



CHAFFEE HOUSING
— AUTHORITY —

A Thriving Community With Housing For All

Who Are We?

Formed in 2020 by Chaffee County, the City of Salida, and the Town of Buena Vista, CHA is a multi-jurisdictional housing authority working across Chaffee County to ensure we are a thriving community with housing for all.



What We Do

CHA works to ensure there are high quality places to live within reach of our community members and workforce.

- **Housing Creation and Preservation** | We catalyze affordable housing projects through partnerships, acquisition, and offering creative financing tools.
- **Management of Affordable Property** | We act as stewards of dedicated affordable rental projects and homeownership units to maintain a supply of housing affordable to residents into the future.
- **Housing Stability** | We support agencies and organizations with service coordination to prevent housing displacement and reduce community homelessness.
- **Regional Collaboration, Education, and Advocacy** | We ensure local government, community organizations, the private sector, and community members have access to best practices, data, and information which supports effective collaboration on solutions to our housing challenges.
- **Housing Capacity** | We invest in regional housing organizational capacity, systems, and partnerships necessary to successfully address housing challenges now and in the future.



Why We Need More Permanently Affordable Housing

What Is Meant By Affordable Housing?

AFFORDABLE HOUSING

- The monthly mortgage or rent cost for an individual or family is < 30% of their gross income. Most state and federal programs target lower income individuals and families between 30-60% AMI for rentals and 60-100% for homeownership. The greatest need in Chaffee County is for lower income options for homeownership and rentals.

ATTAINABLE HOUSING

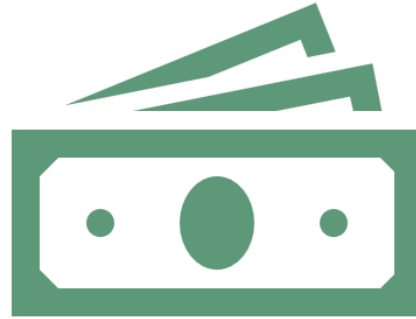
- Many community members, including teachers, firefighters, nurses, and more will often have incomes too high to qualify for state and federal funded affordable housing, yet the price of rents or mortgages in our community are still out of reach. Attainable housing targets middle income individuals and families between 100-160% of AMI. Colorado has a few new “missing middle” programs but funding is very competitive. Access to other creative financing and tools is often required to develop units over 100% of AMI.

**At Percent of
Area Median Income
(AMI)**



100%

**The Income Limit for
2 Person Household**



\$75,400

**An Affordable
2-bedroom Home**



\$252,000

What is affordable to the median income household in Salida?

Assumptions: 6.58% interest rate, 3% downpayment not including HOA, taxes, insurance, and not more than 30% of household income

**Median Single Family
Housing Price in County
as of July 2024**

**Income Required for a
2 Person Household
to Purchase**

The Reality

**Based on income alone for a 2-person household,
the price of homeownership in Chaffee County is
out of reach for most of our residents.**

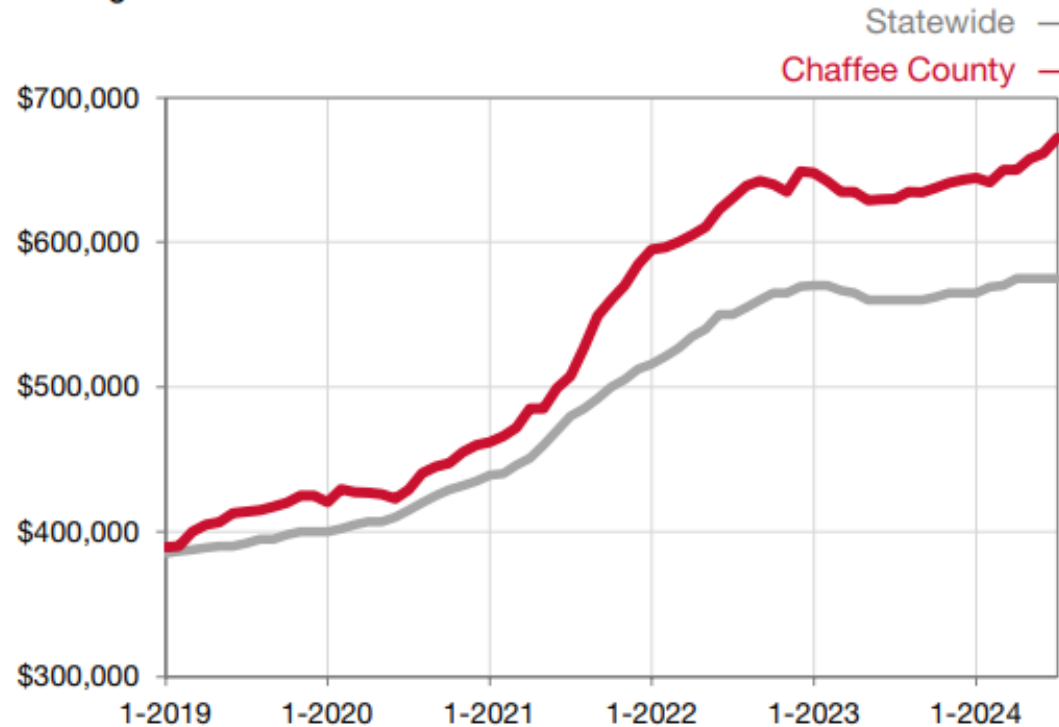
\$690,000

\$139,561

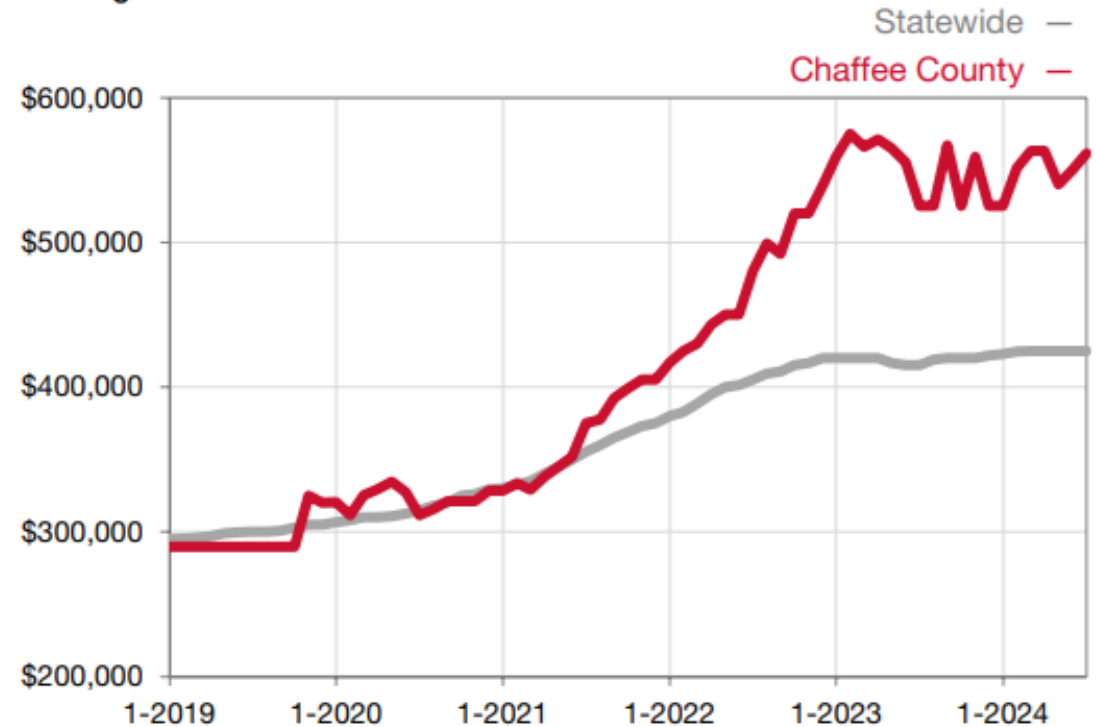
Assumptions

*20% downpayment, 30-year mortgage at 6.5%, a good credit score, no more than
30% of income is spent on housing.*

Median Sales Price – Single Family Rolling 12-Month Calculation



Median Sales Price – Townhouse-Condo Rolling 12-Month Calculation



Current as of August 5, 2024. All data from the multiple listing services in the state of Colorado. Report © 2024 ShowingTime Plus, LLC.

The Reality: In rural resort regions across the country, housing prices continue to go up as new residents and businesses are attracted to amenity values that contribute to a high quality of life.

What Is Permanently Affordable Housing?

Applies a *one-time* investment to reduce the cost of housing for income eligible low- and moderate-income homeowners or renters and preserves affordability into the future.

For Homeowners

A buyer agrees to a cap on their resale in exchange for the public investments that allowed them to afford a home. This resale cap ensures that the unit is affordable for the next purchaser and the public investment is protected for future homeowners.

For Rentals

A developer agrees to place income-restrictions on units in exchange for public investments that reduce the costs of building the units to make them affordable.

Deed Restrictions, Covenants, or Land Leases

The legal mechanisms applied to income restricted units that ensure the unit remains affordable for a specified time period (for example 15, 30, and 99 years).

One of the most important strategies for Chaffee County is to preserve existing affordable housing and create new affordable housing that is permanently affordable long into the future.



Why Does It Take So Long To Create Affordable Housing?

Housing Projects Take Time

15-STEP - Affordable Housing Development Process



Source: *Housing Affordability California*

Affordable housing development takes time. The development process includes many complicated steps and delays are not uncommon. The national average from concept to occupancy is 4-8 years.

Why Do Affordable Housing Projects Take So Long?

Financing

- Developers rely on loans, grants, and other funding programs to make units affordable. Timelines do not always align with funding availability and construction goal.

Regulatory Policy

- Land use applications and approvals, compliance regulations, compliance with federal and state rules, and other factors take time. By 2027, most local governments in CO will adopt expedited review for projects with at least 50% affordable housing.

Community Support

- Community objections to affordable housing projects can delay approvals or outright prevent them from being built. Unfortunately, this has happened many times in our community.

Site Development

- Lack of available land for development or site limitations can make housing development more challenging requiring additional investments in engineering or studies.

There are some of the most common factors that influence the development timeline for housing development.



What Progress Is Being Made In Chaffee County?

In The Development Pipeline - All Regional Deed Restricted Rentals

| COMMUNITY | PRE DEVELOPMENT | CONSTRUCTION | BUILT | TOTAL |
|-------------|-----------------|--------------|-------|-------|
| Buena Vista | 30 | 60 | 0 | 90 |
| Salida | 26 | 12 | 2 | 40 |
| Total | 56 | 72 | 2 | 130 |

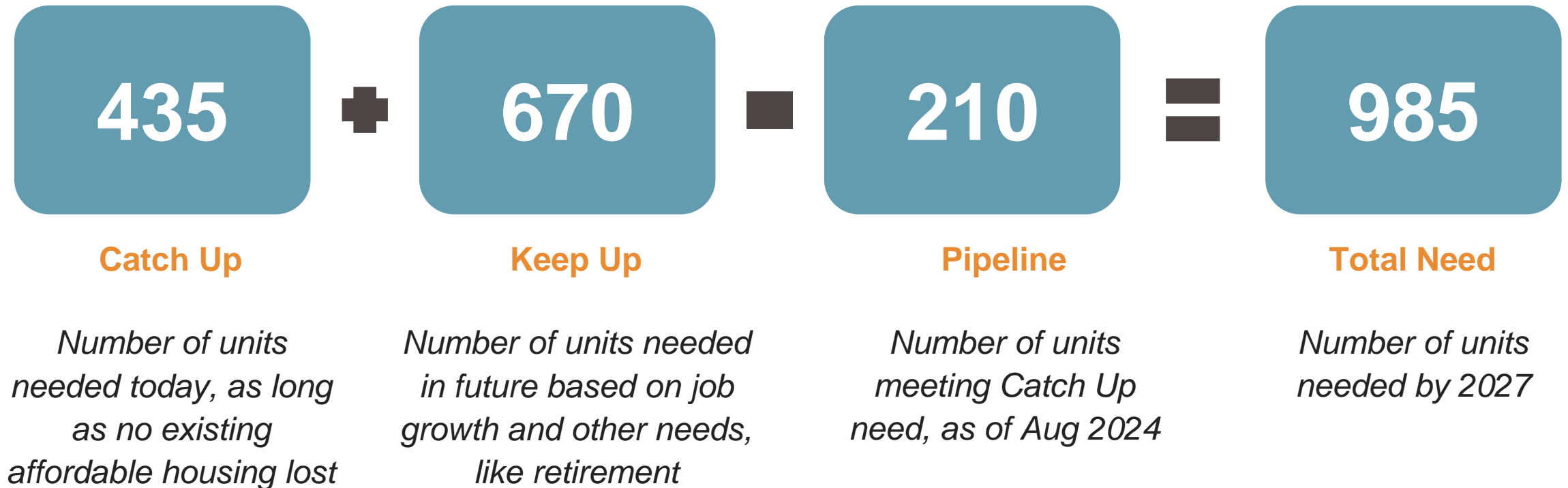
Predevelopment includes financing and land use approvals. This can be a be a long unpredictable process. The total number of units planned in predevelopment can sometimes change. Note, there are projects not yet far enough along in predevelopment to be included in the pipeline.

In The Development Pipeline - All Regional Deed Restricted Homeownership

| COMMUNITY | PRE DEVELOPMENT | CONSTRUCTION | BUILT | TOTAL |
|-------------|-----------------|--------------|-------|-------|
| Buena Vista | 21 | 0 | 0 | 21 |
| Salida* | 38 | 6 | 15 | 59 |
| Total | 59 | 6 | 15 | 80 |

**The City of Salida has an inclusionary housing program that requires affordable units to be included in certain land use applications in exchange for incentives.*

Affordable Housing Needed By 2027



Source: 2022 Housing Needs Assessment



What Has CHA Accomplished?

CHA Accomplishment Summary

Since 2020, the CHA has been able to leverage local funding into nearly 7 million dollars to invest in housing projects and programs.

CHA's Housing Project Pipeline

- **Midland Apartments** In partnership with Fading West development of 60 units in BV at 80-100% AMI.
- **Alpine West** Acquisition of 2.4 acres for \$1.32M in partnership with Chaffee Housing Trust for development of 6 homeownership and 75 rentals in future in BV.
- **The Crossing** In partnership with Chaffee Housing Trust and developer, creation of 127 units (32 homeownership and 30 rentals) at 80-100% AMI in BV.
- **Jane's Place** A multiuse project with 17 units of short-term rentals and commercial space for nonprofits in Salida.
- **505 Apartments** Acquisition to preserve 19 rental units for being converted from affordable to unaffordable in Salida.

What Happening With Jane's Place?

The CHA and its partners have successfully raised the necessary funding to begin construction of Jane's Place.

However, TABOR places a limit on the total amount of state and local revenue the housing authority can retain annually.

Without lifting this restriction, CHA may have to return millions of dollars of state grants raised for this project. While there is a contingency plan if voters do not approve this measure in November, it will be extremely difficult for CHA to construct Jane's Place (and future projects) without long delays or the need to rely predominantly on philanthropic dollars.

Developed Creative Financing Tools

- **Special Limited Partnership Program:** Enables a development partner to access sales, use, and property tax exemptions for a property that is sold to or leased to the CHA for creation of deed restricted affordable housing. A partnership selection framework is used to evaluate the value of proposals prior to working with public or private entities.
- **Chaffee Housing Development, LLC:** A sole member development company that allows CHA to finance development projects and property acquisitions.
- **Chaffee Housing Trust - CHA, LLC:** A development company that allows CHA and the Chaffee Housing Trust to collaborate to finance development projects and property acquisitions.

Under the SLP, CHA has 1 project in Buena Vista (Midland Apts.) and 1 project in Salida (Flour Mill).

The LLCs are being used to preserve 3 existing affordable housing projects - the 505 in Salida and CHT led preservation of mobile homes parks in Poncha Springs.

Support for Renters and Homeowners

- **Renter Services:** CHA staff provides new and current renters with one-on-one support finding affordable rental openings, getting on waiting lists, income screening, and tenant rights. CHA also manages a Rental Deposit Guarantee Program, a revolving loan fund to support access to housing.
- **Homeownership Services:** CHA and the Chaffee Housing Trust partner on qualifying community members for homeownership.
- **Stewardship of Permanent Affordability:** CHA provides long term rental and homeowners units stewardship services for income verification and waitlists, resale, occupancy verification, and foreclosure prevention.

Housing Navigation and Housing Insecurity

- **Emergency Shelter for Families:** Collaboration with service providers who provide funding for emergency motel shelter for families experiencing recent homelessness and to offer service referrals for housing solutions.
- **Facilitation of Regional Coordination:** Through the *Continuum of Care (CoC)*, CHA brings social, health, and human service providers from across the county together to try to align and expand services to support our community's most vulnerable and housing insecure.

Since 2022, CHA has provided support to 191 community members, of which nearly 60% were families.



CHA Goals for the Future

Our Goals for Accelerating Impact

- **Increase financial resources available to leverage grants** from philanthropic, state and federal programs.
- **Accelerate investments in housing programs and projects** through a variety of well established and new financing mechanisms.
- **Strengthen the organizational capacity of our county's housing organizations** to better meet increasing local need.

Affordable Housing November Ballot Measures

TABOR and De-Brucing

TABOR limits housing authority annual grant revenue from state and local governments to less than ten percent of their total budget. Any excess revenue must be returned.

Without the ability to retain state grants, loans, and other state and local tax revenue, CHA cannot make sufficient investments to address the extreme shortage of affordable housing rentals and homes in our community.

.05% Sales Tax Increase

A half percent sales tax increase within the City of Salida, Town of Buena Vista, and unincorporated Chaffee County to provide a consistent funding for affordable housing. **The increase will cost visitors and residents \$0.50 cents per \$100 spent and will sunset after 12 years.**

With approximately \$3.5M annually, CHA can expand programs and accelerate the development of affordable and attainable housing rentals and homeownership opportunities.

Investment Strategy, If Successful

- 1. Create a Strategy for 2025 Housing Investments:** Prioritize investments in Chaffee County projects already in the pipeline that need to be completed but may have financial gaps to get to desired income targets.
- 2. Update the Chaffee County Housing Needs Assessment:** With grant support from the Dept. of Local Affairs, collaborate with the county to update the HNA to meet statutory requirements in order to qualify for new state resources.

Investment Strategy

3. Develop Grant and Low Interest Revolving Loan Guidelines for a *Chaffee Housing Impact Fund*: Develop the systems to manage investments that can support:

- ***Projects already in the pipeline*** that have a financial gap that needs to be covered to get to completion at desired target income levels.
- ***New projects*** that can meet the Housing Needs Assessment priorities for target income levels.
- Nonprofit housing organizations or affordable housing projects ***pre-development studies and assessments*** required to receive local government approval.
- ***Acquisition of existing affordable housing properties*** that would otherwise be lost by conversion to market rate housing.
- ***Acquisition of land*** to be used for future affordable housing development projects.

Investment Strategy

- 4. Secure Existing Programming and Identify Opportunities for Scaling Up Housing Navigation Impact.** Identify how to increase capacity for meeting needs for improving housing stability/homelessness care.
- 5. Strengthen CHA Rental and Homeowner Property Management Systems.** Close gaps in programming that could better support renters/homeowners and strengthen staff capacity and property management systems as more affordable properties are acquired and built.



THANK YOU!

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