April First Friday
Affordable Family Housing

April 1, 2022
The Need for Affordable Family Housing in Denver

Jennifer Balkcom, Director of Housing Development
Department of Housing Stability
What is HOST?

- Mayor Hancock formed new department
- Bring housing + homelessness together
- Executive order signed Oct. 23, 2019

Healthy, housed, and connected.

We invest resources, create policy, and partner to provide housing stability, resolve episodes of homelessness, and create housing opportunities.
For affordable family housing data...

- What is “family”? 
  - An unmarried couple with children?
  - A married couple with biological children?
  - Single foster parents?
  - Grandparents with grandchildren?
  - Two adult siblings sharing a house?
  -> For this presentation, 3 bedrooms or more

- What is “affordable”? 
  - Rent/ Mortgage Limit: Priced up to 30% of monthly income toward housing & utilities
  - Income Limit: Making up to 80% area median income (AMI) (about $80k in 2021 for 4 ppl)
From Root Policy Research...

"Families with children in the home grew at a slower rate than households overall."

Why? ... it’s driven by supply of what’s being built, not by demand from who lives here.
88,000 Households have 3+ people

Source: 2019 1-year ACS.

Household Size 2010 & 2019

1-2 person households are growing faster.
83% of rental units have less than 3 bedrooms

35% of ownership units have less than 3 bedrooms

Source: 2010 and 2019 1-year ACS, Root Policy Research
Who’s Buying?
Units Sold
2019 - 2020

... The FAMILY need is for 100% AMI and below

Note: The 2020 HUD AMI for a two-person household of $80,000 was used.
Source: Denver Property Taxation and Assessment System and Arland, LLC.
Affordable Rental Gap by AMI

What does this tell us?
- Affordability needs are concentrated at and below 60% AMI, where more households need units than we have.
- New development is concentrated at or above 100% AMI.
- Public assistance helps stabilize low-income housing options but is insufficient to address needs.

Source: Reproduced with permission from Root Policy Research. American Community Survey 2019 1-year estimates, HOST Affordable Housing Dashboard, HUD Picture of Subsidized Households, CoStar, and Root Policy Research Notes: Housing Choice Vouchers are included in Publicly Assisted Inventory; accounts for a 40% estimated overlap in HCVs and other publicly subsidized units (e.g., HCV use in LIHTC). The 2020 HUD AMI for a two-person household of $80,000 was used.
Where are people renting?

-> Areas with lowest rents have the lowest vacancy

-> People will rent wherever it costs less

Source: Apartment Association of Metro Denver, Quarterly Rent & Vacancy Survey.
HOST Five-Year Strategic Plan

- Build 7000 units of affordable housing, including 900 supportive units
- Including 7% of units sized with 3BR or more

Major $$ Sources for 2022
- $30M from GO bonds
- $28M ARPA
- $15M linkage fee
- $10M property tax
- $11M HOME-ARP
- $11M 2B (Homelessness Res Fund)
The regional context for the crisis in affordable family housing

Carrie Makarewicz, PhD,
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CU Denver Department of
Urban & Regional Planning
April 1, 2022

Photo: Rachel Woolf for The New York Times
Students Experiencing Homelessness in Metro Denver

From 2016-2020, the 7-county region has had 12,000 and 14,000 students experiencing homelessness each year (see handout).

Denver’s shortage of affordable family housing is a symptom of a broken and incomplete regional housing market.

Sources: McKinney Vento data source (Colorado Department of Education); Pit counts (Metro Denver Homeless Initiative Pit Reports and Data)
Housing and job markets are regional, but our planning doesn’t reflect this

- We plan regional transportation systems
- We know the current & projected # of jobs and wages
- We forecast population growth
- Yet we don’t have regional housing plans, just local zoning maps (that exclude many housing types)
- As a result, our housing prices and types don’t match our region’s household incomes or types

352,536 households are housing cost burdened.

Source: www.policymap.com
Regional workers requiring affordable housing

- 402,785 private sector jobs (30%) pay less than $43,000 a year (50% AMI)
- 45% of all workers commute to other counties (jobs/housing mismatch)*

% of Jobs paying <$43,000 (50% AMI)

Source: BLS, QCEW Sept. 2021. Does not include Govt. jobs
*County to County worker flows, 2015
For example: Jobs & ages in the region’s fast growing Financial Services Cluster

Median wage for 41% of the most prevalent jobs <70% AMI

Depending on household size, at least 68,000 workers in just a portion of this sector need affordable housing.
Regional supply / demand type mismatch

Like Denver, the region’s housing supply doesn’t match the region’s household demand, but it’s the reverse.

- Too many large units
- Not enough small units

<table>
<thead>
<tr>
<th>County</th>
<th>Supply 0, 1, 2 Bedrooms</th>
<th>Household 1 &amp; 2 Persons</th>
<th>Demand 3-7 Persons</th>
<th>Supply 3, 4, 5 Bedrooms</th>
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<tr>
<td>Adams</td>
<td>32%</td>
<td>55%</td>
<td>45%</td>
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<tr>
<td>Arapahoe</td>
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<td>60%</td>
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<td>Douglas</td>
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<tr>
<td>Jefferson</td>
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<td>67%</td>
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<tr>
<td>Weld</td>
<td>23%</td>
<td>54%</td>
<td>46%</td>
<td>73%</td>
</tr>
</tbody>
</table>

Source: ACS 2015-2019 Estimates

The so-called “missing middle”
But also, the missing smaller units
Why the mismatch?

Developers chasing same small shares: high-income households with kids | high-income singles

Zoning has not changed with demographics and need. This type of housing is not allowed in most communities. (2.2% of housing permits 2005-2020 and 4.6% of all housing)

Figure 1. The Spectrum of Housing

Source: Siegle, M. 2020. Missing Middle Housing in a Suburban Context, Centennial, CO (Capstone completed for CU Denver MURP Degree).
For numerous reasons: Production has not recovered from the Great Recession (2007-2011)

Housing Unit Change (by Census Tract)

1990 - 2000

2000 - 2010

2010 - 2019

Source: Historical Housing Unit and Urbanization Database 2010 (HHUUD10)
Solutions?

Planning must:

- work regionally
- guide the housing market with data, guidelines, technical assistance
- work with communities to build acceptance for more housing and more diverse housing types
- work with employers to coordinate jobs, housing, and funding
- work with local, state, federal, and private funding sources to reduce housing costs
- be creative!

This could be housing

Source: Siegle, M. 2020. Missing Middle Housing in a Suburban Context, Centennial, CO (Capstone completed for CU Denver MURP Degree).
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• Research Team:
  + Brenn Anderson-Gregson
  + Erik Braaten
  + Dr. Priyanka deSouza
  + Reynaldo Hernandez
  + Laura Santos Granja
  + Dani Slabaugh

• Capstone Case study of Centennial, CO by Matthew Siegle, May 2021.
Affordable Family Housing: Considerations for Design & Planning

Dr. Jennifer Steffel Johnson
CU Denver Department of Urban and Regional Planning
April 1, 2022
Preserve Existing Affordable Housing
Preserve Market-Affordable Units

- Relatively small investment to support repairs and upgrades can have a major impact
Make Existing Units Permanently Affordable

- San Francisco Small Sites Program
- Washington, D.C. GAIN Program
Mobile Homes Matter

• Stabilize residency and support unit owners
Preserve Existing Subsidized Units

- Expiring contracts require creative strategies for permanent affordability

Expiring Federally Subsidized Housing Units in Denver 2020-2030
Build the Right New Housing
Integrate Context-Sensitive “Missing Middle” Housing
Adapt and Reuse Offices, Factories, Hotels…

Savonnerie Heymans - MDW Architecture - Brussels, Belgium
Build Small Single-Family Homes

- Captures strong demand
- Facilitates intergenerational filtering
- Consider limited equity models and other affordability tools
Incorporate Universal Design Principles Throughout

- One no-step entrance
- Wide halls and doors (36”)
- Main floor full bath
- Light switches and outlets reachable at any height
- Lever-style door handles
Design Shared Family Spaces

• Sharing common space and tasks supports many household types
Quality of Life Is Paramount for Families