

**Fort Carson Regional Growth Plan
Housing Partnership Group Meeting Summary
February 2, 2010; 3:00 – 4:30 pm
Pikes Peak Area Council of Governments (PPACG)**

Attendees:

- Heidi Aggeler, BBC Research & Consulting (BBC)
- Jackie Chester, ERA Shields Real Estate/Fremont Economic Development Corporation
- Rachel Crowley, Bridge Property Management
- Kate Hatten, PPACG
- Candice Kennedy, Bridge Property Management
- Bob Koenig, Rocky Mountain Community Land Trust
- Michael Lozano, Fort Carson Housing
- Bruce Martin, Aspen View Homes
- Marla Novak, HBA
- Laura Russmann, AASC
- Carl Schueler, City of Colorado Springs
- Mike Suggs, NAI Highland Commercial Group
- Sarah White, PPACG
- Lee Wolf, citizen

Phase 2 Update/Status:

Sarah White started introductions. Heidi Aggeler provided an overview of the housing task and housing demand model and provided the attendees copies of the draft housing market analysis and the draft housing demand projections. BBC updated the housing demand model with the most recent data the night before. Therefore, some of the numbers are different than what is presented in the draft sections.

The [Housing Market Analysis](#) section discusses the larger housing market in the areas surrounding Fort Carson and provides general and historical information. Comments made at the December 4th Housing Forum and today's meeting will be incorporated in the final draft. Members were encouraged to review the report and contact PPACG or Ms. Aggeler with comments and questions.

The group discussion focused on the [Housing Demand Projections](#), which include data regarding numbers of Soldiers present/deployed, numbers of soldiers projected to rent or own units, and vacancy rates. Various data sources informing the housing demand projections include DoD, Fort Carson, and Growth Plan surveys, as well as local and state housing data. Key inputs include information provided by Fort Carson on deployment cycles.

Based on comments made at the December 4th Housing Forum, mortgage affordability data are based on Soldiers' Basic Housing Allowance (BAH) instead of income. For higher grade officers, the gap between BAH-based affordability and income-based affordability is very large. As indicated in Exhibit V-13, affordable mortgage based on BAH with dependents for higher ranking officers caps at under \$243,000. However, the affordability based on their income can be as high as \$600,000. Although affordability is

not an issue for higher pay grades, the members suggested using the income-based approach for identifying the affordability for higher pay grades. Ms. Aggeler will include a “break point” in the graph to show affordability for lower grades based on BAH and the affordability for higher grades based on income.

Based on Experian data obtained by BBC, the median credit score for Soldiers is 675 compared to the national median credit score of 700. Credit data are incorporated into the housing analysis.

Data such as interest rates and BAH affordability remain static in the model through 2013, as there is no way to predict change for these data. The demand for on-post housing also remains the same throughout the projections, as does the demographic of Soldiers populations. Although most projection models age the populations analyzed, the assumptions for this analysis are that demographics among Soldiers and their units remain basically the same over time.

The housing demand model incorporates deployments and numbers of spouses who do not stay in the area during Soldiers’ deployments based on Fort Hood and other survey data. BBC lowered the proportion of families moving/staying the region based on recent deployment numbers. The deployment rhythms will continue to cause the rental market to fluctuate.

Although E1-E5 unaccompanied Soldiers must live in the barracks, based on comments made at the December 4th Housing Forum, the model assumes an estimated 10% of E1-E5 unaccompanied Soldiers still have off-post units most likely with roommates.

The off-post rental inventory includes multi-family rentals and single family detached rentals. In general, there are enough units overall to accommodate the Soldiers and their families. However, based on Soldier preferences and availability, the housing demand model indicates that certain sub-markets in the Fountain Valley will face a deficiency of single-family detached units. The housing demand model moves Soldiers and their families northward filling in available sub-market units. Soldiers may not find the rentals they prefer, but they’ll find enough rentals available in the surrounding areas.

The preferences for homebuyers are harder to determine, but the data suggest there will be an inventory shortage of new homes in 2Q10 if all new net owners want to purchase new construction. Based on Metro Study’s number of vacant lots, the inventory should be enough to accommodate Soldiers and their families in 4Q10 to 3Q13. However, there are no developers who are building spec properties anymore and the actual numbers of new construction may be different. Key issues include the lack of available financing for home builders.

Open Discussion

Suggestions and comments made by the group include the following:

- Although typically the BAH is more than enough to cover rental prices, the BAH is geared towards E1-E4 [with few dependents] living in apartments. The BAH should be based on family size. Many E1-E5 families have a high number of children and it may be difficult for them to find affordable rental units to accommodate their families.
- Fort Carson should clarify to the community that the 75+% of Soldiers living off-post does not include the portion of E1-E5 unaccompanied Soldiers who live in the barracks.
- January 2010 realized an increase of single family permits issued compared to last January. Tax credits for homeowners helped spur the increase. However, developers are still struggling to get construction loans.
- Heidi will look at how Metro Study analyzes lots. Because developers are not building spec houses anymore and because some developers have sold off portions of their inventories, lots are developed in a patchwork fashion as opposed to building full rows.
- Ms. Aggeler will also fix discrepancies noted in mortgage affordability listed in Exhibit V-4 and will revise Exhibit V-16 with data reflecting total ownership, noting that homeowners who are deployed will not sell their homes while deployed.
- The percentage of Soldiers in Fort Hood who could not sell their homes, according to the July Fort Hood surveys, is very low.
- It was suggested that BBC should factor in the Fort Carson families that are living in Air Force Academy housing. Schriever AFB also has on-base housing that can accommodate Fort Carson Soldiers.
- Soldiers and their families are more reluctant to purchase homes, despite their initial preferences for purchasing in the area, because of uncertainties regarding future deployments and reassignments and the housing market.

Next Steps:

Housing partnership group members will review both draft sections and will send their comments to PPACG or directly to Heidi Aggeler by February 19th.

The next Housing Partnership Group meeting is scheduled for March 2, 2010 at 3:00 pm. The group will review the draft sections again and will discuss what recommendations should be incorporated in housing chapter of the final report.

The meeting was adjourned at 4:30 pm.