategy.

Housing Affordability

Only 7% of employers indicated that affordable housing availability is one of Hayden's lesser problems. The other 93% felt that it is at least a moderate problem, with almost one in five indicating that it is the most critical problem the Town faces.

Do you feel that the availability of housing that is affordable for employees in the Town of Hayden is:

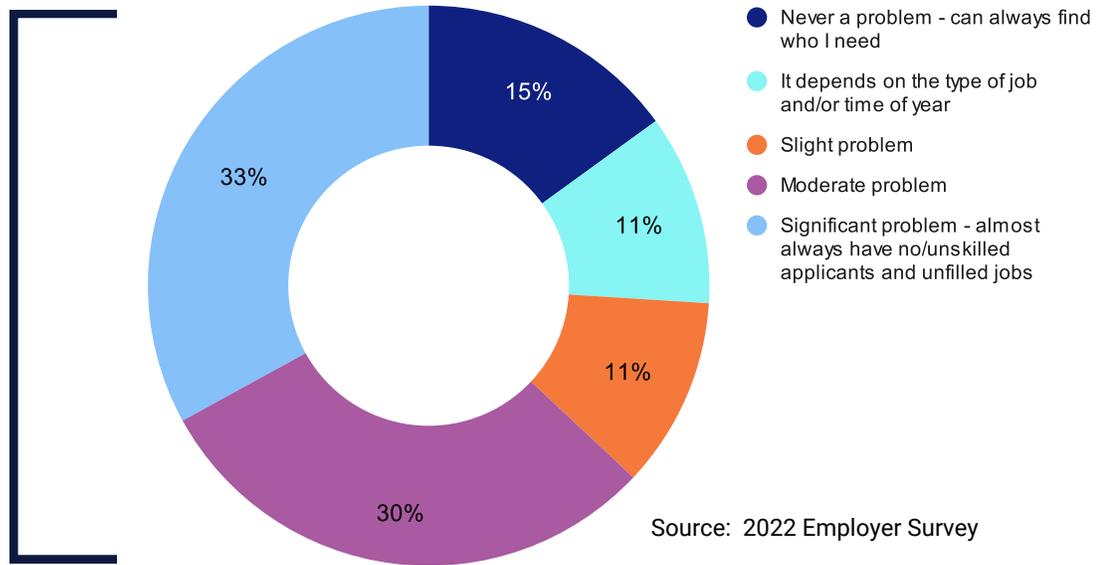


Source: 2022 Employer Survey

Recruitment and Retention

Nearly two-thirds of employers responded that recruiting and retaining employees is a moderate to significant problem. Only 15% report that they are consistently able to find qualified staff.

How would you rate your ability to recruit and retain qualified employees for your business or organization?



Employee Housing Challenges

When asked about the housing challenges that their employees face, survey respondents cited the price of homes for rent and for-sale as being a serious problem (a rating of 4), followed by a lack of selection and variety. Forty percent of respondents with unfilled jobs indicated that the reason for this was due to a lack of housing.

To what extent are the following housing difficulties encountered by your employees?

Employers responded on a scale of “1-no problem” to “5-Critical Problem/Major Difficulty”. A response of 3 indicated a moderate problem.

	Weighted Average Rating
Rents are too expensive	4.08
Home sale prices are too expensive	4.00
Lack of selection and variety of homes	3.96
Homes are in poor condition or need repairs	2.76

"Demand obviously outweighs supply in all of Northwest Colorado."
-Local Employer

Source: 2022 Employer Survey

Housing Supply

Employers were asked to rate the housing types in the table below on a scale of “1-no need/ sufficient supply” to “5-Critical Need”. A response of 3 indicated a moderate need.

Employers indicated that there is: A high to critical need for entry-level housing and rentals. A moderate to high need for move up housing and housing to accommodate downsizing seniors.

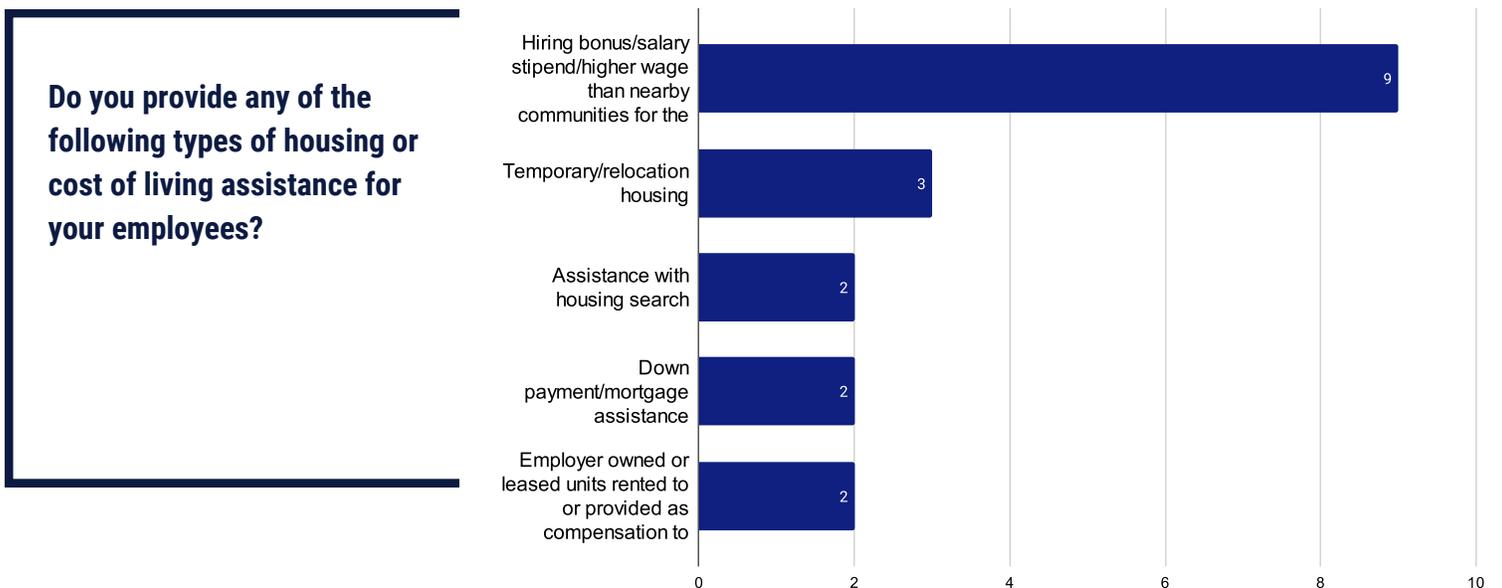
<p>In your experience, to what extent are the following types of housing for employees lacking (in short supply) in Hayden?</p>		
		<p>Weighted Average Rating</p>
	Rentals for employees	4.30
	Entry-level for-sale housing	4.25
	Move-up for-sale housing	3.79
Housing for retiring employees to downsize	3.14	

Source: 2022 Employer Survey

Housing Assistance: Now & Future

Fifty-two percent of employers indicated that they provide at least some form of housing assistance. About one-third of respondents provide their employees with a hiring bonus/salary stipend or a higher wage than in other communities.

Not only are employers already directly providing housing and financial and search assistance, but almost 30% of respondents indicated that they would be interested in opportunities to work with other employers or community organizations to help with housing for their employees. This presents a great opportunity to bring the public and private sector together to work on solutions.



Source: 2022 Employer Survey

Housing Inventory

Studying the existing housing inventory reveals how the current housing stock is meeting the Town's needs. The number of housing units along with the rate of development and vacancy rate can be compared with the population and growth rate to understand if there is sufficient housing to address demand. The age of a house can be a good indicator of condition; homes that are 50+ years old may be in need of significant updates and repairs, some may be beyond repair and may need to be replaced. Comparing household size and the existing bedroom count is a way to see what size units are lacking in the market.



Key findings about Hayden's housing inventory include:

- 84% of the housing stock is single-family or mobile homes.
- 70% of households have 3 or fewer people in them, yet only 33% of homes have 2 bedrooms or fewer.

The Town is lacking in small (2-4 unit) and large (5+ unit) multifamily housing forms. Currently multifamily only represents 16% of the total housing stock. Constructing this type of housing would also provide an opportunity to create smaller housing options with fewer bedrooms that could serve smaller households.

Housing Units & Occupancy

There were approximately 55 new homes built from 2010 to 2021. This amounts to roughly a 7% increase since 2010 or about 0.6% per year on average. This is a very low growth rate, but there are signs that growth may be increasing as the Town issued 13 building permits in 2021 for single-family homes and accessory dwelling units.

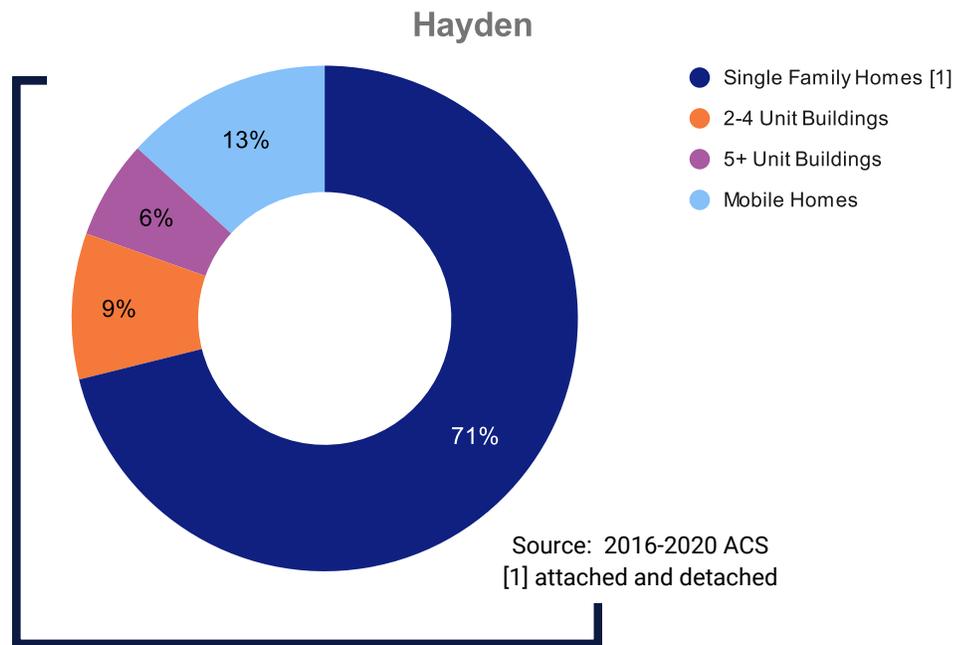
In 2021 only 7% of homes were not occupied, which is slightly lower than the vacancy rate in 2010. Seven percent is considered a low vacancy rate and is similar to that of the State. Such homes include vacation rentals, those for rent or for sale but not yet occupied, etc.

	2010	2021
Housing Units	807	862
Occupied Units (households)	735	798
Unoccupied	72	64
Vacancy rate	9%	7%

Source: Colorado Demography Office

Home Type

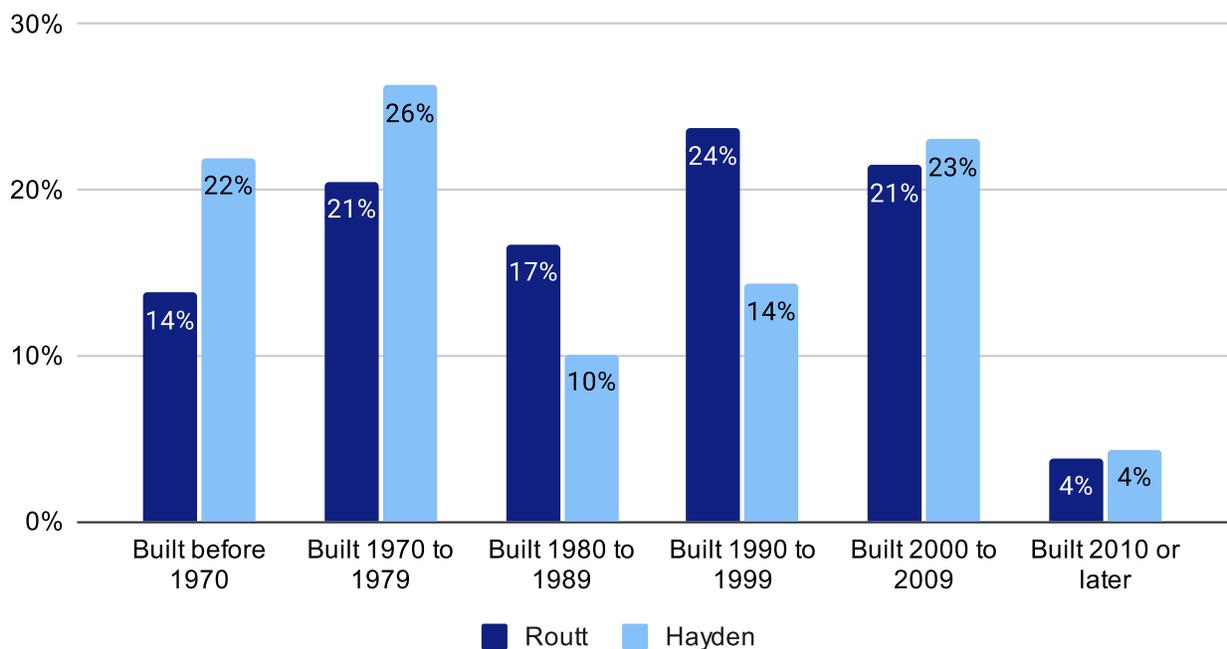
About 84% of Hayden’s housing stock consists of single family homes and mobile homes. Although there is some diversity of housing options in the form of smaller rental complexes, greater variety in the housing stock is needed to provide households with additional choices. As land prices continue to climb, construction of buildings with more units will bring the overall cost per unit down, contributing to more affordable housing.



Age of Housing

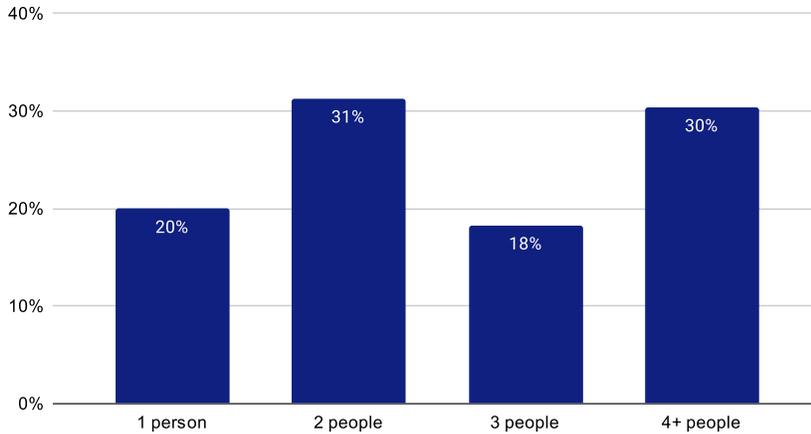
Nearly half (48%) of Hayden’s housing stock is 40 or more years old, much higher than the county as a whole. Very little housing has been built since 2010, which has contributed to increasing housing prices.

Age of Homes

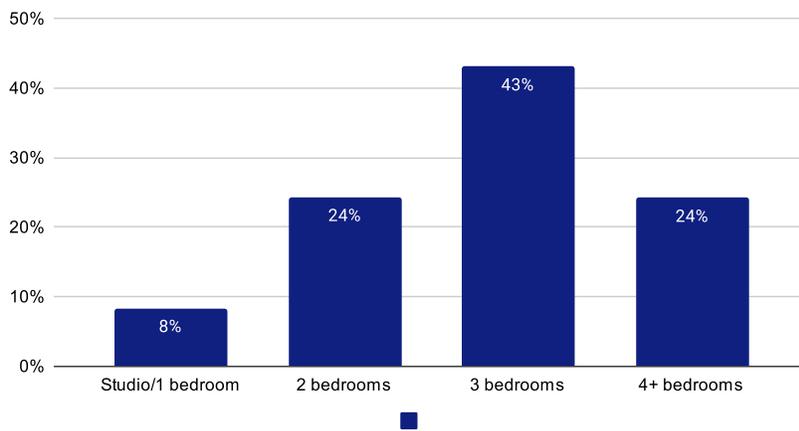


Source: ACS 5-year estimates 2016-2020

Hayden Household Distribution



Hayden Bedroom Distribution



Source: ACS 5-year estimates 2016-2020

Household Size vs. Bedroom Count

Current housing stock consists of too many large homes and too few homes sized for households comprised of one or two people. About 70% of households have 3 or fewer people in them, yet just over 32% of homes have 2 bedrooms or fewer.

Almost 45% of homes have 3 bedrooms, which is a very high percentage given the distribution of households. This mismatch points to the need for more studios and 1 and 2 bedroom housing units.

Subsidized Inventory

Two properties with 32 total units are subsidized using low income housing tax

credits or financial assistance from the United States Department of Agriculture. Neither property is in danger of reverting to market rate prices until after 2030.

	Units	Program
Vista Verde Townhomes II	20	LIHTC
West Rountt Housing	12	USDA
Total	32	

Source: National Housing Preservation Database

Housing Market

The consultant team monitored the rental market for 5 months, and analyzed the for-sale market through Multiple Listing Service current listings and sale prices from recent years. The housing market data can shed light on the local housing need in several ways. Data from the current and historical housing market can be paired with household growth, housing growth, and incomes to understand how well the market is meeting local needs. It is also helpful to look at median housing prices over time. If there is a sharp increase in prices over a short period, many people who are contemplating homeownership may be quickly priced out. Median sale price by housing type and median sale price by bedroom count are data points that can show gaps in the market where more affordable for-sale options might be needed.

A functional rental market has some vacancy that enables households to move within the market. Checking for rental availability is a way to get a current snapshot of the vacancy rate.



Key findings from the Hayden housing market include:

- A five-fold increase in the annual growth rate of home sale prices in 2020 and 2021.
- In 2021, median home prices for single family homes are 1.5 times higher than the median sale price for attached for-sale housing, in 2022 they are 1.8 times higher.
- Only 12 smaller homes (studio, 1-bedroom and 2-bedroom) have been sold in Hayden since 2020 despite being far more affordable than larger homes.
- In the first half of 2022 the rental vacancy rate has been effectively zero.

The rapid increase in median sale price has pushed homeownership out of reach for Hayden-based employees and many Town residents. Attached for-sale homes with fewer bedrooms are less expensive than larger single-family homes and are currently undersupplied in the market.

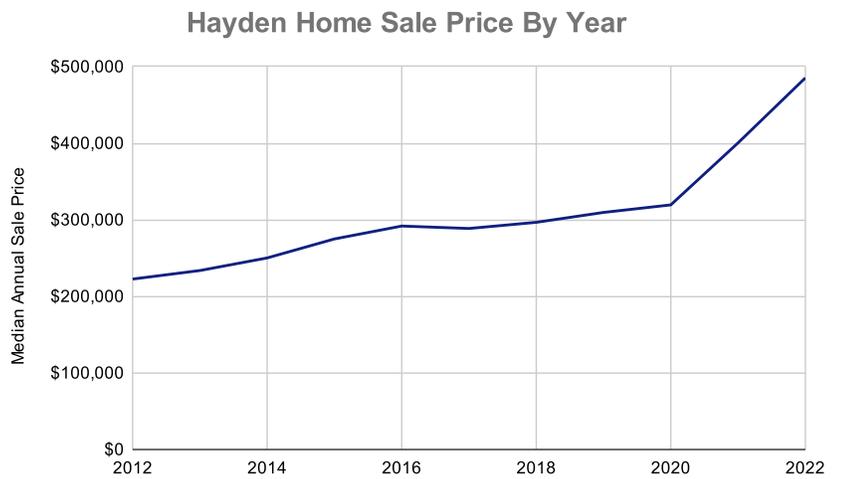
Current rental prices span a wide range and many landlords report keeping rental units at lower price points than what the market can bear as a way to support the needs of the community. This informal subsidy is an important part of the Hayden housing landscape, but it will need to be complemented with other strategies to provide affordable rental options for the long term.

New Residential Development

As referenced above, Hayden’s housing stock grew at an annual average growth rate of 0.6% between 2010 and 2021. More recently, the Town of Hayden has been approached with several development proposals with varying levels of feasibility. Some of these proposals are likely to come to fruition adding vital new housing to the Town. It is unclear what price points this new housing stock will sell/rent for and if it will be affordable to the current residents and workforce. New housing development should be monitored closely, and paired with local regulations and incentives that help align production with local needs. These strategies can be further developed in the Action Plan phase.

Rising Home Prices

Between 2012 and 2019 home prices in Hayden had a compound annual growth rate of 4.1%; over the same time period, average annual pay increased 1.5% per year. This means that home prices in Hayden grew at nearly 3 times the rate of wages even before the more dramatic recent home price increases seen in 2020 (24% increase) and 2021 (21% increase). According to MLS data, the median sale price for 2022 through May 1st, was \$447,000, and the two properties listed on that date had asking prices of \$419,900 and \$549,000.



Source: Zillow Home Value Index

Recent Homes Sold and Current Listings by Type

Single family homes account for approximately 82% of the homes sold in Hayden in recent years.** Sale prices for single family homes range from 49-80% above sale prices for other housing types such as condominiums, townhomes, and duplexes. To provide homeownership opportunities for a wider range

of Hayden residents, increasing the housing stock at these lower price points will be a critical step.

	2021		2022		Current Listings ^[1]	
Type	# of Units	Median \$	# of Units	Median \$	# of Units	Avg. \$
Single Family	60	\$425,000	10	\$509,100	2	\$484,450
Condo/Townhouse/Duplex	12	\$285,000	4	\$280,000	0	--
Total	72	\$402,000	14	\$447,000	2	\$484,450

[1] Listings as of May 1, 2022
Source: MLS

** Manufactured home sales are not included in this dataset, but are an important housing type in Hayden.

Recent Homes Sold and Current Listings by Number of Bedrooms

Over the past few years the majority of homes sold have been 3 bedrooms or larger, but as referenced above, 51% of households in Hayden are only 1 or 2 person households. Smaller households often appreciate the space gained with an additional bedroom, but the increase from a 2 bedroom to a 3 bedroom house adds between 39% and 62% to the home price based on recent market activity.

# of Bedrooms	2021			2022			Current Listings ^[1]		
	Count	% of Total	Median \$	Count	% of Total	Median \$	Count	% of Total	Avg. \$
0	1	1%	\$290,000	0	0%	\$ --	0	0%	\$ --
1	0	0%	\$ --	0	0%	\$ --	0	0%	\$ --
2	7	10%	\$267,000	4	29%	\$276,500	0	0%	\$ --
3	44	61%	\$407,000	8	57%	\$497,000	1	50%	\$420,000
4	15	21%	\$441,000	1	7%	\$703,000	1	50%	\$549,000
5+	5	7%	\$395,000	1	7%	\$559,000	0	0%	\$ --
Total	72	100%	\$402,000	14	100%	\$447,000	2	100%	\$484,000

[1] Listings as of May 1, 2022

Source: MLS

Rental Housing Price and Availability

The consultant team looked for available rentals in Hayden every week from January to May of 2022. During this period, the team found only a few rental listings posted and there were several

weeks in that time period with none. The snapshot to the right showing rental availability from March through May highlights how constrained the rental market is, and property managers cite the need to turn away multiple calls per day from people inquiring about rental availability.

Unit Size/Type	Price Per Month	Units Available ^[1]
One-Bedroom	\$650-\$1,500	1
Two-Bedroom	\$1,100-\$1,400	0
Three-Bedroom	\$2,000-\$2,400	3

[1] Rental listings collected March-May 2022

Source: Realtor/Property Manager Focus Group; consultant team

"I get calls from people looking for rentals everyday. If I had 30 units available for rent below \$1,000/month, I could lease it up in 2 weeks."

- Local property manager

The price points in the rental table above represent the current range of rental rates as reported by property managers. However, the same group expressed that there would be no problem filling units at higher price points, the incredibly low vacancy rates suggest that this is true.

Strategies to Address the Need

The Hayden Forward Master Plan includes an Action Plan that identifies leads, partners, and a timeframe for each action item in the plan. This work will be used as a foundation when prioritizing strategies to meet the specific housing needs identified in this Assessment. The Housing Action Plan, which will be developed after this Assessment is published, will create opportunities to fully form these strategies.

Given that Hayden's economy is in transition and many housing demand factors are in flux, we recommend continuing to track markets closely, monitoring unfilled jobs, job projections, rental vacancy, and the months of inventory of homes for sale to gauge progress on housing needs and market capacity.

Appendix

Acknowledgements

Maria Paula Alvarez

Community Member

Allesha Beaulieu

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Owners, Creekside Homes

Kevin Booth

Director, Yampa Valley Regional Airport

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Owner, Brinkman Properties, LLC

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Coldwell Banker

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Planning Director, Town of Hayden

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Town Manager, Town of Hayden

Louis Nijsten

Choice Realty

Mary Alice Page-Allen

Planning & Economic Development Director,
Town of Hayden

Tim Redmond

Routt County Commissioner District 2

Amy Williams

Colorado Group Realty

Area Median Income Chart

2022 Routt County Income Limits

Percent AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
120%	86,040	98,280	110,520	122,760	132,600	142,440	152,280	162,120
100%	71,700	81,900	92,100	102,300	110,500	118,700	126,900	135,100
80%	57,360	65,520	73,680	81,840	88,400	94,960	101,520	108,080
70%	50,190	57,330	64,470	71,610	77,350	83,090	88,830	94,570
60%	43,020	49,140	55,260	61,380	66,300	71,220	76,140	81,060
55%	39,435	45,045	50,655	56,265	60,775	65,285	69,795	74,305
50%	35,850	40,950	46,050	51,150	55,250	59,350	63,450	67,550
45%	32,265	36,855	41,445	46,035	49,725	53,415	57,105	60,795
40%	28,680	32,760	36,840	40,920	44,200	47,480	50,760	54,040
30%	21,510	24,570	27,630	30,690	33,150	35,610	38,070	40,530

Source: Colorado Housing and Finance Authority, 2022 Colorado County Income and Rent Tables

Methodology

Numerous methods of primary research were used to gather information that cannot be obtained from public data sources. This information was used in combination with secondary data. Primary research included:

Site Visit/In-Person Meeting (March 2022)

- This included a kick-off meeting with the Hayden Housing Assessment Steering Committee. Members of the consultant team also met with city staff and toured opportunity sites.

Employer Survey

- A brief survey was distributed to employers. The survey link was emailed to businesses by town staff.
 - 29 businesses with 473 employees responded to the survey.
 - Of these 23 are located in Hayden and employ 289 people, which accounts for about 28% of the estimated number of businesses in town and roughly 40% of employees who work in town.
 - Information presented in this assessment accounts for all survey responses received, including from businesses with offices/locations in neighboring communities or in nearby unincorporated Routt County with workers who live in Hayden.

Subject Matter Expert and Key Stakeholder Interviews

- Property managers, Realtors, and Housing Authority
- Non-profit Organizations and Service providers
- Employers

In addition to primary research, a variety of additional public and private data sources were used in the preparation of this report, including but not limited to:

- U.S. Census Bureau: 2010 Census, 2020 Census (PL94-171 only), American Community Survey data, LEHD Origin-Destination Employment Statistics
 - US Bureau of Labor Statistics
 - Office of Labor Market Information, Colorado Department of Labor and Employment
 - State Demography Office, Colorado Department of Local Affairs
 - ESRI
 - Ribbon Demographics, LLC
 - 2022 Area Median Income from the Department of Housing and Urban Development and Colorado Housing and Finance Authority
 - Current MLS listings, recent home sales and historic sale trends
 - Craigslist, Zillow, Rent.com, Facebook, Realtor.com, Apartmentguide.com, and Steamboat Pilot
-

- Town of Hayden building permit and demolitions records
- Existing reports, including but not limited to the Associated Governments of Northwest Colorado Comprehensive Economic Development Strategy (2021), Hayden Forward Master Plan (2021), Routt County Climate Action Plan (2021), Northwest 2045 Regional Transportation Plan (2020), Yampa Valley Housing Authority Strategic Plan (2019), Routt County Community Housing Steering Committee Final Report (2016)
- Zillow Home Value Index. (n.d.). Hayden Home Values. Zillow. From <https://www.zillow.com/research/data/>

The Census Bureau believes the 2016-2020 5-year American Community Survey data has a higher margin of error than previous 5-year ACS data due to a lower response rate during COVID. However, the Hayden Housing Needs Assessment Steering Committee indicated that this most recent dataset most closely represented trends observed in the community. The consultant team recommends closely monitoring additional data as it is published to confirm the statistics described in this report and to capture changes that occurred in the community over the course of the pandemic that were not reflected in the 2020 5-year ACS.

Town of Hayden EMPLOYER SURVEY



The Town of Hayden is sponsoring a study on the **housing market** in and near town. It is especially important that we receive input from local employers to better understand how the availability of suitable housing is impacting operations. This information will assist in determining Hayden's housing needs and how best to address them.

Please respond to the questions below for all business or organization locations of the same type you operate in the area.

- Only ONE response per business or organization please.
- If you operate more than one type of business or organization in the area, please complete a separate survey for each business or organization.
- If you are a sole proprietor or hire no employees, please respond as applicable for yourself as a business or organization owner.

Individual responses are and will be kept confidential; responses will only be reported in aggregate. If you have questions, please contact the independent consultant assisting with this study, Andrew Coburn, (720) 464-5821 or andrew@urbanruralcontinuum.com. THANK YOU very much for your time.

1. Type of business or organization you have

(if you have more than one type of business, please fill out a separate survey for each business type)

- Agriculture, ranching, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities (power generation, transmission and distribution, etc.)
- Construction
- Manufacturing or wholesale trade (brewery, machine sales, etc.)
- Retail sales (grocery, home/building supplies, etc.)
- Transportation and warehousing (air, rail, truck, pipeline, etc.)
- Information (newspaper, radio, etc.)
- Finance, banking, insurance
- Real estate, property management
- Professional, technical services (legal, scientific, computers, etc.)
- Education (school district)
- Health care and social assistance
- Recreation, entertainment, arts
- Accommodation & food services (hotels, coffee shop, bar, restaurant)
- Personal commercial services (hair care, auto repair, day care, etc.)
- Non-profit
- Government, public service
- Other (write in) _____

2. Where is your business or organization located?

(select all that apply)

- Hayden
- Routt County (not in Hayden municipal limits)
- Other (write in) _____

3. Does your business or organization hire one or more employees to work for the business?

- Yes
- No -> if NO, please respond only to Q10, 11, 13, 16, 17, 18 (these questions are denoted by a box around the question)

4. Approximately how many employees does your business or organization CURRENTLY employ (including yourself)?

	TOTAL Number of Employees
Count each full time and part time employee as one (1)	

5. Does your business or organization currently have any unfilled jobs?

- Yes
- No -> (SKIP to Q8)

6. How many positions within your business or organization are CURRENTLY unfilled?

	TOTAL Number of Unfilled Jobs
Count each full time and part time job that is unfilled as one (1)	

7. If you have unfilled positions, why are they unfilled?

(select all that apply)

- Lack of applicants
- Lack of skilled applicants
- Not currently looking to fill them
- Just became available
- Lack of housing
- Other (write in) _____

8. How would you rate your ability to recruit and retain qualified employees for your business or organization?

- Never a problem – can always find who I need
- Slight problem
- Moderate problem
- Significant problem – almost always have no/unskilled applicants and unfilled jobs
- It depends on the type of job and/or time of year

9. About how many of your employees do you estimate will be retiring over the next five (5) years? _____

10. Within the next five (5) years, do you plan to:

- Increase your number of employees. By how many? _____
- Reduce your number of employees. By how many? _____
- Stay about the same
- Don't know

11. Do you feel that the availability of housing that is affordable for employees in the Town of Hayden is:

- Not a problem
- One of Hayden's lesser problems
- A moderate problem
- One of the more serious problems
- The most critical problem in Hayden

12. To what extent are the following housing difficulties encountered by your employees? (circle your responses)

	No problem		Moderate problem		Critical Problem/Major Difficulty	Not applicable
Rents are too expensive	1	2	3	4	5	X
Home sale prices are too expensive	1	2	3	4	5	X
Homes are in poor condition or need repairs	1	2	3	4	5	X
Lack of selection and variety of homes	1	2	3	4	5	X

Do you have other comments about housing difficulties your employees encounter?

13. In your experience, to what extent are the following types of housing for employees lacking (in short supply) in Hayden?

	No Need/ Sufficient Supply		Moderate Need		Critical Need	Unsure/ No Opinion
Rentals for employees	1	2	3	4	5	X
Entry-level for-sale housing	1	2	3	4	5	X
Move-up for-sale housing	1	2	3	4	5	X
Housing for retiring employees to downsize	1	2	3	4	5	X

14. To the best of your knowledge, where do your employees live? (please enter the approximate number of employees that reside in each location, including yourself)

	Number of Employees
Hayden	
Steamboat Springs	
Routt County (not Hayden or Steamboat Springs)	
Craig	
Moffat County (not in Craig)	
Other (not in Moffat County or Routt County)	
TOTAL Employees	

15. Do you provide any of the following types of housing or cost of living assistance for your employees?

(select all that apply)

- Assistance with housing search
- Hiring bonus/salary stipend/higher wage than nearby communities for the same/similar jobs
- Temporary/relocation housing
- Down payment/mortgage assistance
- Employer owned or leased units rented to or provided as compensation to employees
- Other (write in) _____
- No housing or cost of living assistance is provided to our employees

16. In the future, would you be interested in opportunities to work with other employers or community organizations to help with housing for employees?

- Yes, for my employees only
- Yes, for any employee in the community
- No, I am not willing to or cannot support housing for employees
- Uncertain, need more information

17. To help us track responses or follow up with questions, please provide your business or organization name. Remember individual survey responses are and will be kept CONFIDENTIAL.

Name of Business/Organization

Contact Person
(in case we have questions)

Phone

Email

18. Do you have any additional comments about housing issues, or business or employee challenges you face?

Thank you for your participation!

Glossary

Affordable Housing

As used in this report, housing is affordable if the monthly rent or mortgage payment is equal to or less than 30% of gross household income (before taxes).

Area Medium 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). AMI is 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). Common affordability categories used are as follows:

Extremely Low Income – At or below 30% AMI

Very Low Income – Between 31% and 50% AMI

Low Income – From 51% to 80% AMI

Moderate Income – From 81% to 100% AMI

American Community Survey (ACS)

The ACS is part of the Decennial Census Program of the U.S. Census. The survey was fully implemented in 2005, replacing the decennial census long form. Because it is based on a sample of responses, its use in smaller areas (under 65,000 persons) is best suited for monitoring general changes over time rather than for precise estimates due to margins of error. All ACS data used in the report is based on ACS 5-year estimates.

CHFA

Colorado Housing and Finance Authority - administers housing tax credits and provides mortgage funding

Cost Burdened

When housing costs exceed 30% of a household's gross (pretax) income. Housing costs include rent or mortgage and may or may not include utilities, homeowner association fees, transportation or other necessary costs depending upon its application.

**COVID /
COVID-19**

Coronavirus disease 2019, causing 2020 global pandemic and extensive local public health precautions.

**Employee (or
Workforce)
Housing**

Housing intended for and affordable to employees and households earning local wages.

HUD

Housing and Urban Development; federal agency providing funding and regulations for low income housing.

LAUS

Local area unemployment statistics

LEHD

Longitudinal Employer-Household Dynamics

MLS

Multiple Listing Service used for purchase and sale of residential real estate
