



ARAPAHOE COUNTY

Affordable Housing in Arapahoe
County

What is Cost Burdened?

- Spending 30% or more of income on housing
- Severely cost-burdened = 50% or more of income on housing

What is Affordable?

- For *average* Denver Metro income of \$62,760:
 - Up to \$1,569/month in rent
 - \$260,870 home price
- Littleton's median sales price?
 - \$416,258

Who needs affordable housing?

- Our neighbors and co-workers:
 - Many Arapahoe County employees
 - Retail/sales/service industry
 - Child care workers
 - Entry level professionals
 - Office assistants
 - Educational professionals
 - Retirees

Consequences of Unaffordable Housing

- High housing costs distort labor markets and slow economic growth
- Distorted development hurts the environment
- Low-density development raises public infrastructure costs
- Lower-income families and racial and ethnic minority groups are deprived of access to opportunity

What Research Tells Us

- Land use regulations are a major driver of high housing costs
 - 2016 National Association of Homebuilders study reported that, nationally, regulatory costs (including delay, permit application fees, development standards, land and other dedications, etc.) incurred during the development phase accounted for 18.8% of the cost of a new home sold to an ultimate buyer
 - 2018 study showed that regulatory costs accounted for 32% of the cost of multi-family development
- Unaffordable housing slows employment growth by 1-2% per year
- Increased housing supply in just three major U.S. cities would increase U.S. GDP by 9%
- New development increases rental affordability in low-income neighborhoods by slowing rent increases
- Increasing the overall supply of housing reduces displacement

Trends in Littleton

Littleton

Population: **47,035**
Change from 2000: **17%**

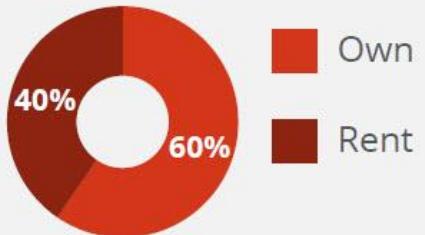
Households: **20,043**

Median Age: **41**

Median Income: **\$73,185**

Average Household Size: **2.32**

Total Housing Units: **20,938**



Median Home Value: **\$379,700**

Median Rent: **\$1,206**

Arapahoe County

Population: **636,671**
Change from 2000: **30%**

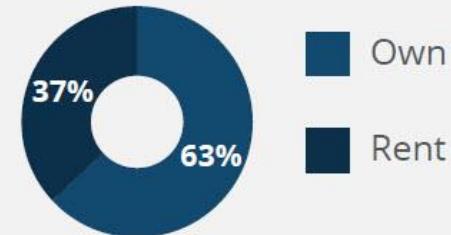
Households: **237,559**

Median Age: **37**

Median Income: **\$73,925**

Average Household Size: **2.66**

Total Housing Units: **248,618**



Median Home Value: **\$327,800**

Median Rent: **\$1,307**

Denver Metro

Population: **3,572,798**
Change from 2000: **36%**

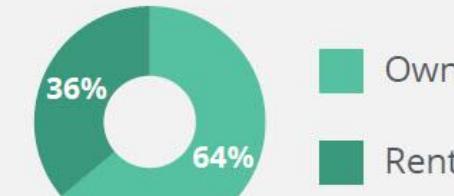
Households: **1,367,634**

Median Age: **36**

Median Income: **\$79,521**

Average Household Size: **2.57**

Total Housing Units: **1,445,480**



Median Home Value: **\$419,600**

Median Rent: **\$1,384**

Source: Root Policy Research: Presentation to Littleton Planning Commission Feb 2, 2021

Changes in Affordability (Littleton)

| | <u>1999</u> | <u>2015</u> | <u>2018</u> | % Change (2015-2018) |
|------------------------------|-------------|-------------|------------------|---------------------------------|
| Median Gross Rent | \$709 | \$1,008 | \$1,206 | 20% |
| Median Sale Price | \$151,000 | \$299,000 | \$416,258 | 39% |
| Median Income | \$50,254 | \$65,221 | \$73,185 | 12% |
| Purchasing Power | \$158,000 | \$267,808 | \$304,202 | 14% |

Source: Root Policy Research: Presentation to Littleton Planning Commission Feb 2, 2021

Littleton Rental Market

| Income Range | Max Affordable Rent | Renters | | Rental Units | | Rental Gap | Cumulative Gap |
|-----------------------------|---------------------|---------|------|--------------|------|------------|----------------|
| | | # | % | # | % | | |
| Less than \$5,000 | \$125 | 257 | 3% | 13 | 0% | (244) | (244) |
| \$5,000 to \$9,999 | \$250 | 230 | 3% | 89 | 1% | (141) | (385) |
| \$10,000 to \$14,999 | \$375 | 644 | 8% | 292 | 3% | (352) | (737) |
| \$15,000 to \$19,999 | \$500 | 362 | 4% | 183 | 2% | (179) | (916) |
| \$20,000 to \$24,999 | \$625 | 389 | 5% | 211 | 2% | (178) | (1,094) |
| \$25,000 to \$34,999 | \$875 | 935 | 12% | 1,005 | 12% | 70 | (1,024) |
| \$35,000 to \$49,999 | \$1,250 | 1,400 | 17% | 2,781 | 32% | 1,381 | 357 |
| \$50,000 to \$74,999 | \$1,875 | 1,556 | 19% | 2,699 | 32% | 1,143 | 1,500 |
| \$75,000 to \$99,999 | \$2,500 | 980 | 12% | 1,119 | 13% | 139 | 1,639 |
| \$100,000 or more | \$2,500+ | 1,353 | 17% | 129 | 2% | (1,224) | 415 |
| Total/Low Income Gap | | 8,106 | 100% | 8,558 | 100% | (1,094) | |

Source: Root Policy Research: Presentation to Littleton Planning Commission Feb 2, 2021

Affordability in Littleton

| Industry | Average Annual Wage in Metro Denver | Job % for Littleton residents | Job % for Littleton workers | Max Affordable Rent | Can Afford Median Rent? | Max Affordable Home Price | Can Afford Median Home Price? |
|---|-------------------------------------|-------------------------------|-----------------------------|---------------------|-------------------------|---------------------------|-------------------------------|
| All industries | \$62,760 | 100% | 100% | \$1,569 | Yes | \$260,870 | No |
| Health Care and Social Services | \$57,984 | 12% | 13% | \$1,450 | Yes | \$241,018 | No |
| Retail Trade | \$37,476 | 11% | 12% | \$937 | No | \$155,774 | No |
| Professional Services | \$95,364 | 10% | 7% | \$2,384 | Yes | \$396,393 | No |
| Accommodation/Food Services | \$29,328 | 10% | 7% | \$733 | No | \$121,906 | No |
| Educational Services | \$56,208 | 8% | 12% | \$1,405 | Yes | \$233,636 | No |
| Admin. and Waste Services | \$51,024 | 6% | 9% | \$1,276 | Yes | \$212,088 | No |
| Construction | \$69,732 | 6% | 4% | \$1,743 | Yes | \$289,850 | No |
| Finance and Insurance | \$90,276 | 6% | 3% | \$2,257 | Yes | \$375,244 | No |
| Manufacturing | \$73,716 | 5% | 4% | \$1,843 | Yes | \$306,410 | No |
| Wholesale Trade | \$86,160 | 4% | 5% | \$2,154 | Yes | \$358,135 | No |
| Information | \$98,724 | 4% | 7% | \$2,468 | Yes | \$410,359 | No |
| Public Administration | \$71,268 | 4% | 9% | \$1,782 | Yes | \$296,235 | No |
| Other Services | \$46,512 | 3% | 3% | \$1,163 | No | \$193,333 | No |
| Arts, Entertainment, and Recreation | \$31,452 | 2% | 1% | \$786 | No | \$130,734 | No |
| Management of Companies and Enterprises | \$90,924 | 2% | 1% | \$2,273 | Yes | \$377,937 | No |
| Transportation and Warehousing | \$58,824 | 2% | 1% | \$1,471 | Yes | \$244,510 | No |
| Real Estate and Rental and Leasing | \$64,440 | 2% | 1% | \$1,611 | Yes | \$267,853 | No |
| Natural Resources (incl. Oil and Gas) | \$127,632 | 1% | 0% | \$3,191 | Yes | \$530,519 | Yes |

Source: Root Policy Research: Presentation to Littleton Planning Commission Feb 2, 2021



HOUSING AUTHORITIES

Aurora Housing Authority
South Metro Housing Authority (Littleton)
Innovative Housing Concepts (Englewood)



HOUSING AUTHORITIES

- Manage Housing Choice Vouchers (Section 8 and others such as HUD VASH)
- Develop and manage senior, family, disabled housing
 - Scattered site housing
 - Senior/disabled buildings
 - Family housing
 - Chronic shortage of funding opportunities for all affordable housing



AFFORDABLE HOUSING DEVELOPMENT

DEVELOPERS

- Identify and secure property
- Apply for funding streams
 - Low Income Housing Tax Credits
 - HUD funding-fairly rare and usually to Housing Authorities
 - State Housing Funds such as HOME Investment Partnership
 - Local funds – City/County
 - Private Activity Bounds
 - Partnerships for other private funds
 - Partnerships with Housing Authorities for tax exempt status
 - Partnerships with City/County for fee waivers
 - Multi-year projects to go from property acquisition to lease up

The Foundry Apartments (Englewood)

Income-restricted:

1 Person- \$35,280

2 People- \$40,230

3 People- \$45,360

4 People- \$54,420



Prentice Place Lofts (Greenwood Village)

Income Restricted:

1 Person- \$28,000 (40% AMI)

\$35,000 (50% AMI)

2 People- \$32,000 (40% AMI)

\$40,000 (50% AMI)

3 People- \$36,000 (40% AMI)

\$45,000 (50% AMI)



Impediments to Fair Housing Choice

- “Not in My Backyard!”
- Lack of affordable units for low and very low income households
- Local government and County regulations and fees
- Lack of rapid rehousing options and transitional housing

Land Use/Zoning/Implementation Tools

- Mobile home zoning
- Accessory dwelling units
- Density (and building height)
- Reduced parking requirements
- Mixed use zoning (allow residential in commercial areas)
- Multi-family zoning districts
- Fees/fee waivers

Questions?