2026-8-23

Gen RF

‘Affordability … is not there’

Median income rises 40%, driving up workforce housing and rent

Gabby Blassou and her fiance, Josh Walker, are pictured inside their apartment at the Vista Verde workforce housing complex in Breckenridge on Oct. 10. The couple worried about the affordability of their subsidized unit in 2025, and in 2026 the metrics used to set workforce housing prices increased even higher, causing officials to grow concerned about local workers and housing strategies. PHOTOS BY ANDREW MACIEJEWSKI — SUMMIT DAILY FILES

The Vista Verde workforce housing complex in Breckenridge. The complex's second phase, which opened in fall of 2024, brought 174 income-based rental units aimed at households making between 80% and 120% of the area median income.

The Summit Combined Housing Authority office on Frisco Main Street in 2024. Retirees and remote workers have sent the average medium income soaring impacting the cost of affordable housing and rents. RYAN SPENCER — SUMMIT DAILY FILE

BY ALLISON MOORE

SUMMIT DAILY

Summit County's area median income has risen nearly 40% in the past four years.

Housing officials called that rate of increase "unprecedented," saying it creates new challenges for a workforce housing system that relies heavily on the federal income measurement to determine who qualifies for units and at what price.

"Yet the actual wages aren't keeping up with that," said Jay Beckerman, a Breckenridge Town Council member and local business owner. "Then all of a sudden, the affordability for our workforce is not there, and there's no good metric to account for that right now."

The U.S. Department of Housing and Urban Development's calculation now puts Summit County's 100% area median income for a four-person household at $145,800, after a 9.6% increase this year alone. Since 2023, that figure has climbed between 9% and 11% annually. The four-year period of growth in area median income marks the sharpest consistent increases in Summit County's history.

3

As the area median income rises, so do prices of the county's deed-restricted workforce housing. A two-bedroom rental priced at 100% area median income, for example, now costs nearly $3,300 a month, up from $2,842 last year.

"We thought that was already too high," said Corrie Burr, executive director of the Summit Combined Housing Authority, of last year's calculations.

Housing officials say that increase doesn't reflect comparable income growth among lower- and middle-income workers who rely on the county's workforce housing.

Instead, the county's growing wealth has become increasingly concentrated among households with higher incomes as remote workers and retirees continue to "artificially" skew the "true buying power" of the workforce, according to Laurie Best, Breckenridge's housing director. Compared to those high-earners, members of the workforce have yet to see their incomes rise at the same pace.

"This is completely unprecedented in the history of AMI to have it go up 40% in four years," Burr said. "That just doesn't happen."

The spike has resulted in a paradox: While the metric used to define affordability has risen rapidly, housing officials say the greatest need lies with residents earning well below the county's median income threshold.

One metric that shapes market

The calculation for area median income aims to provide a standardized measure of household income that can be used across federal housing programs and by communities developing affordable residences.

Local housing officials have relied on it for decades, as no other nationally recognized standards exist.

"There's no other good national or even state data that you could go on," Burr said.

Area median income became increasingly embedded in affordable housing policy as programs like Section 8 and Housing Choice Vouchers developed, solidifying a process to establish income eligibility and housing costs.

That metric has grown increasingly difficult to predict, Burr said.

"It's like a magic wand," she said, describing the volatility of each year's calculations.

Burr added that the federal metric is also based on two-year-old data collected by the U.S. Census Bureau's American Community Survey. She said the sharp increases in four-person 100% area median income that started with an 11% jump in 2023, actually reflects a shift in incomes starting in 2020 when the COVID-era quarantine led to population growth across Summit County.

When 'affordable' approaches the market rate

The consequences of area median income increasing rapidly in Summit County are especially visible in rental housing.

The Summit Combined Housing Authority conducted a rental study last year after a significant number of new workforce housing properties came online, expecting the additional inventory might begin easing affordability pressures.

Note

Instead, Burr said, the study found a continuing "huge need," most prominently among households earning less than 80% of the area median income. This year, a one-person household earning 80% of the area median income would make $81,680, according to the Department of Housing and Urban Development.

Households that once appeared relatively close to the middle of the income spectrum have been pushed down over the last four years, Burr said. She described that phenomenon as "sliding down the chart."

Note

Best said the Department of Housing and Urban Development generally considers housing affordable when members of that household spend no more than 30% of their combined income on housing costs, including homeowners association fees and utilities like water, gas and snow removal. But Summit Combined Housing Authority's rental study found Summit County residents often spend between 40% to 60% of their incomes on housing.

"We're seeing people can't afford their rents," Burr said.

That heightens affordability pressures as rents tied directly to area median income can rise.

The problem becomes more pronounced when workforce housing costs begin approaching the prices of housing in the broader real estate market. At 100% area median income, some workforce housing units are now priced close to — and in some cases higher than — comparable market-rate rentals, blurring the distinction between the two.

Some existing properties have protections against those rapid increases. For example, Gorman & Co. manages workforce housing neighborhoods including Vista Verde and Smith Ranch in Breckenridge. While rental unit prices are tied to regulations set by the Colorado Housing and Finance Authority, which uses area median income, leases include provisions limiting annual rent increases to 3%.

Resale values impacted

Best, who's worked in the Breckenridge housing department since 2000, said the town uses area median income both when setting initial prices in workforce housing developments and, in some cases, when calculating how much a property can appreciate when resold.

That creates challenges in some of Breckenridge's older workforce housing neighborhoods.

The Wellington neighborhood, which Best calls the town's "granddaddy" workforce housing project, has an appreciation formula based on the greater of area median income or 3% annually. For years, that formula provided a predictable way for homeowners to build equity while keeping properties within reach of future workforce buyers.

But when area median income rises nearly 10% in a single year, the formula behaves differently.

"Those neighborhoods are going to appreciate faster than we'd like," Best said.

Most newer workforce housing developments in Breckenridge have moved toward limiting annual appreciation to roughly 2% to 3%. Best said the town is looking to standardize a 3% cap more broadly.

Workforce housing strategies shifting

Best said Breckenridge has already begun shifting its approach to workforce housing, partly motivated by increasing affordability concerns and partly because the town has limited opportunities left to build large projects on its own land.

The Runway neighborhood, which will ultimately contain 81 for-sale homes after its first phase, represents the largest remaining workforce housing development possible on town-owned land. Best said future projects will be smaller and may have to rely more on state grant funding.

Best said the town has also increasingly invested in buying existing market-rate properties and converting them into deed-restricted workforce housing through programs like Housing Helps.

Best said Breckenridge has been buying down units since the late 1980s. When she first started working for the town over 25 years ago, Best said around 80 workforce housing units existed around town. Today, the town has invested in over 1,700 workforce housing units. On average, the town invests about $200,000 per Housing Helps property and roughly $250,000 for a traditional buy-down, according to Breckenridge Finance Director Laura MacInnes.

Programs like Housing Helps prove more cost-efficient for the town compared to building new housing from the ground up, Best said. And as area median income rises, she said the town will likely look at subsidizing fewer units but with deeper investments. As the town works with Root Policy, a Denver-based research firm, to update its housing needs assessment, Best expects to explore those questions.

"If the need is at a lower price point, what do we do? Do we subsidize fewer units? That would be one strategy," Best said. "In the past, the measure of success of a program has been on the number of units. I've always been like, I've got to really start thinking about the affordability piece, too, because it shouldn't just be about that."

She said the town will also likely become more dependent on partnerships with private developers and outside funding.

An employee generation policy adopted in Breckenridge around three years ago requires new developments to account for the additional staff their projects will generate and provide housing accordingly. For example, alongside the Imperial Resort and Chalets development on Peak 8, Breckenridge Grand Vacations is also building 90 rental and for-sale workforce housing units at two locations.

"There is a private partnership aspect that is more silent but really, really important because there's no way to hit our goals and get what we need without those partnerships," said Beckerman.

The town and the county are also looking toward state funding, including resources allocated by Proposition 123, the largest dedicated fund for affordable housing in Colorado's history.

"We can't continue local funding only," Best said.

Housing officials across Colorado's mountain communities have discussed the problem through the Colorado Association of Ski Towns, Best said. The concern isn't unique to Summit County.

Meanwhile, local governments still have to balance housing needs against other community priorities. Beckerman said the fundamental tension lies between creating enough housing for the workforce and preserving the character and livability that residents want from their community.

"If we built 15 stories up on all of our affordable workforce housing units, then we probably wouldn't have a workforce housing crisis," Beckerman said.

However, he said, that's not what the community wants. The challenge remains with determining how much density, public money and outside investment the community is willing to accept in exchange for attracting and retaining local workers.

"We can't throw up our hands and go, well, it's just unaffordable to live in mountain towns," Beckerman said. "That's not the answer, and it's not what our constituents or our community wants.

"Our town is what it is because of the people in our restaurants, in our retail and in our trades, and they have buy-in — they believe in it because this is their home as well, and I think we fight tooth and nail to keep that."