

January/February 2026 Newsletter

Housing and The Future of Lake City

Information provided in this newsletter comes directly from the recently adopted Hinsdale County Comprehensive Housing Plan that can be found online at:

<https://www.townoflakecityco.gov/lake-city-hinsdale-county-comprehensive-housing-plan>

2025 Housing Survey, Study Results and Implications

Household Survey (97 responses)

- 77% say housing availability is critical
- 1 in 5 at risk of displacement
- Top priorities: workforce rental, family homes, senior downsizing

Employer Survey (21 responses)

- 24 jobs unfilled due to housing
- Year-round staffing challenges growing
- Housing costs undermining recruitment

Housing by the Numbers

72%

Seasonal or vacant housing

0%

Rental vacancy rate

77%

Say housing is critical

24

Jobs unfilled due to housing

\$563K

Median home price

55

Median Age (CO median: 37.5)

843 → 774

Population declining (2010–2025)

1 in 5 households at risk of displacement

Residents are being priced out of the community they serve.

Only 28% year-round occupancy

Hinsdale County has the lowest year-round occupancy in Colorado.

- 40% of households cost-burdened — spending >30% of income on housing
- 14% of households are overcrowded — more than 1 person per bedroom
- 25% of workforce nearing retirement — replacement units + downsizing options needed
- 12% of households plan to leave within 5 years due to housing constraints

Businesses Can't Function Without Housing

21 Local Businesses Surveyed

Representing 156 jobs – 34% of county employment

- 24 - Jobs unfilled due to housing
- 43% - Providing housing assistance to staff
- 65% - Report "No applicants"

"We're having to provide housing just to keep our doors open"
- Local employer survey response

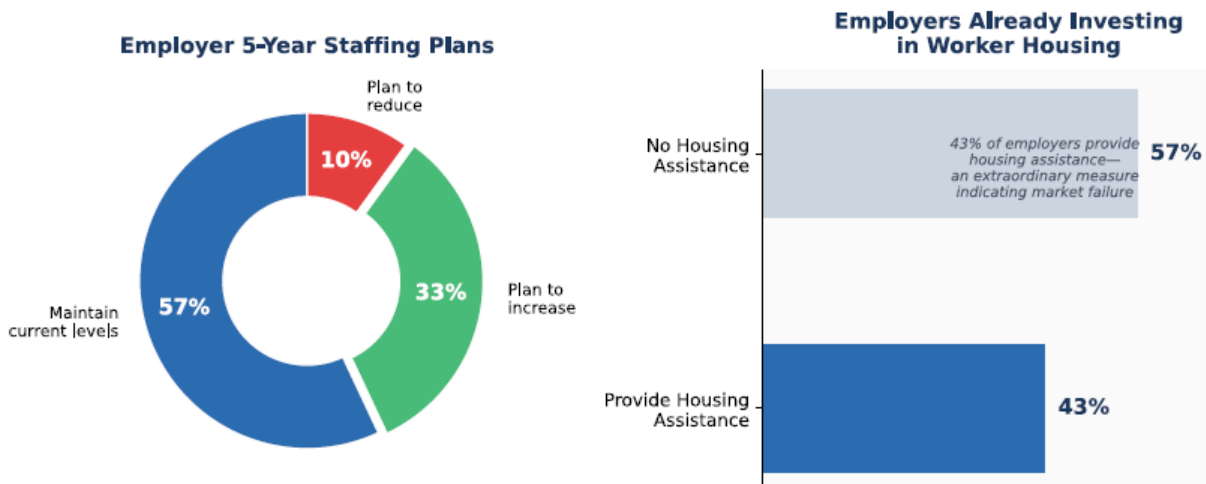
Seasonal Employment Volatility and Housing Impact

Employment experiences significant seasonal fluctuations that directly impact housing demand. Critical to housing strategy, only 37% of summer seasonal workers and 26% of winter seasonal workers are local residents. This means the majority of seasonal workers either commute long distances daily or require temporary housing that competes with year-round residents for limited inventory. Currently, the US Census Bureau estimates 98 workers employed in the valley commute from outside communities, representing potential new residents if appropriate housing was available.

"It is challenging to be responsive for the Lake City community when staff is based in Gunnison or elsewhere."
— 2025 Employer Survey Respondent

Business Growth and Housing Demand Projections

Figure 2.9: Employer Staffing Outlook, Next Five Years



"When there aren't enough workers in the service industry, tourism begins to decline. Restaurants, hotels, shops, and entertainment venues either reduce their hours or shut down entirely... As revenue drops, so does funding for public services, infrastructure maintenance, and cultural preservation."
— 2025 Employer Survey Respondent

Employment Challenges Directly Linked to Housing

The employer survey documents how housing shortages constrain economic activity. Surveyed employers report a 15.5% shortfall rate, including both year-round and seasonal positions that remain vacant primarily due to housing-related barriers.

Housing-driven employment problems include almost half of businesses that lost workers due to inadequate housing, 15% of businesses losing workers to unaffordable housing costs, and 65% of businesses reporting "no applicants" for positions—a problem directly attributed to housing unavailability. Over half of businesses cite unfilled jobs specifically related to housing issues.

Vulnerable Populations Facing Elevated Displacement Risk

Four groups face elevated displacement risk:

Essential workers: Healthcare, education and public safety workers earning 60-100% AMI cannot afford the median rent of \$1,875 at 30% of income. Half of surveyed employers report losing workers to housing costs.

Seniors on fixed incomes: With a median age of 55 (17.5 years above the state average), many residents are on fixed incomes while property values have risen 25% since 2022. Rising taxes and maintenance costs strain household budgets.

Seasonal workers: Summer brings 185 additional jobs (a 40% increase), but only 37% of seasonal workers are local residents. The "spring squeeze" between workers departing winter only housing that converts back to summer vacation homes and arriving summer staff intensifies competition for limited rentals.

Low-income renters: Over a third of households (36%) earn below 60% AMI. With rental vacancy at 0% to 1.8%, any rent increase or lease non-renewal leaves few local options.

Why Family Structure Matters

Self-Sufficiency Standards for Hinsdale County (2025)

Family Config.	Monthly Income Req'd	Hourly Wage (per adult)	Annual Income Req'd	AMI (3-person HH)
2 Adults, 1 School-Age Child	\$5,702	\$16.20 each	\$68,427	85% AMI
Adult, Infant, Preschooler	\$7,692	\$43.70	\$92,302	115% AMI

The affordability of housing goes beyond rental rates—it depends on family size and structure, as childcare and other necessities consume income that might otherwise go towards housing. Both configurations above are three-person households, but their cost structures differ dramatically.

Assuming both households need a two-bedroom unit at \$1,100/month (the Standard's assumption), the key difference is childcare: it costs almost five times more for the single adult with two young children (\$2,812 vs. \$617). These are "minimally adequate" budgets with no frills and no savings.

The result: the single-adult household needs \$7,692/month compared to \$5,702 for the two-adult household. The wage implications are even more stark—the single adult must earn \$43.70/hour, while each adult in the two-adult household needs just \$16.20/hour. As of early 2025, the average hourly wage in Hinsdale County was \$16.80.

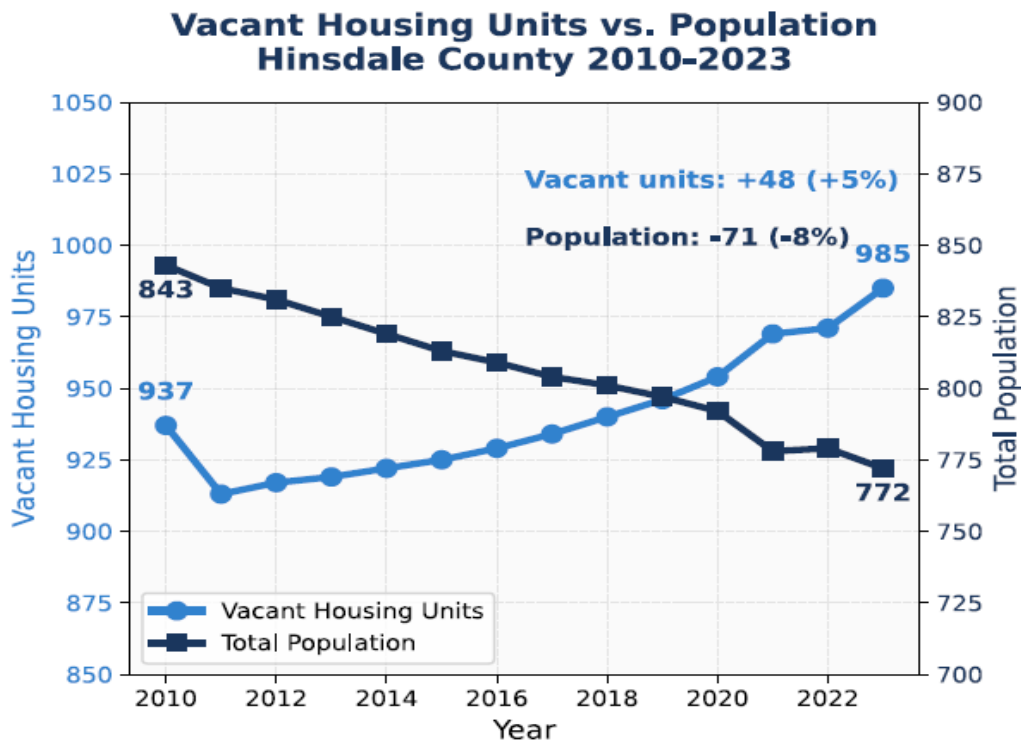
Vacant Units Outpacing Population

Between 2010-2023 the population of Hinsdale County decreased by 8% from 843 to 772, representing a loss of 71 residents, while during the same period Vacant Housing Units increased by 48 units from 937 to 985, representing 72% of all available housing.

How We Compare in Year-Round Occupancy

Hinsdale County – 28% year-round occupancy – Lowest in the State
Ouray - 55%; Aspen - 65%; Gunnison - 70%; Statewide: 89%

Figure 2.8: Vacant Units vs. Population



As vacant units increase faster than population, demand for local services grows without a corresponding increase in available workers or housing. This imbalance contributes directly to:

- Rising labor shortages across sectors
- Declining school enrollment
- Limited capacity for local employers to expand

The Central Challenge

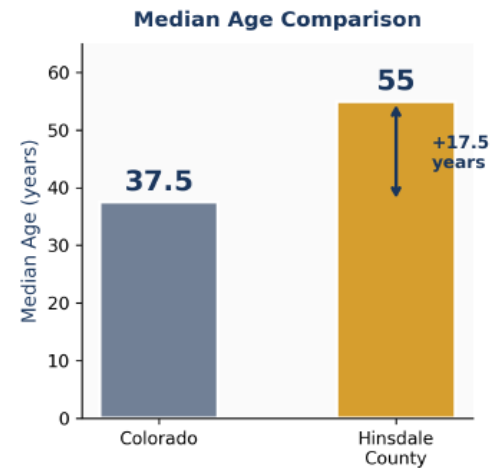
Economic activity is increasing in ways that depend on—and reinforce—a seasonal housing market. Meanwhile, year-round housing supply remains insufficient to sustain the workforce required to support that activity. Expanding stable and attainable housing options is essential for maintaining existing services and enabling future economic diversification.

Population & Age

Hinsdale County's population has declined by 8 percent since 2010—from 843 to 774 residents. Over the same period, the community has become significantly older, with a median age of 55, compared to Colorado's median of 37.5.

Survey results and housing market data indicate that limited housing availability has made it increasingly difficult for young families and working-age residents to remain in the county.

Only 11 percent of residents are under 18, while one-quarter are 65 or older. As a result, the share of residents in prime working ages (18–54) has continued to decline.



“The town is shrinking per census and school enrollment, and year-round residents are left with a shell of a town”. — Household Survey Respondent

Prices & Affordability

The mismatch between local wages and housing costs explains why workers leave. A worker earning the average local wage of \$40,119 can afford about \$1,000 per month in rent or a home of roughly \$150,000. The median home costs \$563,000; median rent is \$1,875. The rental market offers no relief: just 76 units exist countywide, with zero vacancies.

- **Median home price:** \$563,000 (up 25 percent since 2022)
- **Median rent:** \$1,875 per month for a two-bedroom unit
- **Rental inventory:** 76 units total—the smallest rental market in Colorado
- **Rental vacancy:** Zero. Workers who want to live here cannot find housing at any price.

Workers face impossible choices: severe cost burden, public assistance despite employment, or leaving. Most leave or never come here to work and live due to the lack of housing options.

Town Manager Comment

72% of homes sit vacant, open positions remain unfilled, workers commute 50+ miles, and there is no housing available for new families and workers to live, work, or volunteer in Lake City. If the current trend of a declining and aging population with a simultaneous decrease in year-round housing continues, then indeed, we will be left with a shell of a Town. Thankfully, with the adoption of the Housing Plan, there is a clear, though long and difficult path, to creating more year-round housing in our community. Future newsletters by local leadership and staff will detail the progress of the implementation of these strategies that are within the Hinsdale County Comprehensive Housing Plan.

“We just need more housing in general. Affordable or not, it just needs to be here. If it's not even available to begin with, that is where the issue begins.”

— Employer Survey