

RIO BLANCO COUNTY HOUSING NEEDS ASSESSMENT

Final Report

Prepared for:

*Rio Blanco County and the Towns of
Meeker and Rangely*

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INTRODUCTION

This Housing Needs Assessment quantifies housing needs in Rio Blanco County and provides recommendations on how those needs could be addressed. It contains information intended to support development of specific goals and objectives for consideration of actionable options for addressing housing needs and opportunities. Addressing housing needs, concerns, issues and opportunities is complex and challenging, yet crucial for preservation of communities and sustainable economies.

This study assesses and quantifies a variety of housing problems including:

- Affordability, which considers housing costs relative to income;
- Overcrowding, or when homes are not of a sufficient size to meet the needs of the household;
- Condition of homes, which encompasses a variety of factors such as general physical condition, safety and surroundings;
- Public perceptions, which gauge the relative severity of housing needs in the county relative to other problems that residents face;
- Location of housing, or the ability of residents to live where they want to live and in proximity to employment;
- Employer problems, including insufficient labor force to fill available positions, high turnover, absenteeism/tardiness that are directly attributable to housing costs and availability.

Needs are measurements of the number of additional units required to address problems and are quantified based on unfilled jobs, commuting, job growth and retirement.

ORGANIZATION OF THE REPORT

Findings are reported for Rio Blanco County overall and for the towns of Meeker and Rangely. The report is organized into ten sections, based on the template published by the Colorado Division of Housing:

1. Economic and Demographic Framework, which provides population and household estimates, examines growth and describes the demographics of households in Rio Blanco County, and includes data on number of jobs, growth in jobs, wages paid and commuting.
2. Housing Inventory, which provides information on the number, type, occupancy/use, tenure, size, growth rate and ownership of housing units in Rio Blanco County. It also includes information on temporary living quarters in the county and the inventory of affordable units in Meeker and Rangely.

3. Homeownership Market Analysis, which considers the number of sales, historic and current home prices and the availability of homes by price and area. It also includes a comparison of prices in the neighboring market areas of Rifle, Grand Junction and Vernal, and identifies projects in the planning pipeline that will produce homeownership opportunities.
4. Rental Market Analysis, which covers the inventory of rental units, rents and vacancy rates. It also includes information on short-term rental availability.
5. Housing Problems, which examines perceptions, satisfaction, affordability, households at risk of foreclosure, overcrowding, physical conditions, in county commuting, and problems employers are having related housing – unfilled jobs and employees leaving or not accepting positions.
6. Special Needs, which considers the housing needs of seniors, victims of domestic abuse, very low income households and single-parent households.
7. Housing Gaps and Future Demand, which examines the price gaps in both rental and ownership housing and projects housing demand through 2015 based on three scenarios for job growth.
8. Key Findings and Conclusions.
9. Community Resources and Financial Tools, which considers down payment assistance, mortgage availability, homebuyer education, local sources of revenue and land availability.
10. Recommendations for an Action Plan, which identifies various techniques that could be used to produce/promote affordable housing.

Throughout the report, the abbreviation AMI is used for Area Median Income, QCEW is for Quarterly Census of Employment and Wages, DOLA is the Department of Local Affairs, HUD is the Department of Housing and Urban Development and CDOH is the Colorado Division of Housing.

SOURCES AND METHODOLOGY

Sources of information referenced in this report are identified within the text and adjacent to tables and graphs. This Needs Assessment provides data from primary survey research conducted through the concurrent Comprehensive Plan process (community survey), as well as through this process (employee and employer surveys).

Community Survey

Between February and March 2009, Rio Blanco County conducted a survey of residents and property owners to evaluate opinions on a variety of current issues and how the County is progressing into the future. A combination of mail and Web-based surveys was conducted by RRC Associates of Boulder, Colorado. The surveys were designed to evaluate respondent's level of satisfaction with respect to a full range of services and to gather opinions on selected issues currently facing the County, such as jobs, infrastructure needs, quality of life, and other topics.

The survey effort was based on a mailed cover letter and survey form sent to approximately 2,689 households in Rio Blanco County. A Web link and individually assigned password (one per household)

were included in the cover letter, in order to allow recipients to complete the survey online, should they prefer. Completed surveys received as of March 13 totaled 506, representing a very good response rate of approximately 18.8%. In order to increase awareness of the survey, radio interviews were conducted reminding community members to fill out the survey they received or to complete it online.

Employer and Employee/Household Surveys

Employer surveys were provided with both an online option and a paper option. Invites to take the survey were sent to members of the chambers in Rangely and Meeker for which email addresses were available. Paper versions of the survey were also made available at the chamber and town offices. A reminder email was sent a week later. Due to low response rates from employers in Rangely, a paper version of the survey was mailed to businesses receiving utility bills.

Responding employers were asked if they would be willing to participate in follow up research, and if they would distribute either a paper or electronic version of the employee survey to their workers. Again, due to initially low response rates in Rangely, a paper version of the employee/household survey was included with the utility bills.

Two separate press releases were published in the Herald Times, directing readers to the study website to take the surveys. An add was also placed in the paper and the radio made announcements. Links to the study website were provided on the county, towns and chambers sites.

We received a total of 64 responses from employers, representing 1,301 workers. An additional 250 paper and 246 web employee/household surveys were received for a total of 496 household surveys. Employee/household survey responses were compared to estimates of population distribution within the county, income, age and tenure to ensure the sample was representative of Rio Blanco County.

SECTION 1 - DEMOGRAPHIC AND ECONOMIC FRAMEWORK

This section provides an overview of current household demographic characteristics in the county. It presents current estimates of the population and number of households. It also evaluates employment and commuting trends, including estimates of total jobs and projected growth in jobs, temporary/contract employment, commuting and selected workforce characteristics.

COUNTY POPULATION AND HOUSEHOLDS

It is estimated there are about 7,431 people living in the County in 2009. Meeker and Rangely house a similar number of people; however, Rangely has fewer households due to the dormitories on the CNCC campus, which fall under group quarter living, and a higher vacancy rate.

The Department of Local Affairs (DOLA) does not include temporary living quarters (TLQ’s or man camps) or RV residents in their population estimates. However, this is a population that requires services from the county and municipalities and while they may not be considered a permanent population, they need to be considered. Some of the camps are permitted as temporary structures, however others are long-term/semi-permanent camps. Estimates from the County indicate there is a capacity for 1,015 people at permitted camps. Current estimates for occupancy show 685 persons, which have been included in our group quarters estimate. Additionally, the Northwestern Community College in Rangely has 225 to 230 students in dorm rooms. An adjustment has been made to DOLA’s estimates, which undercount this number.

Population, Housing Unit and Household Estimates

2009 (est)¹	Population	Grp. Qtr Population	Total Housing Units	Occupied Housing Units	Vacancy Rate
Rio Blanco County	7,431	1,023	3,186	2,571	19.31
Meeker	2,492	45	1,173	1,022	12.81
Rangely	2,333	260	959	800	16.61
Unincorporated	2,606	718	1,057	749	29.14

Source: DOLA; RRC/Rees Calculations

The household population in the unincorporated county has grown at a faster rate since 2000 than either of the towns. This could be partially due to growth upstream from Meeker – high end properties, horse properties and vacation homes.

¹ Estimates projected forward from DOLA’s 2008 estimates. They assume the same average population rate of growth since 2000 of 1.2% per year. It assumes the distribution of population within the county remained the same since 2008.

Household Population Change (excluding GRP Qtrs) 2000 thru 2009

	2000	2009	% Change 2000 to 2009
Rio Blanco County	5,754	6,408	11%
Meeker	2,197	2,447	11%
Rangely	1,942	2,073	7%
Unincorporated	1,615	1,888	17%

Source: DOLA; RRC/Rees Calculations

HOUSEHOLD COMPOSITION

The largest percentage of households in Rio Blanco County are comprised of couples with child(ren) (38%), followed by couples without child(ren) (31%). Another 17% of households in the county are adults living alone. Renters are more likely to live alone, or to be single parents than owners. Trends show a county-wide shift in household composition towards proportionally more households with children, up from 36% in 2000 to 44% in 2009. This varies by community, where Rangely actually showed a slight decrease in the proportion of family households from 43% in 2000 to 41% in 2009. This trend is further supported by a reported decrease in school enrollment.

2009 Household Composition – Rio Blanco County

	Own	Rent	Total
Couple with child(ren)	38%	36%	38%
Couple, no child(ren)	37%	15%	31%
Adult living alone	13%	29%	17%
Immediate and extended family members	7%	7%	7%
Single parent with child(ren)	4%	11%	6%
Roommates	1%	2%	2%
Total	100%	100%	100%

Source: 2009 Employee Survey

The average household size in the County as estimated by DOLA is 2.5, with the largest households residing in Rangely (2.59). DOLA’s estimate of average household size is the same as reported in the 2000 Census. Households with at least one employed resident tend to be larger than those without. Overall, employee households have an average size of 2.8 persons.

Average Household Size

	Persons per Household	Persons per Employee Household
Rio Blanco County	2.5	2.8
Meeker	2.4	2.9
Rangely	2.6	2.8
Unincorporated	2.5	2.8

Source: DOLA; 2009 Employee Survey

HOUSEHOLD INCOME

The median income of all households in Rio Blanco County is \$60,000. The median income of owners (\$65,000) is about 63% higher than that of renters (\$40,000). Income varies by location, with residents living in Meeker having a slightly lower income than residents in other areas of the county. The median income in Meeker is likely due to proportionately more lower-paying jobs in retail, commercial services, and other non-energy occupations.

2009 Household Income		
	Average	Median
Own	\$70,761	\$65,000
Rent	\$44,173	\$40,000
Rangely	\$64,651	\$64,298
Meeker	\$63,843	\$51,610
Rural Rio Blanco County	\$83,501	\$64,122
Overall	\$64,208	\$60,000

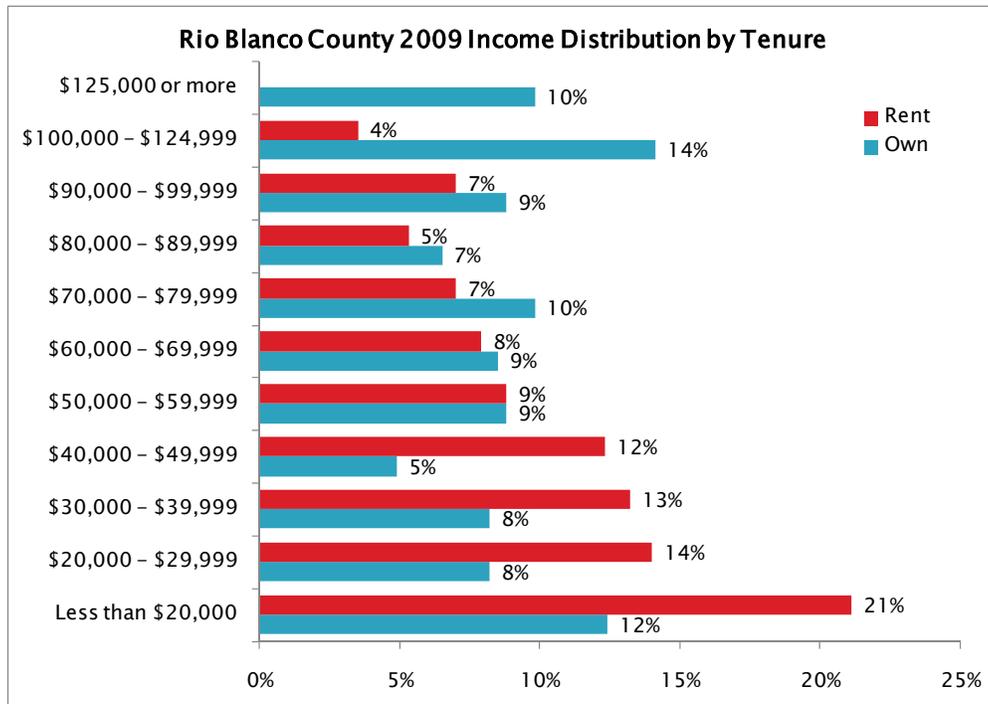
Source: 2009 Employee Survey

Since 2000, the median income of renters increased at a slightly faster rate than owners. This can in part be attributed to new job growth, with the largest increase occurring in the construction industry. The construction industry pays the highest average wage in the county, and employees filling new jobs tend to rent due to the mobile/seasonal nature of the industry.

Change in Median Incomes 2000 to 2009			
	2000	2009	% Change
Rent	\$25,080	\$40,000	59%
Own	\$42,072	\$65,000	54%
Meeker	\$34,479	\$51,610	50%
Rangely	\$41,276	\$64,298	56%

Source: 2009 Employee Survey, 2000 US Census

While renter incomes increased at a faster rate than owner incomes since 2000, there is still a large gap between the two. Household income distribution further supports the income gap between owners and renters. It shows that about 21% of renter households earn less than \$20,000 per year, compared to only about 12% of owner households. In general, a higher percentage of owner households earn over \$70,000 per year than renter households, with significant differences seen in the \$100,000 and greater range. About 24% of owner households earn over \$100,000 per year compared to about 4% of renter households.



Source: 2009 Employee Survey

AREA MEDIAN INCOME

The following table shows 2009 median income limits for households by size. Limits are based on the median family income (4-person at 100% AMI) for Rio Blanco County, which is \$56,500 in 2009, as determined by the US Department of Housing and Urban Development (HUD). Typically, these income guidelines are used to establish housing targets and thresholds for local housing efforts, as well as for Private Activity Bond allocations, Low-income Housing Tax Credits, Section 8 Rent Subsidies and related housing programs. The income limits are adjusted annually.

	1-person	2-person	3-person	4-person	5-person
30% AMI	\$11,950	\$13,650	\$15,350	\$17,050	\$18,400
50% AMI	\$19,900	\$22,700	\$25,550	\$28,400	\$30,650
80% AMI	\$31,800	\$36,350	\$40,900	\$45,450	\$49,100
100% AMI	\$39,600	\$45,200	\$50,900	\$56,500	\$61,000
120% AMI	\$47,500	\$54,200	\$61,000	\$67,800	\$73,200
140% AMI	\$55,400	\$63,300	\$71,200	\$79,100	\$85,400

Source: HUD

Data from DOLA and the Quarterly Census of Employment and Wages (QCEW) published by the Colorado Department of Labor and Employment can be used to estimate the distribution of households in Rio Blanco County by tenure and income category. Overall about 60% of renter households and 36%

of owner households are low-income by HUD’s definitions (<80% AMI) and would qualify for federally assisted programs. This represents a fairly large number of households within the county (1,095).

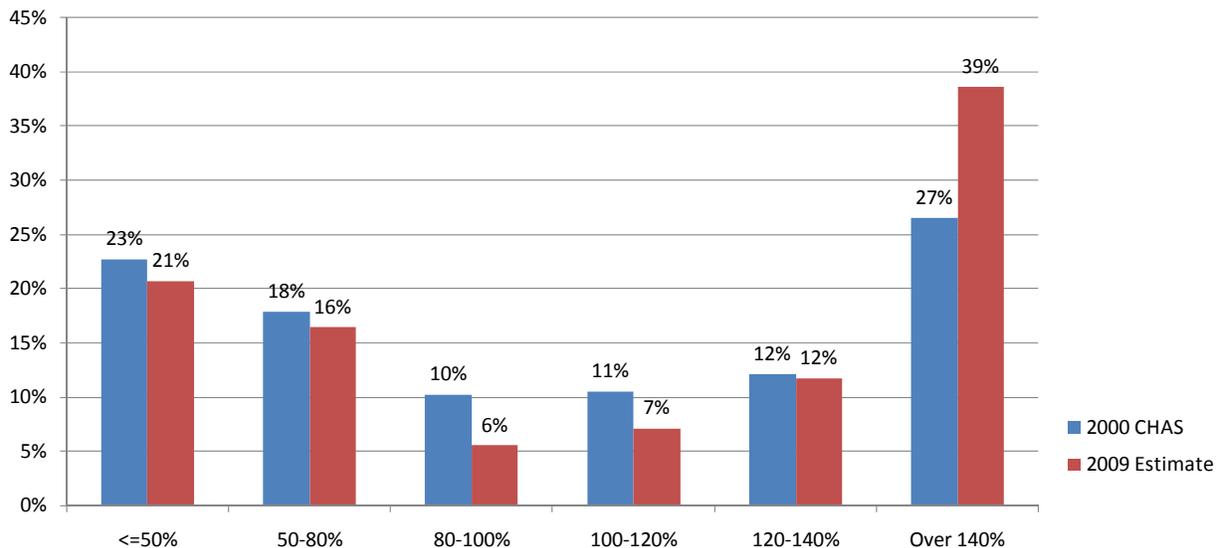
Current Household Distribution by AMI, 2009

AMI	Renter		Owner		Overall	
	#	%	#	%	#	%
<=50%	183	28.1%	343	17.9%	532	20.7%
50-80%	166	25.4%	251	13.1%	422	16.4%
80-100%	40	6.1%	100	5.2%	141	5.5%
100-120%	57	8.8%	125	6.5%	183	7.1%
120-140%	74	11.4%	226	11.8%	301	11.7%
Over 140%	132	20.2%	871	45.4%	992	38.6%
Total	653	100%	1,918	100%	2,571	100%
<=80%	389	59.6%	694	36.2%	1,095	42.6%
>80%	264	40.4%	1,222	63.7%	1,476	57.4%

Source: CHAS; DOLA; QCEW; 2009 Employee Survey; RRC/Rees Calculations

Comparing the above distribution to that shown in the 2000 CHAS data and the employee survey we see a shift in income distribution since 2000. This shift highlights a shrinking middle class in the county, with an increased ratio of households making above 120% AMI. This is further supported by the increasing wage gap between oil and gas workers and all other workers in the county. A more detailed wage analysis is provided later in this chapter.

Change in Distribution by AMI



Source: CHAS; DOLA; QCEW; 2009 Employee Survey; RRC/Rees Calculations

JOB ESTIMATES AND PROJECTIONS

There are multiple sources for data on jobs. All vary in their methodology and their applicability to different economies. We recognize that the data available likely undercounts jobs within the county, particularly those workers who are contract workers in the oil and gas industry but do not fall under severance tax requirements, who may work for employers located elsewhere or who may be self employed contractors filing taxes from a permanent address in other counties. Residence reports provide information on the number of employees who are conducting work that is subject to severance taxes, but do not capture all employment related to mining.

Available data indicate that jobs peaked within the county in 2007 at 5,738 and have since then decreased by about 13% to 5,000 jobs. Our estimates indicate there are likely somewhere in the range of 200 to 400 workers not included within these numbers; however this group is impossible to precisely quantify and shifts in their employment occur rapidly. Our estimates and projections do not include this group.

Rio Blanco County Jobs 2000 thru 2009²

	Jobs	% Change
2000	4,149	NA
2007	5,738	38%
2009	5,000	-13%

Source: QCEW; BEA; RRC/Rees Calculations

Recognizing that economic conditions change and knowing that jobs are a moving target, we have provided three scenarios for job growth through 2015. While an average per year growth rate was used, we would anticipate that year-by-year growth would vary, as it has historically.

- The low projection assumes jobs will grow an average of 0.7% per year, which is the average growth rate recorded by DOLA for the years 2000 thru 2005. Job growth during this period was relatively flat, and was prior to the rapid job growth during the oil and gas boom.
- The medium projection assumes jobs will grow at an average of 1.8% per year, which is the average percent change shown by QCEW between 2001 and 2004.
- The high projection assumes jobs will grow at an average rate of 3.7% per year. This growth rate is BBC’s projected growth rate for 2010 thru 2015 from their ‘Northwest Colorado Socioeconomic Analysis and Forecasts’ report.

² Job estimates were projected forward from BEA 2007 data, assuming the same rate of change as the QCEW for 2008 and between the first quarter of 2008 and the first quarter of 2009.

Rio Blanco County Jobs Projections			
	Low (DOLA)	Medium (QCEW)	High (BBC)
2009	5,000	5,000	5,000
2015	5,214	5,553	6,218
New Jobs			
2009 thru 2015	214	553	1,218
% Increase	4.3%	11.1%	24.4%

Source: QCEW; BEA;RRC/Rees Calculations

HISTORICAL JOB TRENDS

QCEW data indicate job growth within the county was relatively flat from 2000 through 2004, climbing steeply in 2005, 2006 and 2007, then falling thru 2009. While these estimates exclude most self-proprietors and many agricultural laborers, this data can be useful in understanding overall trends in employment.

Change in Jobs reported to QCEW 2000 thru 2009

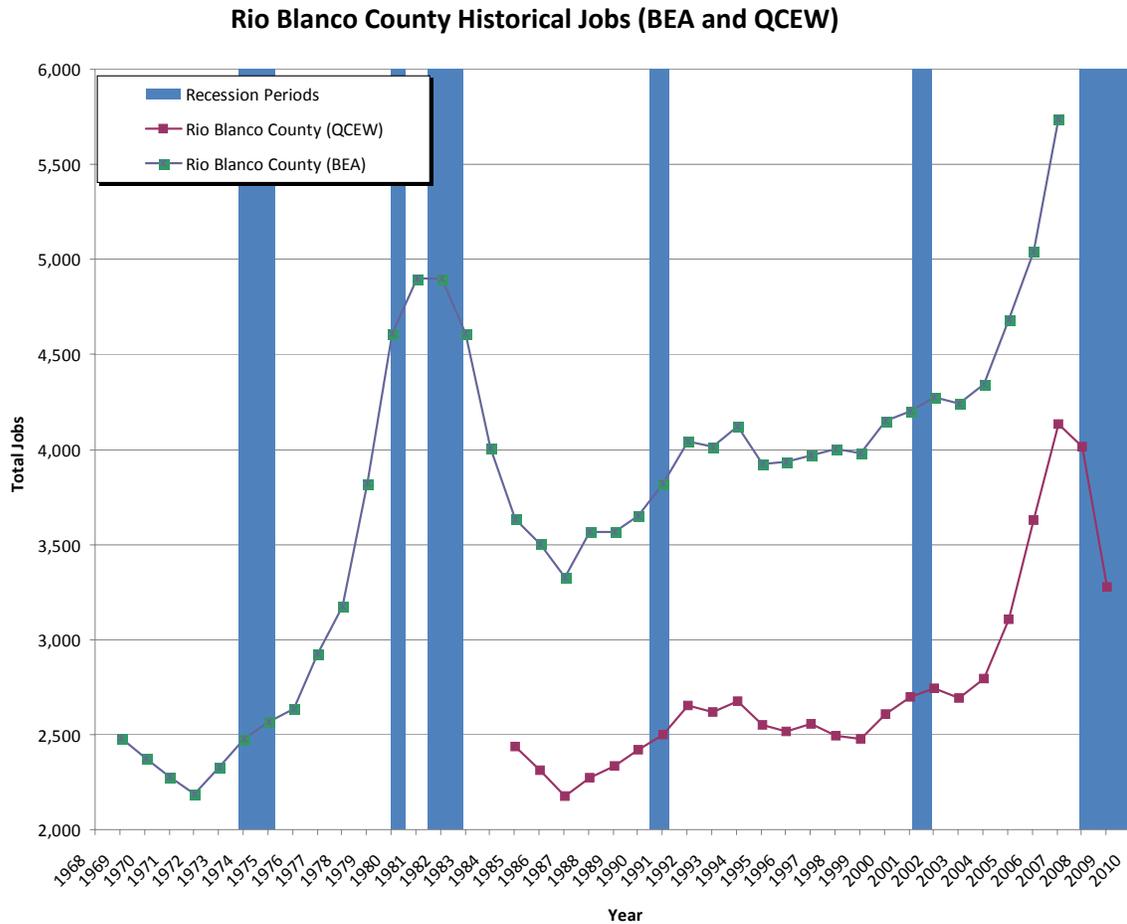
	QCEW	% change
2000	2,608	NA
2001	2,697	3.4%
2002	2,746	1.8%
2003	2,690	-2.0%
2004	2,794	3.9%
2005	3,108	11.2%
2006	3,628	16.7%
2007	4,131	13.9%
2008	4,013	-2.9%
2009 ³	3,274	-10.8%

Source: QCEW

The Bureau of Economic Analysis (BEA) also provides job estimates, which are based on the location of the worker. The BEA series is more comprehensive in that it includes federal military, railroad, household, agricultural, and other workers not covered by the unemployment insurance system. A comparison of historical BEA and QCEW estimates is provided below, highlighting periods of national recession. Directly after the recession in the 1980's, jobs in Rio Blanco County decreased significantly. It should be noted that while the national recession officially ended by 1984, Colorado was relatively

³ The 2009 estimate is derived from apply the change in employment between the first quarter of 2008 and the first quarter of 2009 (-10.8%) to the overall 2008 QCEW estimate.

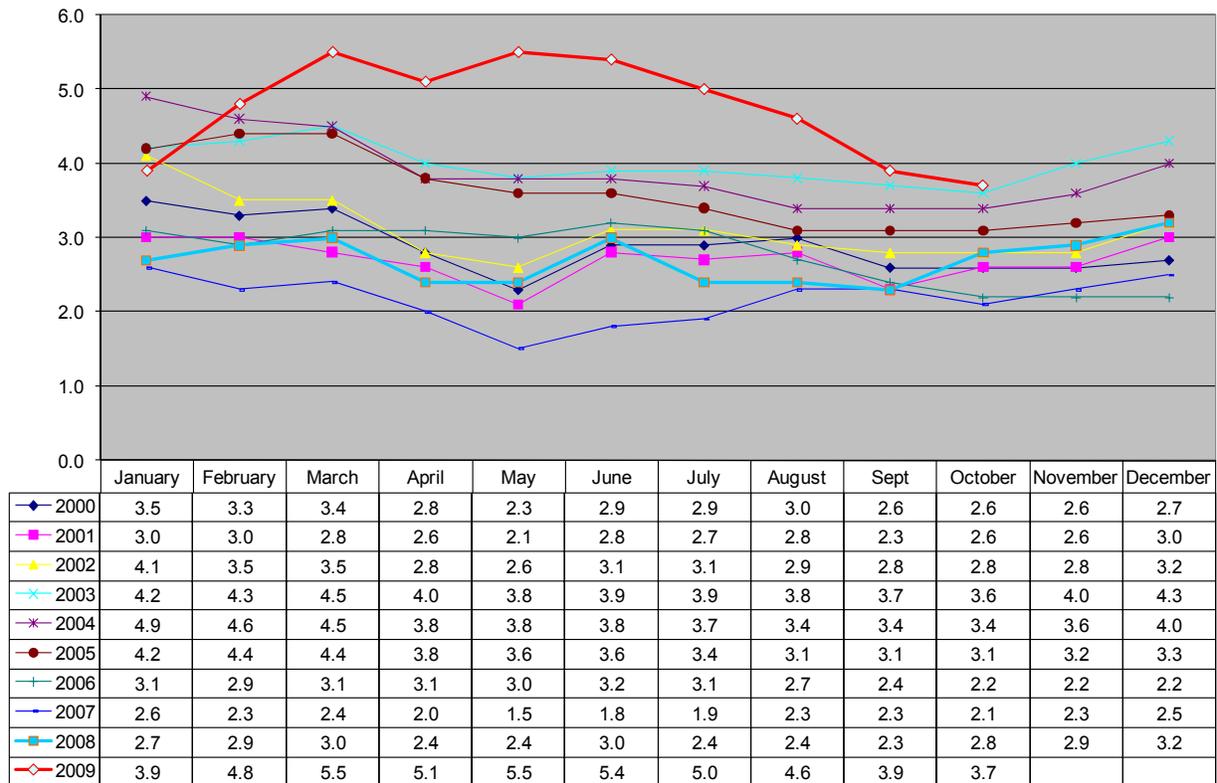
harder hit and took longer to come into recovery. Job data through the first quarter of 2009 for Rio Blanco County indicate that this most recent recession has again caused a significant decrease in jobs within the county.



Source: BEA; QCEW; Recession.gov

Decreasing unemployment rates indicate that this trend is slowing. While unemployment in May was the highest it has been in more than 9 years, it decreased since then to 3.7% in October of this year. Unemployment in the County, while higher than historical trends have shown, is still below the State, which was 6.7% in September. The total labor force has been increasing, indicating that the drop in the unemployment rate is not a result of an out migration of workers. The significant drop in unemployment indicates that the economy in the county is stabilizing. The County is about at equilibrium now, where jobs are filled and workers have jobs.

Rio Blanco County Unemployment

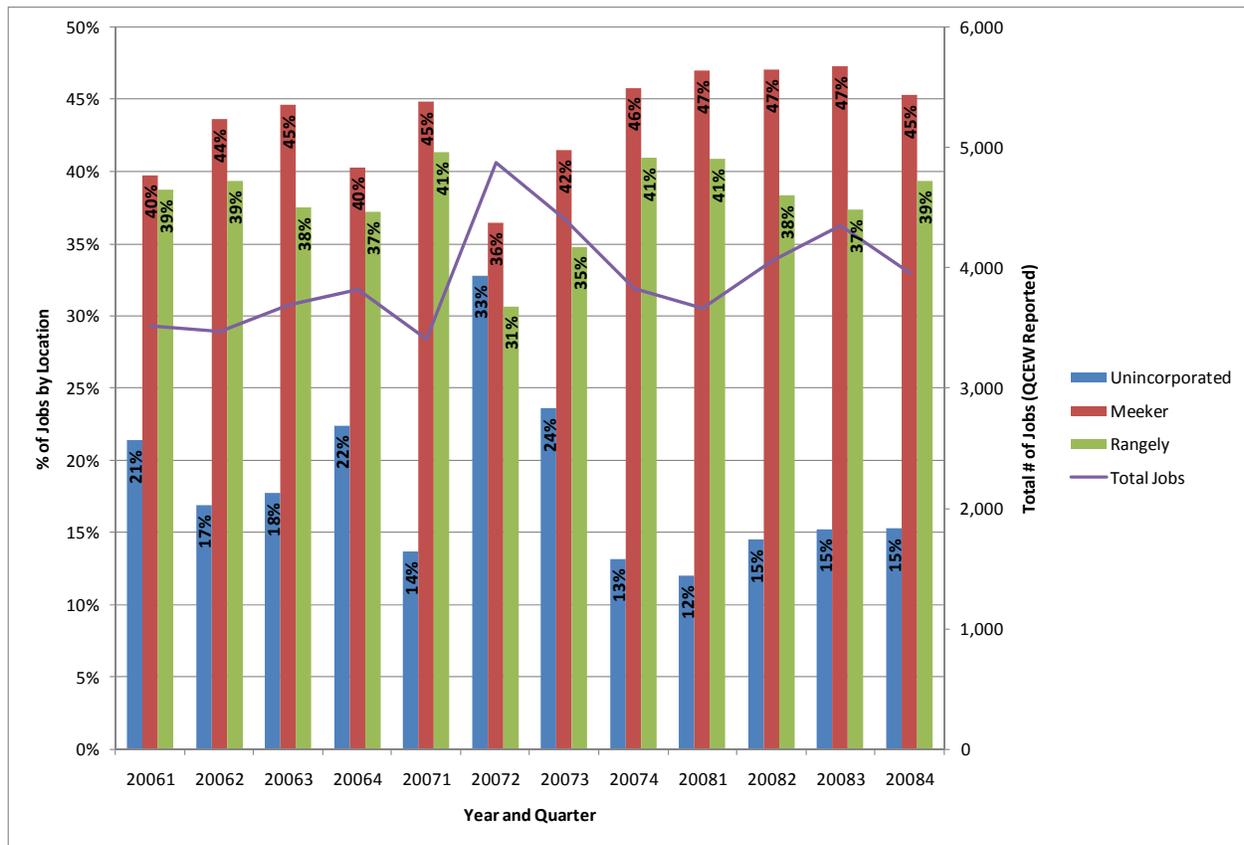


Source: LAUS

LOCATION OF JOBS

Job distribution within the county has fluctuated over time, particularly during the peak oil and gas period in the 2nd and 3rd quarters of 2007. Jobs in the unincorporated county are likely undercounted in this data, given they report the location of the employer, not the location of the work. However, general trends can be noticed. The purple line in the chart below shows total employment and indicates that the increase in employment during that period primarily occurred in the unincorporated areas of the county. Since the end of 2007, the distribution of job locations has shifted back towards the towns. As of the last quarter of 2008, about 45% of jobs were reported in Meeker, 39% in Rangely and 15% in the unincorporated County.

Reported Job Location



Source: QCEW

JOBS PER EMPLOYEE AND EMPLOYEES PER HOUSEHOLD

Multiple job holding is common in communities across Colorado. On average, employees in Rio Blanco County hold 1.17 jobs in some combination of full- and part-time positions. This is slightly lower than what we typically see in mountain resort communities, which tend to average around 1.3 jobs/employee. Overall, employees living in Meeker tend to hold more jobs on average than those living in Rangely.

	Jobs per Employee		
	Meeker	Rangely	Average
Own	1.20	1.14	1.17
Rent	1.23	1.09	1.18
Total	1.21	1.13	1.17

Source: 2009 Employee Survey

The average number of employees per household with at least one worker is 1.72. The average is slightly higher among owner households. Meeker tends to have larger employee households on average than Rangely.

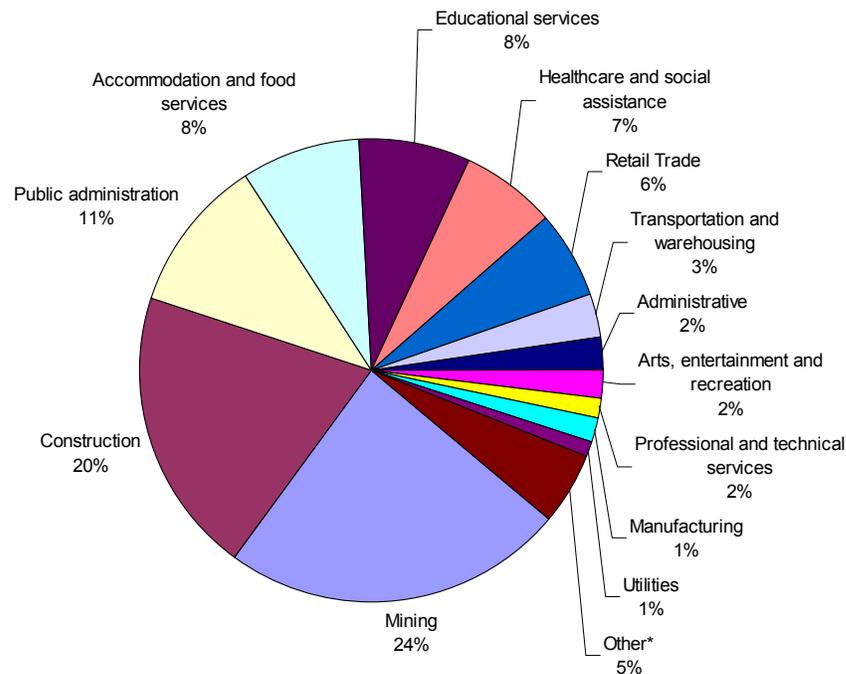
Average Size of Employed Households			
	Meeker	Rangely	Average
Own	1.87	1.68	1.77
Rent	1.63	1.60	1.60
Total	1.80	1.66	1.72

Source: 2009 Employee Survey

JOBS AND WAGES BY INDUSTRY

The large majority of jobs in the county are in mining (24%) and construction (20%), followed by public administration (11%), accommodation and food services (8%) and educational services (8%). These QCEW estimates are not based on total employment but are the most comprehensive source of employment by industry. While construction is not counted in the mining category, the majority of historical construction activity has been pipeline construction. Also, pipeline transportation is included in the transportation and warehousing category.

Rio Blanco County Jobs by Industry 2008



Source: QCEW

Since 2004, the fastest growing industry has been construction, followed by administrative and waste services, real estate rental and leasing, transportation and warehousing and mining. Industries that have shown a decrease in employment are wholesale trade, information, educational services, manufacturing and other services. Diversity in the extractive industries provides some stability to the county’s economy. The Webber Sand Unit in Rangely and the two coal mines are stabilizing influences as well as the bicarbonate mine which is doubling its employment.

Rio Blanco County Percent Change in Jobs by Industry	
	% Change 2004 to 2008
Construction	301%
Administrative and waste services	161%
Real estate and rental and leasing	87%
Transportation and warehousing	81%
Mining	57%
Arts, entertainment and recreation	31%
Accommodation and food services	27%
Professional and technical services	21%
Agriculture, forestry, fishing, hunting	17%
Utilities	15%
Healthcare and social assistance	12%
Retail Trade	12%
Finance and insurance	10%
Public administration	10%
Other services except public administration	-2%
Manufacturing	-9%
Educational services	-10%
Information	-16%
Wholesale trade	-77%
Grand Total	44%

Source: QCEW

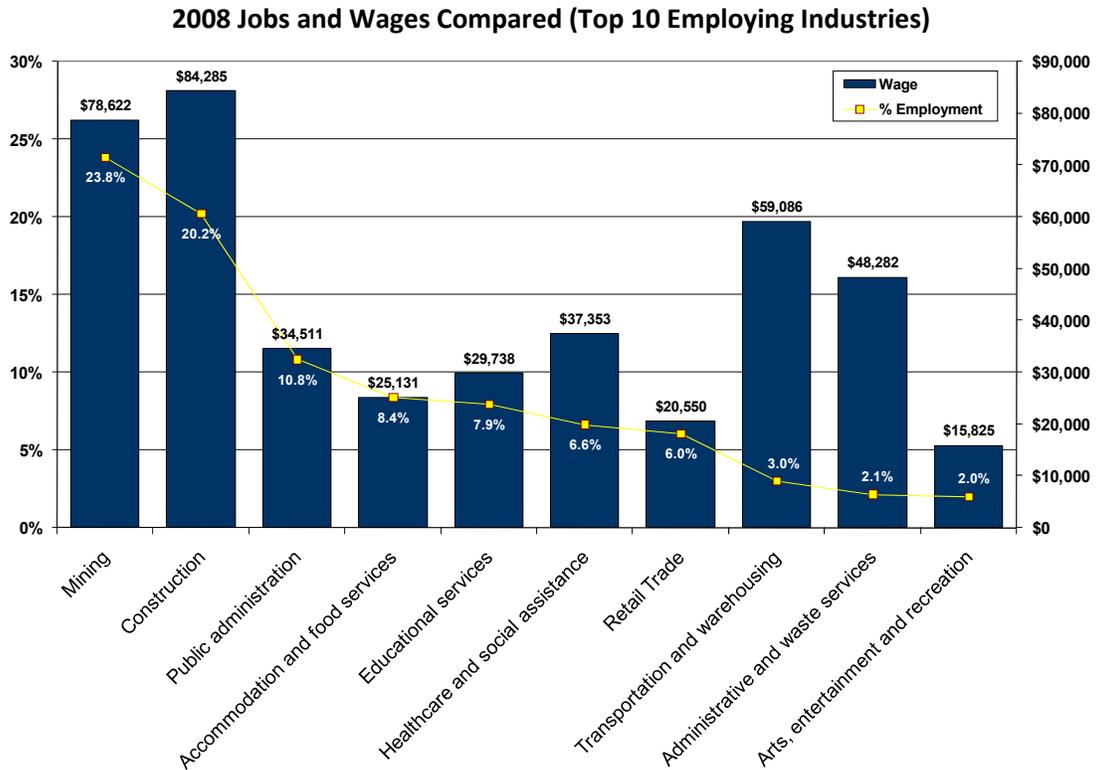
Construction and mining pay the two highest wages in the county, on average. Since 2004, average wages in construction have more than doubled to \$84,285. Mining shows a more moderate increase of about 23%, to \$78,622.

Rio Blanco County Wages, 2004 and 2008
Sorted from highest to lowest 2008 wage

Annual Wage	2004	2008	Change in Wages 2004 to 2008
Construction	\$40,552	\$84,285	107.8%
Mining	\$64,026	\$78,622	22.8%
Wholesale trade	\$26,779	\$70,690	164.0%
Utilities	\$54,982	\$67,889	23.5%
Transportation and warehousing	\$43,579	\$59,086	35.6%
Real estate and rental and leasing	\$18,197	\$49,626	172.7%
Administrative and waste services	\$32,609	\$48,282	48.1%
Healthcare and social assistance	\$30,384	\$37,353	22.9%
Professional and technical services	\$18,658	\$36,817	97.3%
Information	\$32,620	\$35,188	7.9%
Public administration	\$25,187	\$34,511	37.0%
Manufacturing	\$17,038	\$31,472	84.7%
Finance and insurance	\$25,894	\$30,644	18.3%
Educational services	\$24,745	\$29,738	20.2%
Other services except public administration	\$29,596	\$28,331	-4.3%
Agriculture, forestry, fishing, hunting	\$25,906	\$28,248	9.0%
Accommodation and food services	\$9,428	\$25,131	166.6%
Retail Trade	\$28,009	\$20,550	-26.6%
Arts, entertainment and recreation	\$15,046	\$15,825	5.2%
Grand Total	\$35,000	\$54,181	54.8%

Source: QCEW

It is interesting to compare the percent of jobs within the county compared to wages paid. The chart below shows the top ten employing industries. There is a significant gap in wages between the two highest employing industries (mining and construction) and the next five highest employing industries (public administration, accommodation, education, health care and retail trade). This wage gap is indicative of economies that rely on natural resource extraction. The wage gap between mine and all other workers presents a danger that more people, including teachers, nurses, and police, will be left behind if renewed energy development increases the general cost of living, especially the cost of housing, in a place.



Source: QCEW

COMMUTING PATTERNS

Data from the Census Bureau indicate that the percentage of workers in the county commuting in from other areas has been increasing, from 30.5% in 2004 to 32.1% in 2006. Generally, in-commuting increases as jobs increase, particularly in an area like Rio Blanco County which experienced significant job growth in a very short period of time. As noted in the housing inventory section, growth in housing units has been significantly slower than job growth. Additionally, a large portion of the activity in oil and gas has occurred in the Piceance Basin, which from County Rd. 5 is about equal distant from Meeker and Rifle. The southern end of County Road 5 begins just 18 miles north of Rifle which leads to some workers choosing to live in Rifle and commuting into the county for work. The County now requires employers in the basin to provide mass transportation for some of their workers who do not live at the sites.

	Where Workers Live	
	% Workers live in Rio Blanco County	% Workers living Elsewhere
2004	69.2%	30.8%
2005	68.7%	31.3%
2006	67.9%	32.1%

Source: Census Bureau, LED Origin-Destination Data Base (2nd Quarter 2004 and 2006)

SECTION 2 - HOUSING INVENTORY

This section of the report looks at the number of housing units in Rio Blanco County, their location and type, unit size, housing growth, tenure (owner/renter mix), trends in ownership, temporary living quarters and the current inventory of affordable housing.

NUMBER OF UNITS

There are nearly 3,200 housing units in Rio Blanco County. While Meeker is the largest town with nearly 37% of the county’s housing units, Rangely is not much smaller and the number of units in the unincorporated areas of the county falls in between the two towns.

Housing Units by Occupancy, 2009				
2009 Estimate	Total Housing Units	Percent of Total	Occupied Housing Units	Vacancy Rate
Rio Blanco County	3,186	100%	2,571	19.3%
Meeker	1,173	36.8%	1,022	12.8%
Rangely	959	30.1%	800	16.6%
Unincorporated	1,057	33.2%	749	29.1%

Source: DOLA, RRC/Rees Calculations

These figures do not include dormitories, temporary living quarters (man camps or TLQ’s), and boarding houses, RV’s or other short-term employee accommodations.

DOLA estimated an overall vacancy rate of 19.3% for Rio Blanco County in 2008, which is about the same as reported by the 2000 Census. Of the vacant units in 2000, approximately 56% were vacation homes defined by the Census Bureau as “for seasonal, recreational or occasional use”. While vacation homes are more prevalent in the unincorporated areas, about 31% of the vacant units in both Rangely and Meeker were vacation homes; the majority were for rent or for sale.

TENURE

Since 1990, the homeownership rate, which is the percentage of households who own the homes in which they live, has been increasing in Rio Blanco County. This is a trend seen throughout the United States with the economic prosperity of the 1990’s, low mortgage interest rates and a boom in home construction. Aggressive lending practices with low/no down payment programs, interest only mortgages and adjustable rates also moved many renters into ownership.

	1990	2000	2009 %	2009 #
Own	66.1%	70.6%	74.6%	1,918
Rent	33.9%	29.4%	25.4%	653

Source: US Census and RRC/Rees calculations

With the credit crisis and jump in defaults/foreclosures, the pendulum has swung the other way with a tightening of credit standards and stricter lending practice. Interest only loans are, at least for now, a thing of the past and down payments are mandatory. While the lowering of mortgage interest rates and provision of a tax credit of up to \$8,000 for qualified buyers intended to stimulate home purchases and enhance affordability, the combination has not in most market areas spurred the level of buying generally desired. Given these conditions, the homeownership rate should stay level or decline in the foreseeable future.

UNIT TYPE

Based on a combination of sources, nearly 80% of the housing units in Rio Blanco County are single-family homes. This is not atypical in rural western counties but it reflects one of the reasons why housing affordability is a problem. Multi-family units (apartments, condominiums, townhomes, duplexes) are the most cost efficient type of housing to build yet very few have been constructed in Rio Blanco County – only 275 total units or 8.6% of total units.

	# Units	% Units
Single Family	2,516	79%
Duplex/Triplex	54	2%
Multi 4-8	64	2%
Multi 9+	157	5%
Manufactured	83	3%
Mobile Homes	312	10%
Total	3,186	100%

Sources: County Assessor records, building permits, DOLA

Just over 300 mobile homes are in Rio Blanco County, a figure that will stay about the same unless new mobile home parks are developed; none are currently being planned. Spaces in existing parks are frequently occupied by RV's.

The types of units occupied by residents who responded to the survey are very similar to the county-wide distribution of units by type, an indication that the survey sample well reflects the population.

Type of Unit Occupied – Housing Survey Respondents			
	Overall	Own	Rent
Single-family house	79.6	88.7	52.5
Apartment	6.3		25.0
Townhouse/duplex	4.0	1.0	12.7
Temporary housing facility	1.0	0.4	2.8
Room without kitchen	0.6		2.3
Mobile home	7.4	8.9	3.1
RV home or camper	1.1	0.9	1.5
Total	100%	100%	100%

Source: Housing Survey

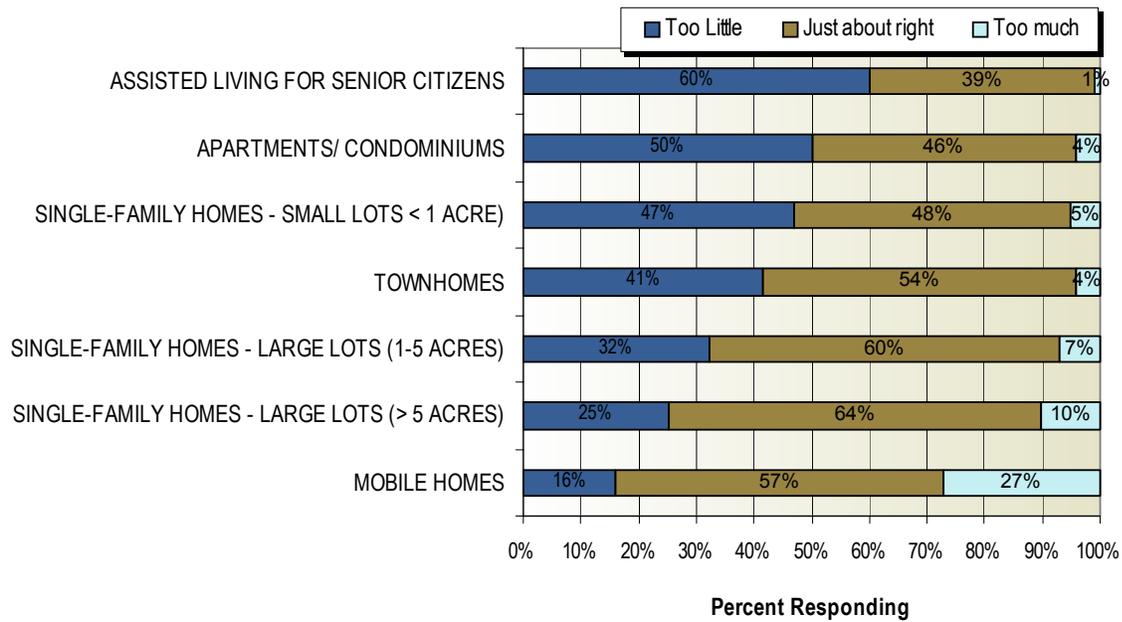
Rangely has relatively more mobile homes and fewer single-family homes than Meeker but the two communities have about the same low percentage of apartments and townhomes (10% and 11%). As is typically the case, only single-family homes and mobile homes are in the unincorporated areas of Rio Blanco County. Central water and waste water treatment systems are not available to support higher density.

Unit Type by Location			
	Meeker	Rangely	Rural County
Single-family house	86.3	74.8	93.6
Apartment	6.1	6.2	
Townhouse/duplex	4.1	4.8	
Temporary housing facility		1.6	
Room without kitchen	0.8	0.5	
Mobile home	0.7	11.8	2.7
RV home or camper	1.9	0.2	3.7
Total	100%	100%	100%

Source: Housing Survey

Respondents to the Comprehensive Plan survey were asked to indicate whether they feel Rio Blanco County has too much or too little of a variety of housing types. Results provide an indicator as to how community members view the current housing supply available throughout the County. Overall, many respondents feel the availability of single-family homes on lots of an acre or more is just about right (60% to 64% of all respondents feel the current supply of each is “just about right”). The results show strong consensus among respondents that there is not enough assisted living for senior citizens (60% indicated there is not enough), as well as apartments/condominiums (50%), single-family homes on small lots (47%), and townhomes (41%). Mobile homes are the only type of housing for which a sizeable number of respondents (27%) felt there was too much.

Opinion of Current Supply of Housing Types in Rio Blanco County



Source: Community Survey

Employers are divided in terms of the type of housing they feel is needed in Rio Blanco County. While just over half indicated single-family homes, almost one-quarter indicated apartments.

Employers – Type of Housing Needed	
	% Employers
Single-family house	52.5
Apartment	23.7
Townhouse/Duplex	8.5
Condo	3.4
Temporary housing facility (e.g., man camp)	8.5
Room without kitchen	1.7
Mobile home	1.7
Total	100%

Source: Employer survey

UNIT SIZE

The average home in Rio Blanco County has three bedrooms and two bathrooms. Rental units tend to be smaller than owner-occupied homes. With an average of 2.5 bedrooms and 1.6 bathrooms rental units are not generally small. Just over 13% have only one bedroom, which is low compared to market

areas with relatively more apartment units. Homes in Meeker and Rangely average about the same size. Homes in unincorporated areas of the county are generally larger.

Number of Bedrooms and Bathrooms						
# Bdrms	Tenure			Where Live		
	Overall	Own	Rent	Meeker	Rangely	Rural County
1	4.7	1.9	13.1	4.7	4.0	3.7
2	19.1	11.6	41.5	19.1	20.3	14.6
3	49.1	55.3	30.0	46.3	50.6	43.9
4	20.8	23.1	14.1	25.3	17.7	20.8
5	5.8	7.3	1.3	4.2	6.7	17.0
6	0.4	0.5		0.5	0.4	
7	0.2	0.3			0.4	
	100%	100%	100%	100%	100%	100%
Avg. # Bdrms	3.06	3.25	2.49	3.07	3.06	3.33
Avg. # Baths	1.95	2.07	1.57	2.00	1.90	2.01

Source: Housing Survey

HOUSING GROWTH – RATE, TYPE AND LOCATION

An examination of the rate of growth in the housing supply in Rio Blanco County reveals a key reason why housing prices have escalated so much in recent years. With the exception of 2007 when the rate of growth was 3.19%, the housing supply has been growing at less than 2% per year. Although construction increased simultaneously with job growth and peaked at the same time as employment, growth in housing did not come close to keeping up with the economic growth in the area.

New Housing Units by Area					
	Meeker	Rangely	Unincorp. County	Total	Rate of Growth
2004	10	2	27	39	1.34%
2005	16	4	17	37	1.25%
2006	19	22	13	54	1.81%
2007	41	26	30	97	3.19%
2008	8	13	16	37	1.18%
2009 thru Aug	8	5	15	28	0.88%
Total	102	72	118	292	
% of Total	34.9%	24.7%	40.4%	100%	

Source: Building permits

Of the 292 units for which permits were issued from 2004 through the third quarter of 2009, approximately 86% or 250 units were for single-family homes and 42 or 14% of the total were for multi-family units. Most of the multi-family units were in a single 32-unit apartment project in Meeker. There was only one duplex (two units) built in Rangely; no multi-family housing was built in unincorporated Rio Blanco County (other than temporary units).

The single-family homes built in recent years have ranged from small, entry-level homes built by Ridemore Homes in Rangely to large, luxury homes on the Upper White east of Meeker. Most tend to be mid-range product with three bedrooms and two bathrooms.

While the towns are the best locations for affordable housing given the densities possible through central water and wastewater treatment, over 40% of the units built since 2003 were in unincorporated Rio Blanco County. Meeker was second with 35% of the growth while only 25% of the new units were built in Rangely.

TRENDS IN OWNERSHIP

Overall, about 80% of the homes in Rio Blanco County are owned by a resident of the county. The remaining 20% are vacation homes, investment properties or other types of units owned by persons or corporations that are not residents of Rio Blanco County. The percentages are much lower in both Meeker and Rangely than in the rural areas of the county where only two-thirds of the units are locally owned.

Ownership of Housing Units					
	Meeker	Meeker Area	Rangely	Rangely Area	Overall
Out of Area Owner	14.8%	33.2%	9.9%	33.8%	20.6%
Local Resident	85.2%	66.8%	90.1%	66.2%	79.4%
Total	100%	100%	100%	100%	100%

Source: County Assessor data

Absentee ownership does not appear to be on the increase in Rio Blanco County. Local residents purchased 87% of all units sold from 2004 through June 2009.

Residency of Buyers, Units Sold 2004 – June 2009							
OWNER TYPE	2004	2005	2006	2007	2008	2009	Total
Out of Area Buyer	4.9%	14.3%	11.6%	22.0%	11.0%	7.7%	13.3%
Rio Blanco Resident	95.1%	85.7%	88.4%	78.0%	89.0%	92.3%	86.7%
Total	100%						

Source: County Assessor data

AFFORDABLE HOUSING INVENTORY

Housing is considered to be permanently affordable if it is owned by a public housing authority or financed through government programs that place limits on the rents or sale prices that can be charged. The inventory of units that meet this definition in Rio Blanco County is very small—only 84 units, which equates to less than 3% of the housing supply. All are rental units, most of which serve seniors; only 15 units are designed with two- and three-bedrooms for families.

Affordable Housing Inventory

Project Name	# Units	Location
White River Village	24 - elderly & disabled	Rangely
The Pines	21 elderly & disabled	Meeker
Karen Court	15 - families	Meeker
Fairfield Center	24	Meeker

TEMPORARY LIVING QUARTERS

Rio Blanco County allows employers to construct Temporary Living Quarters (TLC’s or man camps) according to three size classifications: ≤ 24 beds, 25 through 99 beds, and 100 beds or more. Some are more temporary than others. Camps typically support drilling rigs, housing employees involved in exploration, not maintenance of the fields. Others are erected for very short term, like for seismic testing in Black Sulfur Creek, while some in the Piceance Basin are envisioned to have a 20-year life. The number of beds fluctuates. As of the date of this report, a total of 12 man camps with capacity to house 1,015 employees were occupied by about 685 workers. The Halliburton camp was still under construction and the Conoco Phillips camp was largely shut down. The two Exxon camps up Black Sulfur Creek are scheduled to be dismantled by the end of the year. Not all of the permitted units have been built. Shell and Conoco Phillips could combined add 350 beds without additional approvals.

Man Camps in Rio Blanco County

	Permitted	Current Capacity	Occupied
Well Pad Camps 7 x 25	175	175	175
Shell	250	150	100
Exxon - Black Sulfur Creek	400	400	400
Conoco Phillips	400	150	10
Halliburton	140	140	0
Total	1,365	1,015	685

Source: Rio Blanco County

Recreational vehicles (RV’s) and motels also provide temporary housing for workers. In Rangely, four RV parks provide spaces for about 160 RV’s. Occupancy varies with parks 100% full during pipeline and other large construction projects but running at less than 50% during the drafting of this report. In

Meeker, RV's occupy spaces with mobile home parks putting workers in the area temporarily in competition with low-income residents.

The use of both RV parks and motels for employee housing impedes efforts at economic diversity. Tourists find it difficult if not impossible to find accommodations anywhere in Rio Blanco County when large construction projects are underway, which often coincide with the summer peak tourism season. If fortunate enough to get a room, the high prices that tourists and business travelers must pay keeps many from returning.

DOMITORIES

Colorado Northwestern Community College (CNCC) has on-campus dormitory housing for 236, which typically house 225 to 230 students. About 50 students live off campus. These are often married students; there are no on-campus housing options for couples.

The college has considered development of four-plex units on campus for faculty, staff and married students but has not found it feasible due to construction costs. CNCC has plans to expand possibly to 500 students over the next 10 years but is limited in their expansion by housing. Their young students (mostly 18 to 20) cannot compete with employees for off-campus rental housing, especially during boom periods. The lack of affordable off campus housing means that the college can only grow in increments that make it viable to build another dormitory. While there is some potential to double-up students in existing dorms, this potential is limited requiring that additional housing be constructed before significant expansion of any of the schools high-demand programs can be pursued.

SECTION 3 -HOMEOWNERSHIP MARKET ANALYSIS

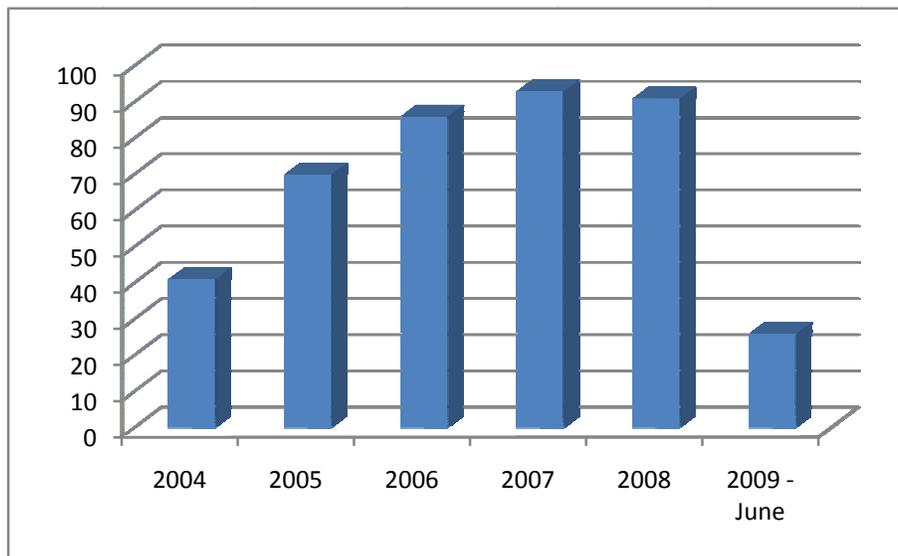
This section of the report examines the size or depth of the market, current and historical home prices, the availability of homes for purchase and projects in the pipeline that could address future demand. It also compares home prices in Rio Blanco County to nearby market areas including Rifle, Silt, Grand Junction and Vernal, and provides insight into the profiles of buyers.

MARKET SIZE AND VOLUME TRENDS

On average, 74 residential units were sold each year during the 5.5 years from 2004 through June 2009, making the market in Rio Blanco County modest in size relative to the total housing inventory or supply. With approximately 3,190 housing units in the county, the average of 74 units sold per year represents the sale of only 2.3% of the total housing inventory.

The real estate market throughout Rio Blanco County clearly followed the trend in jobs, peaking in 2007, starting to decline in 2008 and dropping off sharply in 2009. At its' peak in 2007, nearly 100 residential units were sold. Sales activity remained brisk in the early months of 2008 but by the fall months was softening. By the end of 2009, the number of sales should be roughly equivalent to the 2004 total of almost 50, about half of the peak volume.

Number of Residential Sales – 2004 – June 2009



Source: County Assessor

Note: Graph only represents more recent sale.
Previous sales during the years covered are not included.

The same general pattern was exhibited throughout the county. The number of transactions rose steeply then declined even faster. Realtors report that homes were generally under contract within days if not hours of being listed during the peak period of 2006 through mid 2008. Buyers had little selection and prices were escalating – it was a strong seller’s market.

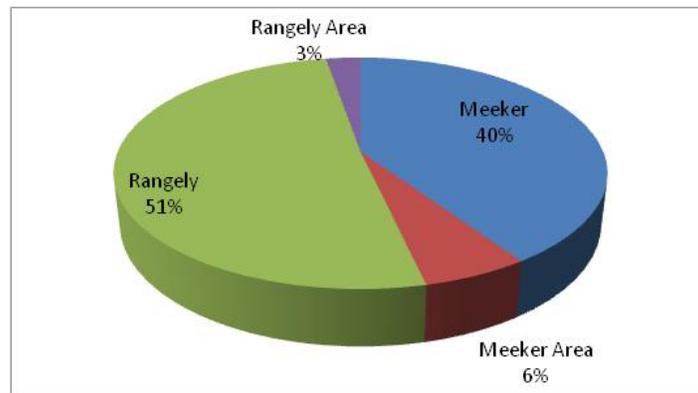
Residential Unit Sales by Area					
	Meeker	Meeker Area	Rangely	Rangely Area	Total
2004	18	2	20	1	41
2005	35	5	29	1	70
2006	40	6	36	4	86
2007	34	5	51	3	93
2008	25	5	59	2	91
2009 - June	13	1	12		26
Total	165	24	207	11	407
Annual Avg.	30	4	38	2	74
% of Total	41%	6%	51%	3%	100%

Source: Rio Blanco County Assessor

The difference between the low volume of 2004 and 2009 and the peak in 2007 is about 50 units – the number of sales roughly doubled during the recent boom. This activity does not necessarily reflect peak demand since the limited number of homes listed for sale curtailed sales activity. Though difficult to quantify, realtors agree that if additional homes had been available during the boom, many would have sold.

Approximately half of all sales during this period were in Rangely (an annual average of 38 sales), which is counter intuitive since Meeker is the larger town. Sales in Meeker comprised just over 40% of all transfers in ownership but there were twice as many homes sold in the rural Meeker area as in the rural areas near Rangely.

Total Sales 2004 – June 2009 by Area



Source: Rio Blanco County Assessor

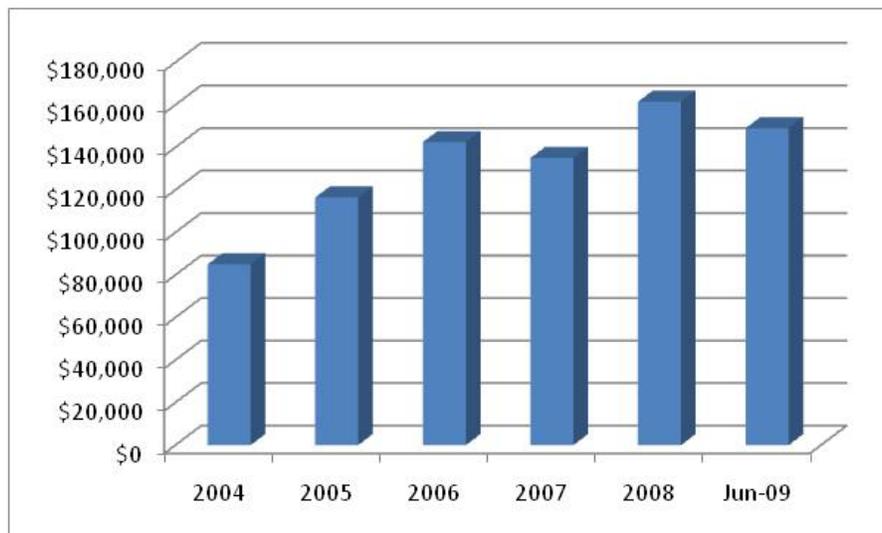
Because the number of sales in Meeker, Rangely and the rural areas is small relative to larger communities, the statistics traditionally used as indicators of market conditions, like median price, can

be influenced by sales at either end of the range and appear to fluctuate more than market conditions. As such, the figures used in this section of the report should be viewed as reflective of overall trends.

HOME PRICES

Along with jobs and the number of homes sold, home prices started climbing steeply in 2005 and continued to climb well into 2008, reaching an overall median of \$161,500. Although the median declined in 2007 it appeared to be influenced by sales of lower-end rural properties and did not reflect a price drop.

County-Wide Median Home Prices, 2004 – June 2009



Note: Mobile homes were not included

The overall median price of homes sold in the first half of 2009 was 8% lower than the 2008 median. Realtors report continuation of the decline through the summer and fall months resulting in a total drop in prices of between 10% and 20% from the 2007/08 peak. The decline appears to be leveling off although it is too soon for Assessor sales data to reflect stabilizing prices.

Median Prices by Area

	2004	2005	2006	2007	2008	Jun-09
Meeker	\$145,000	\$142,500	\$149,950	\$148,150	\$175,000	\$142,500
Rural Meeker	\$237,250	\$160,000	\$201,500	\$173,500	\$175,000	\$171,000
Rangely	\$59,300	\$73,000	\$108,150	\$127,100	\$158,200	\$154,500
Rural Rangely	\$108,000	\$162,500	\$284,750	\$135,000	\$86,000	
Total	\$85,000	\$116,500	\$142,500	\$135,000	\$161,500	\$149,000
% Change		37%	22%	-5%	20%	-8%

Note: Mobile homes on rented lots were not included

The median prices in Meeker were flat between 2004 and 2007 due in part to the purchase of smaller units as rental investments. Prices were not pushed upward in Meeker to the extent that they increased in Rangely where the median price of units sold increased 161% from 2004 through June 2009. In Rangely, the median price climbed steadily and steeply.

Prices have been dropping since about the third quarter of 2008. The median price declined from \$161,500 for all of 2008 -- not the peak prices of early 2008, to \$149,000 for sales during the first six months of 2009, a decrease of 8.4%. Realtors report that it appears prices are flattening at levels from 10% to 20% below peak prices. The asking prices for current listings suggest that many sellers are not sufficiently motivated to accept prices that much lower than the peak. To meet their expectations patience will be required.

Median Price Comparison: 2008 and 2009 Sales to Fall 2009 Listings

	Meeker	Rural Meeker	Rangely	Rural Rangely	Total
2008 Sales	\$175,000	\$175,000	\$158,200	\$86,000	\$161,500
Jan – June 2009 Sales	\$142,500	\$171,000	\$154,500	---	\$149,000
Fall 2009 Listings	\$207,000	\$405,000	\$155,000	\$265,000	\$265,000

Source: Rio Blanco County Assessor; MLS

Realtors report and Assessor data reflect a wide range of prices on a per-square-foot basis. There are no standards for per square foot pricing and it is not a measurement that buyers and sellers in Rio Blanco County frequently use to value homes.

Home prices have historically been higher in Meeker than Rangely – a difference of \$85,700 in the median price in 2004 (\$145,000 in Meeker compared to \$59,300 in Rangely). By 2008, median prices in the two towns had grown much closer as price escalations in Rangely outpaced those in Meeker.

Within the communities, price varies by location. In Rangely, price premiums are paid for locations on the mesas and hillsides above town to the south. In Meeker, the east side of town is a higher-priced area because the soils are more stable, the size of homes tends to be larger and the condition of homes is generally better.

AVAILABILITY

As of mid October a total of 70 residential units were listed for sale (excluding mobile homes) through the following six real estate offices in Rio Blanco County and on www.westernslopefsbo.com:

- Raven Realty
- Backcountry Realty
- Meeker Realty
- Rio Blanco Realty
- Western Exposures
- White River Real Estate

The listings amount to only 2.2 % of the total estimated units in Rio Blanco County (70 listings; 3,186 units). This would be considered a tight or limited supply in most market areas. The total number of listings in the County equaled an 11-month inventory based on an historical average of 74 sales per year (2004 through June 2009). Given the time of year and the slowdown of activity during the winter months, the inventory should remain largely unchanged until the second quarter of 2010.

Realtors report that the number of listings as of the third quarter 2009 was about typical or somewhat high but not as high as earlier in the year when sales activity had dipped to almost a standstill. The number of listings is much higher than 2006 through early 2008 when listings were often under contract immediately or shortly after being placed on the market.

Homes for Sale by Area, Fall 2009

	Meeker	Rural Meeker	Rangely	Rural Rangely	Total
Total Listings	22	28	17	3	64
Months Inventory	8.8	84	4	7.2	10.4
% of Units	34%	44%	17%	5%	100%
Median Price	\$207,000	\$405,000	\$155,000	\$265,000	\$265,500

Note: Excludes mobile homes on rented lots

There is variation within the county in terms of availability and the extent to which the market appears to be over or under supplied:

Rangely has the smallest selection of homes available for purchase. Only 17 homes were listed for sale, which equates to a 4 month inventory based on the historical rate of sales. The number of listings is slightly lower than the typical level for fall of 18 to 19 units. Rangely prices have been the most stable since the 2008 peak and are not likely to decline further.

In Meeker, with 22 home listings that equal an 8.8-month inventory, the supply appears to be roughly in balance with historical sales levels. Buyers have some choice but the inventory is not so large as to expect continuation of the decline in prices.

The inventory is largest in relative terms in the rural eastern portion of the county where homes tend to be the most expensive – 28 units that equal an 84-month inventory with a median price of \$405,000. Homes with acreage are less affordable for the local workforce than homes on in-town lots and seem less attractive during uncertain economic times, hence the large inventory. Additional price declines for rural properties in the eastern part of the county seem likely.

Many of the homes on the market as of October 2009 were in the upper price categories. Over 40% were priced at or above \$300,000. Only one home was listed for less than \$100,000. Meeker and Rangely both had homes for sale at list prices of \$150,000 to \$250,000, the range realtors report most buyers fall within, but only a total of 22 homes – 14 in Meeker and five in Rangely.

The number of homes at the very upper end of the market is limited with three homes listed for sale between \$500,000 and \$600,000 and one listed for just over \$1 million. In the past 5.5 years, about 12% of all sales were for homes of 3,000 square feet or greater in size. While riverfront property in the eastern portion of the county has caught the attention of wealthy vacation home owners, their numbers are small and their impact on real estate prices elsewhere in the county appears to be negligible. Vacation home buyers often do push up home prices in many parts of Colorado and may have a more significant impact in Rio Blanco County in the future.

Homes for Sale by Area and Price Range, Fall 2009

Price Range	Meeker	Rural Meeker	Rangely	Rural Rangely	Total	Percent of Total
< \$100,000	0	0	1		1	2%
\$100,000 - \$149,999	2	0	4		6	9%
\$150,000 - \$199,999	7	0	4	1	12	19%
\$200,000 - \$249,999	7	2	1		10	16%
\$250,000- \$299,999	2	3	1	2	8	13%
\$300,000 - \$349,999	2	3			5	8%
\$350,000 - \$399,999	2	5			7	11%
\$400,000+	0	15			15	23%
Total Listings	22	28	11	3	64	100%

Source: Realtor interviews and web sites

Price differences by unit type are not discernable. There does not appear to be a standard discount for modular versus stick built production and custom homes. Many of the modular homes on the market are on acreage. Other variables including the number of acres, distance to town, water availability and views have greater impact on price than the type of home construction.

Potential buyers have limited options in terms of the types of units from which they can choose. Realtors report that townhomes are very limited in supply; the few located in both communities tend to sell quickly when placed on the market although most are in poor condition and in developments where many units function as rentals. Realtors agree that townhome product would be popular with buyers if priced below single-family homes with similar attributes – age, location, level of finish. They also seem to be pretty much of the same opinion when it comes to condominiums with a stacked-flats design (like typical apartment buildings). None felt they really fit in Rio Blanco County; homeowners want direct private access to outside and a little yard space.

While home prices have increased 75% in Rio Blanco County since 2004, they remain attractive compared to nearby market areas where employees regularly commute. The median price of homes listed for sale in Rifle, the closest of these areas to the Piceance Basin, is double the median price in

Rangely. Grand Junction is even more expensive. Prices are most attractive in Vernal, Utah yet the median there is still \$29,000 higher than in Meeker and \$81,000 higher than in Rangely.

Price Comparison – Commuting Market Areas

Community	List Price – Fall 2009
Rangely	\$155,000
Meeker	\$207,000
Rifle	\$314,000
Grand Junction	\$318,600
Vernal	\$236,000

Source: Realtor interviews and web sites

Note: For Rangely and Meeker, the figures represent the median price; for the other areas, the averages as published on Trulia.com are presented.

Although historical figures are not available for Vernal, both Rifle and Grand Junction have experienced the same overall market trends as in Rio Blanco County. By the fall of 2009, the number of sales in Rifle had declined to 2001 levels, a sharper and more severe drop than in Meeker or Rangely. Prices have dropped to about their 2007 level, which is nearly 25% lower than their 2008 peak. In Grand Junction, the number of sales in 2009 equaled approximately 50% of the number in 2007 and the median price of units sold in 2009 is about 15% lower than the 2007 peak.

Employees moving into the region often report surprise and frustration over the price of homes relative to other places they have worked. The cost of living and of homes in particular are higher in Rio Blanco County than in many other areas with significant oil and gas activity, including Louisiana, Texas and the rural Appalachians. This forces employers to pay cost of living adjustments in order to be able to hire and retain employees necessary for their operations.

PROJECTS IN THE PIPELINE

Additional choices will be available for potential homebuyers in the near future with several residential subdivisions under construction or in the planning stages.

Rangely

- Sagewood West, a 21-lot subdivision on the west side of Rangely in which infrastructure has just been completed. The developer, Grace Homes of Grand Junction, may submit a refilling for multi-family units.
- West Rangely is a proposed mixed-used development made up of several parcels totaling approximately 25 acres on the south side of Highway 64 on the town’s western edge. As envisioned, the project will include 70 residential lots on which either single family or duplex units could be constructed, developed in four phases and 24 multi-family residential units on a 1.4-acre commercial site near the highway. The development also includes a lodge/hotel that

may be an extended stay concept on 2.47 acres and a one-acre restaurant site. Both for sale and for-rent units are envisioned. Single family homes starting in the \$150,000 to \$180,000. Rents for duplex units, would start at approximately \$1,000 per month unless subsidized.

- Opportunities for infill exist throughout Rangely. Most of the privately owned vacant land is not on the market now but will become available for development as prices rise. A family trust owns considerable amount of property on the north side of town; the complexity of reaching agreement among the members of the trust could curtail development of these properties.

Meeker

- Meeker Terrance, 900 acres annexed into Meeker adjacent to airport, is suitable for mixed development with commercial, industrial and residential uses.
- Sage Hills has 69 lots per assessor records. Of those 14 are still vacant residential and 55 are single family. The first sales began in 2001 and the subdivision does not allow manufactured homes. Re-sales are happening of developed parcels, between about \$155,000 and \$465,000.
- Sanderson Hills has a total of 86 lots. Homes have been built on three of the lots. Prices for the lots now listed for sale are generally in the \$52,000 to \$55,000 range. Modular homes are allowed.
- Ridge Estates near the southwestern edge of Meeker is a newly developed subdivision with 36 lots. Most are small acreages generally ranging from about two to five acres; however, patio home lots are located in the center of the subdivision.

BUYER PROFILES

Many of the home buyers in Rio Blanco County are relocating from elsewhere, generally in order to accept a job in the energy industry or for one of the governmental agencies in the area, most notably the BLM. The cost of housing and the extent to which it varies among the communities to where they could move is often not a key consideration when they choose where to live. Other factors tend to have greater influence in their decisions.

Household composition is a key factor as to where buyers moving into the area want to live. Families with children generally prefer Meeker over Rangely due to perceptions about the quality of schools. Singles or couples are often more willing to commute to homes in Rifle for the shopping, services and entertainment.

Location and type of job are also important factors. Employees holding positions involving safety and emergency services must live within a certain distance of work and therefore cannot consider longer commutes to communities outside of Rio Blanco County.

Rangely is the preferential location for buyers looking for the best value and for employees who work in the western part of the county.

Rio Blanco County Needs Assessment

Desire for a rural, recreation-oriented lifestyle and wide open remote spaces is the catalyst for some to move to Rio Blanco County. Jobs are not the only driver of demand for homes.

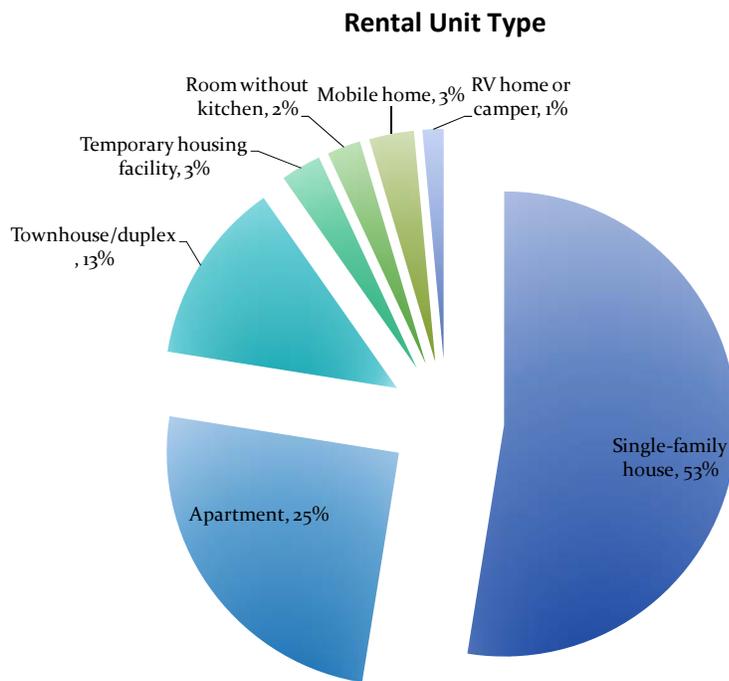
SECTION 4 - RENTAL MARKET ANALYSIS

This section of the report covers the number and type of rental units in Rio Blanco County, bedroom mix, rents, market conditions in the region, changing conditions, turnover and the desire to move either into homeownership or a different rental unit.

RENTAL SUPPLY

Approximately 653 households in Rio Blanco County are renter occupied, which equates to about 25% of all occupied housing units. As noted in the Housing Inventory section of this report, the ratio of renter households to owner households has been decreasing since 1990 and 2000, with a trend towards proportionally more ownership housing opportunities. Given current conditions however, it is anticipated that this trend towards homeownership most likely will not continue.

The majority of renter households currently live in single-family units (53%), followed by apartments (25%) and townhouse/duplex units (13%). Due to the cyclical nature of the oil and gas industry, as well as the seasonal/mobile construction industry, many workers chose to live in housing designed for short term living (9%). This estimate does not include oil and gas workers living in County-permitted temporary living quarters (TLQ's) who have been counted in population estimates but not in household estimates.



Source: 2009 Employee Survey

Rental unit type varies by community, where renters in Meeker are much more likely to live in a single-family unit (62%) than those in Rangely (39%). Rangely has a larger percentage of renters living in apartments, as well as temporary housing and mobile homes.

	Meeker	Rangely
Single-family house	62%	39%
Apartment	20%	31%
Townhouse/duplex	12%	16%
Temporary housing facility	0%	4%
Room without kitchen	3%	2%
Mobile home/RV/Camper	3%	8%
Total	100%	100%

Source: 2009 Employee Survey

RENTS

The median rent in the county is \$700, which is an increase of 86% since the 2000 Census. Median rents have increased the most in Meeker, from \$359 in 2000 to \$900 in 2009 (151% increase). While rents in Rangely did not change at the same rate as Meeker, they still increased significantly since 2000 from \$377 to \$605 per month (60%). The median rent is lower in Rangely in large part because more of the rental units in Rangely are mobile homes and apartments, which rent for less than single-family homes.

Rent prices tend to be more immediately affected than sales prices as a result of new job growth. Overall, 25% of renters have lived in the area for less than 1 year, compared to 2% of owners. This indicates that the large majority of population growth in the county historically has been at least initially housed in rental units. The volatility in rental prices is reflective of this trend, showing rapid increases since 2000. Despite these changes, interviews with property managers indicate a softening in the rental market and highlight a decreasing trend in rents charged. During the peak period, rents averaged about \$1,200 per month.

	2000	2009	% Change
Meeker	\$359	\$900	151%
Rangely	\$379	\$605	60%
Rio Blanco County Wide	\$377	\$700	86%

Source: 2009 Employee Survey; 2000 US Census

Rents vary by unit type with single-family rentals having the highest median price (\$900), followed by townhouses/duplexes (\$700) and apartments (\$580). Median rents increase by bedroom size, with a 1-bedroom unit renting for a median price of \$371 and a 4-bedroom renting for \$1,175. There is significant variation in rents paid, as shown by the minimum and maximum rents reported in the 2009 employee survey.

Rents by Bedrooms

Bedrooms	Median	Minimum	Maximum
1	\$371	\$215	\$700
2	\$700	\$350	\$1,600
3	\$850	\$300	\$3,200
4	\$1,175	\$675	\$1,500
Total	\$700	\$215	\$3,200

Source: 2009 Employee Survey

AFFORDABILITY OF RENTS

The average rent in the County is generally affordable for households with incomes at 66% AMI. It would take about 1.6 times the average retail wage to afford the median rent, while it would take less than ½ of the average mining wage. Rapid growth in the oil and gas industry through 2007 put pressure on the rental market, raising demand and prices. While their wages can support the high rental prices, service workers and essential workers can become cost-burdened or are driven out of the market.

Incomes Needed for Rents to be Affordable

Bedrooms	Median Rent	Income Needed	Approximate AMI (3-person HH)	Average Retail Wage \$20,550	Average Mining Wage \$78,622	Overall Average Wage \$54,181
1	\$371	\$17,808	35%	1.2	0.2	0.3
2	\$700	\$33,600	66%	1.6	0.4	0.6
3	\$850	\$40,800	80%	2.0	0.5	0.8
4	\$1,175	\$56,400	111%	2.7	0.7	1.0
Overall	\$700	\$33,600	66%	1.6	0.4	0.6

Source: QCEW; HUD

TURNOVER

While about 29% of renters have lived in the area a long time (more than 10 years) they tend to change residents frequently. Over half have lived in the units they now rent for less than one year, and another 37% have only lived in their current residences for up to five years. This high turnover is an indication of the volatility of the rental market, which changes rapidly with fluctuations in jobs. This has to some extent been moderated by the energy companies who are required to permit TLQ's near the job sites. However, not all workers are housed at the TLQ's and some employers master lease units for their staff in Meeker and Rangely. This causes rapid changes in occupancy levels and drives prices upwards.

Length of Residency in Home and Area – Renters Only		
	Current Residence	Area
Less than 6 months	35.0%	17.7%
6 months up to 1 year	16.2%	6.7%
1 up to 5 years	36.8%	37.5%
5 up to 10 years	7.1%	9.5%
10 up to 20 years	4.3%	10.5%
More than 20 years	0.6%	18.0%
Total	100%	100%

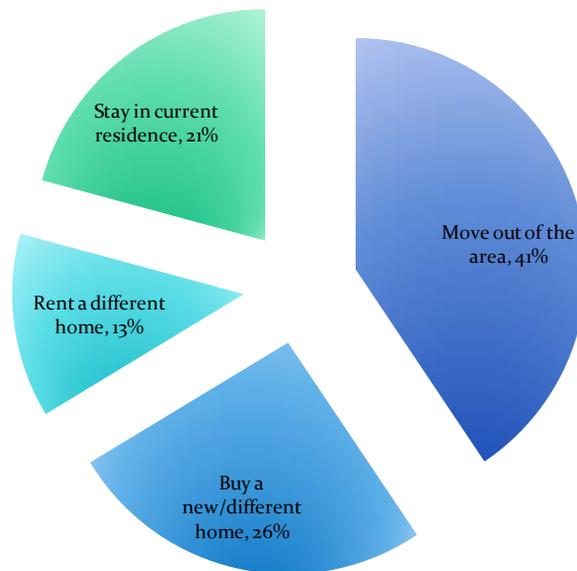
Source: 2009 Employee Survey

DESIRE TO MOVE

A large percentage of renter households (41%) indicate they will leave the area in the next 5 years. Most of those renters looking to leave the area fall into the middle of the satisfaction scale, neither very dissatisfied or very satisfied (78%) with their current residence. Those looking to leave indicate it is less a result of dissatisfaction with their current residence but with characteristics of the community. On average, these households rated the quality of the schools, community amenities and community character lower than those that want to stay in the county.

Of the 34% that want to continue renting in the County, 13% will look for a different residence to rent. This group has the highest occurrence of very dissatisfied households of any group (22%). An additional 26% of renters indicate they would like to move into homeownership.

Plans for the Next Five Years



Source: 2009 Employee Survey

MULTI-FAMILY AND SINGLE FAMILY RENTAL PROPERTIES

Property manager interviews were conducted to gain a better understanding of the rental market in the county. A summary of properties by community is provided below.

Rangely Properties

- The Rangely Apartments are a 24-unit complex, comprised of two three-story buildings. All units have two bedrooms and one bath. While there are occasional vacancies, these units fill quickly.
- Sagewood West Apartments include 60 units in two brick buildings. The units range from one to three bedrooms, with coin operated laundry on site. These units have historically been constantly full with steady waiting lists in excess of 20 prospective tenants.
- Additional single family and duplex units are available to rent throughout the community. Meeker Realty manages 26 of these units and currently has a wait list of 15 to 20 people. Three additional homes are listed for rent in the Herald Times (10.26.09).

Meeker Properties

- Sanderson Hills is a new rental development with 32 units in four buildings. They are all two bedroom/two bathroom, fully-furnished units with on-site laundry. Heating is included in rent. Rents with a 1-year lease are \$950 per month and \$1200 with a month-to-month lease. The initial occupants were energy workers. After they moved out, leasing to other employees started in July. As of October the units were about half full with full occupancy expected within 60 days. Additional apartments have been approved for Sanderson Hills but building permits have not yet been pulled.
- Playa Del Rio at 680 Water Street has 19 units. All are two bedroom/two bathroom units and rent with six month or one year leases. These units are mostly rented by singles or unrelated roommates.
- There are additional smaller rental properties, under 20 units or so, spread out across the downtown. They include some townhome product and some apartments. Listings in the Herald include: 3 townhouses (\$900), 3 houses (\$1,200-\$1,400), 1 duplex.

VACANCIES

Vacancy rates provide another measure of the health of the rental market. Typically, vacancy rates around 7% suggest some equilibrium in the market, meaning that there is sufficient supply to provide renters with a choice of product. Vacancy rates below this threshold indicate under-supply, whereas rates above this level suggest over-supply of housing.

As of July/August of this year Rangely had a low vacancy rate of about 2.7%. Interviews with property managers indicate that demand has slowed since then, particularly for the units at Sagewood West. Rio

Blanco Realty still has a wait list for their units. Those on waitlists are primarily looking for hard to find properties, including those that allow pets and/or large families. The properties in highest demand have a yard and can either be attached or detached units.

The units at Sagewood West in Rangely are less than half full, with 32 vacant units. The property used to house a large percentage of students a few years ago, however recently trended toward more oil and gas workers. The rapid drop in occupancy over the last few months has primarily been a result of the seasonal fluctuation in work and the local economy. Rentals at this property are the most expensive in town and thus are the first to show fluctuations in occupancy when jobs are lost. This further supports the volatility of the market as a result of oil and gas workers. While over the summer a number of the units were rented by Latino households, they have all left now. This group tends to be the first to leave when jobs are lost. However, the property has begun to show some recovery with more local workers moving in and the owner expects to be full again in the spring when seasonal work picks up.

Meeker has a perceptively higher vacancy rate than Rangely, however almost half of the vacancies are in the new Sanderson Hills Rental project. The project started leasing in July and was about half full by the end of October. They expect to be full by the end of the year. If these units were to fill as expected, the vacancy rate would decrease to 9.5%.

There are no vacancies in the 15 Section-8 Karen Court Units in Meeker. These units are primarily occupied by single mothers and there are currently 40 applicants on the waist list.

Vacancies				
	Units Surveyed	Vacant	Vacancy Rate	Waitlists
Rangely	113	35	31%	25
Meeker	116	19	16%	40 applicants

Source: Property manager interviews

Market Opportunity Reports by HUD indicate that the rental market is tight in the nearby markets of Glenwood Springs and Grand Junction. According to a survey by the Colorado Division of Housing, in first quarter 2009 the rental vacancy rate in Glenwood Springs was 1.5 percent, up only slightly from 1.4 percent a year earlier. In Grand Junction, the rental market was very tight in 2007 and 2008, with vacancy rates often below 2 percent. Conditions have eased somewhat in the past year, but the rental market is still somewhat tight. While the reports indicate rental market conditions may change, there continue to be opportunities for both market rate and low income tax credit rental development in the area. This is relevant in that it shows that the drop in energy jobs in the past year has not been so significant as to significantly soften rental markets in the region.

SHORT TERM RENTAL HOUSING

Short-term rental housing has historically helped absorb some of the rapid fluctuations in employment in the county. There are an estimated 324 units in permitted parks, however this number is likely

understated given the numerous private parcels in the unincorporated county with RV’s on them. County officials noted a huge demand for RV parks during peak employment periods. The parks are hard to regulate and there have been problems with makeshift parks. For this reason, the county encourages TLQ’s close to projects instead of parks. These parks tend to absorb contract and short-term workers, who compete with tourists and hunters for spaces.

RV Spaces	
Rangely Area	Sites
Buck N’ Bull RV Park and Campground LLC	30
Silversage RV and Mobile Park	65
The Aspen Grove RV Park	68
Rangely Camper Park	24
Sunrise RV Park	11
Subtotal	198
Meeker Area	
Wilderness Rendevous RV Park	20
Rimrock Campground	90
Stagecoach RV Campground (closed)	(50)
River Camp RV Park	16
Subtotal	188
Total	324

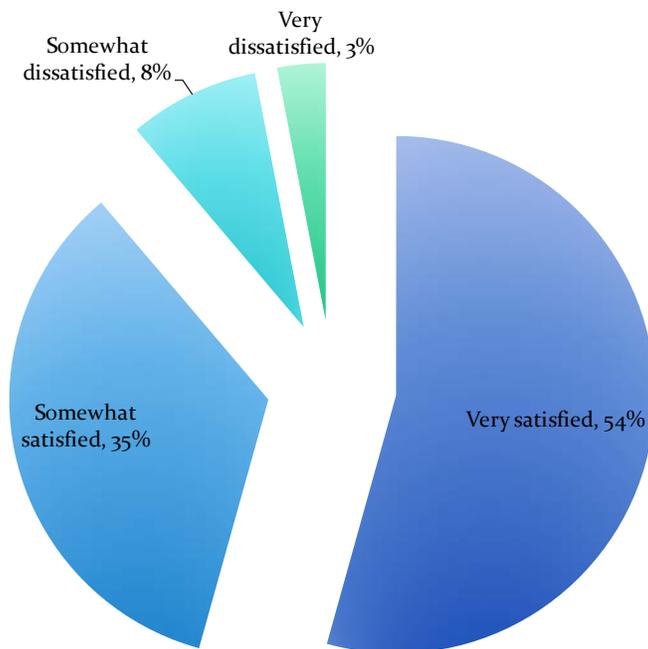
SECTION 5 - HOUSING PROBLEMS

This section of the report examines standard indicators of housing problems including satisfaction levels and reasons for dissatisfaction with housing, affordability, households at risk of foreclosure, overcrowding, employer perceptions as to the extent of the workforce housing problem, and problems that employers are experiencing directly related to housing, like inability to fill jobs.

SATISFACTION WITH HOUSING

In Rio Blanco County, satisfaction levels are relatively high compared to other communities in Colorado where comparable surveys have been conducted. The large majority of residents (89%) are satisfied with the housing in which they reside; 54% are very satisfied and 35% are somewhat satisfied. Approximately 11% of households are dissatisfied with their current residence.

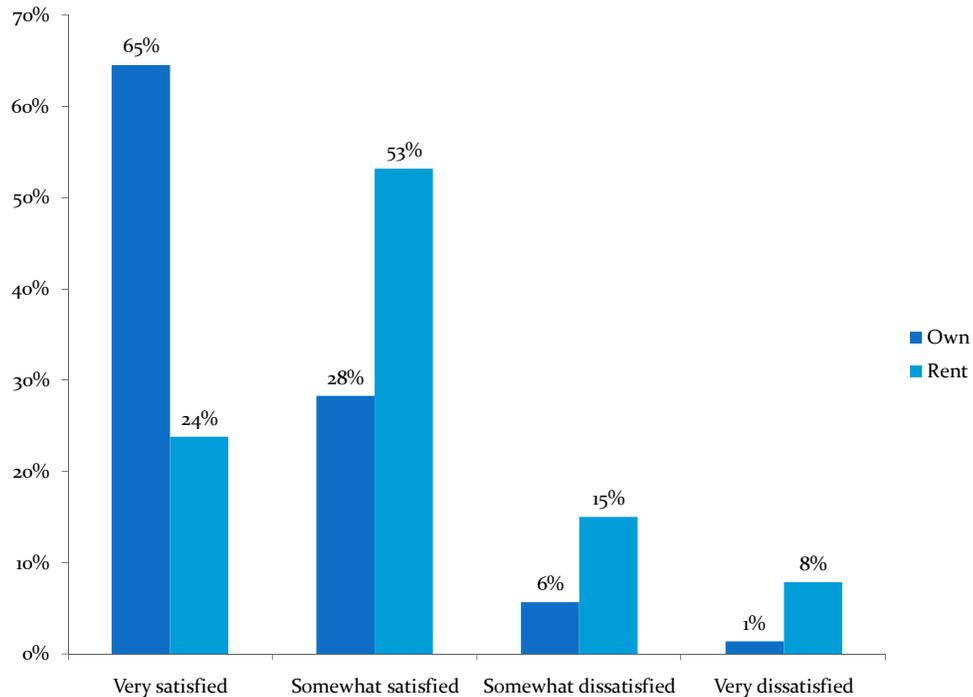
Satisfaction with Current Residence



Source: 2009 Employee Survey

Owners tend to be more satisfied with their residence than renters, which is typically the situation in most areas. Overall 65% of owners are very satisfied, compared to 24% of renters. This equates to 150 renter households that are somewhat or very dissatisfied.

Satisfaction with Current Residence



Source: 2009 Employee Survey

There is a correlation between satisfaction levels and length of time in current residence. Those residents who have lived in the area for 6 months or less are much more likely to be very dissatisfied with their residence (19%) than others. Additionally, there is also a correlation between satisfaction with current residence and the length of time living in that residence. If households are dissatisfied for very long with their housing, they tend to move. Of those households that are very dissatisfied with their current residence, 47% have lived there for less than 6 months.

Satisfaction levels vary by income. Households making less than 30% of the AMI have the highest occurrence of being very dissatisfied (10%), followed by those making between 80 and 100% AMI. Households making over 100% AMI are the most likely to be very satisfied.

Satisfaction by AMI

	<30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	100-120% AMI	120-140% AMI	Over 140% AMI
Very satisfied	55%	57%	48%	39%	52%	50%	58%
Somewhat satisfied	22%	43%	45%	44%	36%	42%	30%
Somewhat dissatisfied	12%		4%	9%	13%	6%	9%
Very dissatisfied	10%		3%	9%		2%	3%
Total	100%	100%	100%	100%	100%	100%	100%

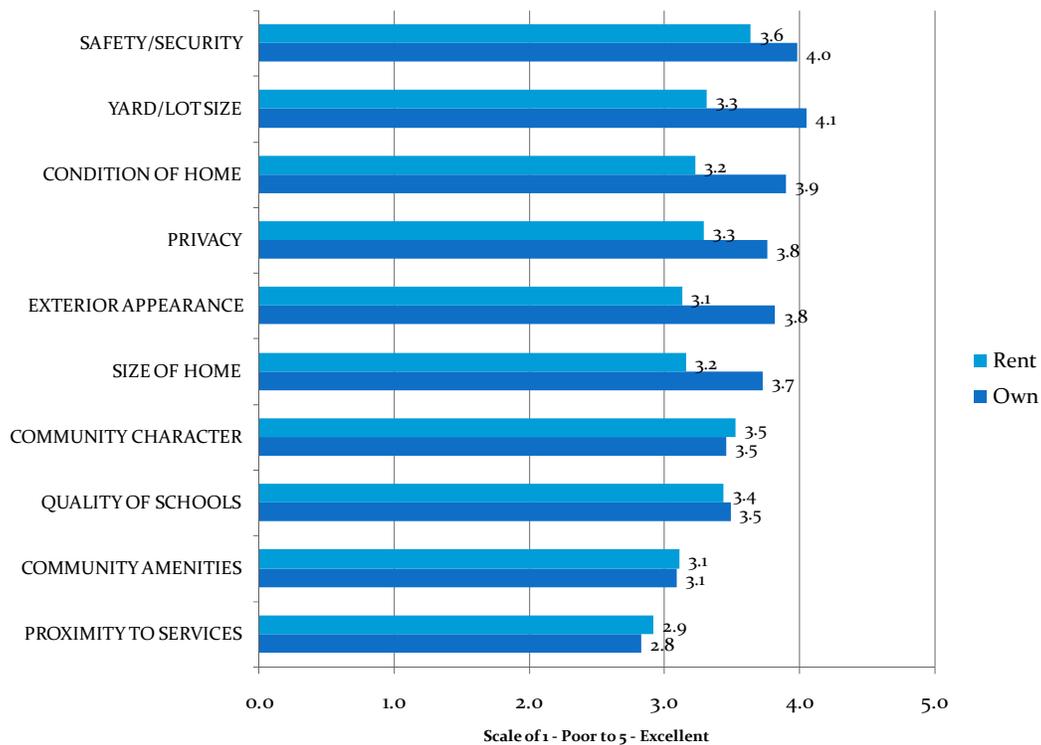
Source: 2009 Household Survey

CONDITION OF HOUSING

Owners in Rio Blanco County tend to rate the condition of their homes higher than renters in all categories. This is typical in many communities; in general owners put more time and expenditures into their homes. However, renters rated community character, community amenities and proximity to services higher than owners on average. Amenities and proximity to services were rated the lowest of all aspects of where residents now reside by both owners and renters.

The overall condition of homes is the most direct indication of the need for repair, rehabilitation or replacement. Overall, 8% of residents surveyed indicated their homes are in poor or fair condition (ratings of 1 or 2). This equates to about 206 households living in homes that are not in good condition. This estimate may be somewhat low given that people living in the worst housing in the region are the hardest to reach with a survey.

Average Ratings of Aspects of Current Residence and Location



AFFORDABILITY

Housing is typically considered affordable for households paying 30% or less of their income towards housing payments. However, given the high cost of living, the remoteness of the towns, the need to save for bust periods and the high costs of health care in the area, the 30% standard seems too high for Rio Blanco County. The calculations below assume the affordable price is based on households paying

no more than 25% of their income towards their housing payment. To afford the median priced home currently listed for sale in Rio Blanco County on less than 50 acres of land, a household would have to earn about \$81,000 per year, or 160% of the AMI.

Income Required to Afford Median Priced Home

All Listings	
Median Price	\$265,500
Income Required*	\$81,000
% AMI Required 2009**	160% AMI

Source: Rio Blanco County MLS Assessor, HUD

*Assumes 5% down, 20% of housing payment for property insurance, taxes, HOA, 5% 30 year loan.

**AMI estimate for a 3-person household.

Cost-burden is defined by HUD as a household who is paying more than 30% of their income toward their rent or mortgage. Based on this standard, nearly 23% of Rio Blanco households live in housing that is more expensive than they can afford. Renters are almost twice as likely in relative terms to be cost-burdened (32% or 210 households) than owners (18% or 345 households) but in absolute numbers there are more owners paying above what they should be paying for their home.

The percent of cost-burdened households has increased since the 2000 Census, when 21% of renters and 12% of owners reported paying more than 30% of their income towards housing. When households are cost-burdened by their housing payment, they have difficulty affording groceries, health care, transportation, clothing and other necessities. In Rio Blanco County, if we adjust the definition of affordable payments from 30% to 25%, the occurrence of cost-burdened households increases to 33%.

Percent of Income Spent on Housing Payment by Tenure

	Own	Rent	Total
Under 20%	61%	43%	55%
20-30%	21%	25%	23%
30-35%	1%	6%	3%
35-40%	2%	3%	3%
40-50%	1%	5%	2%
Over 50%	13%	19%	15%
Total	100%	100%	100%
Total % Cost Burdened	18%	32%	23%

Source: 2009 Employee Survey

HOUSEHOLDS AT RISK

Overall, 2% of households are in default or behind on their housing payments, which equates to about 50 households. An additional 5% or about 130 households are at risk of default. Renters are more likely than owners to be at risk of falling behind on their housing payment. The larger percentage of renters at risk is likely reflective of the rapid rent increases through the peak employment levels in 2007. Additionally, renters are usually more likely to live from paycheck to paycheck and to have fewer savings for periods of unemployment.

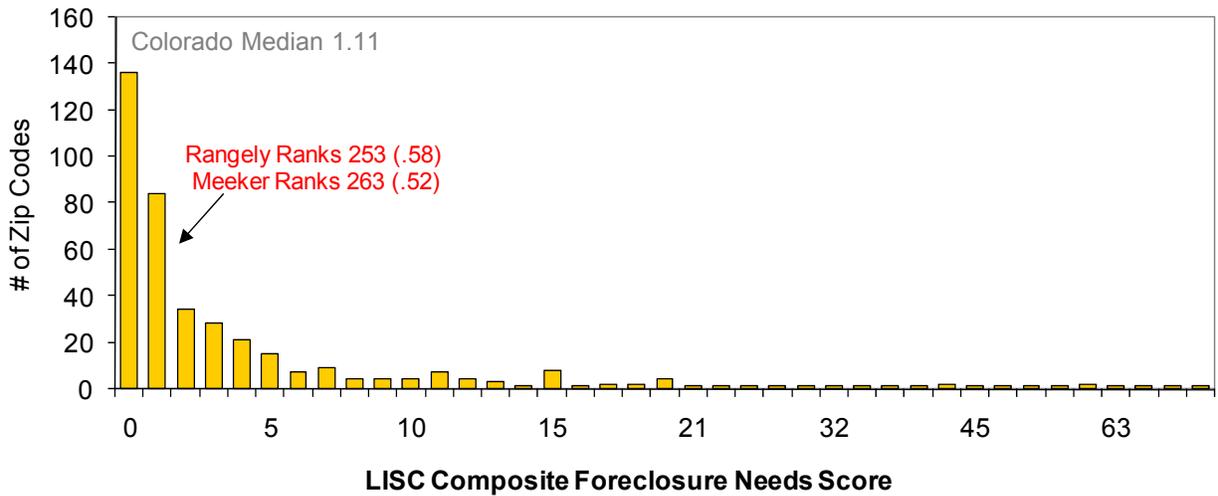
Households at Risk			
	Own	Rent	Overall
Yes, I am in default/behind	2%	2%	2%
Yes, I am at risk of default	2%	13%	5%
No	96%	85%	93%
Total	100%	100%	100%

Source: 2009 Employee Survey

The Division of Housing reports on foreclosure sales and filings per quarter in Colorado. As of the third quarter of 2009, there was only one foreclosure per 847 households in the county which is one of the lowest ratios in the state. The counties with the highest number of foreclosures per household were San Juan (46/HH), Park (55/HH), Teller (65/HH) and Adams (74/HH).

The foreclosure needs score below supports these findings, showing that the households living within Rio Blanco County are not at high risk of foreclosure compared to residents of other zip codes in Colorado. The data provides a composite measure of foreclosure needs that incorporates measures of subprime lending, foreclosures, and mortgage delinquencies to calculate a relative score, and adjusts this value by state and local vacancy rates. These summary measures ("scores") allow a summary assessment of the relative needs of different jurisdictions in a state. This approach is similar to that used by HUD to allocate Neighborhood Stabilization funds. As shown below, Meeker is ranked 263rd and Rangely is ranked 253rd out of 399 zip codes in Colorado. They are both in the 60th percentile within the state for foreclosure needs and fall below the median for Colorado. This means that 60% of zip codes in Colorado have higher foreclosure needs and that foreclosures have not been a large problem in the county.

Foreclosure Needs Scores for Colorado Codes



Source: <http://www.foreclosure-response.org>

OVERCROWDING

Results from the 2009 Household and Employee Survey indicate that about 7% of owners and 12% of renters live in overcrowded conditions (defined by having more than 1.5 residents per bedroom). This equates to about 212 households in 2009. Couples with children are more likely than other households to live in overcrowded conditions. Resident’s who are not willing to tolerate living in overcrowded conditions, particularly as they grow older, often leave their jobs and the community.

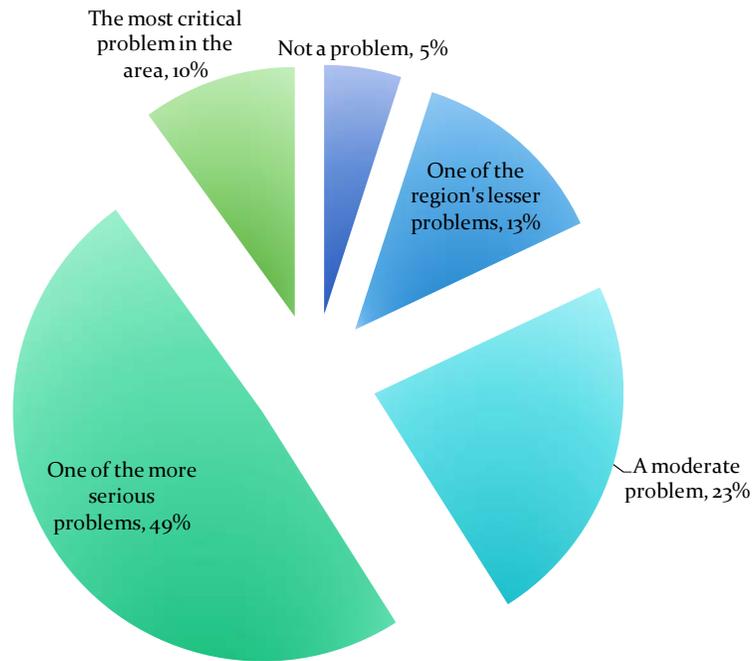
Overcrowding			
	Own	Rent	Overall
Not Crowded	93%	88%	92%
Overcrowded	7%	12%	8%
Total	100%	100%	100%

Source: 2009 Employee Survey

EMPLOYERS PERCEPTION ABOUT HOUSING

The majority of employers believe that the availability of affordable housing for the workforce in Rio Blanco County is a problem. Approximately 59% feel it is the “most critical” or “one of the more serious” problems in the region. Only 5% feel it is “not a problem”.

Extent to Which Housing is a Problem - Employers



Source: 2009 Employee Survey

EMPLOYER PROBLEMS RELATED TO HOUSING

Employers vary on their experience over recruiting and retaining employees in the last three years. Overall 20% of the employers surveyed report that their ability to recruit and retain qualified employees has gotten easier and 37% indicate it has stayed about the same in the past three years. About 27% of employers feel that their ability to find and keep employees has gotten harder. Government agencies, public transportation and public utilities are more likely to report that finding employees has become harder, while those in construction are more likely to report it has become easier.

Ability to Recruit and Retain Qualified Employees

	OVERALL
Improved/gotten easier	20%
Stayed about the same	37%
Declined/gotten harder	27%
Don't know/not applicable	15%
Total	100%

Source: 2009 Employer Survey

The employers who were surveyed reported a total of 1,301 jobs and only 25 unfilled positions, which equates to 2% of the total. Reasons for unfilled jobs were primarily because they were not looking to fill

the position, however some said it was because of a lack of qualified applicants or the position just became available.

Unfilled Jobs – Employers Surveyed	
	Total
Number of Employees	1,301
Unfilled Jobs	25
Percent Unfilled Jobs	2%

Source: 2009 Employer Survey

The employers surveyed also reported that 205 persons were not hired or left their employment last year due to various reasons, the most prevalent being the lack of housing, followed by the high cost of living, a lack of transportation, a failed drug test, and a lack of daycare. Overall about 36% of employers had at least one person who was not hired due to the cost of living and 30% reported not hiring someone or employees who left due to lack of housing.

Reason for Not Being Hired or Leaving Employment			
	# of Employees	% of Employees not Hired	% of Employers Reporting at least One Employee not Hired
Lacked housing	76	37%	30%
Cost of living too high	67	33%	36%
Lacked transportation	23	11%	8%
Failed a drug test	21	10%	9%
Lacked day care	18	9%	14%
Total	205	100%	-

Source: 2007 Employer Survey

SECTION 6 - SPECIAL NEEDS

This section of the report examines the housing-related needs of specific population groups in Rio Blanco County including seniors, victims of domestic violence, very low-income households and single-parent households.

SENIORS

CURRENT POPULATION

Persons age 65 and older comprised about 11% of Rio Blanco County’s population in 2000. According to DOLA, the percentage has remained constant through 2009 but will grow slightly by 2015 to 12%. With baby boomers growing older and the average life span increasing, the senior population in Rio Blanco County will continue to grow in absolute numbers.

The percentage of households that are occupied by seniors (persons age 65+) is higher than the percentage of the population –an estimated 18% in 2009, or 463 households. This is because senior households are smaller than other family and non-family households. Overall, 41% of senior households are individuals living alone.

The percent of senior households varies by community. Data from the US Census indicate that Meeker had a higher proportion of senior households (21%) compared to Rangely (12%). However, with the addition of the Eagle Crest Senior Center in Rangely, this proportion may have shifted a little.

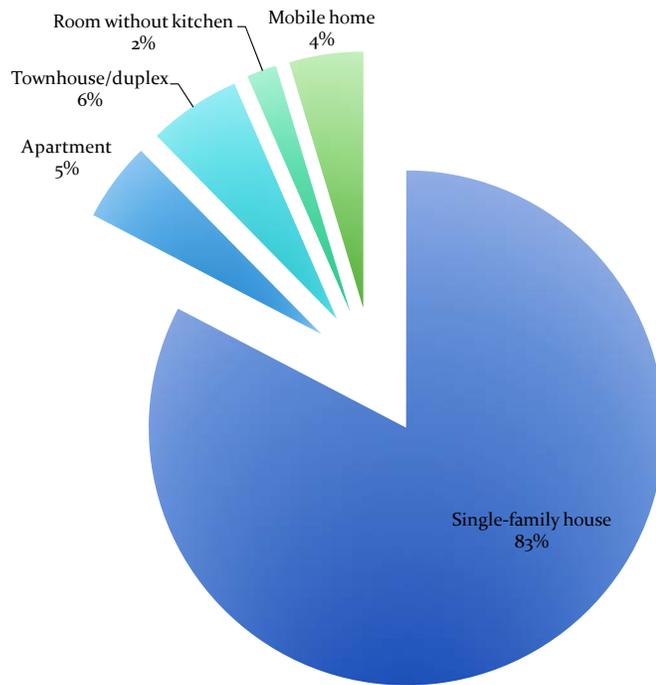
	Households	% of Senior Households
Households with one or more people 65+	463	100%
1-person household	191	41%
2-person household	272	58%

Source: 2009 Employee Survey

UNIT TYPE

The large majority of senior households are living in single-family units (83%). Only 13% of senior households live in an attached unit and 4% live in mobile homes. Even though 41% of seniors live alone, 61% live in a unit with 3 or more bedrooms.

Types of Units Occupied by Senior Households



Source: 2009 Employee Survey

While in many areas seniors prefer to downsize to a more manageable, lower-maintenance home, it does not appear to be the case in Rio Blanco County. The large majority of senior households (92%) indicated their first choice for housing is a single-family, one-story home. The most favored second choice option is a manufactured home, followed by a townhome/duplex. Very few senior households selected an apartment or RV camper trailer as one of their top three choices for housing.

Housing Type Choice			
	1st	2nd	3rd
Single-family one-story home	92.0%	4.3%	9.9%
Single-family multi-story home	1.0%	20.6%	17.2%
Manufactured home	0.0%	65.7%	29.8%
Townhome/duplex	3.8%	2.6%	30.7%
Apartment	3.1%	3.5%	7.2%
RV or camper trailer	0.0%	3.3%	5.2%
Total	100%	100%	100%

Source: 2009 Employee Survey

PLANS TO MOVE

Most of the seniors now living in Rio Blanco County (64%) plan to stay in their homes for at least the next five years. There is little interest in moving into other homes in the same community (4%), which could change depending upon the type and cost of housing available for seniors. If most seniors will stay in their homes, their housing will not become available for employees needed to fill jobs vacated by retiring employees. This means that even with no new job growth, the net demand for employee housing will increase as more housing units are occupied by retired seniors.

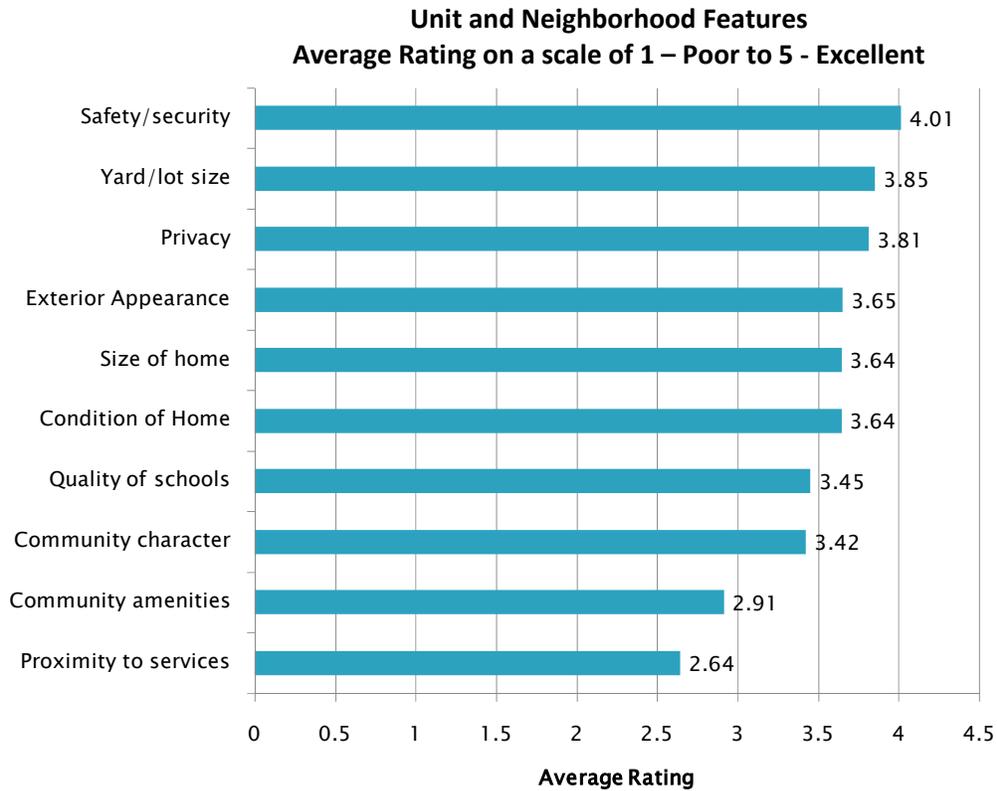
Almost one-third of senior households indicated they will leave the area in the next five years (29%). This could be a reflection of the weather and the lack of adequate facilities for seniors as they continue to age. Grand Junction was listed as the first choice community by the large majority of seniors looking to move. Grand Junction has milder winter weather and has multiple care facilities.

Where Will Live Upon Retirement	
	Overall
Stay in the same residence	64%
Move to a different residence in same community	4%
Move out of the area	29%
Other	3%
Total	100%

Source: 2009 Employee Survey

SATISFACTION WITH HOUSING

The vast majority of seniors now living in Rio Blanco County are satisfied with their current housing (91%). Less than 2% are very dissatisfied, and 8% are somewhat dissatisfied. Despite generally high satisfaction levels with their housing, seniors rated various characteristics of the community low. Both community amenities and proximity to services received below average ratings, suggesting a desire for more senior services in the county.

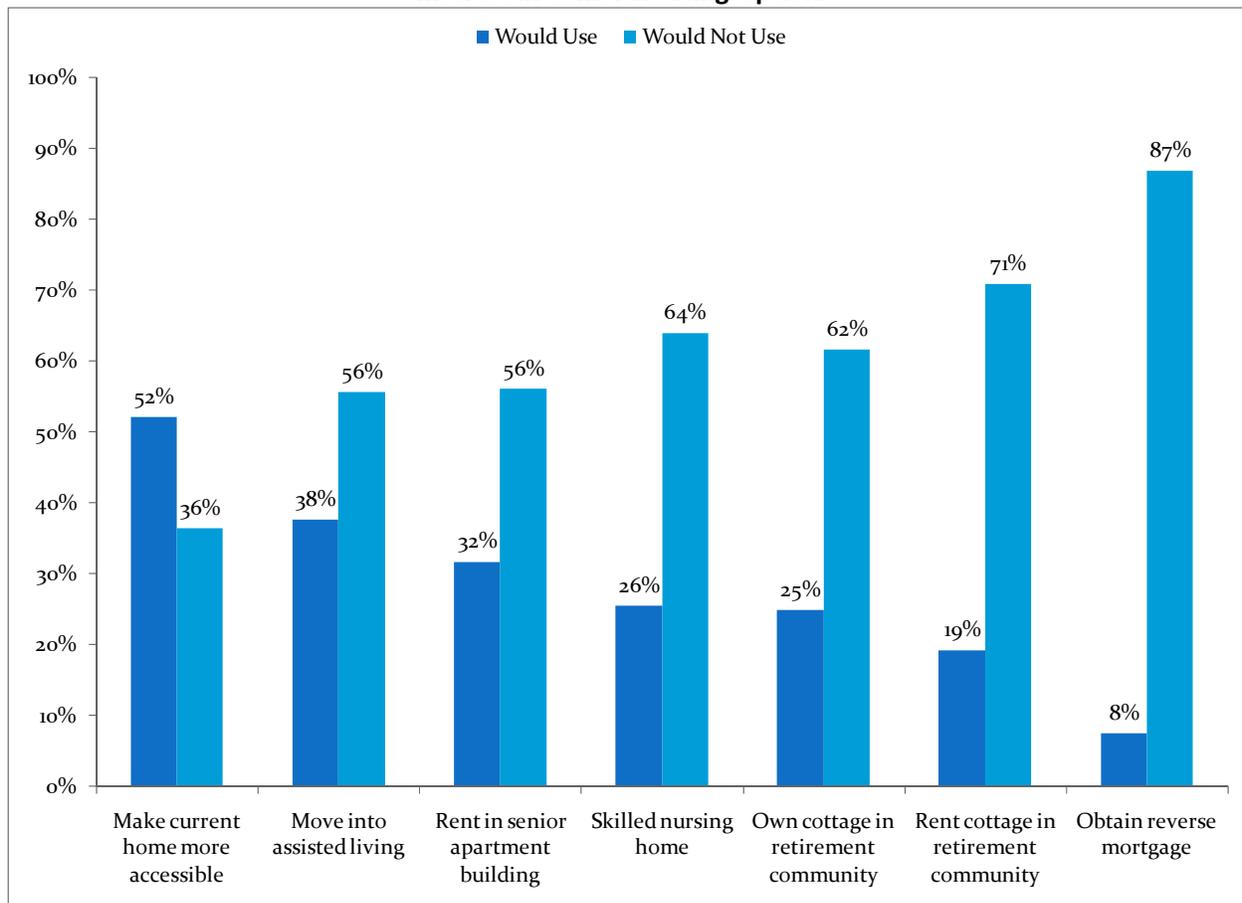


Source: 2009 Employee Survey

INTEREST IN SENIOR HOUSING OPTIONS

Households with at least one member age 65 or older were asked to indicate how likely they would be to move into senior housing or use senior housing services within the next five years. Of the seven options tested, interest is lowest in reverse mortgages and owning or renting in a retirement community. Making their current home more accessible received the highest rating, followed by moving into assisted living and renting in a senior apartment building.

Interest in Senior Housing Options



Source: 2009 Employee Survey

CURRENT SERVICES AVAILABLE

Rangely

Eagle Crest Assisted Living Center is located in Rangely. The complex consists of one double and 18 individual apartment suites, each with a private bath. The large multipurpose "living" room is furnished with a piano, television, and generous space for other activities. Eagle Crest is staffed by certified personnel 24 hours a day, seven days a week. Eagle Crest was constructed in 2001, and it took three to four years to reach capacity. Vacancy fluctuates, usually alternating with the Medical Clinic which has 8 skilled nursing beds. Most people leaving Eagle Crest move to the medical clinic, which currently has a waitlist for beds. Eagle Crest has the capacity to add eight to 12 more beds, however given the current demand does not have plans yet to expand. Many of the seniors moving into Eagle Crest previously lived in the White River Apartments. The apartments were constructed in the 1980s for low-income seniors and now also house the disabled and handicapped.

The Radino Senior Center offers weekday discounted meals to seniors. Additionally, Eagle Crest provides meals on wheels services to households. The County senior bus provides transportation

services, making 3 trips a week to the recreation center, as well as special trips to Grand Junction, Vernal, UT and other areas. The recreation center is free for individuals over 62 years old. The college also offers computer classes to seniors.

A vote will be held next spring for a new hospital. If passed, the hospital would hopefully be constructed in the next two years and would provide additional long-term care beds for seniors.

Meeker

The Pines in Meeker is managed by the Meeker Housing Authority. The complex has 21 units for the elderly and disabled. There is no income limit for residents over 62 years of age. The complex usually has a waitlist.

The County provides a total of 24 senior rental units at the Fairfield Center. These units are full and have historically remained full. There is currently a waitlist of five households for the two- bedroom units. The Chuck Wagon at the Fairfield Recreation Center offers meals Monday-Friday, excluding Thursday, for \$2.50.

Most residents leaving the Pines and the Fairfield go the Walbridge Memorial Convalescent Wing at Pioneers Hospital in Meeker. The wing is a skilled nursing facility with 33 certified beds. They currently have 29 beds occupied, which is typical. A year ago they had a waitlist of nine people. They do not have any plans to expand their services in the near future. The Meeker Streeker offers transportation to the Chuck Wagon, as well as the recreation center and other areas.

An assisted living complex was proposed near the community center however has not yet been constructed.

VICTIMS OF DOMESTIC VIOLENCE AND SEXUAL ABUSE

The police department in Rangley manages calls for safe house needs. They have access to 5 beds at a church to house victims, however these are in the same facility as AA meetings and there can be conflicts with the space available. They receive funding through victims services and lease hotel rooms when necessary. At times when funding is not sufficient, the department pays for the rooms and makes due with what is available.

The size of the community limits the potential for a permanent safehouse due to security reasons. However, neighbors and community members are very supportive and provide assistance when needed. In many cases the aggressor can be arrested and victim can remain in the house in the short term.

The Sheriffs' department manages calls for the Meeker safehouse.

VERY LOW-INCOME NEEDS

HUD defines households making 50% AMI or below as ‘very-low income’ households. In Rio Blanco County, 21% of households fall into this category (532), with 183 renter households and 343 owner households. Households in this category are particularly stressed by the cost of housing in Rio Blanco County, with 91% paying more than 30% of their income towards rent, compared to 9% of all other households.

Low Income Household Characteristics	
	Very Low Income Households
Low Income Households	532
Renters	183
Owners	343
30% AMI	\$15,350
50% AMI	\$25,550
30% Max Housing Payment	\$384
50% Max Housing Payment	\$639
% Low Income Cost Burdened	91%
% All Other Households	9%

Source: HUD, 2009 Employee Survey, RRC/Rees Calculations

Very-low income owners are most likely to live in single-family units, however compared to the entire owner household population, they are much more likely to live in a mobile home (24%) than other households (6%). Very-low income renters are more likely to live in apartments (31%) compared to other renter households (22%). This group tends to have more seniors (21%) and single parents with children (10%).

	Unit Type		
	Own	Rent	Overall
Single-family house	76%	38%	62%
Apartment		31%	12%
Townhouse/duplex		13%	5%
Temporary housing facility		6%	2%
Room without kitchen		6%	2%
Mobile home	24%	6%	17%
Total	100%	100%	100%

Source: 2009 Employee Survey

SINGLE PARENTS

Single-parent households are more likely to face difficulties finding and maintaining affordable housing. These households also typically have additional special needs relating to access to day care/childcare, health care and other supportive services. The Colorado Child Care Assistance Program has about 17 cases right now. They provide financial assistance to low-income families who are working.

Survey data indicate that about 5.7% of households in the County are single parent households, which equates to 147 households. Overall, single parent households are much more likely to be cost-burdened (43%) than households overall (23%). A very large percentage of single parent households are at risk of default (21%).

SECTION 7 - HOUSING GAPS AND FUTURE DEMAND

This section of the report examines existing housing needs and gaps, and forecasts housing demand in Rio Blanco County to 2015. It considers gaps between the cost of housing and what employees can afford. It looks at renters who want to move into ownership, and what they can spend on home purchases. For future housing demand, it provides three scenarios for job growth between now and 2015 and the need for additional housing it will generate.

EXISTING NEEDS

Housing supply and demand appear to be roughly in balance at this time. Realtors report that the inventory of homes listed for sale is about typical. Prices have dropped but do not appear to be declining further. Widespread rental vacancies that developed in late 2008 have largely disappeared following declines in rents, which have now flattened.

Some employers feel that the housing problem is now solved. They report that employees have left the area and, as a consequence, many homes are vacant and available for rent or purchase. Most vacant jobs have been filled.

These indicators do not mean, however, that all demand has been satisfied or that there is an oversupply. The housing situation is not the crisis that it was just 1.5 years ago but it is not a soft, saturated housing market. The inventory of homes listed for sale is small – generally less than one year, and particularly low in Rangely. Rental vacancies are at levels that typically suggest sufficient opportunity for additional development in lower priced and income restricted properties. The majority of employers still feel that workforce housing is the most critical or a significant problem in the area. They report difficulty filling skilled positions that require recruitment of employees from outside of the county; 27% of employers surveyed indicated it has gotten harder to fill positions in the past three years.

A variety of housing problems now exist which are quantified in the Housing Problems section of this report. Housing problems do not directly equate to the need to produce additional units, however. With housing demand and supply in approximate equilibrium at this time, the issue primarily becomes a question of how many units are needed to address gaps in pricing that make housing unaffordable for some segments of the population.

PRICE GAPS

With the escalations in both home prices and rental rates, there is a disparity between incomes and housing costs. The following table compares the incomes of renters to current rents in Rio Blanco County and the prices of homes listed for sale as of mid October. This comparison reveals that:

- The homeownership market is serving primarily upper-income households – incomes of 120% AMI or greater are required to afford over 70% of the homes listed for sale.
- No homes are available for purchase by very-low income households (incomes ≤50% AMI) and only 5 were listed at prices that households in the 50% to 80% AMI range could afford.
- Homeownership opportunities are very limited for moderate-income households (80% to 100% AMI) – only 6 units or 9% of listings as of mid October.
- Opportunities increase slightly for upper-middle income households (25% of listings are affordable for households in the 100% to 140% AMI) but choice does not improve significantly until households earn 140% AMI or greater.
- With rents now much lower than they were one year ago, there appears to be an appropriate match between the incomes of renters and rent rates; however, the tight supply has not allowed movement within the market so many low-income renters are paying rents higher than they can afford.

Rent and For-Sale Price Gaps

AMI	Max. Affordable Rent	Max Affordable Price	% of Renter Households	Rent Distribution	Distribution - Home Prices
<=50%	\$530	\$83,600	28.1%	31.0%	0
50-80%	\$850	\$133,800	25.4%	35.4%	7.7%
80-100%	\$1,060	\$166,500	6.1%	14.2%	9.2%
100-120%	\$1,270	\$199,500	8.8%	12.4%	12.3%
120-140%	\$1,480	\$232,900	11.4%	1.8%	12.3%
140+%	Over \$1,480	Over \$232,900	20.2%	5.3%	58.5%
Total			100%	100%	100%

This analysis focuses on renter households since the majority of owners want to remain in the home in which they now reside (61%) or want to move out of the area (24%). Fewer than 10% would like to buy a new/different home in Rio Blanco County. The majority of renters, however, would like to buy, rent or move; only 20% indicated they plan to stay where they are now renting.

The price gaps shown above are not unusual. The private sector response to housing demand is frequently not sufficient -- the number of units provided is not adequate and/or not provided when needed, the options in terms of housing product do not meet the varied needs of the population and the prices are too high with the low end of the market being the most underserved.

FORECASTING FUTURE DEMAND

Housing demand in Rio Blanco County is driven primarily by jobs. While some move to the area for the outdoor lifestyle- the outdoor recreation opportunities, wide open clean skies and the rural western way of life, the influx of population driven solely by these factors has been small. As realtors and others report, most who seek to buy or rent a home in either Meeker or Rangely are working somewhere in Rio Blanco County. While the retirement population is also growing the need for senior housing is covered in the Special Needs section of this report.

Future housing demand will be generated primarily by two drivers: 1) new jobs; and 2) employees replacing retirees. Since there is no significant surplus of housing to absorb future growth, employees needed to fill new jobs and to fill the existing jobs vacated by retiring employees will cause a direct and immediate increase in the demand for additional units.

Market Segments

The analysis of demand for housing generated by jobs is made especially difficult in energy-impacted areas like Rio Blanco County where exploration and construction activity creates large, temporary spikes in jobs. Not all employees generate demand for housing, however. For this complex analysis, employees are divided into three categories:

1. **Non-Resident Employees:** these are workers who are staying in the area while working temporary jobs, like construction of a pipeline or large facility like the Enterprise gas plant, or in exploration, like the seismic work being done by Exxon in the Black Sulfur Creek area. They stay in TLQ's (man camps), RV parks, motels and boarding houses. They also rent furnished apartments when available or stay in apartments master leased by their employers.
2. **In Commuters:** these are employees who hold permanent positions or have long-term employment in Rio Blanco County but who choose to live in a nearby community (primarily Rifle, followed by Vernal then Grand Junction) and commute for work.
3. **Resident Employees:** Persons who both live and work in Rio Blanco County. While there is some out commuting (living in Rio Blanco County and commuting to jobs elsewhere) the numbers are so small as to be inconsequential for this exercise.

Demand Forecasts

As shown by the table on the following page, employees will generate demand for between 124 and 447 additional housing units in the next five years depending upon the rate of growth in jobs. The low forecast assumes an increase of .7% per year in jobs while the high forecast is based on an average annual growth rate of 3.7% per year between now and 2015. The Demographic and Economic section of this report provides the rationale for the three job growth scenarios.

These estimates include housing needed for employees who will replace retiring employees who remain living in Rio Blanco County. If they move out of the county upon retirement, their housing becomes available for other employees, however only 29% indicated they plan to move away when they retire.

Forecasts of Housing Demand by 2015

	Low .7%/YR	Medium 1.8%/YR	High 3.7%/YR
Total Jobs - 2009	5,000	5,000	5,000
Projected Jobs - 2015	5,214	5,553	6,218
Increase in Jobs	214	553	1,218
Jobs per Employee	1.17	1.17	1.17
New Employees	183	473	1041
In Commuters %	30%	31%	32%
In Commuters #	55	147	333
Live/Stay in Rio Blanco County	128	326	708
Non-Resident Employees %	14%	15%	16%
Non-Resident Employees # (stay in TLQ's)	18	49	113
New Resident Employees	110	277	595
Employees per Household	1.72	1.72	1.72
Housing Demand Generated	64	161	346
% Retiring Employees	3%	4%	5%
Retiring Employees	128	171	214
Will stay in Rio Blanco Co.	71%	71%	71%
Replacement Employees Needed	91	121	152
Employees per Household	1.51	1.51	1.51
Replacement Housing Needed	60	80	101
Total Demand - New & Replacement Employees	124	241	447
Housing Demand by Area			
Based on Where Now Live			
Meeker - 40%	50	96	179
Rangely - 31%	38	75	139
Unincorporated County - 29%	36	70	130
Based on Where Want to Live			
Meeker - 41%	51	99	183
Rangely - 37%	46	89	165
Unincorporated County - 22%	27	53	98

Assumptions and Variables

These forecasts include a series of assumptions that were based on historical patterns. Public policy and housing strategies could be utilized to change these variables, with the potential for significant differences from the estimates generated herein. The key assumptions are as follows:

- **Non-Resident Employees:** the percentage of total employees housed in on-site TLQ's has ranged from approximately 16% during the boom of 2007 to 14% currently. The more workers who stay in these temporary quarters while holding jobs in Rio Blanco County, the lower the demand for housing in Meeker and Rangely. Requirements to provide more housing for employees on site or to provide transportation to homes outside of the county would reduce the estimates of housing demand. For these forecasts it has been assumed that TLQ's will be provided at levels similar to the past three years. Since job estimates do not include all temporary workers (see Demographics and Economics section of this report), employees staying in motels, RV parks and extended stay rentals have not been subtracted from the demand estimates.
- **In Commuters:** the percentage of employees who commute into Rio Blanco County from nearby communities (Rifle, Vernal and Grand Junction primarily) increased as the number of jobs increased from 30.8% in 2004 to 32.1% in 2006. Two factors could cause this percentage to shift:
 1. **Commute Distance/Road Conditions** – A new route into Piceance Basin could influence where employees live in the future. Now Rifle, Rangely and Meeker are roughly equal distance from jobs in the basin, although it varies by location within the vast basin. No new roads are likely within the next five years.
 2. **Housing Price Differentials** – The price of housing varies among the communities within a reasonable commuting distance where employees could live. Rifle is the most expensive while Rangely currently has the lowest-priced homes. If the differences change, commuting might also change. It has been assumed that commuting will continue at recent levels with 30% to 32% commuting to homes outside of the county depending upon job projections. According to historic estimates, the higher the growth in jobs, the higher the percentage of employees who commute.
- **Demand by Area** – the county-wide demand for housing has been allocated to Meeker, Rangely and unincorporated Rio Blanco County based on two distinct factors:
 1. **Where Employees Want to Live:** Survey results for first choice of where employees most want to live; and
 2. **Where Households Now Reside:** the 2009 distribution of households in Rio Blanco County.

These two methodologies produce only slightly different results. The primary difference is that Rangely would be allocated more demand if based on preferences.

- Residential Development Capacity: There are no limitations in Meeker, Rangely, Rifle, Vernal or Grand Junction that will influence where homes are built and employees live. All communities have adequate infrastructure and development capacity to accommodate the housing demand likely to materialize by 2015.

PRICE

Renters who want to move into ownership and owners who would like to buy a new or different home were asked to indicate the amount they are willing to pay. Overall, potential homebuyers indicated a median price of approximately \$158,000. There is a \$50,000 difference between what buyers are willing to pay for a home in Meeker (\$180,000) versus one in Rangely (\$130,000). Renters are able and willing to pay less than owners who want to buy a different home -- \$140,000 compared to \$180,000. The \$140,000 to \$150,000 price range is attractive to a sizeable share of the potential market (15.5% overall). Roughly one-fourth of both renters and owners indicated prices at or above \$200,000.

Amount Willing to Pay to Buy Home

	Overall	Own	Rent	Meeker	Rangely
Up to \$50,000	7.6	7.1	8.5	6.6	9.9
\$60,000 - \$70,000	0.9	1.3			1.7
\$70,000 - \$80,000	0.6	0.6	0.6	0.8	
\$80,000 - \$90,000	2.2		6.5		12.6
\$90,000 - \$100,000	4.5	1.7	10.2	3.5	9.4
\$100,000 - \$110,000	2.6	3.7	0.6	3.0	2.5
\$110,000 - \$120,000	7.9	3.8	16.0	8.3	3.6
\$120,000 - \$130,000	5.7	5.4	6.3	4.5	13.9
\$130,000 - \$140,000	2.5	2.7	2.1	3.4	
\$140,000 - \$150,000	15.3	18.1	9.7	15.1	15.0
\$150,000 - \$160,000	1.0	1.2	0.6	0.3	4.7
\$160,000 - \$170,000	1.2	1.8		0.5	
\$170,000 - \$200,000	21.8	24.9	15.8	22.8	16.5
\$200,000+	26.2	27.8	23.0	31.2	10.3
	100%	100%	100%	100%	100%
Average	\$ 178,693	\$ 189,991	\$ 156,392	\$191,235	\$136,676
Median	\$158,101	\$180,000	\$140,000	\$180,000	\$130,000

Source: 2009 Employee Survey

UNIT TYPE

Almost everyone living in Rio Blanco County (94% of those surveyed) considers living in a single-family home to be their first choice. There is also a clear preference for single-story homes over multi-story homes, a preference that is difficult to satisfy when developing affordable housing since land costs require higher density, multi-story homes (unless specifically designed for seniors). Residents of Rangely have a particularly strong preference for single-story homes.

1st Choice -- Type of Home Desired

	Overall	Own	Rent	Meeker	Rangely	Rural County
Single-family one-story home	68.5	71.8	58.4	65.9	71.0	46.1
Single-family multi-story home	25.1	24.9	25.6	30.5	19.0	53.9
Manufactured home	3.3	2.6	5.4	1.4	5.3	
Apartment	1.6	0.1	6.0	1.0	2.5	
Townhome/duplex	0.8		3.3	1.0	0.9	
Condominium	0.6	0.5	1.0		1.3	
RV or camper trailer	0.1		0.3	0.2		
Total	100%	100%	100%	100%	100%	100%

Source: 2009 Employee Survey

Renters are more likely than owners to prefer multi-family product; however, preferences for apartments is unusually low. This is likely due to their experience and perspective since all of the apartment projects in the county, with the exception of one project in Meeker, are older, unattractive, has few amenities, and are in need of updating/remodeling.

A comparison of first, second and third choices reveals that, in general, residents would prefer to live in a manufactured home if they cannot afford a stick-built home.

Housing Choices Compared

	1st	2nd	3rd
Single-family one-story home	68.5	42.0	47.7
Single-family multi-story home	25.1	26.9	16.3
Manufactured home	3.3	17.9	10.2
Apartment	1.6	5.3	9.2
Townhome/duplex	0.8	3.5	6.3
Condominium	0.6	3.1	4.3
RV or camper trailer	0.1	1.4	3.2
Single room with shared kitchen			2.6
	100%	100%	100%

Source: 2009 Employee Survey

BEDROOMS AND BATHROOMS

Overall, residents desire a home with three bedrooms and two bathrooms. Survey results confirm realtor comments on this issue. Renters indicated they need almost as many bedrooms and bathrooms as do owners.

# of Bedrooms	Number of Bedrooms and Bathrooms Needed					
	Overall	Own	Rent	Meeker	Rangely	Rural County
1	2.5	1.6	5.2	2.3	2.7	
2	17.4	15.4	23.3	14.8	20.0	
3	50.9	52.4	46.3	51.0	50.9	43.8
4	24.6	25.7	21.7	25.3	23.9	43.9
5	4.5	4.9	3.3	6.4	2.6	12.2
8	0.1		0.3	0.2		
	100%	100%	100%	100%	100%	100%
Average	3.1	3.2	3.0	3.2	3.0	3.7
# of Bathrooms						
1	10.0	6.8	19.7	9.4	11.6	
1.5	0.4	0.5		0.8		
2	71.5	72.2	69.3	64.3	78.1	57.4
2.5	1.3	1.4	1.0	2.5	0.4	
3	15.4	17.4	9.7	21.1	8.5	42.6
4	1.4	1.7	0.3	1.8	1.3	
	100	100	100	100	100	100
Average	2.1	2.1	1.9	2.2	2.0	2.4

Source: 2009 Employee Survey

LOCATION

Most residents live where they most want to live. The bold figures in the following table show that nearly 65% of Meeker’s residents consider Meeker to be their first choice of where to live and 55% of Rangely’s residents feel the same way about their town. Persons living in the rural, unincorporated areas of the county are the most pleased with where they now live – 82% indicated that living in the county is their first choice.

Overall, however, one-fourth of the county’s residents would rather live elsewhere with 16% wanting to move to Grand Junction. While Rifle and the other communities along I-70 in Garfield County including Silt and New Castle are alternatives for employees working in the Piceance Basin, few of Rio Blanco County’s residents (less than 3%) would like to live there.

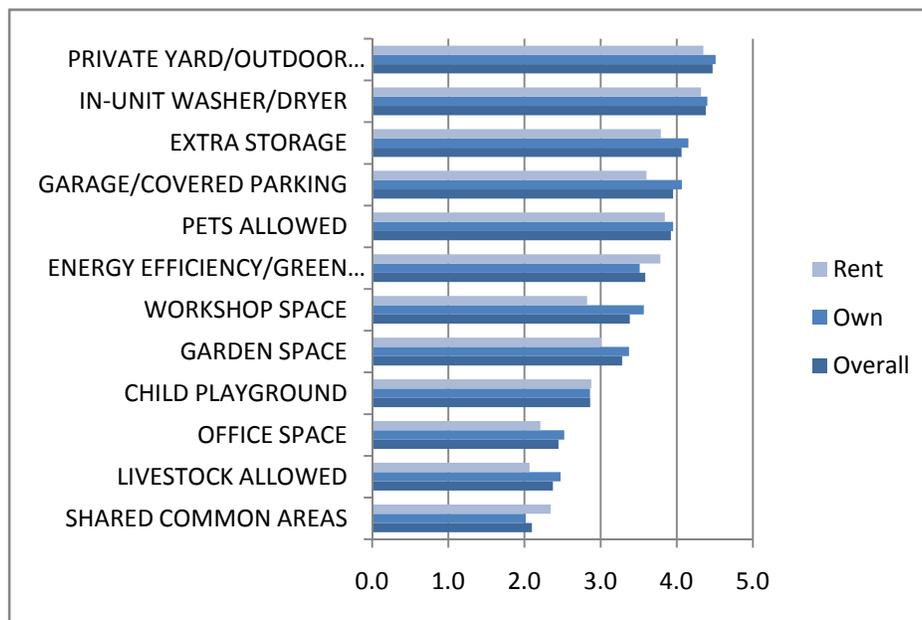
There is little desire to move within the county. No one who lives in Meeker wants to live in Rangely and very few residents of Rangely want to live in Meeker.

	1 st Choice – Where Want to Live					
	Overall	Own	Rent	Meeker	Rangely	Rural County
Craig	0.6	0.4	1.3	1.1		
Grand Junction area	16.0	15.9	15.5	7.4	23.6	18.2
Meeker	30.1	26.2	42.2	64.9	3.0	
Rangely	27.8	28.3	26.7		54.6	
Rifle	0.7	0.8	0.3	0.2	1.2	
Rural Rio Blanco Co.	16.3	18.7	9.2	18.7	8.9	81.8
Silt/New Castle	0.4	0.5		0.5		
Vernal, UT area	2.0	2.3	1.4	2.3	2.3	
Other	6.1	7.0	3.3	4.9	6.4	
	100%	100%	100%	100%	100%	100%

AMENITIES

Renters and owners generally agree concerning the importance they place on amenities, both rate private yards/outdoor space as the most important feature in their homes.

Importance of Amenities: 1=not at all important; 5=extremely important



SECTION 8 - KEY FINDINGS AND CONCLUSIONS

The housing market in Rio Blanco County is dynamic with significant shifts both upward and down in the past five years. Housing demand fueled by job growth has not been matched by increases to the housing supply and both rents and purchase prices have increased. While sale prices have since dropped slightly in the past year, they remain higher than before the boom. Rents have been very volatile, shooting upward when vacancies were so low as to be immeasurable but dropping recently to levels that are now affordable for households with incomes around 66% AMI. There is not a surplus of housing at this time, numerous households live in housing that is not affordable given their incomes, a variety of other housing problems still exist, and the majority of employers feel that workforce housing is a serious problem.

DEMOGRAPHIC AND ECONOMIC FRAMEWORK

Trends show a shift in household composition towards proportionally more households with children county wide, up from 36% in 2000 to 44% in 2009. This varies by community, where Rangely actually showed a slight decrease in the proportion of family households from 43% in 2000 to 41% in 2009.

Available data indicate that jobs peaked within the county in 2007 at 5,738 and have since then decreased by about 13% to 5,000 jobs. However, unemployment in the County, while higher than historical trends have shown, is still below the State and has been decreasing since May of this year. The total labor force during this time has been increasing, indicating that the drop in the unemployment rate is not a result of an out migration of workers. Combined, these trends indicate that the County is about at equilibrium now, where jobs are filled and workers have jobs.

There is a significant gap in wages between the two highest employing industries (mining and construction) and the next five highest employing industries (public administration, accommodation, education, health care and retail trade). This wage gap is indicative of economies that rely on natural resource extraction. The wage gap between mine and all other workers presents a danger that more people, including teachers, nurses, and police, will be left behind if renewed energy development increases the general cost of living, especially the cost of housing, in a place.

Renter incomes have increased at a faster rate than owners since 2000. This can in part be attributed to new job growth, with the largest increase occurring in the construction industry. The construction industry pays the highest average wage in the county, and employees filling new jobs tend to rent due to the mobile/seasonal nature of the industry.

The percentage of workers in the county commuting in from other areas has been increasing, from 30.5% in 2004 to 32.1% in 2006. Generally, in-commuting increases as jobs increase, particularly in an area like Rio Blanco County which experienced significant job growth in a very short period of time.

HOUSING INVENTORY

Additional diversity in the housing supply is desirable in order to enhance affordability. Nearly 80% of the county’s households live in single-family houses, which are the most expensive type of home to build and own. The trend is not in the right direction – 86% of the units for which permits were issued in the past 5.5 years were single-family homes. Focus is needed on the development of multi-family housing units -- duplexes, townhomes and apartments. The majority of residents agree, indicating by survey that they feel more apartments/condominiums and assisted living for seniors are needed. Very few residents or employers feel that additional mobile homes are desirable.

The average home in Rio Blanco County has three bedrooms and two bathrooms. There is little variation between the two towns in terms of size although homes in the unincorporated areas tend to be larger.

The rate at which new residential units have been constructed since 2004 did not come close to keeping pace with the increase in employment in the County. Job growth significantly outpaced housing unit growth. The average annual increase in the number of housing units in the county was only 1.75% per year during the past five years, which contrasted sharply with the growth in jobs. In the last 5.5 years, a total of 292 housing units were built. This compares with an increase of approximately 1,500 jobs by 2007, which later dropped to a net gain of 730 jobs in the same period.

	HH Population	Jobs	Housing Units
2004	5,870	4,344	2,938
2009	6,408	4,972	3,186
Change	538	628	292
% Change	9.2%	14.5%	8.4%

Housing is considered to be permanently affordable if it is owned by a public housing authority or financed through government programs that place limits on the rents or sale prices that can be charged. The inventory of permanently affordable units in the County is very small—only 84 units, which equates to less than 3% of the housing supply. All are rental units, most of which serve seniors; only 15 units are designed with two- and three-bedrooms for families.

The use of both RV parks and motels for employee housing impedes efforts at economic diversity. Tourists find it difficult if not impossible to find accommodations anywhere in Rio Blanco County when large construction projects are underway, which often coincide with the summer peak tourism season. If fortunate enough to get a room, the high prices that tourists and business travelers must pay keeps many from returning.

OWNERSHIP MARKET

On average, 74 residential units were sold each year during the 5.5 years from 2004 through June 2009 and thus the market in Rio Blanco County is modest in size relative to the total housing inventory or supply. With approximately 3,190 housing units in the county, the average of 74 units sold per year represents the sale of only 2.3% of the total housing inventory.

There is variation within the county in terms of availability and the extent to which the market appears to be over or under supplied:

Rangely has the smallest selection of homes available for purchase. Only 17 homes were listed for sale, which equates to a 4 month inventory based on the historical rate of sales. The number of listing is slightly lower than the typical level for fall of 18 to 19 units. Rangely prices have been the most stable since the 2008 peak and are not likely to decline further

In Meeker the supply appears to be roughly in balance with historical levels, with 22 home listings that equal an 8.8-month inventory. Buyers have some choice but the inventory is not so large as to expect continuation of the decline in prices. Additional price declines for rural properties in the eastern part of the county seem likely.

Unincorporated areas of the county have the largest inventory, with most in the eastern portion where homes tend to be the most expensive – 28 units that equal an 84-month inventory with a median price of \$405,000. Additional price declines for rural properties in the eastern part of the county seem likely.

While riverfront property in the eastern portion of the county has caught the attention of wealthy vacation home owners, their numbers are small and their impact on real estate prices elsewhere in the county appears to be negligible. Vacation home buyers may have a more significant impact in Rio Blanco County in the future and often push up home prices in many parts of Colorado.

Home prices remain attractive compared to nearby market areas where employees regularly commute. The median price of homes listed for sale in Rifle, the closest of these areas to the Piceance Basin, is double the median price in Rangely. Grand Junction is even more expensive. Prices are most attractive in Vernal, Utah yet the median there is still \$29,000 higher than in Meeker and \$81,000 higher than in Rangely.

Employees moving into the region often report surprise and frustration over the price of homes relative to other places they have worked. The cost of living and of homes in particular are higher in Rio Blanco County than in many other areas were oil, gas and natural gas including Louisiana, Texas and the rural Appalachians. This forces employers to pay cost of living adjustments in order to be able to hire and retain employees necessary for their operations.

RENTAL MARKET

The majority of renter households currently live in single-family units (53%), followed by apartments (25%) and townhouse/duplex units (13%). Due to the cyclical nature of the oil and gas industry, as well as the seasonal/mobile construction industry, many workers chose to live in housing designed for short term living (9%). This estimate does not include oil and gas workers living in County-permitted temporary living quarters (TLQ's) who have been counted in population estimates but not in household estimates.

Rent prices tend to be more immediately affected than sales prices as a result of new job growth. This indicates that the large majority of population growth in the county historically has been at least initially housed in rental units. The volatility in rental prices is reflective of this trend, showing rapid increases since 2000. Despite these changes, interviews with property managers indicate a softening in the rental market and highlight a decreasing trend in rents charged. During the peak period, rents averaged about \$1,200 per month where now they are around \$700.

Rents are generally affordable for households with incomes at 66% AMI. It would take about 1.6 times the average retail wage to afford the median rent, while it would take less than ½ of the average mining wage. Rapid growth in the oil and gas industry through 2007 put pressure on the rental market, raising demand and prices. While their wages can support the high rental prices, service workers and essential workers can become cost burdened or driven out of the market.

High turnover in the rental market is indicative of the rapid fluctuations in jobs. This has to some extent been moderated by the energy companies who are required to permit TLQ's near the job sites. However, not all workers are housed at the TLQ's and some employers master lease units for their staff in Meeker and Rangely. This causes rapid changes in occupancy levels and drives prices upwards.

HOUSING PROBLEMS

The vast majority of Rio Blanco County's residents (89%) are satisfied with their housing. While satisfaction levels are unusually high, approximately 150 renter households are somewhat or very dissatisfied with the homes in which they reside. Residents who have moved to Rio Blanco County recently and low income residents are often dissatisfied with their housing than are long-term residents and households with incomes above 100% AMI.

At least 200 households are living in homes that are not in good condition. Proximity to services and community amenities were the aspects of where residents now reside that they rated the lowest.

Approximately 210 renter households and 345 homeowners are cost-burdened by HUDs definition (spend more than 30% of their income on their housing payment). The percentage of both owners and renters who are cost burdened has increased significantly since 2000, for renters increasing from 31% to 32% and for owners rising from 12% to 18%.

Survey results indicate 50 households are behind in their housing payments or in default and another 130 households are at risk of default. Compared to other areas in Colorado, however, the number of foreclosures in Rio Blanco County is very small. The likelihood of future foreclosures is also considered to be lower than in about 60% of the state.

An estimated 212 housing units are overcrowded – 7% or 134 owner-occupied units and 12% or 78 renter-occupied units.

The majority of employers (59%) feel that the availability of affordable housing for the workforce is still the “most critical problem” or “one of the more serious problems” in the area. While 20% report it has gotten easier to recruit and retain qualified employees, 27% report it has gotten harder. Nearly one-third reported that they have not hired employees or had employees leave due to housing. Employers, however, reported very few unfilled positions at the time of the survey – only about 2% of their jobs.

SPECIAL NEEDS

Rio Blanco County’s senior population has not grown in relative terms but the number of seniors is increasing along with the population. Most seniors are living in single-family homes with three bedrooms. They expressed little interest in moving into a retirement community but over half would live to make their current home more accessible, 38% indicated they would likely move into assisted living and 32% would rent in a senior apartment in the next five years.

Approximately 530 very low income households (\leq 50% AMI) reside in Rio Blanco County. Almost all of them (91%) live in housing that is too expensive relative to their incomes and are defined as cost burdened. Most live in single-family homes.

Nearly 150 single-parent families reside in Rio Blanco County. They are more likely to be cost burdened by high housing payments and to be at risk of default than other families.

HOUSING GAPS AND FUTURE DEMAND

Housing supply and demand appear to be roughly in balance at this time. Realtors report that the inventory of homes listed for sale is about typical. Prices have dropped but do not appear to be declining further. Widespread rental vacancies that developed in late 2008 have largely disappeared following declines in rents, which have now flattened. However, the housing situation is not the crisis that it was just 1.5 years ago but it is not a soft, saturated housing market. The inventory of homes listed for sale is small – generally less than one year, and particularly low in Rangely. Rental vacancies are at levels that typically suggest sufficient opportunity for additional development in lower priced and income-restricted units.

While 80% of renters have incomes less than 140% AMI, only 40% of homes are potentially affordable for them. Opportunities to buy are limited for low, moderate and even middle income households. Rents generally line up well with incomes, however, the high number of renter households that are cost burdened and the low rental vacancy rates are indications that market conditions are so tight as to hamper matches between renters and the units they can afford.

Housing demand in Rio Blanco County is driven primarily by jobs. While some move to the area for the outdoor lifestyle- the outdoor recreation opportunities, wide open clean skies and the rural western way of life, the influx of population driven solely by these factors has been small. Future housing demand will be generated primarily by two drivers: 1) new jobs; and 2) employees replacing retirees. Since there is no significant surplus of housing to absorb future growth, employees needed to fill new jobs and to fill the existing jobs vacated by retiring employees will cause a direct and immediate increase in the demand for additional units.

Employees will generate demand for between 124 and 447 additional housing units in the next five years depending upon the rate of growth in jobs. The low forecast assumes an increase of .7% per year in jobs while the high forecast is based on an average annual growth rate of 3.7% per year between now and 2015. The Demographics and Economics section of this report provides the rationale for the three job growth scenarios.

These estimates include housing needed for employees who will replace retiring employees who remain living in Rio Blanco County. If they move out of the county upon retirement, their housing becomes available for other employees, however only 29% indicated they plan to move away when they retire.

Renters who want to move into ownership and owners who would like to buy a new or different home were asked to indicate the amount they are willing to pay. Overall, potential homebuyers indicated a median price they would pay for a home is \$158,000. There is a \$50,000 difference between what buyers are willing to pay for a home in Meeker (\$180,000) versus one in Rangely (\$130,000). Renters are able and willing to pay less than owners who want to buy a different home -- \$140,000 compared to \$180,000. The \$140,000 to \$150,000 price range is attractive to a sizeable share of the potential market (15.5% overall). Roughly one-fourth of both renters and owners indicated prices at or above \$200,000.

Almost everyone living in Rio Blanco County (94% of those surveyed) considers living in single-family home to be their first choice. There is also a clear preference for single-story homes over multi-story homes, a preference that is difficult to satisfy when developing affordable housing since land costs require higher density, multi-story homes (unless specifically designed for seniors). Residents of Rangely have a particularly strong preference for single-story homes.

Renters are more likely than owners to prefer multi-family product; however, preferences for apartments is unusually low. This is likely due to their experience and perspective since all of the apartment projects in the county, with the exception of one project in Meeker, is older, unattractive, has few amenities, and are in need of updating/remodeling.

Most residents live where they most want to live. Persons living in the rural, unincorporated areas of the county are the most pleased with where they now live – 82% indicated that living in the county is their first choice. Overall, however, one-fourth of the county’s residents would rather live elsewhere with 16% wanting to move to Grand Junction. While Rifle and the other communities along I-70 in Garfield County including Silt and New Castle are alternatives for employees working in the Piceance Basin, few of Rio Blanco County’s residents (less than 3%) would like to live there.

SECTION 9 - COMMUNITY RESOURCES AND TOOLS

This section of the report examines opportunities for addressing the housing needs identified. It considers financial resources, land availability, infrastructure capacity, residential development capacity, public opinions about affordable housing, and the willingness of employers to provide housing assistance. It concludes with identification of potential strategies that could be effectively utilized to address needs given available resources and the opportunities they generate.

FINANCIAL RESOURCES

To address existing and future affordable housing needs to the degree necessary to sustain a diversified labor force, local sources of funding are imperative.

Federal and State

Several sources of Federal and state subsidies exist including the Department of Housing and Urban Development (HUD), the US Department of Agriculture/Office of Rural Development (USDA), the Colorado Housing and Finance Authority (CHFA), and the Colorado Division of Housing (primarily Community Development Block Grants and Impact Assistance). These programs can not alone meet the housing needs that the private sector does not address due to a combination of factors:

- All of these programs are competitive with funding usually far below the level of requests;
- They each have complicated regulations and eligibility standards;
- They never provide 100% of the funds needed but generally function as a source of gap financing, acting as a catalyst for development that otherwise would not likely happen.
- The funds are used to serve low and moderate income households and are therefore not available for efforts to attract management level employees into Rio Blanco County, keeping their high incomes from commuting into Garfield and Mesa counties. (Note: Impact Assistance is the only one of these programs without firm income eligibility limits.)
- Federal assistance has been used to support the development of senior housing in both communities and 24 units for low-income families in Meeker, and funds from the Colorado Division of Housing have helped fund completion of infrastructure in a single-family subdivision in Rangely, where the Town now owns lots available for development.

CCITF (County Trust Fund)

Rio Blanco County established a trust fund during the early days of oil shale exploration when direct distribution revenues exceeded expenses. Income from this fund has been used for a variety of purposes including housing. In 2009, seven awards were made from this fund totaling \$270,000, which included \$62,000 for rehabilitation of White River Village, a senior apartment project in Rangely. There are many competing uses for these funds including schools and roads. Housing has not historically been a priority for this fund.

Meeker

The Freeman Fairfield Trust has a balance of over \$300,000. It is unclear as to whether or not housing is an eligible use for the revenues from Trust.

Rangely

The Town of Rangely has a Housing Assistance Fund with a current balance of approximately \$650,000. Proceeds from the sale of Town-owned lots are placed into a fund. The Fund has been used for various housing-related purposes including as match to grants from DOLA for infrastructure serving residential subdivisions and to purchase blighted property.

MORTGAGE AND DOWN PAYMENT AVAILABILITY

Banks and mortgage companies offer conventional, FHA, VA and FSA-guaranteed loan products in Rio Blanco County. Almost all are sold on the secondary market; local lenders retain few home loans in their portfolios. FHA is commonly used for manufactured housing. Lenders report little demand for Jumbo loans; vacation home and other upper-end buyers usually pay cash or obtain their loans from home banks with which they have established financial relationships.

Since the mortgage crisis of 2007/08, lending standards have become very stringent. The industry is still in the shake-out process and has not fully defined what the new credit standards will be. It appears that credit is beginning to ease up but underwriting remains harder and it takes much longer to process applications. Loans that typically took two weeks for approval are now taking about six weeks.

Banks are not providing speculative loans. Prior to the mortgage meltdown, homes would be developed much more quickly on lots in new subdivisions as builders were able to obtain construction loans without presales. Now, buyers must be committed. This has slowed building on new subdivisions in Meeker and Rangely. Lenders do not feel that this impediment to home construction can be addressed locally – the industry must redefine lending practices before loan availability will significantly change.

Lenders report that slightly more than half of their borrowers in Rio Blanco County are local residents moving up within the area. About 30% are relocating employees and the remaining 15% to 20% are first-time buyers. This has shifted in the last year. During boom periods, the majority of their business is

from relocation. The number of first-time buyers remains steady, fluctuating little between boom and bust periods. There are a couple of explanations for this: 1) renters are able to move into ownership as their family circumstances dictate – they are not forced to wait until the next economic boom in order to buy; and 2) the economic gains realized by renters during boom periods is not sufficient for them to move into ownership.

During the last boom, many energy-related employees moved to Rio Blanco County from Louisiana and other market areas where housing is less expensive. The equity they obtained from the sale of their homes was often not adequate for down payments in Rio Blanco County. An employer-supported pool for down payment assistance was considered at that time but no longer appears needed. Relocation is down, and the few employees moving into the area now tend to be from other comparably-priced market areas, like Wyoming.

CHFA is typically not utilized by lenders in the area for down payment assistance, and there are no other down payment programs covering Rio Blanco County. Lenders do not feel that the lack of down payments is a very significant impediment. They have conventional financing with 5% down and FHA requires only 3.5% at closing. Lenders report that their greatest difficulties are:

Appraisals – It is difficult to find appropriate comparables to use for calculating value with so few recent sales. With declining prices, it is sometimes difficult to support the contract price.

Poor Credit – Scores of over 700 are now required to get into the “A” risk category. This is an impediment nationwide and not unique to Rio Blanco County.

Irregular Employment – With the volatility in the oil/gas industry, employees often show variation in income that underwriters find unacceptable, a problem that is fairly common in Rio Blanco County.

It tends to be a little easier to obtain approvals for mortgages in Rangely than in Meeker. In Rangely, the lack of variety in housing is a plus. Appraisers typically find it easier to find comparable sales. In Meeker, there are more self employed/contract employees who are comparatively difficult to underwrite while Rangely has a higher percentage of employees with W-2 income.

LAND

The price of land is a key variable in the price of housing. Provision of publicly-owned land below market prices through partnerships with developers or long-term leases is a common strategy for achieving desired affordability levels. This type of strategy appears feasible in Rio Blanco County where several parcels of publicly-owned property are appropriate for housing development.

Rangely

There is ample land within Rangely to accommodate the level of residential growth envisioned by the scenarios presented in the Housing Demand section of this report. Some is in a family trust and not likely to be developed in the near future. Other privately-owned parcels are available for the development of market-priced housing but, without subsidies, will not produce housing for low and moderate income households. The Town owns a sizable inventory of land zoned for residential development including:

- 10 lots adjacent to the senior center and White River Village senior apartments ideally situated for the development of additional senior housing; parcel size lends itself to a couple of different projects, perhaps duplexes or small, single-story modular homes.
- Six lots in two subdivisions on Ridgeview Circle and La Mesa Circle, which is on the mesa near CNCC; lots are generally priced in the \$23,000 to \$33,000 range and are suitable for mid- to upper-end single-family homes;
- Three lots in the Dragon Wash subdivision priced in the \$15,000 range; modular homes are allowed.
- Approximately 40 lots in College View Estates on the hillside below CNCC that might be suitable for multi-family development provided the project could support the cost of substantial earthwork.

Meeker

Several publicly-owned parcels in Meeker also appear to be potential sites for the development of affordable housing including:

- Most of a block across from the hospital owned by the Meeker Housing Authority owns is now being used for overflow parking by the hospital. The hospital will likely move at some point in the future, no longer needing the lot. Development of a portion of the site in the meantime could be feasible.
- Parcels in Sanderson Hills owned by the Town and the school district combined equal approximately 10 acres. The parcels are above the single family homes and are now zoned R1. A zoning change to allow higher density units would be required but utilities are available, streets have been completed and the views are good. While it was once considered as a site for the new elementary school, housing now appears to be the best use for the land.

- The Town also owns 117 acres west of town purchased primarily for open space. The purchase agreement also allows a portion of the site to accommodate an assisted living facility. The site is somewhat remote and there are environmental constraints including rock fall and poor soils making it less appropriate for assisted living than a private-owned site in the Sanderson Hills subdivision.
- Meeker Terrace is a 900-acre tract annexed into Meeker but about one mile from water and sewer lines. While it is privately owned, through partnerships and participating in infrastructure funding affordable housing could be one of the many uses for the land. Meeker Terrace could also serve other public purposes as a site for the new hospital.

The cost to extend utilities will be expensive – an estimate of \$1.5 million several years ago for just the water line. The Town could apply for grants or low-interest loans to help fund infrastructure but would go against standard policy of requiring developers to pay for their utilities. Providing some land within the development for affordable housing could be the justification for the subsidy. Participation by the special districts in the Meeker area could also help more a private initiative forward.

Unincorporated County

There are no areas in rural, unincorporated Rio Blanco County suitable for the development of a significant amount of employee housing. The lack and quality of water and the lack of wastewater treatment are impediments.

RESIDENTIAL DEVELOPMENT CAPACITY

Local home builders do not appear to have the capacity to respond to significant increases in housing demand. The four to five home builders who are Rangely based have historically built a rough average of four to five units per year. Other residential construction must be done by out-of-town contractors as was the case in 2006 through 2008. In Meeker, local builders have been building approximately 10 to 15 homes per year. Since local builders cannot afford to hire the quality labor they would need to expand during boom times, it is unlikely that they will be able to respond as housing demand increases.

HOUSING EXPERTISE AND ADMINISTRATIVE CAPACITY

Both Meeker and Rangely have housing authorities that own and manage affordable housing. In Meeker, the housing authority board oversees a senior apartment project and a small family apartment complex. The board does not have any plans at this time to expand their role or the housing authority's responsibilities. In Rangely, the Town Council now functions as the housing authority board when needed for issues regarding operation/maintenance of White River Village, the authority's only property.

INFRASTRUCTURE CAPACITY

Meeker

The Town of Meeker's senior water rights could serve a population of 10,000, which would roughly quadruple the size of the town. The Town also has strong junior rights that have not been taken into account in this estimate capacity. In other words, it does not appear that water or other factors will limit the community's capacity for residential growth.

Rangely

In Rangely, all utilities are provided by the Town. Current water and wastewater systems have the capacity to serve a population of between 6,000 and 8,000 though some officials feel a population of around 5,000, which is a little more than double the current size of the community, would be more appropriate and better served.

Unincorporated County

In unincorporated Rio Blanco County, water availability and water quality are both limitations on development near the jobs in the Piceance Basin. Developing new communities to accommodate the additional influx of energy employees into the region does not appear to be a viable or desirable option.

PUBLIC OPINIONS ABOUT AFFORDABLE HOUSING

Concerning the need for more affordable housing, more than half of respondents to the master plan Community Survey indicated that affordable housing is needed in Rio Blanco County. Respondents were provided with four statements regarding affordable housing in the County and were asked to indicate which ones they agreed with most.

- 53% said affordable housing is needed in Rio Blanco County;
- 20% said Rio Blanco County should take aggressive efforts to provide housing that is affordable;
- 20% said the County should not concern itself with affordable housing issues; and
- 8% said Rio Blanco County has enough affordable housing.

Opinions as to what is "affordable" vary around Rio Blanco County. Residents who remember what home prices were like in the 1990's think that affordable housing should cost less than \$100,000. Employees moving in from other oil/gas areas like Louisiana where housing prices are so much lower also have a mindset as to what they should be paying for housing, which is usually less than prices in Rio Blanco County.

Community officials who have long been concerned about the affordability and availability of housing seem to perceive that rents are affordable in the \$500 to \$650 per month range and that entry-level ownership should be available for between \$100,000 and \$150,000. Given that it costs about \$85 per

square foot (hard costs only not including land, design, permits, utility extensions or financing costs) for modular construction, these prices are lower than what the free market can meet without subsidies. In the near term, free-market rentals will likely start at about \$1,000 per month and small single-family starter homes will likely range from about \$150,000 to \$200,000, significantly higher than what many residents of Rio Blanco County feel is affordable.

Another perception that appears to be common is that the County government curtails home building by being overly restrictive, inconsistent in the application of their requirements and slow. The County is perceived as an impediment to affordable housing. The Town of Rangely is generally viewed as being the most friendly to residential developers while opinions about the Town of Meeker's relationship with builders being somewhere in between.

EMPLOYER-ASSISTED HOUSING

Of employers surveyed, 18% provided some type of housing assistance for their employees. Combined they assisted approximately 6% of their employees. They provide rent subsidies, purchase homes they then rent to employees and provide housing search assistance. While this is significant, it is not a widespread practice. As is often the case when employers start helping employees with housing, the critical service providers have been the first to do so in Rio Blanco County. In Rangely, the school district, hospital, college, the Town of Rangely and several small employers provide some type of housing assistance.

Housing is often provided for drilling and for large construction projects in remote locations. By requiring employers to submit a housing plan to the County for large projects in the future, the number of employees housed on site might increase.

Based on survey responses, it is unlikely that additional employers will start providing housing for their employees in the near future. Most indicated they would not consider any of the five options presented for providing various types of rental or ownership assistance.

SECTION 10 - RECOMMENDATIONS FOR AN ACTION PLAN

These are ideas, not well-defined strategies. They are intended to provoke consideration and questions. These concepts were generated by suggestions from Rio Blanco County residents and from efforts made in other communities and counties to provide affordable housing. They are responsive to identified needs, some more so than others. No priority has been established, however. These ideas could be worked into strategies that define tasks, assign responsibilities, specify timing and identify funding through a strategic planning process.

Provide Town-Owned Land

Both Meeker and Rangely own land suitable for residential development. Some of this land could be provided at below market prices or outright through a partnership. The level of the subsidy would depend upon the income to be targeted. Providing housing that is affordable for low-income housing generally require that the land be provided at no cost or that other subsidies, like tax credits, are utilized.

Develop Affordable Rental Housing

Develop rental housing that can only be occupied by year-round, permanent residents of the community thereby taking away the upward pressure in rents caused by the influx of energy workers and the relatively high wages they earn.

Pursue construction of a modest-size Low-Income Housing Tax Credit project in each town, possibly by attracting an experienced tax credit developer (private or non profit) through an RFP process. Projects should serve a mix of incomes with most of the units restricted at the maximum allowed – 60% AMI. Providing Town-owned land would improve the feasibility and quality of the development.

Develop mechanisms for setting rents at levels that are affordable for low-income households on a portion of the units produced by private developers in exchange for fee waivers, land, direct financial subsidies or some combination. Other possibilities include the imposition of income, residency and/or employment criteria.

Rio Blanco County Needs Assessment

Develop Permanently-Affordable Ownership

Provide public funds for a Shared Equity program where monies are used to reduce the mortgage required thereby making the home more affordable, and are then repaid upon sale of the home with a proportionate share of the appreciation returned for use helping another buyer.

Use Town-owned land for a sweat equity approach to ownership for very-low income households, such as Rural Development's Self Help Build program or the Habitat for Humanity model.

Reduce Impacts of Boom

Consider setting thresholds or triggers as to when employers are required to build housing on site or transport their employees to housing outside of the county.

Address Impacts of Large Vacation Homes

Encourage Accessory Dwelling Units (ADU's) to be constructed as housing quarters for employees in conjunction with large homes. Provide incentives in exchange for covenants on use.

Consider residential linkage (a type of impact fee) on large residential units

Monitor the Market, Communicate, Outreach

Encourage realtors to form a Rio Blanco County association and MLS to make it easier to track market conditions and assess demand, thereby helping builders and lenders assess opportunities and risk.

Address concerns about the County's building process, perhaps setting up an application review system that prioritizes projects with affordable housing.

Develop a tracking system to establish a data base (household size and type, income, etc) on persons who express an interest in obtaining affordable housing to help design projects that meet their needs.

Preserve Existing Affordable Units

Offer housing rehabilitation and weatherization to low-income residents, possibly through expansion of a regional program.

Preserve mobile home parks as affordable housing by requiring replacement of some or all units that might be lost to redevelopment with low-cost alternatives. Or, encourage redevelopment through

partnerships that provide mixed-income housing, providing affordable options for former residents of the parks.

Continue to allocate resources to repair and upgrade existing affordable properties.

Re-evaluate the County Impact Fee Language

Revisit the language in the county impact fee and consider including the impacts of new development on the affordability and availability of housing.

Develop Partnerships/Alliances

Develop a partnership among the land owners, special districts, and one or more of the gas companies in the area for development of Meeker Terrace. Use the gas company's equipment and employees to do earthwork, utility extensions, streets, etc. during their slower times in exchange for employee housing.

Create other alliances/partnerships for the development of essential employee housing involving the municipalities and special districts. Since none have expertise in housing design, finance or other aspects of development, it would be necessary to support these partnerships with capable staffing.

Explore partnering with CNCC for rental housing that could serve both employees and students.

Consider a partnership with the Rangely School District for conversion of part or all of the school now listed for sale into affordable housing for teachers and other essential employees.

Four considerations are fundamental to the potential strategies presented above:

Rental Housing Is Top Priority: Renters are the most impacted by boom periods with the competition for units from the influx of high-wage employees who drive rents upward. With mortgages being more difficult to obtain than in recent history, renters will not be able to easily move into ownership.

Action Is Needed Now: Waiting until the housing situation reaches a crisis again is ill advised since it takes two to three years to plan, finance and build housing. The lag between demand being generated and the completion of units would cause additional price increases.

Government Involvement is Necessary: While under ideal, free-market conditions, private enterprise would respond to demand and the supply of housing would tend to be in equilibrium with demand, this is often not the case in many Colorado market areas and throughout the mountain west. A combination of factors lead to an imbalance between housing demand and supply that leads to increases in price above which many employees can afford. In Rio Blanco County, these factors include: high risk

associated with wide swings in employment and unusually high market volatility, high development costs, insufficient local capacity and competition from nearby market areas.

Expertise and Time Is Required: None of these strategies will implement themselves. Expertise in housing development and finance is needed, and a great deal of time would be required to implement and administer these efforts. Options include sharing a housing director in a circuit rider approach, expanding the staff and role of the housing authorities in Meeker and Rangely, and forming and staffing a multi-jurisdictional housing authority.