Regional Housing Needs Assessment

Denver City Council – October 30, 2024

Introduction and context

What is DRCOG?

The Denver Regional Council of Governments is a planning organization where local governments collaborate to establish guidelines, set policy and allocate funding in the areas of **transportation** and **personal mobility**, **growth** and **development**, and **aging** and **disability resources**.

Housing in Metro Vision

- Diverse **housing options** meet the needs of residents of all ages, incomes and abilities.
  - Diversify the region's **housing stock**.
  - Increase the regional supply of **housing attainable** for a **variety of households**.
  - Increase opportunities for **diverse housing accessible by multimodal transportation**.
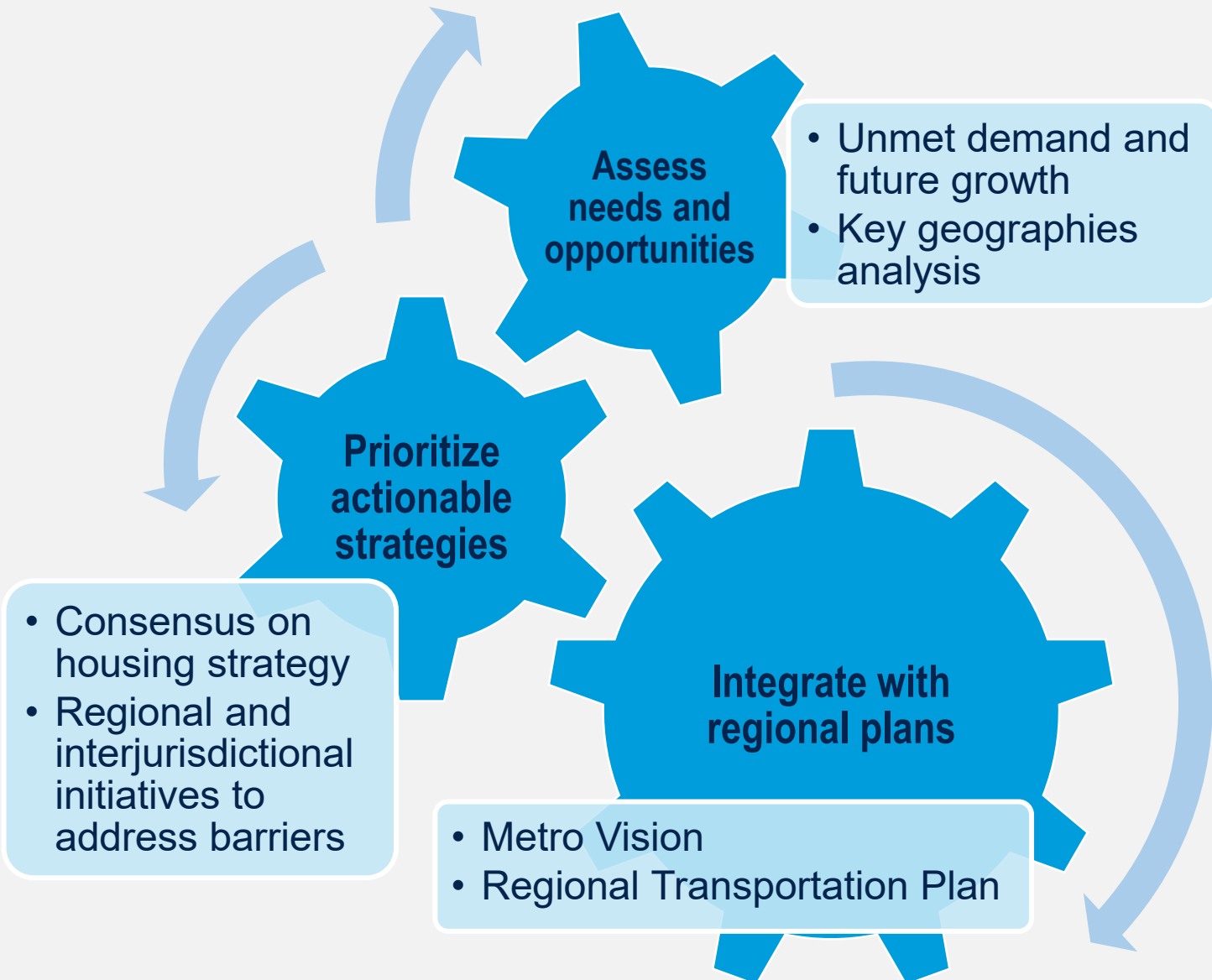
Housing and transportation planning

"The metropolitan planning process… *shall* provide for consideration of projects and strategies that will—…

(E) …promote **consistency** between **transportation improvements** and State and local planned **growth, housing, and economic development** patterns

23 United States Code § 134(h)

DRCOG's path to a regional housing strategy

Assess needs and opportunities
- Unmet demand and future growth
- Key geographies analysis

Prioritize actionable strategies
- Consensus on housing strategy
- Regional and interjurisdictional initiatives to address barriers

Integrate with regional plans
- Metro Vision
- Regional Transportation Plan

Regional Housing Needs Assessment

October 2023–July 2024

- Data analysis.
- Understand barriers.
- Framework for strategy.

Regional Housing Strategy

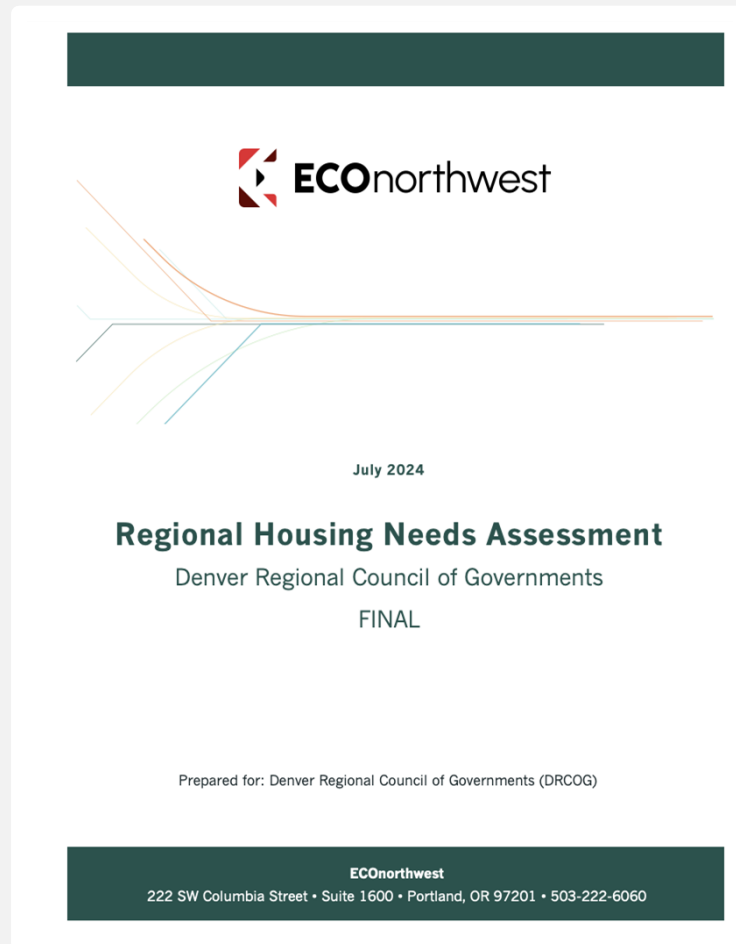December 2024–January 2026

- Regional implementation structure.

Regional plan updates

2025–2026

- Guide Metro Vision and regional transportation plan updates.

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Regional Housing Needs Assessment report

July 2024

Regional Housing Needs Assessment

Denver Regional Council of Governments

FINAL

Prepared for: Denver Regional Council of Governments (DRCOG)

ECOnorthwest
222 SW Columbia Street • Suite 1600 • Portland, OR 97201 • 503-222-6060

1. Data analysis:

- Identified gaps in housing supply and affordability across income levels and household types.

2. Barriers analysis:

- Collaborated to identify barriers to housing development.

3. Strategy framework:

- Outlined direction to move toward a regional strategy.

Stakeholder engagement

Infrastructure professionals

Housing developers

Housing finance professionals

Climate and sustainability groups

Homebuilder's association

Regional economists

Member governments' planning staff

Housing advocates and service providers

City and county managers

Advisory group

Data analysis

Summary of key findings

- Despite periodic building booms, the **region has not produced enough housing to keep pace** with population and job growth.

- **Low-income households** (below 60% Area Median Income) represent the greatest need for additional housing.

- **Aging population and smaller household** trends will require more diverse housing types.

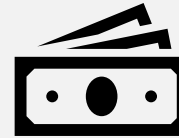- Housing types and affordability are **unevenly distributed across the region**.
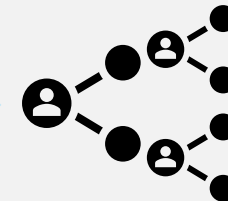
Total regional need

To address current and future needs across the income spectrum, the Denver region needs to build 511,000 units by 2050. To stay on track to reach that goal, the region should work toward building 216,000 new units through 2032.

216,000 new homes

511,000 new homes

2023　　　　　**2032**　　　　　**2050**

Includes all units to address current shortages

# 10-year regional housing needs

Component	Housing units
Current need	52,000
Future need	164,000
Total units	216,000

- The Denver region will need to produce about **216,000 new housing units between 2023-2032** to meet current and future regional housing needs.

Source: ECOnorthwest analysis; DRCOG synthesis of State Demography Office 2022 Household Forecast and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates; Metro Denver Homeless Initiative State of Homelessness Report, 2022–2023

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Distribution of need – 2032
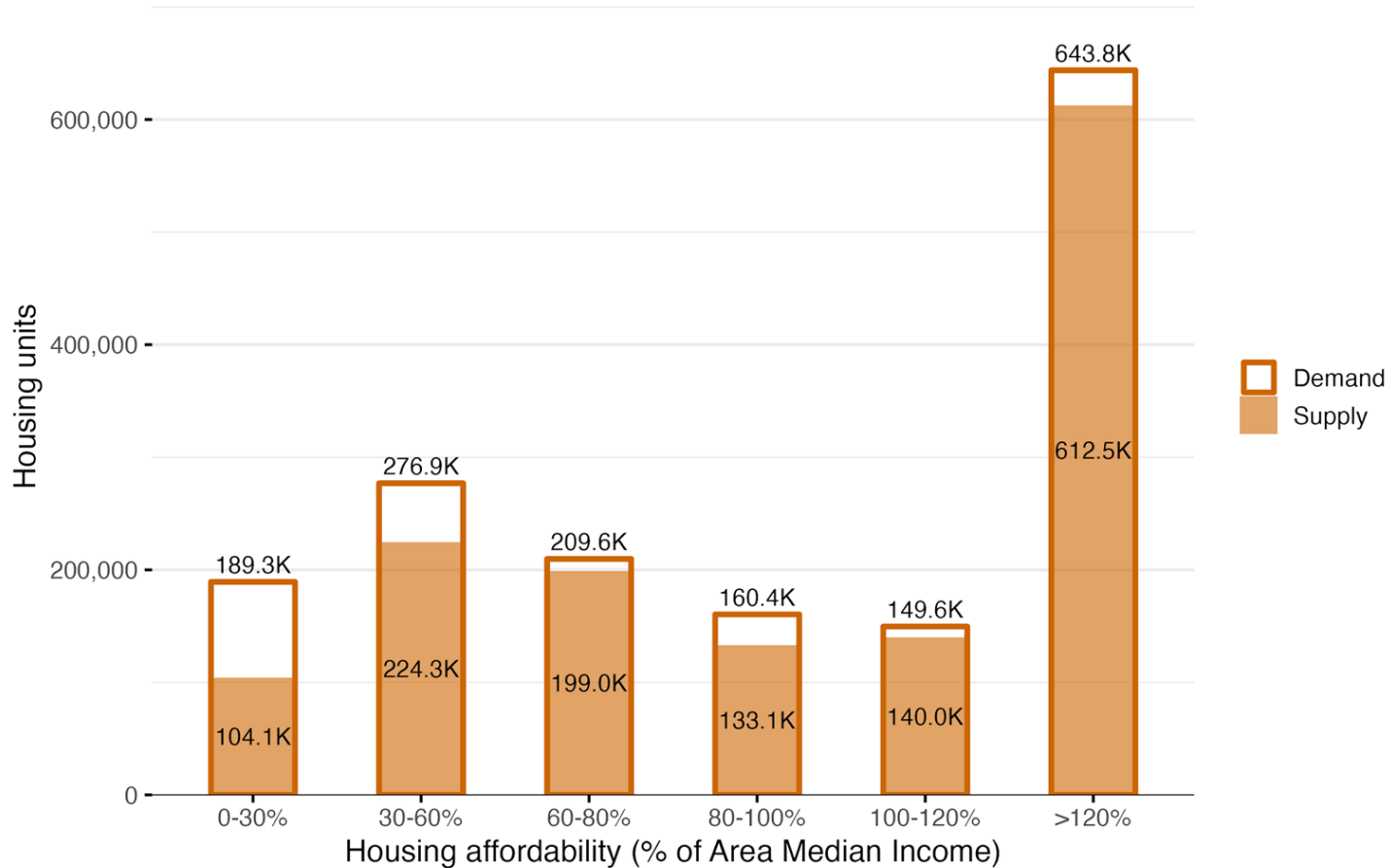
- **Over 137,000 units for households earning 0–60% Area Median Income are needed** to meet current and future demand by 2032.

Source: ECOnorthwest analysis; DRCOG synthesis of State Demography Office 2022 Household Forecast and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates; Metro Denver Homeless Initiative State of Homelessness Report, 2022–2023
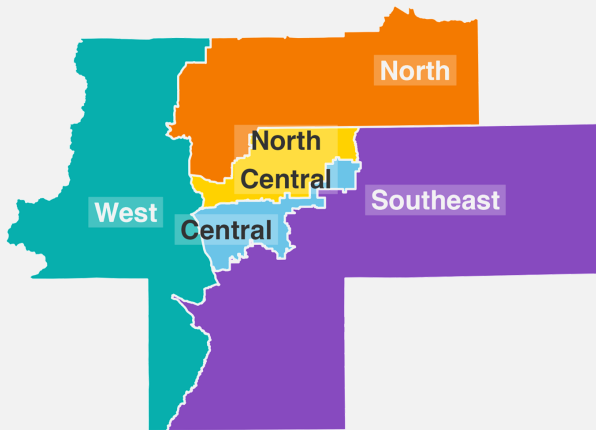
Regional submarket geographies
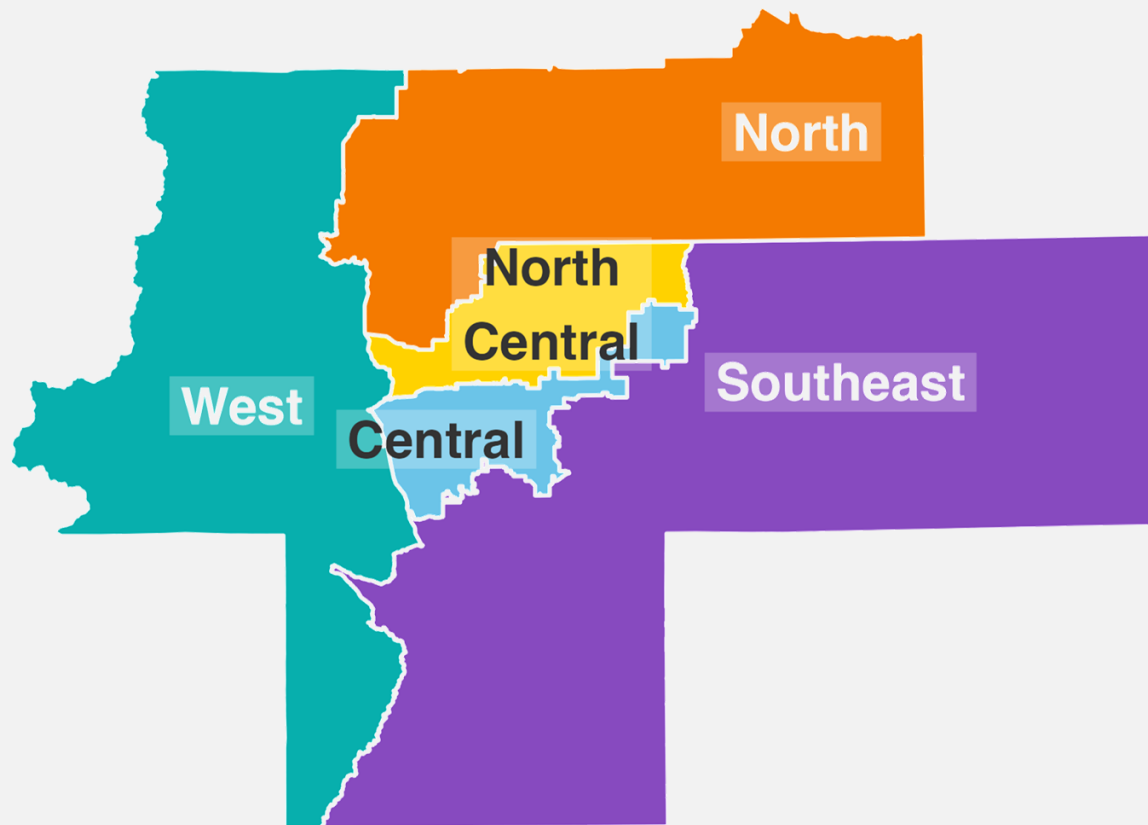
- Contiguous geographies.
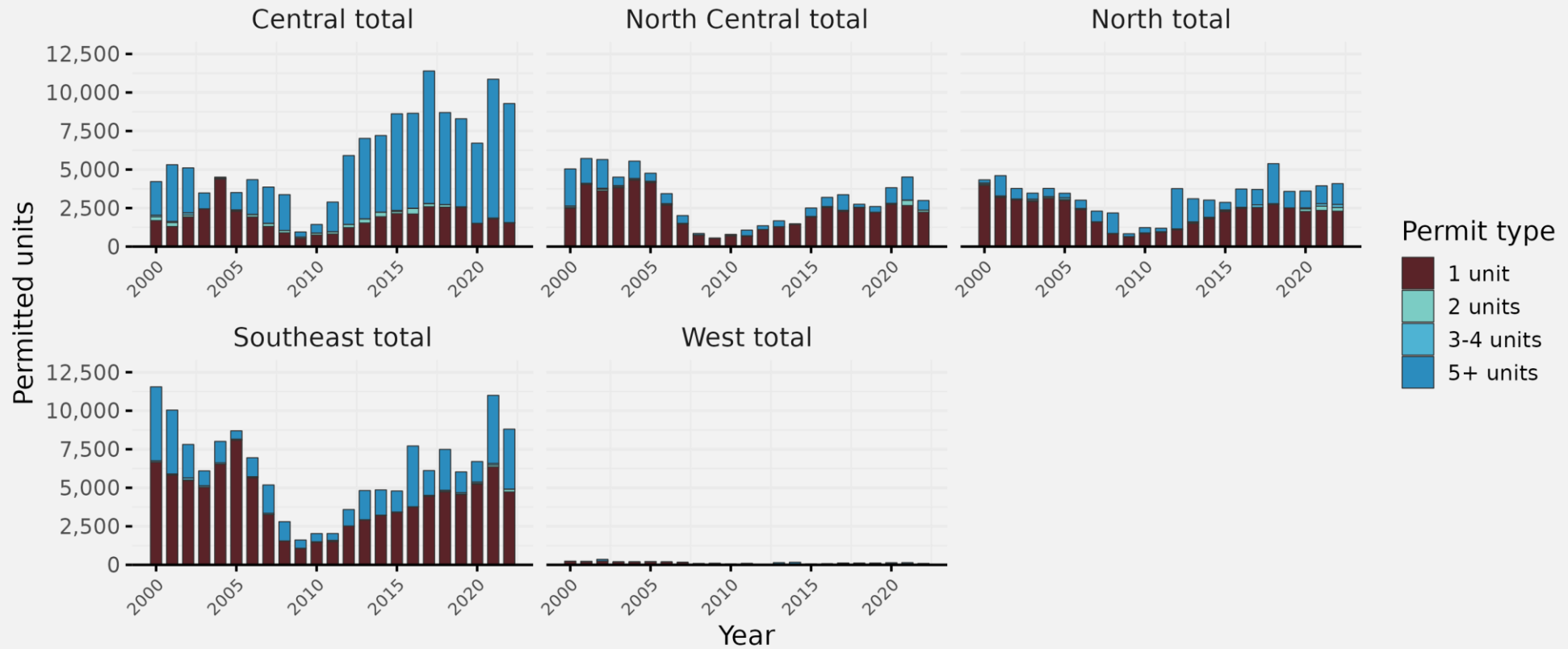- Linked by Census Bureau data and commute patterns.

Regional submarket geographies and jurisdictions

Central	North	North Central	Southeast	West
Denver	Arvada*	Arvada*	Aurora	Arvada*
	Boulder*		Bennett	Black Hawk
Edgewater	Brighton*	Brighton*	Bow Mar	Boulder*
	Broomfield		Castle Pines	
Glendale	Dacono	Commerce City	Castle Rock	Central City
	Erie		Centennial	Empire
	Firestone	Federal Heights	Cherry Hills Village	Georgetown
Golden*	Frederick		Columbine Valley	
	Lafayette	Golden*	Deer Trail	Golden*
	Lochbuie*		Englewood	
	Longmont	Lochbuie*	Foxfield	Idaho Springs
Lakewood	Louisville		Greenwood Village	
	Mead	Northglenn*	Larkspur	Lyons
	Northglenn*		Littleton	
Morrison*	Superior	Thornton	Lone Tree	Morrison*
	Westminster*		Parker	Nederland
Wheat Ridge*		Westminster*	Sheridan	Silver Plume
		Wheat Ridge*		

*: Jurisdiction overlaps with multiple regional submarkets

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Permitting trends by submarket

Source: HUD SOCDS

Note: Permit data is not available for entire counties or unincorporated Weld County (DRCOG portion).

Identifying local housing needs

- Model for identifying the need to submarkets and local communities.

Population

e.g., current population, future population

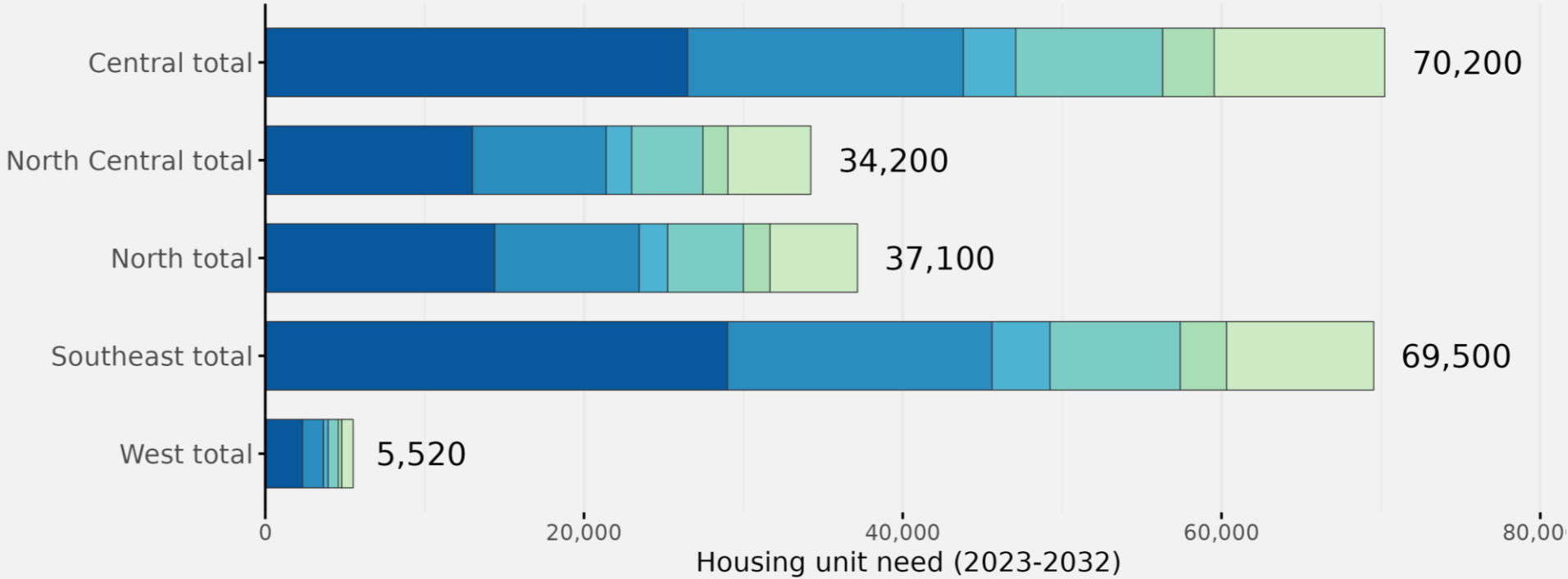**Employment**

e.g., current jobs, future jobs

Sustainability

e.g., current transit, future transit, commute times

Housing

e.g., affordable units, vacancy rates

Housing needs by submarket, 2023–2032

Central total — 70,200
North Central total — 34,200
North total — 37,100
Southeast total — 69,500
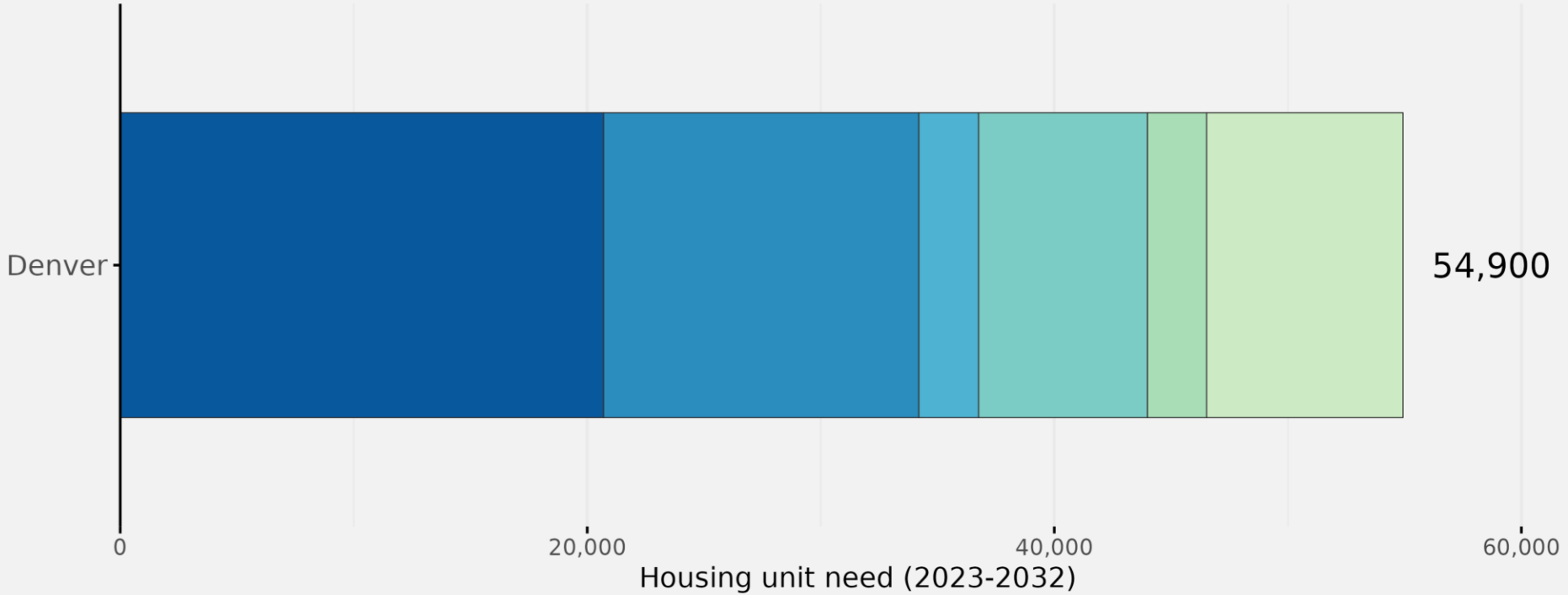West total — 5,520

Housing unit need (2023-2032)

Household income as percent of area median income
■ 0-30% ■ 30-60% ■ 60-80% ■ 80-100% ■ 100-120% ■ >120%

Source: DRCOG, ACS PUMS 1-Year 2022, ECONW calculations

Understand systemic barriers

Categorizing barriers

Land use and process

Infrastructure

Development costs and market factors

Funding and finance

Community will and collective action

Example barriers (slide 1 of 2)

Land use and process

- Permitting and procedures.
- Zoning that supports a narrow range of housing types.
- Open space and off-street parking requirements.
- Exclusively commercial zones.
- Incentives not matched to needed housing types.

Infrastructure

- Limited infrastructure funding.
- Limited capacity of existing systems.
- Multiple service providers.
- High access to opportunity and affordability.

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Example barriers (slide 2 of 2)

Development costs and market factors

- Rising interest rates and insurance costs.
- Elevated land values.
- Cost of water supply.
- Labor shortage.
- Construction defect liability laws.

Funding and finance

- Limited federal resources.
- No dedicated regional gap funding source.
- Local incentive programs.
- Existing funding programs and risk.

Community will and collective action

- Local resistance to new housing development.
- Lack of consistent local data.
- State tax policy and ability to generate revenue with growth.

Interplay of barriers

- Complex and interconnected.
- Collectively limit opportunities to feasibly:
  - Produce more housing.
  - Preserve affordable housing options.
  - Create more housing types in more places.
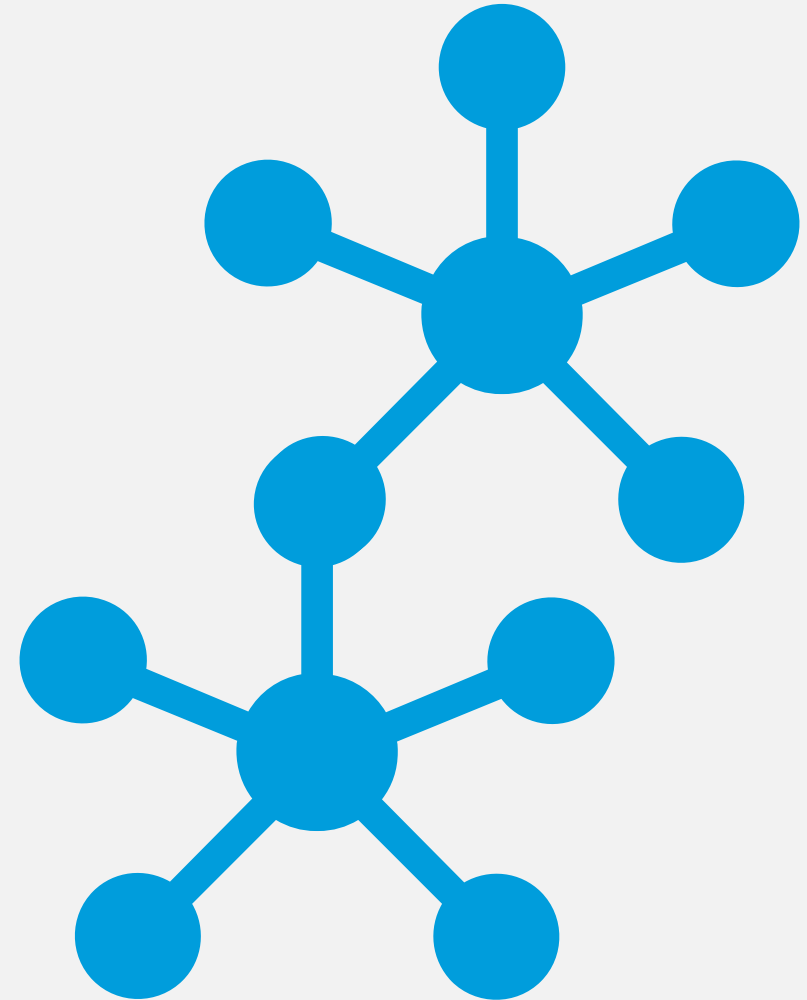
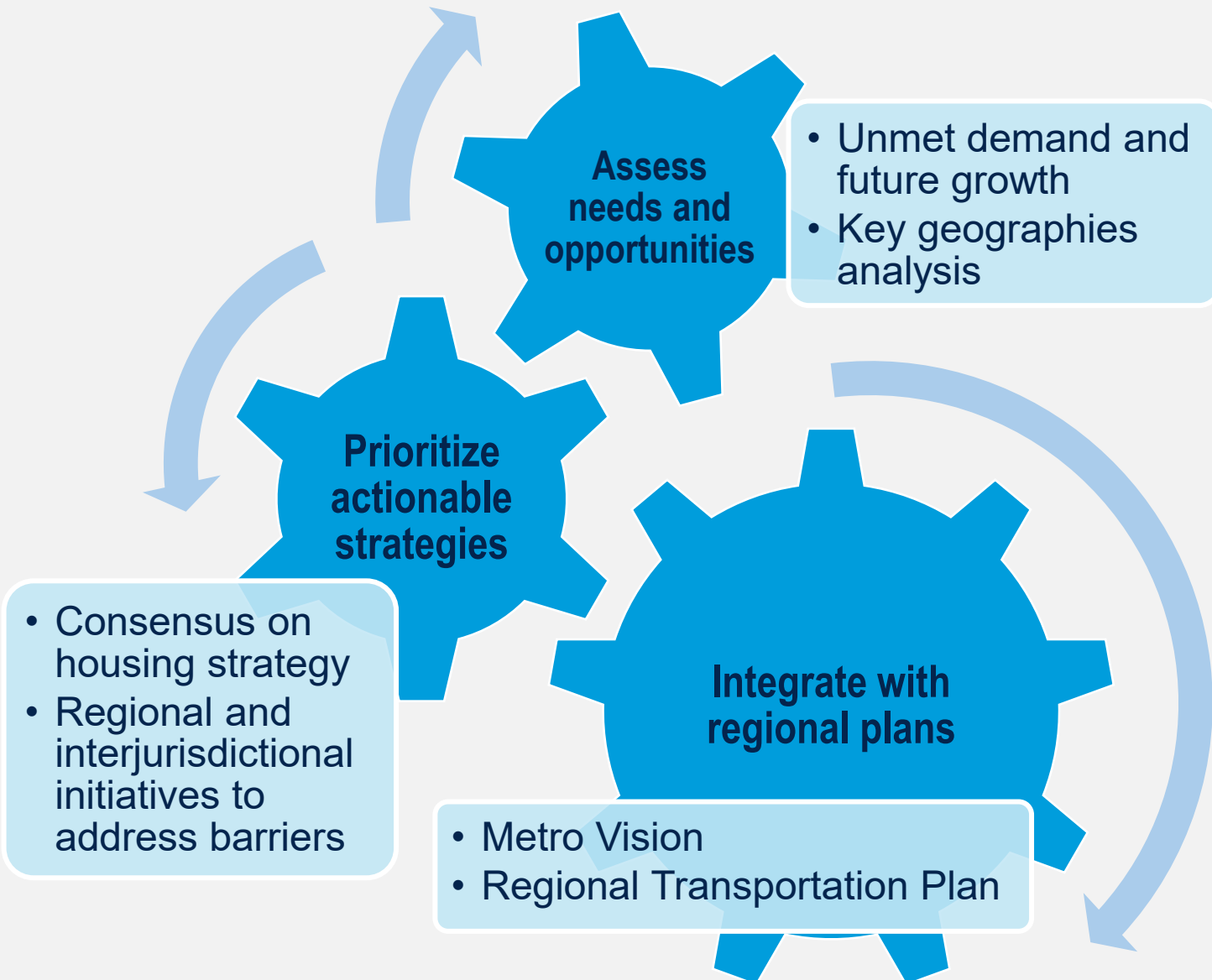# Framing a Regional Housing Strategy

Guiding principles

A regional housing strategy should…

1) **Align with the region's equity vision** for communities that offer access to opportunity and meet the needs of all races, ages, incomes, and abilities.

2) **Be data-informed**, grounded in a shared understanding of the region's diverse housing needs.

3) **Ensure flexibility** in responding to the contexts of communities across the region.

4) **Be comprehensive** in addressing the barriers to more housing and more diverse types.

5) **Reflect the unique roles and authorities of each sector** while facilitating collaboration and shared accountability.

6) **Identify resource requirements** to ensure actionable plans and deliver desired outcomes.

7) **Balance near-term results with long-term resilience** to meet housing needs under varied economic conditions.

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Continuing path to a regional housing strategy

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Thank you

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