FIRST FRIDAYS

WITH THE



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."

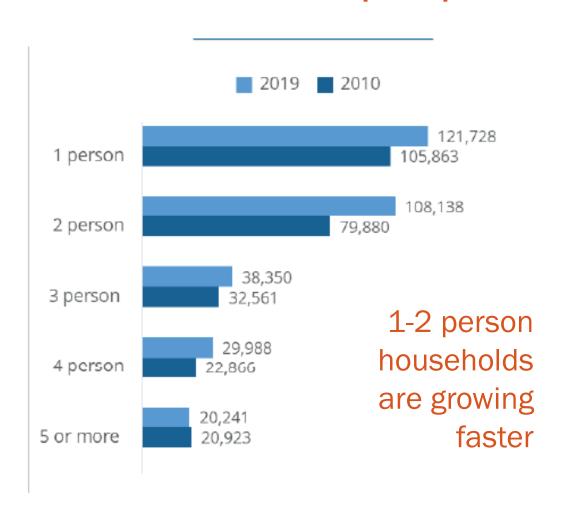
Why? ... it's driven by supply of what's being built, not by demand from who lives here.



88,000 Households have 3+ people

Household Size 2010 & 2019

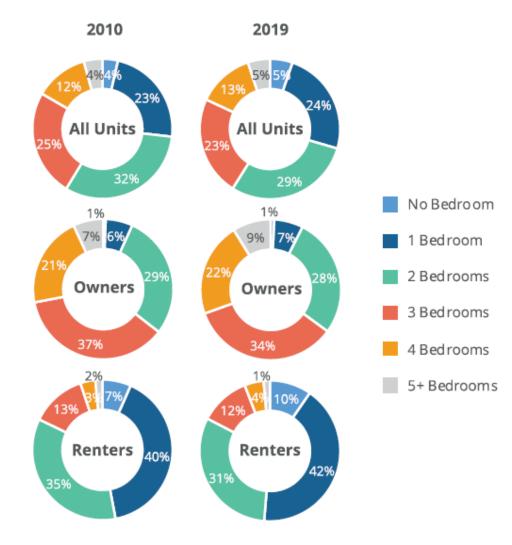
Source: 2019 1-year ACS.





Distribution of Unit Sizes

- -> 83% of rental units have less than 3 bedrooms
- -> 35% of ownership units have less than 3 bedrooms

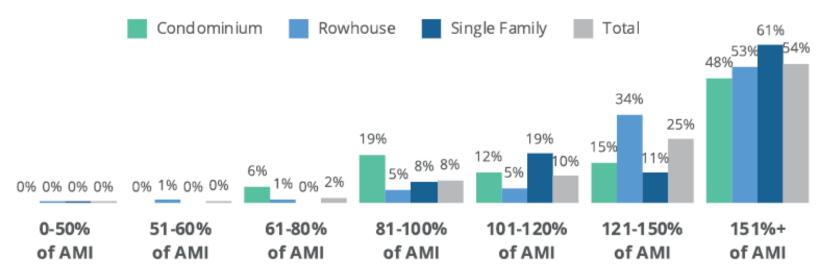


Source: 2010 and 2019 1-year ACS, Root Policy Research



Who's Buying? Units Sold 2019 - 2020

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

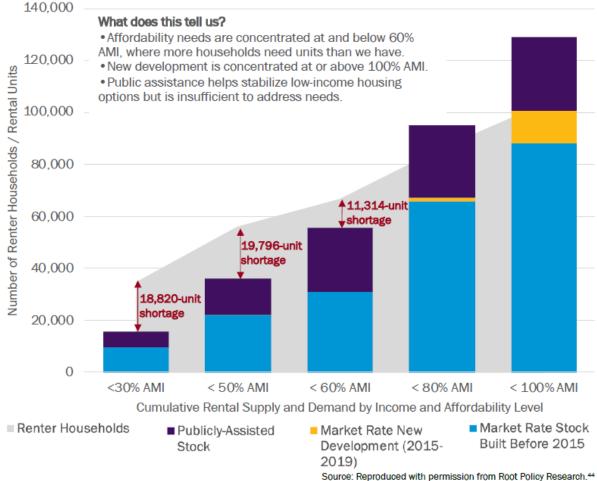


Note: The 2020 HUD AMI for a two-person household of \$80,000 was used.

Source: Denver Property Taxation and Assessment System and Arland, LLC.



Affordable Rental Gap by AMI

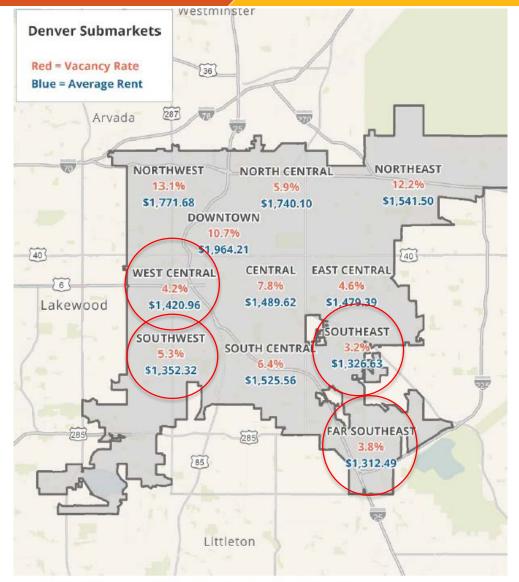


Source: Reproduced with permission from Root Policy Research.
American Community Survey 2019 1-year estimates, HOST Affordable Housing Dashboard, HUD Picture of Subsidized Households, CoStar, and Root Policy Research Notes: Housing Choice Vouchers are included in Publicly Assisted Inventory; accounts 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



ource: Apartment Association of Metro Denver, Quarterly Rent & Vacancy Survey.



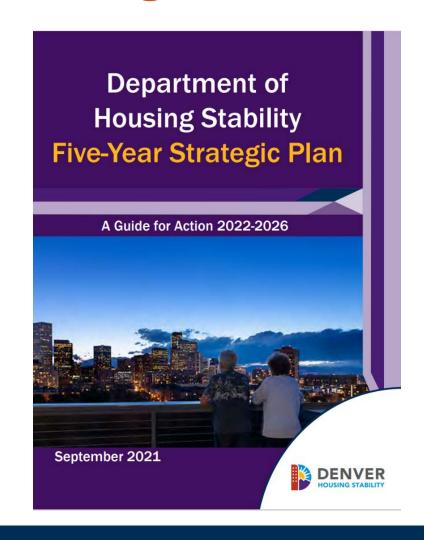


HOST Five-Year Strategic Plan

- 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 G0 bonds
- \$28M ARPA
- \$15M linkage fee
- \$10M property tax
- \$11M HOME-ARP
- \$11M 2B (Homelessness Res Fund)

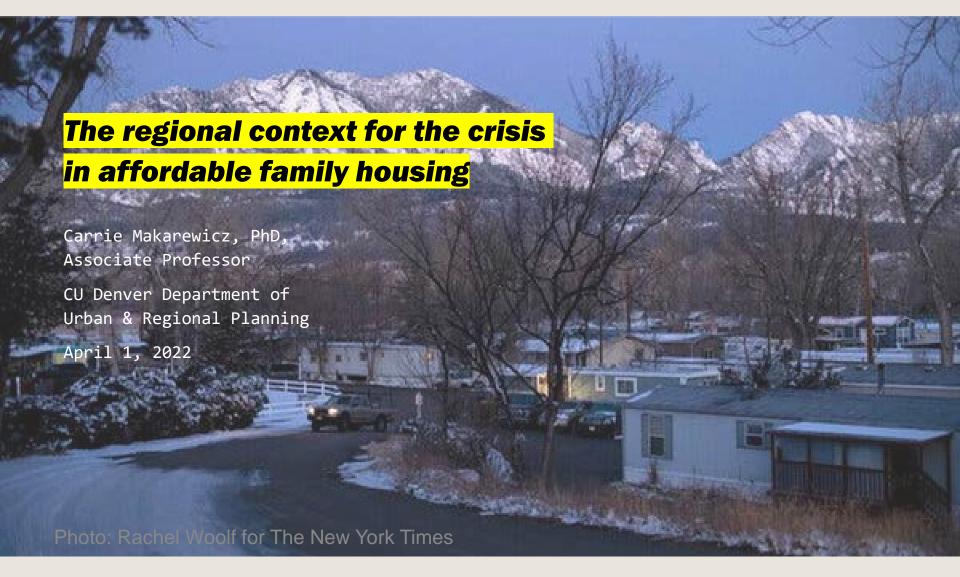






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Students Experiencing Homelessness in Metro Denver

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)

	Year	2016	2017	2018	2019	2020
Adams	PiT Unsheltered	60			139	160
	Total Homeless Est	imate 200	157	466	483	476
4	McKinney Vento Stu	dents 3,917	3,608	3,992	3,758	n/av
hoe	PiT Unsheltered				51	87
Arapahoe	Total Homeless Est	imate 456	562	198	228	245
Ara	McKinney Vento Stu	dents 2,911	1,781	2,770	2,897	n/av
<u>ه</u>	PiT Unsheltered				53	118
Boulder	Total Homeless Est	imate 726	600	592	623	689
BG	McKinney Vento Stu	dents 1,297	1,095	976	939	n/av
Ļ Þ	PiT Unsheltered				18	25
Broom- field	Total Homeless Est:	imate 13	22	5	30	26
	McKinney Vento Stu	dents N/A	N/A	N/A	N/A	N/A
د ا ا	PiT Unsheltered				<mark>554</mark>	<mark>996</mark>
Denver	Total Homeless Est:	imate 3631	<mark>3,336</mark>	3,445	<mark>3,943</mark>	<mark>4,171</mark>
	McKinney Vento Stud	dents 2,519	<mark>2,013</mark>	<mark>1,762</mark>	<mark>1,849</mark>	<mark>1,390</mark>
as	PiT Unsheltered				7	13
ug1	Total Homeless Est	imate 2	45	34	14	53
2	McKinney Vento Stu	dents 676	617	653	683	n/av
nos.	PiT Unsheltered				124	162
Jefferson Douglas	Total Homeless Est	imate 438	394	577	434	444
	McKinney Vento Stu	dents 2,733	2,825	3,135	2,753	n/av
	PiT Unsheltered	786	924	1,308	946	1,561
/-County Region	Total Homeless Inc	idence ¹ 5,467	5,116	5,317	5,755	6,104
	Newly Homeless tha	t year² 722	779	1,060	691	1,326
7- (Re	Chronically Homele:	ss ³ 804	1,085	1,596	1,158	1,846
	McKinney Vento Stu	dents 14,053	<mark>11,939</mark>	<mark>13,288</mark>	<mark>12,879</mark>	<mark>n/av</mark>

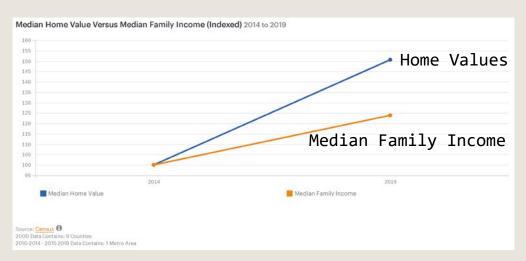


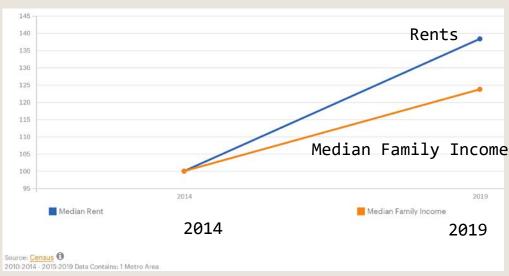


Housing and job markets are regional, but our planning doesn't reflect this

- 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





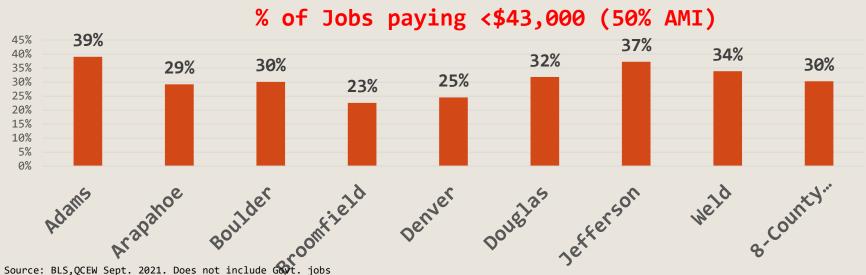
Source: www.policymap.com





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)*



Source: BLS,QCEW Sept. 2021. Does not include 🐯t. job: *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.

Financ		Denver ces Occu				2020°		
10 Largest Financial Services Occupations in Metro Denver & Northern Colorado	Total Working Across All Industries (2020)	Number of Available Applicants (2020)	Number of Graduates (2019)	Median Salary	10th Percentile Salary	25th Percentile Salary	75th Percentile Salary	90th Percentile Salary
1. Insurance sales agents	12,665	917	0	\$54,730	\$26,753	\$36,793	\$80,283	\$121,697
2. Securities, commodities, & financial services sales agents	10,345	749	0	\$54,089	\$27,285	\$37,396	\$83,471	\$127,247
3. Customer service representatives	36,553	2,646	0	\$37,342	\$25,232	\$29,976	\$47,988	\$60,833
4. Personal financial advisors	5,103	369	472	\$93,699	\$43,554	\$62,595	\$151,159	\$235,478
5. Tellers	4,512	327	0	\$32,674	\$25,875	\$28,800	\$37,883	\$43,974
6. Loan officers	4,264	309	472	\$60,143	\$31,408	\$43,152	\$84,068	\$110,284
7. Claims adjusters, examiners, & investigators	4,417	320	0	\$71,197	\$43,546	\$55,650	\$88,391	\$109,647
8. Financial & investment analysts, financial risk specialists, & financial specialists, all other	7,429	538	486	\$83,180	\$50,232	\$62,910	\$115,906	\$160,983
9. Software developers & software quality assurance analysts & testers	39,511	2,860	1,671	\$108,957	\$66,127	\$84,400	\$135,987	\$163,147
10. Project management specialists & business operations specialists, all other	42,873	3,103	50	\$80,642	\$45,847	\$58,960	\$108,751	\$142,539

Source: Metro Denver EDC, Financial Services Industry Cluster Study (9-county) https://www.metrodenver.org/regional-data/industry-cluster-studies





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

	Supply	Household	Supply	
County	0, 1, 2 Bedrooms	1 & 2 Persons	3-7 Persons	3, 4, 5 Bedrooms
Adams	32%	55%	45%	65%
Arapahoe	38%	60%	40%	58%
Boulder	39%	65%	35%	56%
Douglas	23%	50%	50%	74%
Jefferson	40%	67%	33%	57%
Weld	23%	54%	46%	73%

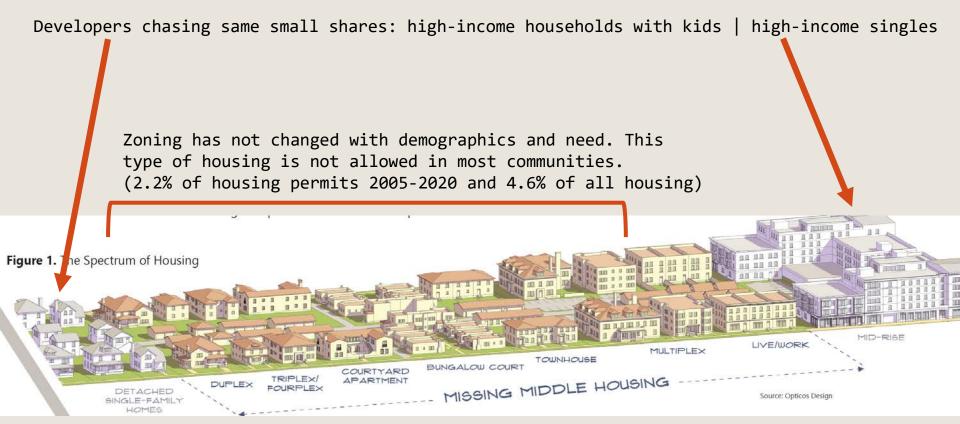
Source: ACS 2015-2019 Estimates

The so-called "missing middle" But also, the missing smaller units





Why the mismatch?

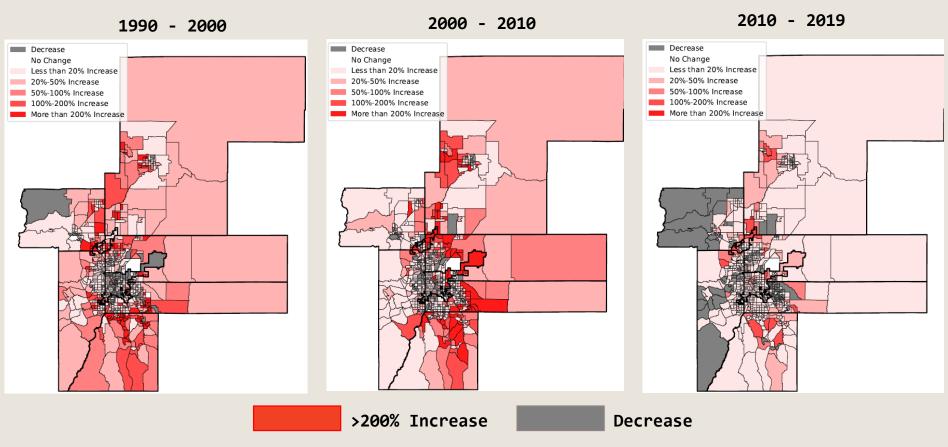


Source: Siegle, M. 2020. Missing Middle Housing in a Suburban Context, Centennial, CO (Capstone completed for CU Denver MURP Degree).



For numerous reasons: Production has not recovered from the Great Recession (2007-2011)

Housing Unit Change (by Census Tract)



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





Centennial has a number of underutilized shopping centers.

Source: ACF Property Management

Source: Siegle, M. 2020. Missing Middle Housing in a Suburban Context, Centennial, CO (Capstone completed for CU Denver MURP Degree).

Thank you to our funder and research team

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 - + Erik Braaten
 - + Dr. Priyanka deSouza
 - + Reynaldo Hernandez
 - + Laura Santos Granja
 - + Dani Slabaugh
- Capstone Case study of Centennial, CO by Matthew Siegle, May 2021.



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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















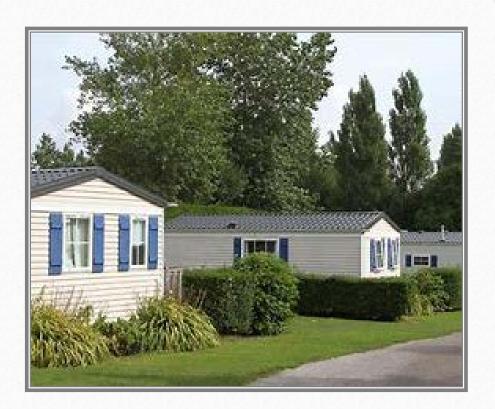






Mobile Homes Matter

 Stabilize residency and support unit owners









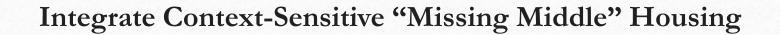






























Savonnerie Heymans - MDW Architecture - Brussels, Belgium

Adapt and Reuse Offices, Factories, Hotels...



















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



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