

Chapter 4

HOUSING MARKET ANALYSIS

General Characteristics of the Housing Inventory

Grand Junction, along with the majority of the State of Colorado, has experienced strong growth in the last decade. The population grew 44.6 percent between the 1990 and 2000 census and from 1990 through 1999 an estimated 4,959 new households were added to the City.

Construction of new housing in Mesa County has kept pace with the growth of households. Since 1996, the City of Grand Junction and Mesa County issued a total of 6,312 building permits. Sixty eight percent were single family units, 28 percent were manufactured homes and 4 percent were duplex, triplex, or larger family units. Due to higher new construction costs, few of these new units are affordable to persons of low- to moderate-income.

In 1996, manufactured homes made up 14 percent of the County housing inventory. Since 1996 1,283 manufactured home permits were issued. Thirty four percent of all new homes constructed in Mesa County in the last five years have been manufactured homes, pushing this housing type to an estimated 16.5 percent of the total County housing inventory through year end 2000. Manufactured homes appear to be a viable option for many Mesa County families wanting to own less expensive housing.

According to the 1990 Census Mesa County had a total of 39,208 housing units. Sixty six percent of the housing stock was one-story detached structures, 11 percent was manufactured homes, and 20 percent was multifamily units.

In 1990, 35 percent of Mesa County's total housing stock was within Grand Junction's city limits. Fifty percent of Grand Junction's housing units were owner occupied and 50 percent were renter occupied. Mesa County's figures were similar to the national average of 65 percent owner occupied and 35 percent renter occupied housing units. Comparable information is not yet available from the 2000 Census.

While over 89 percent of the population in the region classify themselves as non-Hispanic whites, nearly 11 percent are Hispanics. Locations of minority households ranging from 4 percent to 40 percent of all households in the neighborhood are reflected on Map 1 in Appendix B.

Neighborhoods with a majority of households earning low- to moderate-income are represented on Map 2 in Appendix B. Locations of households utilizing Section 8 Vouchers are represented on Map 3 in Appendix B as a percentage of all households in the neighborhood; represented are concentrations ranging from 30 percent to 70 percent.

Map 4 Appendix B depicts 1997 estimated median family income by census tract.

Rental Housing Market

The number of rental housing units has declined 47 % in the last 10 years

The 1990 Census data indicates that Mesa County had a total of 12,716 rental housing units, roughly equally divided between multi-family developments and single family units. As a result of a strong housing market and low interest rates in recent years, the number of available rental units has decreased to a local estimate of 6,800 units, 53 percent of the number of rental units available in 1990. While many of the former rental units have been sold to new owners, the percentage of former renters who have become property owners is unknown.

In February 2001, the Fair Market Rent for a modest two-bedroom unit at the 40th percentile in the Grand Junction area was \$552. While the Grand Junction Housing Authority reports that rental rates have remained fairly stable over the past year, home energy costs have nearly doubled in the last six months. The net effect is that total housing costs have increased 10 to 20 percent or more in the last year, and a greater percentage of households are becoming increasingly dependent upon the Colorado Energy Assistance Foundation (CEAF), the Low Energy Assistance Program (LEAP), and other home energy cost assistance programs. While CEAF assistance this winter increased 415 percent over the same period one year ago, the LEAP program provided utility cost assistance of between \$200 and \$995 to over 4,500 Grand Junction households during the 2000-2001 winter season, an increase of 170 percent.

Fall 2000 enrollment at Mesa State College was 5,210, an increase of 10.8 percent since 1997. The College, located near downtown Grand Junction, has 918 on-campus housing units catering primarily to first and second-year students. The majority of Mesa State College students prefer to live off campus and therefore compete with low- to moderate-income households for the limited inventory of lower cost housing units.

Affordability of rental housing units has declined in Grand Junction over the last decade as rental costs have increased. The effect on all households, especially the low- to moderate-income population, is that housing costs are becoming an increasing percentage of the household budget. While prudent money management would suggest that housing costs not exceed 30 percent of the household budget, the lack of affordable housing alternatives to the local population requires that many households paying housing costs in excess of 30 percent of their income. This situation creates an increasing burden on household financial and emotional stability.

Single Family Housing Market

Home purchase price increases of from 99 percent to 140 percent have placed increasing pressure on the need for more affordable housing in this area. The average sales price of a single-family home more than doubled in the last ten years, increasing from \$67,060 in 1990 to \$139,254 by the end of 2000. According to the Mesa County Association of Realtors, these increases and sales prices are as follows:

- Two-bedroom units 121.89 percent increase to \$85,521;
- Three-bedroom units 99.18 percent increase to \$130,419;
- Four-bedroom units 130.73 percent increase to \$193,288; and
- Five plus bedroom units 140.05 percent increase to \$237,400.

Condition of Existing Housing Stock

As of the end of 1999 there was a total of 44,859 occupied housing units in Mesa County.

For the most part, Mesa County's housing stock is in good condition. While no statistics exist as to the number of units in substandard condition, the age of the housing stock serves as a possible indicator of its condition. Of the total housing stock in Mesa County, 42 percent is over 30 years old, 24 percent is 20 to 30 years old, and 34 percent was built since 1980.

The community considers "standard condition" housing as it is defined in the 2000 International Building Maintenance Code. Conditions less than "standard conditions" are considered substandard. The Energy Office, a local nonprofit organization that conducts housing rehabilitation and other housing related activities, defines the term "substandard conditions" as "any housing unit which does not meet the Housing Quality Standards as defined by HUD in the Section 8 Rental Assistance Program. This could include inadequate sanitation, structural hazards, inadequate egress, hazardous electrical wiring, plumbing, or mechanical equipment".

According to Mesa County's Comprehensive Housing Affordability Strategy (CHAS), 65 percent of the housing units in Mesa County that were built before 1978 may contain lead-based paint. Lead is the number one environmental health hazard to American children. HUD's method for estimating the number of units containing lead-based paint based upon the age of the housing stock gives a general idea of the severity of this problem in Mesa County.

Public Housing

Grand Junction has 30 units of "Public Housing" for families administered by the Grand Junction Housing Authority. One unit is used as a manager's office. The Grand Junction

Housing Authority has recently completed a multi-year renovation program at this property and the units are in good condition. Future plans are to further invest in improvements to the property to facilitate sale of these units to low-income tenant households. None of these units are accessible, and the Grand Junction Housing Authority's 504 Needs Assessment determined that it is not reasonably feasible to make the units accessible. People requiring accessible units are served by other Grand Junction Housing Authority properties and programs.

Assisted Housing

The City of Grand Junction has a total of 928 subsidized dwelling units, and has access to an additional 909 Section 8 Rental Assistance Vouchers / Certificates. Most of the Vouchers are utilized inside the City limits, though they are "portable" and may be used to assist a rental unit outside Grand Junction. Two hundred twenty six additional subsidized dwelling units are located in the Grand Valley, outside Grand Junction's city limits, in the communities of Clifton and Fruita. The majority of the subsidized units are one or two-bedroom units. Of these units, only 57 predominantly one-bedroom subsidized units are accessible. See Attachment 3H.

Expiring Housing Assistance Contracts

During the term of this 2001 Five-Year Consolidated Plan, existing operating subsidy contracts that fund the gap between low-income household rental payments and the actual cost of operating the rental housing will expire on 462 assisted housing units. If these contracts are not successfully refinanced to maintain less than market rate rents, all of these units could convert to market rate rental housing. There are, however, several agencies working to favorably refinance these units and prevent the potential loss of 22 percent of the assisted housing inventory. These agencies include the Grand Junction Housing Authority, The Energy Office, HUD and the Colorado Housing and Finance Authority. See Chapter 5 Objectives and Strategies.

Housing Authority Waiting Lists

As of April 11, 2001, there are 866 households on GJHA's Waiting Lists (the List), and the average time a household has been on the List is ten months. Due to reductions in federal funding, the GJHA does not expect to issue any Section 8 vouchers to new households until after October 1, 2001. Therefore, the List is expected to grow to exceed 1,000 households by October, and the average wait for housing service will be much longer.

Households on the List are predominantly:

- Female head of household (79 percent or 681 households);
- Extremely Low-Income (68 percent or 592 households); and

- One-and two-person households (64 percent or 556 households).

Waiting List characteristics reflect that:

- 9.6 percent of the households are Elderly;
- 51 percent of the Elderly are of Extremely Low-Income;
- 16.7 percent of the households are Disabled; and
- 76 percent of the Disabled are of Extremely Low-Income.

See Attachment 3G for additional Waiting List details.

It is expected that the increasing demand for a declining number of affordable housing units will be reflected as growing numbers of households on the Waiting List for the foreseeable future.

Reduction of Barriers to Affordable Housing

With the intent to identify and reduce barriers to the creation of affordable housing, in 1999 the City commissioned Albertson Clark Associates to conduct an Analysis of Impediments to Fair Housing Choice in Grand Junction. The impediments identified in this report are summarized below, and the Objectives and Strategies to minimize the impact of these impediments are discussed in Chapter 5.

- 1) Land development costs are an impediment to fair housing choice, with the single largest impediment being the rapidly escalating costs of raw land.
- 2) The “Not In My Backyard” (NIMBY) syndrome is an impediment to fair housing choice.
- 3) A lack of affordable housing units, one-bedroom or larger, particularly for very low- and low-income households, large families with children, seniors and persons with disabilities is an impediment to fair housing choice.
- 4) The lack of transitional housing units, particularly for homeless families and the mentally ill, is an impediment to fair housing choice.
- 5) Low income or low wage levels are an impediment to fair housing choice.

The City of Grand Junction has taken steps to encourage the development, maintenance and improvement of affordable housing in the Grand Junction community, as discussed within the following sections.

Development Costs and Fees

The 1999 Analysis of Impediments to Further Fair Housing (AI) concluded that development fees assessed by the City of Grand Junction are relatively low compared to the fees charged by other communities. The study determined the single largest deterrent to affordable housing for the development community as the escalating cost of raw land.

2000 Zoning and Development Code

The Grand Junction Zoning and Development Code adopted in April, 2000 supports and encourages affordable housing opportunities by providing incentives for the development of affordable housing. The Code has a density bonus provision that allows additional housing units in a development when housing units for low- and moderate-income are provided. The Code provides for the following density bonuses as shown in the box.

<u>Housing Units Restricted To:</u>	<u>Density Bonus</u>
1. Very Low Income	1. One Bonus unit per restricted unit
2. Low Income	2. One Bonus unit per two restricted units
3. Moderate Income	3. One Bonus unit per four restricted units

Group homes provide a housing alternative for persons with disabilities and seniors and play a

major role in making housing affordable for these population groups. There are a number of group homes in the Grand Junction area operated by Mesa Development Services and Colorado West Mental Health Center. Three types of group living facilities further define the definition of a Group Living Facility (group home). A “Small Group Living Facility” is a group living facility shared by or the residence of more than four but fewer than eight unrelated persons, exclusive of staff. A “Large Group Living Facility” is a group living facility shared by or the residence of more than eight but fewer than twelve unrelated persons, exclusive of staff. An “Unlimited Group Living Facility” is a group living facility shared by or the residence of twelve or more unrelated persons, exclusive of staff.

The Zoning and Development Code permits group residential facilities throughout the community subject to local code. The number is consistent with state law. The City’s definition of group homes and the related zoning regulations are supportive of group homes and are not an impediment to fair housing choice.

Land Use Plan

The City of Grand Junction Growth Plan and Mesa County’s Land Use Plan adopted jointly for the Urban Area in October 1996 support affordable housing opportunities. Goal 16 of the Plan is “to promote adequate affordable housing opportunities dispersed throughout the community.” The following five policies in the Plan support Goal 16.

- Policy 16.1: The City and County will be a partner with the State, other agencies and the private sector in promoting the development of adequate affordable housing opportunities for community residents.
- Policy 16.2: The City and County will encourage the dispersion of subsidized housing throughout the community. Subsidized housing projects should be encouraged in areas with easy access to public facilities, as well as existing and future transit routes.
- Policy 16.3: The City and County will monitor the status of substandard housing units and promote the rehabilitation or redevelopment of these units.

Rehabilitation will be encouraged in stable single family neighborhoods. Redevelopment will be encouraged in areas designated for medium-high density and high density residential uses.

- Policy 16.4: The City and County will support affordable housing initiatives, which result in high quality developments that meet or exceed local standards for public facilities and amenities.
- Policy 16.5: The City and County will encourage the rehabilitation of historic buildings for affordable housing.

2000 International Building Code (IBC)

Grand Junction has recently adopted the 2000 International Building Code (IBC). This code requires that in “apartment houses containing more than 20 dwelling units, at least 2 percent, but not less than one of the dwelling units shall be accessible. All dwelling units on a site shall be considered to determine the total number of accessible dwelling units”. The 2000 International Building Code is designed to be consistent with the Americans with Disabilities Act (ADA) and the Fair Housing Act for providing access to people with disabilities in new commercial buildings and in all new residential buildings containing four or more dwelling units. The 2000 IBC accessibility requirements in new residential construction are supportive of fair housing choice and will result in greater numbers of accessible housing units being constructed in the future.

Homeless Facilities

In the Spring of 2001, the Grand Junction Homeless Coalition’s planning group determined that housing facilities for the homeless are among the highest priority homeless needs, as discussed in Chapter 3 of this Plan. While the current inventory of homeless housing facilities (itemized in Exhibits 3-1 and 3-2 in this Chapter) has provided some support in the past, the need for more homeless housing has increased as the numbers of homeless have grown. Therefore, this Consolidated Plan contains Objectives and Strategies designed to increase the capacity of Grand Junction’s homeless housing. See Chapter 5 and HUD Table 2C.

At this time, permanent supportive housing and permanent housing for the homeless are in very limited supply and typically available to only formerly homeless with special needs. As a consequence, nearly all people who graduate from a transitional housing program must compete with the general population for the limited number of less-than-market-rate housing units.

Exhibit 4-1

Emergency Shelters			
Shelter Provider	# Served in 2000	Capacity	Support Services
Rescue Mission	250	36 male beds 20 female beds	<ul style="list-style-type: none"> • Food
Community Homeless Shelter	207	19 individuals	<ul style="list-style-type: none"> • Case management • Evening meal
Latimer House	110	24 families / domestic violence victims	<ul style="list-style-type: none"> • Case management • Mental health • Food
Hope House	321 adults 268 children	11 beds	<ul style="list-style-type: none"> • Substance abuse treatment • Referrals • Informal life skills training • Transportation
TOTAL	457 individuals 699 individuals in families	35 family beds 74 individual beds (20 for adult women)	

Exhibit 4-2

Transitional Housing			
Housing Provider	# Served in 2000	Capacity	Support Services
Grand Valley Catholic Outreach	11 individuals in families	10 individuals or two families (6 months stay)	<ul style="list-style-type: none"> • Some cash aid • Mental health and health services. • Food, clothing
First Assembly of God	7 individuals in families	2 apartments 1 – 4 beds 1 – 3 beds (60 day stay)	<ul style="list-style-type: none"> • Case management
Hilltop Community Resources	22 adults / 45 children in families	12 units (2 year stay)	<ul style="list-style-type: none"> • Job training • Case management • Housing placement • Child care • Life skills • Food • Transportation
GJ Housing Auth.	1 family	1 (1 year stay)	

WestCAP		8	• Case management
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Special Needs Facilities and Services

Due to the fact that Grand Junction is the largest community in the region of the Western Slope of Colorado and Eastern Utah, medical and other special needs services are provided here that are not available in smaller communities. As a consequence, the percentage of the special needs population in Grand Junction is higher than the surrounding area and has risen from 9 percent of the general population in 1990 to a local estimate of 10 to 12 percent in 2001. The general population increase of 46.3 percent, coupled with the increase in the special needs population, is stretching the capacity of organizations providing service to people with special needs.

The special needs population includes individuals with chronic mental illness, physical and developmental disabilities, and HIV / AIDS. Generally, persons with special needs are unable to hold full-time employment, have higher than normal medical expenses, and may require assistance to perform daily living activities (e.g. cooking, cleaning, personal care, etc.). Due to limited income, such as Supplemental Security Income of \$530 per month, this population has limited housing options. Their ability to compete in the housing market for appropriate housing at an affordable price is limited in many cases not only by their lack of income but also by their need for special housing accommodations.

In an attempt to reduce health maintenance costs to special needs populations, there is a movement away from large, institutional settings to more residential-type settings such as group homes. More individuals are being encouraged to live independently while support services are delivered in their home. While this is generally believed to be a more effective and cost-efficient method, it does place the development of these group homes and the housing needs of residents in independent living situations in direct competition with the rest of the housing market.

This increase in demand and change in housing philosophy for persons with disabilities is occurring at the same time that the number of Section 8 vouchers and federally subsidized housing units are declining.

Persons with Severe and Persistent Mental Illness

The national trend to de-institutionalize the chronically mentally ill and downsize state mental health hospitals has continued, placing the need for housing and care in the hands of the local community. This trend has required the development of alternative types of housing to respond to the needs of this population. Housing types include; group homes, apartments with on-site service providers, and independent apartments with visiting case workers when the individual requires little or no supervision but needs to have readily available support services. In all settings, monitoring of medication is an essential component of the service package and in many instances is the key to allowing these individuals to remain in semi-independent and fully independent housing settings.

An informal survey of local mental health service providers shows that five persons with severe and persistent mental illness are waiting for housing.

Elderly and Frail Elderly

This population, as with many of the special needs populations, receives limited fixed retirement or disability income. While a percentage of the Elderly have stabilized their housing costs through the purchase of their home, recent rapid increases in home energy costs are creating an increasingly significant and in some cases impossible housing cost burden on the Elderly. Without energy cost subsidy through Low-income Energy Assistance Program (LEAP) and other programs, rising energy costs may force some Elderly and Frail Elderly persons out of their homes to compete with the general population for affordable rental housing units.

The Elderly have housing opportunities available through the Grand Junction Housing Authority and other assisted housing programs in Mesa County, but the supply is limited and potentially declining as subsidy contracts expire and the funding for Section 8 vouchers declines.

As the general population ages, there is expected to be an increased need for housing units for people who experience the reduced mobility associated with age.

Assisted living centers and nursing homes that provide around-the-clock care are available for elderly persons needing this type of assistance, but most of these housing units are not affordable to the low- to moderate-income Elderly.

Persons with HIV / AIDS

Housing is a prerequisite to many basic services frequently needed by a person with HIV / AIDS, and allows the individual the stability needed to conform to the strict drug regimes typically required in the treatment of their illness.

Due to recent medical advances, persons with HIV / AIDS are living longer and the demand for living situations that are responsive and supportive through the entire course of a person's illness is increasing. Stable housing not only provides an essential base for services but is also considered crucial to optimal health and well being. In addition, stable housing provides a social environment for people often isolated by their disease.

The Western Colorado Aids Project (WestCAP) has recently received a 3 year grant of Housing Opportunities for People With Aids Funds from HUD to pay \$400 per month rent for 8 persons for 3 years while they are waiting for subsidized housing in its 25 county service area. In addition, WestCAP received additional funding of \$6,000 per year for homeless prevention activities such as deposit assistance, food, and rental assistance.

Persons with Physical Disabilities

Persons with physical disabilities face not only the problem of finding affordable housing but also finding housing that meets their physical needs. While building codes now require that new construction of housing, especially multi-family housing, provides units that are accessible, many of the older buildings provide inappropriate housing for the

physically disabled. Non-accessible housing not only makes it difficult for a person to function in their own home, but it may be an unsafe environment in the event of an emergency.

The majority of accessible assisted housing is one-bedroom with a few two-bedroom units. There are currently no three or four-bedroom accessible assisted rental units for families in Grand Junction's housing stock. There is a need to expand the number of two, three, and four-bedroom accessible assisted rental units.

Many persons with developmental disabilities live with their parents and have never lived independently. However, aging parents are often not able to continue caring for a developmentally disabled child, and these individuals must move into alternate housing. This adds to the demand for supportive housing that is already in short supply.

While landlords in Colorado are now required to allow persons with disabilities to make modifications to their units, the tenant must return the unit to its original condition upon move out. All modification of the unit would be done at the tenant's expense and is greater than most can afford.

Persons with Developmental Disabilities

One of three state-wide institutions for the developmentally disabled is located in Grand Junction. Most of the adults living in the Grand Junction Regional Center and slated for transition into community based programs have lost contact with their families. They have been in this community so long that they have no other place to call home, even though they originally came from other parts of the state. This has created a disproportionately large population in Grand Junction of people who are developmentally disabled, and these persons have some of the most challenging needs. The higher functioning, more independent individuals left the regional centers years ago, and the most dependent much harder to serve group is left. Higher functioning individuals are able to function independently with minimal oversight, however the significantly disabled typically require intensive services and a highly structured environment.

The majority of accessible housing units are in newly constructed housing units that are typically more expensive than older existing housing. In addition, many disabled persons do not drive and require housing in close proximity to shopping, medical care, and other basic services essential to independent living. As a result, many low- and moderate-income families and persons with disabilities are faced with fewer housing choices and many have remained in the older, established parts of Grand Junction where housing is generally less expensive and accessibility is more limited.

Mesa Developmental Services (MDS) provides housing and personal and supportive services to the developmentally disabled population. MDS is currently serving 640 disabled persons, and projects that by 2006 the number served will increase to 700. MDS currently operates eight group homes in Grand Junction, four in Mesa County, and is planning to develop four more within the next five years to serve the most severely disabled.