



# HOUSING+HEALTH

Building Opportunity and Equity in Chaffee County

## Chaffee County Housing Reference Guide

2021





*Dear Chaffee County residents,*

*There's a lot to love about living in Chaffee County: the natural beauty, the warmth of community, the small-town feel.*

*But the sad reality is that more and more people are being squeezed out of Chaffee by rising housing costs and impractical land policies. The faces of the affordable housing crisis are all around us. They include business owners, restaurant employees, teachers, government workers and families of all kinds. They are your neighbors, friends and colleagues.*

*In a stable housing market, rents for our Area Median Income (about \$51,500 per year) should be around \$1,378. Instead, they are well over \$1,700. Further challenging the housing market is an increase in short-term rentals, which takes long-term rental housing off the market.*

*Lack of affordable housing also dramatically impacts health. How? For one, spending more money on rent means less money for healthcare, childcare, transportation and food, which elevates stress levels and makes people sicker. Moving frequently is also linked to health problems – mental health, substance abuse, teen pregnancy, and poor school performance. Studies show that when people live in crowded conditions, respiratory diseases, poor mental health, infectious disease, and high blood pressure increase. And we know that homelessness – an increasing problem in Chaffee – affects nearly every health indicator and puts people at risk of chronic disease, violence and malnutrition.*

*So what can be done? To change this situation, we all must work together. We need policy changes that will increase the stock of affordable housing and mitigate the displacement of our citizens. But first, we need to educate ourselves. Knowledge is power. And we think this primer we've created on affordable housing is a great place to start.*



*Becky Gray,  
Director of Housing*



*Andrea Carlstrom,  
Director of Public Health  
and Environmental Health*



# HOUSING TERMS

## Accessory Dwelling Unit (ADU)

A legally permitted residential dwelling unit located on the same lot as a principal dwelling unit and subordinate to that principal unit in conditioned living space. ADUs may be internal to, attached to, or detached from the principal dwelling unit and generally include living, sleeping, kitchen and bathroom facilities, and a separate lockable entrance door.

In Chaffee County, several of our political jurisdictions have policies related to ADUs:

- **Buena Vista** allows Accessory Dwelling Units (ADUs) up to 850 square feet in size and up to two bedrooms in all of its residential zoning districts for properties containing a single family or duplex home with payment of one quarter of the main residential unit's tap fee.
- **Salida** allows ADUs to be up to a total of 1000 square feet of conditioned living space, provided the building is no taller than 15 feet. Buildings over 15 feet may have up to a total of 800 square feet of conditioned living space. ADUs are allowed in all zone districts, but only one ADU is allowed per lot. ADUs may not be sold separately or condominiumized. The system development fee for an ADU is 40% of that for a principal single-family residence. In the City of Salida, Accessory Dwelling Units cannot be leased for periods of less than 30 days (i.e., short term rental of ADUs is prohibited).
- **Poncha Springs** ADUs must contain between 350 and 800 square feet of habitable area. The ADU shall be detached from the primary residence. An ADU located above a detached garage or storage area shall qualify as a detached ADU. In the Town of Poncha Springs, Accessory Dwelling Units cannot be leased for periods of less than 30 days (i.e., short term rental of ADUs is prohibited.)
- **Unincorporated Chaffee County:** The conditioned living space of an ADU shall not exceed 1000 square feet in size and shall have adequate utilities. Some exceptions may be granted. An ADU shall not be allowed in conjunction with duplex or multi-family units and shall not be condominiumized or sold separately from the principal use of the property. In unincorporated Chaffee County, Accessory Dwelling Units cannot be leased for periods of less than 30 days (i.e., short term rental of ADUs is prohibited).

## Affordable Housing

Housing is considered Affordable if the occupants are spending no more than 30% of their income on all housing expenses (ie rent/mortgage, plus utilities, insurance).

### Area Median Income (AMI)

An income threshold established by the US Department of Housing and Urban Development (HUD) for every geographic area. In 2020, the AMI for Chaffee County was \$50,000 for a household of one. Affordable housing units are typically restricted by income as a percentage of AMI, such as 30% AMI, 60% AMI, and 80% AMI.

Below tables are from Colorado Housing and Finance Authority (CHFA), outlining Chaffee County's AMI, and the rent limits allowed for affordable housing units that they have funded. In Chaffee County, just under 3,500 households (about 45%) earn less than our county's AMI. (45.3%) Non family households at 73.3%.

Source: U.S. Census Bureau, 2018 American Community Survey 5-Year Estimates

2021 MAXIMUM RENTS

County	AMI	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Chaffee	120%	1,545	1,654	1,986	2,293	2,559
Chaffee	100%	1,287	1,378	1,655	1,911	2,132
Chaffee	80%	1,030	1,103	1,324	1,529	1,706
Chaffee	70%	901	965	1,158	1,337	1,492
Chaffee	60%	772	827	993	1,146	1,279
Chaffee	50%	643	689	827	955	1,066
Chaffee	45%	579	620	744	860	959
Chaffee	40%	515	551	662	764	853
Chaffee	30%	386	413	496	573	639
Chaffee	20%	257	275	331	382	426

2021 INCOME LIMITS

AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
120%	61,800	70,560	79,440	88,200	95,280	102,360	109,440	116,520
100%	51,500	58,800	66,200	73,500	79,400	85,300	91,200	97,100
80%	41,200	47,040	52,960	58,800	63,520	68,240	72,960	77,680
70%	36,050	41,160	46,340	51,450	55,580	59,710	63,840	67,970
60%	30,900	35,280	39,720	44,100	47,640	51,180	54,720	58,260
50%	25,750	29,400	33,100	36,750	39,700	42,650	45,600	48,550
45%	23,175	26,460	29,790	33,075	35,730	38,385	41,040	43,695
40%	20,600	23,520	26,480	29,400	31,760	34,120	36,480	38,840
30%	15,450	17,640	19,860	22,050	23,820	25,590	27,360	29,130
20%	10,300	11,760	13,240	14,700	15,880	17,060	18,240	19,420



### Community Guidelines

A set of guidelines established for the purpose of providing quality housing for households that are eligible for public housing if they meet the income criteria and have a housing need.

### Cost-Burdened/Rent-Burdened

A household that spends more than 30% of their monthly income on housing related costs, including utilities, taxes and insurance. In Chaffee County, roughly 2,427 households, or roughly 30% of the total households, are cost burdened; this includes both owner occupied and rental occupied households.

Source: Chaffee County Housing Needs Assessment, August 2016.

### Deed Restrictions

Written agreements that restrict, or limit, the use or activities that may take place on property in a subdivision. These restrictions appear in the real property records of the county in which the property is located.

### Fair Market Rent (FMR)

The amount that can be charged for a rental unit that receives subsidies from the federal government; it is established yearly by HUD for each county. Source: CHFA.

Final FY 2021 & Final FY 2020 FMRs by Unit Bedrooms

Year	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
FY 2021 FMR	\$601	\$799	\$911	\$1,167	\$1,434
FY 2020 FMR	\$536	\$722	\$822	\$1,149	\$1,275

### Housing Costs

Typically considered rent plus utilities (or mortgage/taxes/insurance plus estimated utilities).

### Housing First

A model that gets people who are experiencing homelessness into permanent housing. Typically, the circumstances that caused homelessness are addressed after the tenant is secure in a home.

### Housing Spectrum/Housing Continuum

The entire spectrum of housing stock needed for a resilient community, including everything from homeless shelters, low-income and subsidized units, missing middle housing, multi-family and single-family, and high-end owner occupied.

Housing Spectrum/Housing Continuum

Income Level as % of AMI	Less than 30%	31 - 50%	51% - 60%	61% - 80%	81% - 100%	101% - 120%	120% - 200%	Over 200%
Chaffee County wages (for a 1 person household)	Less than \$15,450	\$15,451 to \$25,750	\$25,751 to \$30,900	\$30,901 to \$41,200	\$41,201 to \$51,500	\$51,501 to \$61,800	\$61,801 - \$103,000	Over \$103,000
Hourly wage based on 2.080 hours/year (fulltime, year-round employment)	Less than \$7.43/hr	\$7.43 to \$12.38/hr (CO Min Wage = \$12.32/hr) <sup>3</sup>	\$12.38-\$14.86/hr	\$14.86-\$19.81/hr	\$19.81-\$24.76/hr	\$24.76-\$29.71/hr	\$29.71-\$49.52/hr	> than \$49.52/hr
% of Chaffee County Workforce 2020 <sup>1</sup>	0%	32.70%	2.40%	19.20%	26.20%	19%	0%	0.40%
% of Chaffee County Households <sup>2</sup>	12%	10%	23%			34%		21%
% of Chaffee County Non-family households <sup>2</sup>	23%	23%	27%			18%		9%
Affordable Housing Expense/month (for a 1 person household)	< \$386/month	\$386 - \$644	\$644 - \$773	\$773 - \$1030	\$1030 - \$1288	\$1288 - \$1545	\$1545 - \$2575	\$2575 and up
Housing Type	Emergency Shelter Transitional Housing		Supportive Housing			Affordable Rental		Assisted Home Ownership
								Market Rate Rental and Ownership

1 - Colorado Department of Labor and Employment

2 - US Census: American Community Survey, 2010,2015 Estimates

3 - <https://cdle.colorado.gov/wage-and-hour-law/minimum-wage>



### Inclusionary Zoning/Policies

A requirement to include affordable housing in developments that otherwise would not include it. Salida has adopted an Inclusionary Housing Ordinance requiring annexation or planned developments, or condominium plats in excess of five units, to include at least 12.5% of the total number of residential units as affordable.

### Income Categories

**Moderate Income** - A household making 80-120% AMI.

**Low Income** - A household making less than 80% of AMI.

**Very Low Income** - A household making less than 50% of AMI. According to 2021 figures, for Chaffee County this is \$25,750 or \$12.38/hour) for a household of one person.

**Extremely Low Income** - A household making less than 30% of AMI based on HUD rental assistance standards.

### Mixed-Use

A housing project or neighborhood that includes residential and other uses, such as commercial.

### Poverty Level

Established yearly through the Federal Register by the US Department of Health and Human Services, are income levels used to determine financial eligibility for certain Federal programs.

The 2021 Poverty Guidelines are as follows:

Household Size	Poverty Threshold
1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660

For households with more than 8 persons, add \$4,540 for each additional person.

In Chaffee County, 10.5% kids under 5, 14.7% age 18-34 and 9.5% age over 60 are in poverty in Chaffee.

Source: U.S. Census Bureau, 2014-2019 American Community Survey 5-Year Estimates





## Missing Middle Housing

A range of multi-unit or clustered housing types, compatible in scale with the detached single-family homes, that help meet the growing demand for walkable urban living.



## Permanent Supportive Housing (PSH)

A Housing First model that combines low-barrier affordable housing, health care, and supportive services to help individuals and families lead more stable lives.

In Chaffee County, the Salida Housing Development Corporation, the Upper Arkansas Area Council of Governments, the Office of Housing, and Cardinal Development are working to create a Low Income Tax Credit (LITC) project that will contain at least 25% PSH. Local partners working together to provide the supportive services include the Department of Human Services, the Department of Public Health and Environment, Solvista Health, the Alliance, and the Chaffee Housing Authority.

## Short Term Rentals & Policy

Locally, a short term rental refers to the rental of all or part of a privately-owned residence for a period of thirty (30) days or less; generally, bed and breakfasts, hotels and motels are not considered short-term rental properties.

### Buena Vista

In the Town of Buena Vista, property owners are required to apply for an annual short term rental license and an annual business license, provide the Town with supporting documentation, and comply with additional regulations and taxation, etc. Licensing fees are \$150.00 for a new short term rental license, and \$100.00 to renew annually. The Buena Vista Business License fee is \$30.00 per year.

Further information is available at <http://buenavistaco.gov/2520/Short-Term-Rental>.

### Poncha Springs

Poncha Springs property owners are required to apply for an annual short term rental license and an annual business license, provide the Town with supporting documentation, and comply with additional regulations and taxation, etc. Licensing fees are \$100.00 for a new short term rental license, and \$50.00 to renew annually. The Town of Poncha Springs Business License fee is \$25.00 per year. In the Town of Poncha Springs, short term rental of Accessory Dwelling Units is prohibited.

Further information is available at <http://ponchaspringscolorado.us/Short-Term-Rentals>.

### Salida

In the City of Salida, property owners are required to apply for an annual short term rental license, provide the City with supporting documentation, and comply with additional regulations and taxation, etc. An unlimited number of licenses can be issued in Commercial Zones, and a limited number of licenses (75) can be issued in Residential and Industrial Zones. In the Residential Zones, short term rentals shall be rented as a short term rental for no more than 185 calendar days per year. **Currently, there are no Residential and Industrial Zone licenses available.** Licensing fees are \$470.00 for a new short term rental license in Residential and Industrial Zones, \$270.00 for a new short term rental license in Commercial Zones, and \$270.00 to renew annually. In the City of Salida, short term rental of Accessory Dwelling Units is prohibited.

Further information is available at <https://cityofsalida.com/clerk/page/short-term-rentals>.

### Unincorporated Chaffee County

In unincorporated Chaffee County, property owners are required to apply for an annual short term rental permit, provide the County with supporting documentation, and comply with additional regulations and taxation, etc. Permitting fees are \$250.00 for the initial application fee and \$150.00 to renew annually. In unincorporated Chaffee County, short term rental of Accessory Dwelling Units is prohibited.

Further information is available at <https://www.chaffeecounty.org/County-and-Community-News>, and in the Chaffee County Land Use Code.



# HOUSING FINANCING

## **Capital Stack**

The full set of financing instruments used to fund a given real estate investment.

## **Gap Financing**

The amount of money needed to make a housing project work; the gap is the difference between the total development funds needed and the funds already secured.

## **Land Use Restriction Agreement (LURA)**

Attached to the deed of Low Income Tax Credits (LITC) project, restricts the use of the project to affordable rentals for a period of time in exchange for the allocation and use of LITC tax credits. In Colorado, the Compliance Period is 40 years.

## **Low Income Tax Credits (LITC) or Low Income Housing Tax Credits (LIHTC) & Housing Tax Credits (HTC)**

These federal tax credits are issued to state and territorial governments. In Colorado, CHFA awards these credits to private developers, who sell them to investors and use the proceeds as capital in the construction of affordable housing.

In Chaffee County, Collegiate Commons, DeAnza Vista, and Riverbend Apartments are all examples of LITC projects. A community of our size might expect a LITC project to be awarded on average, about every three to five years.

## **Private Activity Bonds (PAB)**

Exempt bonds issued by or on behalf of a local government to provide special financing benefits for qualified projects. In Colorado, PAB's are used for affordable multifamily housing, single family mortgage Credit Certificates, and small manufacturing projects. Chaffee County began qualifying for direct allocation of PAB's in 2018. In 2019, Chaffee County had the ability to issue up to \$1,044,645 in PAB's. We have, since 2018, partnered with CHFA to hold, compile, and issue these bonds. The most recent bond issuance impacting Chaffee County was the renovation of DeAnza Vista Apartments, which included adding eight one-bedroom affordable rental units.

## **Special Limited Partnership (SLP)**

An ownership structure allowed between a tax-exempt entity and a developer wherein the tax-exempt body retains an ownership interest (often 0.01%) in a project and grants its tax-exempt status, typically in exchange for affordability agreements.





# HOUSING ORGANIZATIONS



### Colorado Housing and Finance Authority (CHFA)

Invests in affordable housing and community development by offering financial resources for homeownership, affordable rental housing, and businesses.



CHAFFEE HOUSING TRUST

### Chaffee Housing Trust

Provides affordable home ownership opportunities to low-income county residents and workers. The CHT sold seven homes to low-income households in 2019, and provided two low-income rentals. Six will be available in 2020.



### Chaffee Housing Authority

Established in 2020 through an intergovernmental agreement between Buena Vista, Salida & Chaffee County, with the mission of enabling all Chaffee County residents to have access to safe, stable, and affordable housing. The Chaffee Housing Authority focuses on aspects of affordable housing, including managing federal and state programs, managing rental units, managing deed restrictions, affordable housing development, and community resource navigation. The activities of a Housing Authority are governed through state statute and by a local board of directors.



### Colorado Division of Housing (DOH)

A government entity in the state of Colorado within the Department of Local Affairs (DOLA), often providing gap funding for affordable housing projects.



### Chaffee County Habitat for Humanity (CCHfH)

A non-profit that empowers families to build a more secure healthy future through home ownership and sweat equity. CCHfH serves households with incomes at 30-60% of Chaffee County AMI. CCHfH has built 22 homes, served 86 people – 55 children and 31 adults, and plans to build 2-4 homes/year.



### U.S. Department of Housing and Urban Development (HUD)

Provides housing and community development assistance and to make sure everyone has access to “fair and equal” housing.

[www.chaffeecounty.org/housing](http://www.chaffeecounty.org/housing)  
[www.HousingHealthChaffee.org](http://www.HousingHealthChaffee.org)