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Housing agency seeks stimulus money

\$2.65 million would help create affordable homes in Bayfield area

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Photo by YODIT GIDEY/Herald

Paul Karmazyn of United Country Timberview Realty looks out over the Southviews lot at Dove Ranch on Wednesday in Bayfield. The Regional Housing Authority is applying for \$2.65 million in federal stimulus money to create affordable housing on the vacant land seen on the upper-left side of the photo.

The Regional Housing Alliance is seeking \$2.65 million in federal stimulus money to create affordable housing from property in or at risk of foreclosure in the Bayfield area.

The alliance in upcoming days will file a grant application to buy vacant lots in two Bayfield subdivisions: Southviews at Dove Ranch and Fox Farm Village. It also would use the money to offer mortgage assistance for families to purchase foreclosed homes in the Bayfield area.

“ The census tract that includes Bayfield and Forest Lakes has had about 140 foreclosure filings since the crisis began around 2007. ”

The U.S. Department of Housing and Urban Development is distributing about \$2 billion in stimulus money to help stabilize communities hit hard by home foreclosures.

Jennifer Lopez, executive director of the RHA, said the Bayfield area was selected because it was the only one in La Plata County that met the funding requirements.

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The grant uses census-tract boundaries for determining qualification. The census tract that includes Bayfield and Forest Lakes has had about 140 foreclosure filings since the crisis began around 2007, according to the grant application.

The RHA is purposing to purchase 12 lots in Southviews and 14 in Fox Farm Village for low- and moderate-income families, which for a family of four would equate to \$53,000 to \$79,400 a year. Additionally, the agency wants to buy a 50-unit site in Southviews to build multi-family rental housing that would target low- and very low-income families, which for a family of four would be about \$18,000 to \$34,000 a year.

"It's a lot of housing for Bayfield," Lopez said.

The credit crisis has brought new home construction across the country to a grinding halt. In Bayfield, the number of building permits issued for single-family homes plummeted from 57 in 2006 to 14 in 2008.

Southviews developer Brad Elder said Bayfield was hit with a double whammy: first was a moratorium on new building because the town's wastewater treatment facility was inadequate and then the crash in the real estate market.

"It's been a hard row to hoe out there," he said.

No homes have been built at Southviews, which was envisioned as a mixed-use, mixed-income subdivision.

Elder said the grant would allow the subdivision to fulfill its intended purpose.

"Southviews has always been designed to meet the needs of regular working-class people throughout the county," he said.

Fox Farm Village is a 50-unit affordable housing subdivision started by the nonprofit La Plata County Community Development Corp. Lots were acquired by nonprofits Habitat for Humanity, Housing Solutions for the Southwest and Colorado Housing Inc.

Habitat and Colorado Housing are "self-help" builders that require buyers to contribute labor hours toward the construction of their homes. Housing Solutions helps potential buyers find financing.

While some homes in the subdivision have been constructed, Lopez said because of the credit crisis, Housing Solutions has had trouble developing its lots. Under the grant proposal, the RHA would acquire them.

Because the stimulus grants are for a minimum of \$5 million, the RHA is applying with various other rural communities under the umbrella of the Sacramento-based nonprofit Rural Community Assistance Corp.

Lopez called it a "perfect storm" of circumstances that put La Plata County in position to benefit from the money. This includes low-interest rates, an increase in the availability of properties for less than \$225,000 and a first-time home-buyer tax credit.

The Regional Housing Alliance was created in 2004 by La Plata County, Durango and Ignacio to address the need for affordable housing. Bayfield joined in 2008.

Bayfield Town Manager Justin Clifton said that decision is paying dividends.

"Our joining the RHA has turned out to be a really great thing for our community," he said.

He praised the organization, noting the grant money would not only provide affordable homes for a number of people, but also would generate construction jobs, boost commerce and pad town coffers in the form of sewer tap fees.

"This county is much better off since they've come along," he said.

The grant application is due July 17. Lopez said she expects an answer on it around December.

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