

Chapter 3

NEEDS ASSESSMENT

Housing Needs

Population growth in the Grand Junction community has far exceeded the growth in the number of affordable housing units in the local market. Increases in local wages lag far behind increases in apartment rental rates and home purchase prices. Waiting lists for the limited number of assisted housing units are long, frequently a year or more due to overload and lack of adequate funding to meet the growing needs. Home utility costs have risen nearly 100 percent over the last year. As a consequence of these and other conditions, the need for additional affordable housing units in Grand Junction is critical.

Housing Market Appreciation Exceeds Wage Growth

In 1990, Mesa County's population was 93,145; the 2000 Census data shows 116,255. The City of Grand Junction experienced a 44.6 percent increase in population over the last decade, and is consistently included in the U.S. Housing Market ranking of the top 50 "hot" real estate markets in the nation. This population growth and the resultant increased demand has helped push the average sales price of a single-family home from \$67,060 in 1990 to \$139,254 by the end of 2000, an increase of 207 percent in the last 10 years.

Rent for a modest two-bedroom apartment at the 40th percentile⁴ in the Grand Junction area is at least \$552 per month, requiring an annual income of \$22,080 or more to make the unit affordable. Rent for a three-bedroom apartment in the same modest range is \$741 per month, requiring an annual income of at least \$29,640 to make the unit affordable. Despite low vacancy rates of 3.5 percent, rental rates have held steady for the last year and are averaging just under \$500 per month. Increasing demand is expected to push rental rates as high as the local market can sustain, thereby placing low-income households in an increasingly difficult financial situation.

Housing costs have risen 207% while wages have increased 46.3% in the last decade

Because of low local wages, over 23% of the local workforce is "low-income" or "in poverty" while working 40 hrs/week

While housing costs have increased 207 percent, per capita personal income only increased 46.3 percent from \$15,280 in 1990 to \$22,355 in 2000. 23.2 percent of the jobs in Mesa County are retail jobs, paying on average \$15,946 in 1998, the most current data available. Service jobs, which comprise 29.4 percent of the jobs in Mesa County,

⁴ The 40th Percentile Fair Market Rents (FMR) represent the maximum amount a Section 8 voucher holder is permitted to pay for the total of rent plus tenant paid basic utilities under HUD guidelines. The average rental unit in our market would be 10 percentage points above the Fair Market Rent Level.

pay an average of \$23,164. The Service and Retail economic sectors total 52.7 percent of all employment in Mesa County, are among the fastest growing employment segments of the local economy, and are expected to continue their growth through the next five years and beyond. Mesa County Employment and Earnings are reflected in Exhibit 3-1.

44% of all renters are unable to afford the Fair Market Rent of a two-bedroom apartment

The hourly wage at 40 hours per week needed to afford⁵ the Fair Market Rent for a one-bedroom apartment in Mesa County is \$8.52, a two-bedroom unit \$10.62, and \$14.25 for a three-bedroom unit. According to National Low Income Housing Coalition estimates, 36 percent of all Mesa County renters are unable to afford the Fair Market Rent of a one-bedroom apartment, 44 percent are unable to afford a two-bedroom unit, and 58 percent are unable to afford a three-bedroom apartment.

In the last decade wages have increased 46.3 percent while housing costs have increased as much as 207 percent. This growing disparity is creating an affordable housing need of critical proportions.

Exhibit 3-1

Mesa County Employment and Earnings							
Industry Category	1985	1999	Numeric Change	% Change	% Total Workforce	1998 Average Earnings	1998 Average Hourly Wage
Agri., For., Fish	254	712	458	64.32	1.46	\$ 16,048	\$ 7.72
Mining	797	334	(463)	(138.62)	0.68	\$ 42,500	\$ 20.43
Construction	1,867	3,516	1,649	46.90	7.22	\$ 29,169	\$ 14.02
Manufacturing	2,474	4,201	1,727	41.11	8.62	\$ 27,762	\$ 13.35
T.C.P.U. ⁶	1,545	2,521	976	38.71	5.17	\$ 31,184	\$ 14.99
Wholesale	1,516	2,114	598	28.29	4.34	\$ 28,502	\$ 13.70
Retail	7,134	11,363	4,229	37.22	23.32	\$ 15,946	\$ 7.67
F.I.R.E. ⁷	1,451	2,123	672	31.65	4.36	\$ 29,686	\$ 14.27
Services	6,551	14,325	7,774	54.27	29.40	\$ 23,164	\$ 11.14
Government	5,432	7,512	2,080	27.69	15.42	\$ 60,881	\$ 14.85
Non-Classifiable		2	2	100.00	0.00	\$ 14,440	\$ 6.94
Total Employment	29,021	48,723	19,702	40.44	100.00	\$ 24,557	\$ 11.81

Source: Colorado Department of Labor and Employment ES 202 Data

Poverty Levels

One of the most disturbing indicators of need is the number of households whose income places them at or below 150 percent of the poverty guidelines established by the U.S.

⁵ Rent is “affordable” if 30 percent of gross income or less is paid for rent and tenant-paid basic utilities

⁶ Transportation, Communication, Public Utilities

⁷ Finance, Insurance, Real Estate

Department of Health and Human Services⁸. In 1997, the most current statistics available, 45.4 percent of the total Mesa County population qualified for many public benefit programs with incomes at or below 150 percent of the poverty guidelines.

Using the Area Median Family Income determinations of the Department of Housing and Urban Development, 19,061 individuals or 7,830 households qualified for assisted housing by earning incomes at or below 80 percent of the Area Median Family Income in 1997. See Attachments 3A, 3B, and 3C.

Statistics from Mesa County School District 51 support these estimates of poverty, reporting that an average of 38.2 percent of the students enrolled in October 1997 were of low-income households, and qualified for free or reduced price lunches.

Expiring Housing Assistance Contracts

Housing subsidy contracts are in force at several housing properties in Grand Junction. These time-limited housing contracts subsidize the gap between the less than market rate rent paid by the low-income tenant and the actual cost of operating the property. When housing subsidy contracts expire the housing units are refinanced, and these once affordable housing units could convert to market rate rental units.

Owners of three subsidized properties have already opted out of the federal subsidy programs and others may soon follow as several of these contracts expire in the next five years. For example, in 2003 the current housing assistance contract at Ratekin Tower Apartments, owned and operated by the Grand Junction Housing Authority, will expire. The elderly and disabled tenants in the 107 housing units currently pay 30 percent of their adjusted gross income for rent. If the housing subsidy contract is not successfully renegotiated, the tenants may be forced to relocate and compete for other affordable housing units that are already in short supply. A listing of subsidized properties in the Grand Valley and the dates of subsidy expiration are found in Attachment 3D.



Housing Conditions

The majority of homes occupied by low-income households are the older housing stock within the Grand Junction community. While specific information is not currently available, these homes are generally in acceptable repair and meet the community's definition of "standard condition" found in sections 301 through 304 of the 2000 International Property Maintenance Code adopted by the City of Grand Junction in December 2000. See Attachment 3E. Conditions less than those described in the Code are then generally considered "substandard condition but suitable for rehabilitation". If the latter conditions occur, the Mesa County Building Department may enforce

⁸ Poverty Level and Low-Income Guidelines, Exhibit 1-4, lists specific "poverty" and "low-income" levels by household size.

compliance with the Code relative to unsafe conditions and major elements of disrepair. Since this Code has only been in effect for a short period of time, the impact on improving the overall condition of low-income housing units is yet to be determined.

Housing Needs by Sub-populations

According to the Grand Junction Housing Authority's 1997 Agency Plan and Statement of Need, it is estimated that there are 7,830 households in poverty (up to 150 percent of the federal poverty level) but only 1,515 subsidized housing units currently serving the existing need. Therefore, Grand Junction has a gap or need for 6,315 assisted housing units⁹:

- In 1997 19,061 persons or 7,830 households lived below 150 percent of poverty and incomes of up to 80 percent of Area Median Family Income;
- 1,515 federally subsidized units are available to meet the needs of these 7,830 households;
- 928 of the total 1,515 assisted housing units are provided by the Grand Junction Housing Authority and 587 are offered by private sector companies and nonprofit organizations; leaving
- 6,315 low- to moderate-income households without assisted housing.

Based upon the number and types of families on the Grand Junction Housing Authority Waiting List, the number of Renter affordable housing units needed are estimated at:

- 0-30 percent of Area Median Income 3,565 units;
- 31-50 percent of Area Median Income 1,573 units;
- 51-80 percent of Area Median Income 104 units;
- Special Needs Populations 1,073 units.

In addition, Owner affordable housing units needed are estimated at:

- 0-30 percent Area Median Income 2,185 units;
- 31-50 percent of Area Median Income 964 units;
- 51-80 percent of Area Median Income 65 units.

See HUD Table 2A for a detailed reflection of housing needs by household size and type.

New assisted housing units projected for development in the next five years will meet nine percent of the existing need for 6,315 units. It is anticipated, however, that the addition of these new housing units will not keep up with the growth in the numbers of households that qualify for this housing. As a consequence, it is expected that there will be a need for more than 6,315 assisted housing units in 2006.

See Chapter 5 for the Objectives and Strategies to develop over 500 housing units in Grand Junction in the next five years.

⁹ Mesa County has 2,990 households living in poverty outside Grand Junction. Only 442 subsidized housing units are available to address this need, leaving a gap or need for 2,548 affordable housing units.

Homelessness and Homeless Needs

Background

Homelessness presents a growing challenge to Grand Junction. The combination of low local wages and rising housing costs is making a growing percentage of the general population vulnerable to loss of housing, and making it much more difficult for the homeless to work their way off of the streets. In addition, the high percentage of households without health insurance benefits makes many households vulnerable to housing loss in the event of an expensive major illness.

Persons who have become homeless due to a temporary setback may rebound in a relatively short period of time and with little support regain the resources needed to reclaim stable housing. Individuals who have been on the streets for six months or more, however, often struggle with a variety of personal and social problems and find themselves caught in a recurring cycle of job and housing acquisition and loss.

The causes of homelessness are both systemic and personal, and an effort to resolve each of these causes is addressed in this Plan.

Description and Extent of Homelessness

Data collection about the homeless in Grand Junction has been primarily anecdotal and informal, as there has not until recently been a coordinated community effort to build local demographic statistics. The findings of the National Survey of Homeless Assistance Providers and Clients, according to local homeless service agencies, is consistent with what is known about Grand Junction's homeless population. For planning purposes, this survey is included as Attachment 3F to this report.

A point-in-time survey to count the number of local homeless was conducted on March 15, 2001. While it is difficult to calculate the number of homeless with certainty, local estimates are that there are approximately 500 homeless persons in Grand Junction. The number of persons in need of specific services is reflected in HUD Tables 1A and 1B. Additional local statistics, including the extent of homelessness by racial or ethnic group, will be included in subsequent annual updates to this Plan as the information becomes available.

An estimated 305 individuals and individuals in families sleep in automobiles parked around the downtown area parks and in camps along the Colorado River.

Providers of services to the homeless reported that during Calendar Year 2000:

- 457 individuals and 699 individuals in families received emergency housing and 128 individuals were turned away due to lack of space;
- 46 individuals and 171 individuals in families were housed in transitional housing programs and 150 individuals in families were turned away due to lack of space; and
- 882 individuals were assisted with transportation.

Community Planning

In January 2001 the Grand Junction Homeless Coalition (GJHC), an informal coalition of human services providers, invited over 100 citizens, homeless persons, and representatives of community businesses and agencies to participate in a series of planning sessions to more effectively address the growing homeless challenge. GJHC, through its extensive planning process, developed community consensus about homeless needs, identified existing services to meet these needs and gaps in the service spectrum, and established a list of priorities to guide the creation of an improved homeless service continuum. GJHC's comprehensive planning process includes the creation of a Continuum of Care aimed at reducing homelessness as discussed below.

The highest priority homeless needs identified through this process are:

- Emergency shelter for homeless individuals and families;
- Transitional housing for homeless individuals and families;
- Case management for homeless individuals and families; and
- Housing placement for families.

Homeless Prevention and Reduction

The community's effort to prevent and reduce homelessness is becoming more focused as public awareness increases. This effort is described in the Anti-Poverty Strategy, the description of the evolution of the Continuum of Care, and in the objectives and strategies in Chapter 5 Category B of the Consolidated Plan. Outreach and homeless prevention service agencies are listed in Exhibit 3-2 Homeless Service Delivery System.

➤ The Anti-Poverty Strategy:

The Anti-Poverty Strategy is an effort to reduce the number of people living in poverty and at risk of homelessness. This Strategy, described in Chapter 5 of this Consolidated Plan, includes activities to:

- Increase local pay rates;
- Increase the employability of recipients of public benefits;
- Attract higher paying employers to Grand Junction;
- Increase access to employment through expansion of the service area and hours of operation of the public transportation system and through the availability of responsible affordable childcare;
- Foster increased household stability through educational programs, drug and alcohol rehabilitation programs, and services to persons with special needs;
- Support efforts to reduce the possibility of catastrophic expense through the provision of essential healthcare to the uninsured and by the availability of effective public transportation to reduce the dependence of low-income persons on private automobiles and their associated costs.

➤ Continuum of Care:

The Grand Junction Homeless Coalition is developing a Continuum of Care, a coordinated, community-wide response to homelessness. This plan, to be completed in the summer of 2001, will build on effective existing services, build on the existing high level of interagency cooperation, and define action plans to

fill the gaps between existing homeless services. The resultant Continuum of Care is intended to provide a continuous network of housing and service support for persons working to permanently leave the streets.

Components of the Continuum of Care include:

- Outreach, intake, and assessment to identify service and housing needs and link the individual to an appropriate service program;
- Emergency shelter to provide safe, temporary housing during the period of time that assessment and linkage to appropriate support programs is conducted;
- Transitional housing with services and training programs to help people develop the skills necessary to return to independence in permanent housing;
- Permanent housing for independent living, and permanent supportive housing for people with chronic disabilities and other conditions requiring ongoing support.

➤ Objectives and Strategies:

In support of the development of a Continuum of Care, the Consolidated Plan Advisory Committee created four Objectives to prevent and reduce homelessness:

- Provide shelter for homeless adults;
- Provide shelter for homeless families;
- Increase the number of transitional housing units with support services for homeless individuals and families; and
- Improve homeless prevention activities.

These Objectives and Strategies are further discussed in Chapter 5.

Exhibit 3-2

Grand Junction’s Current Homeless Service Delivery System	
Agency	Services
American Red Cross	Response to temporary homelessness created by natural disasters such as floods and fires. <ul style="list-style-type: none"> • Temporary housing • Food • Financial assistance • Mental health services • Case management • 112 families were served in 2000
Center for Independence	Homeless prevention activities <ul style="list-style-type: none"> • Information and referral • Limited cash rental assistance • Limited home modification to prevent homelessness of institutionalization • Advocacy to resolve landlord-tenant conflict • 35 households received assistance in 2000

Grand Junction's Current Homeless Service Delivery System	
Agency	Services
Community Food Bank	Emergency food service <ul style="list-style-type: none"> • Food six times each year to anyone
Grand Junction Community Homeless Shelter	Emergency overnight shelter <ul style="list-style-type: none"> • 19 adult men and women served daily • Evening meal • 128 persons turned away because of limited space in 2000
Grand Valley Catholic Outreach	Homeless prevention and homeless services <ul style="list-style-type: none"> • Daily noon meal • Mail • Telephone • Mental health and health outreach services • Emergency Food • Clothing • Housing location assistance • Limited cash assistance for transportation, gasoline, rent, utilities, medical care, laundry
Hilltop Community Resources	Homeless families and runaway and homeless youth <ul style="list-style-type: none"> • Shelter and support services for homeless families & youth • Case management services linking families to job training, housing placement services, childcare, and life skills training • Transportation and food assistance • Western Region Alternative to Placement (WRAP) helps families with youth at risk of housing loss obtain Section 8 vouchers 74 families obtained permanent housing and case management support in 2000
The Salvation Army	Provides various services <ul style="list-style-type: none"> • Referrals • Transportation • Informal life skills training • Emergency overnight shelter • 6 month Substance abuse program with housing
Latimer House	Emergency shelter for domestic violence victims <ul style="list-style-type: none"> • Shelter • Food • Case management • Mental health care
Marillac Clinic	Healthcare for uninsured <ul style="list-style-type: none"> • Primary medical care • Primary dental care • Mental health care • Case management
Mesa County Pro Bono Project	Legal Counsel <ul style="list-style-type: none"> • Identifies / arranges legal assistance • Primarily serves victims of domestic violence • 80 persons served in 2000 • Landlord tenant workshops

Grand Junction's Current Homeless Service Delivery System	
Agency	Services
WestCAP	Assistance to persons with HIV / AIDS <ul style="list-style-type: none"> • Case management • Housing placement • Health care services • Life skills training • Food • Transportation • Financial assistance • 8 transitional housing units • 3 homeless individuals were served in 2000
Colorado West Mental Health	Mental health services <ul style="list-style-type: none"> • Case management • Job training • Mental health care

Special Needs Housing

Housing Needs for Persons with Disabilities

The 1990 census reported that 9 percent of Grand Junction's population had physical and developmental disabilities including mobility limitation and self-care limitations. Though the 2000 census data is not yet available, recent local estimates indicate that the number of persons with disabilities has increased to approximately 12,000 persons or over 10 percent of Mesa County's population. Many of these persons live at or below the poverty level because they are unemployed or underemployed, and could benefit from training programs designed to increase employment skills and facilitate independent living.

To meet the housing needs of this population, there are currently 42 one-bedroom accessible assisted housing units, 15 two-bedroom accessible assisted housing units, and no three- or four-bedroom accessible assisted housing units.

Of the total 7,830 households living at or below 80 percent of Area Median Family Income in Mesa County, an estimated 1,073 have at least one disabled person in the home and qualify for accessible assisted housing units that are not available.

Currently, 17 percent of all persons on the Grand Junction Housing Authority's waiting list for assisted housing are disabled. 76 percent of all disabled households on this waiting list have income of less than \$5,000 per year (at or below 30 percent of Area Median Family Income). The remaining 24 percent have income at or below 50 percent of Area Median Family Income. See Attachment 3G.

76% of "disabled" households on the Housing Authority's Waiting List earn less than \$5,000 per year

Housing Needs for Seniors

The population of seniors in Grand Junction is expected to continue to grow as the current population ages and as other seniors move into the community. 1990 census data reflected that 11.4 percent of seniors aged 65 and older in Mesa County were below the poverty level and the figures from the 2000 census are not yet available. In April 2001, 10 percent of all persons on the Grand Junction Housing Authority's waiting list for assisted housing are seniors, and the estimated affordable housing need for the Elderly is a total of 568 units.

The cost of housing with specialized care, such as assisted living and nursing homes, at a monthly cost of \$1,400 to \$2,400 is not affordable to low-income seniors.

Ratekin Tower and Walnut Park Apartments serve seniors and those with disabilities. These housing units, operated by the Grand Junction Housing Authority, total 185 one-bedroom units including 11 accessible units. See housing unit data for the disabled above.

Housing Needs for Minorities

1990 census information showed that 31.8 percent of minority persons in Mesa County had household income at or below poverty level, a percentage that was at that time higher than non-minority population groups. 1997 data reflected that 45.4 percent of all citizens were living below 150 percent of poverty. If the 1990 trend has continued through 2000, it is probable that over 45.4 percent of minority persons in Mesa County are living at or below poverty level. Unfortunately, 2000 census data will not be available to include in this report and specific information regarding minority housing needs is not available.

Non-Housing Community Development Needs

The needs of the low- to moderate-income population present a variety of challenges to the community. The community Objectives and Strategies to meet these needs can be found in Chapter 5 of this Consolidated Plan.

Wages

Low area wages and rising real property costs are creating a significant challenge to Grand Junction residents, especially those receiving less than the area average hourly pay of \$11.81. While over 50 percent of the jobs in the local economy are in the Retail and Service industries, the hourly wage in these industries is well below the wage needed to pay Fair Market Rent rates¹⁰.

¹⁰ The HUD determined Fair Market Rent (FMR) for a modest 2 bedroom apartment includes utilities. The wage needed to maintain housing (FMR) at 30 percent of income changes as utility and housing costs change. On April 5, 2001 this wage was \$10.62.

The percentage of employers covering the cost of health insurance is declining, increasing the percentage of uninsured persons in Mesa County to a local estimate of 19.4 percent, up 4.3 percent from the 1998 percentage of uninsured. See Healthcare below.

Employability

A percentage of the low- to moderate-income population could benefit from job training and a support system to end or reduce the dependence on public benefits and move into the workforce.

Economic Development

There are currently an inadequate number of jobs that pay wages above federal poverty guidelines. The Mesa County Economic Development Council and the Business Incubator work to address the needs of commercial enterprises. Their scope of activity includes; relocating new business to Grand Junction, providing incentives and expertise to support the needs of new operations, identifying employer's needs for employees with specialized skills and then developing programs to train the local labor force to meet those needs.

Transportation

Grand Valley Transit (GVT), operational beginning February 2000, has significantly enhanced the ability of all residents, including low-income and special needs persons, to access employment, healthcare, retail centers, and essential services during its current hours of operation. Low-income persons, when entering or reentering the employment arena, typically attain initial employment in industries requiring evening and weekend work hours. Increased operational hours are needed to allow access to employment and community services during the evenings and weekends.

Grand Valley Transit was designed by the Grand Junction / Mesa County Metropolitan Planning Organization (MPO) and targeted for mobility-limited residents, especially the disabled, elderly, and low-income. It was not designed as a general-purpose mass transit system and does not attempt to compete with automobiles. Instead, it was specifically created as a mobility system for residents with such needs; which are projected to double by the year 2020. The system was designed using a geographic information system to best define trip relationships between potential patrons and their work, and shopping and medical destinations throughout the urbanized area.

The Grand Valley Transit Steering Committee (elected officials from Mesa County, Grand Junction, Fruita, and Palisade) and the MPO are currently studying ways to extend Grand Valley Transit service hours for weekday evenings. This would also include some Saturday service geared toward employment concerns of low-income residents. One of the principal supports of the GVT is the Mesa County Department of Human Services which contributes financially to public transit specifically for the Rides-to-Work program.

An aggressive pass program is available for low-income residents through the Department of Human Services, including free GVT passes for those who qualify. GVT

fares have been kept at a minimum – 50 cents one-way in the Grand Junction core area and \$1.00 one-way on shuttles from Fruita, Palisade, Clifton and the Redlands. Monthly unlimited passes are also available for \$20 and annual passes for \$150.

Childcare

The growing disparity between local pay scales and rising housing costs requires two incomes for many families to maintain their household expenses. Due to the scheduling challenges of two income families, families with children may not be able to hold two jobs without outside childcare.

Healthcare

In 1998 15.1 percent of Mesa County residents were not covered by health insurance, putting these persons and their households at risk of housing loss due to the high cost of major illnesses. Local estimates are that the percentage of uninsured has grown to 19.4 percent of the population of Mesa County. Due to increasing health insurance costs, an increasing number of employers are dropping health insurance coverage as an employment benefit. It is expected, therefore, that the percentage of uninsured persons will continue to increase in Mesa County.

Life Skills

Many households struggle to maintain housing and employment due to a reduced awareness of basic life skills, such as money management, literacy, tenant responsibilities in rental housing, energy efficiency, home purchase and maintenance, parenting and family planning skills.

Infrastructure

Many of the older neighborhoods, which are more affordable to persons with less income, have inadequate or non-existent infrastructure including storm drainage improvements, sidewalks and street improvements. The need for installation, repair and replacement of these segments of the City infrastructure is required to reduce flooding, increase neighborhood accessibility to disabled persons, and prevent further neighborhood deterioration.

Special Consideration: Lead-Based Paint Hazards

It is estimated that 10,000 housing units were built before 1978 and that a high percentage of these homes may contain lead-based paint. While it is not known how many of the homes containing lead-based paint are occupied by low- to moderate-income residents, it is known that older homes are typically more affordable and that a high percentage of these older housing units are occupied by low- and moderate-income persons.

According to the Colorado State Health Department, children from age six months to seventy two months are at the greatest risk of lead poisoning because of their crawling and chewing behavior at that age and because their physiological development is most

influenced by lead during that period. From 1996 to 1999, 165 children were tested for lead in the blood in Mesa County and 9 of those were at levels 10 to 15 and 2 were over 15ug / dL. All others tested were below 10ug / dL. All tests over 10 must be reported to the State of Colorado. If one test is over 20 or two consecutive tests are over 15 the child's environment must be investigated for lead-based paint and other causes to determine why the level is dangerously high. See Chapter 5 for local strategies to address this issue.