

EXECUTIVE SUMMARY

Housing Needs Assessment and Action Plan Town of Paonia

Part 1 HOUSING NEEDS ASSESSMENT

Identifies housing needs and issues in the community.

Part 2 HOUSING ACTION PLAN

Defines community-supported actions to meet the Town's housing needs and address issues.

This document was informed by and prepared for the community.

Detailed input was received from about

150
COMMUNITY
MEMBERS

This includes

50
EMPLOYERS

representing

500
LOCAL JOBS



This is an element of Paonia's Comprehensive Plan.

PART 1: HOUSING NEEDS ASSESSMENT

HOUSING ISSUES

The Town's population (1,478) has changed very little over time.

49

Median Age

The Town's population is aging (43% of residents are 55+ years old) and the prime age workforce (age 25 to 54) is shrinking.

About 25% of households are cost burdened, paying more than 30% of their gross income for housing.

The existing housing stock is misaligned with household size. 73% of all households have just 1 or 2 people, yet only 12% of homes are a studio or 1-bedroom.



The housing stock is very old and many homes need repairs.



The housing stock is very homogeneous, primarily consisting of single-family homes, limiting households' choices if they want or need to move as their life circumstances change.

Commuting to work in Paonia is prevalent and expensive. This impacts workers and employers.



Current land use regulations contain barriers to affordable housing.



Building costs exceed what most locals can afford. A significant amount of funding is needed to fill this gap.

PART 1: HOUSING NEEDS ASSESSMENT

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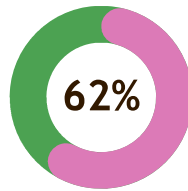


The average annual price per square foot of homes sold increased 5.5 times faster than average pay from 2013 to 2022.



Only 2 homes for sale in June 2023 were affordable to households earning up to \$110,000 per year.

Locals struggle to compete with cash buyers (62% of homes sold in Paonia in 2022 were purchased with cash).



Short-term rentals have reduced housing options in town.

Rental options are limited and unaffordable for many locals.



The water tap moratorium has temporarily restricted new housing development.



Local employers indicated they are having trouble finding and keeping qualified employees and that a lack of housing is a top reason for this.

HOUSING NEED

100 additional housing units are estimated to be needed in the Paonia area by 2028 to reduce in-commuting, fill available jobs, and keep up with housing demand from new jobs and retirements.

PART 2: HOUSING ACTION PLAN

Building affordable housing is a community endeavor. Partnerships across the public, private, and non-profit sectors will be paramount.

RECURRING THEMES



Focus on
Locals



Maintain
Community
Character



Use the Water
Tap Moratorium
as an
Opportunity



Leverage the
Town's
Capacity



The Town's goal is to build 25 to 35 new housing units at prices affordable to households earning no more than 120% AMI as quickly as possible once the water tap moratorium is lifted.

PART 2: HOUSING ACTION PLAN

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Housing issues are complex, and it is important to avoid analysis paralysis. Take action, strive for continuous improvement, and capitalize on opportunities as they arise.



ACTIONS

ACTIONS TO START NOW (YEARS 1-2)

- Regulate short-term rentals
- Allow for accessory dwelling units
- Explore public-private partnerships to build Housing for the Community
- Establish partnerships for a sweat equity program
- Use, promote, and build on existing resources

ACTIONS TO START NEXT (YEARS 3-5)

- Update land use regulations to remove barriers and add flexibility
- Align community infrastructure investments
- Acquire land/bank land

FUTURE ACTIONS (YEARS 5+)

Eight additional actions are identified in the plan that may be considered in the future.

See the plan for the following:

- Recommended edits to the Town's land use regulations to remove barriers and better facilitate the creation of affordable housing.
- A sample development strategy with potential partners and funding along with a list and map of public sites.

