Housing Affordability Policy Study: Supplemental Material for Stakeholder Workshop #2 Material

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4 Major Topic Areas

- Ownership Housing and Commuting Patterns
- Rental and Student Housing
- Housing Cost Components
- Distressed Populations

Table Topic 1

OWNERSHIP HOUSING & COMMUTING

Average Sales Price Change, 2000-2013

(Shown with 2000 as Baseline; Subsequent years show % increase over 2000 Baseline)

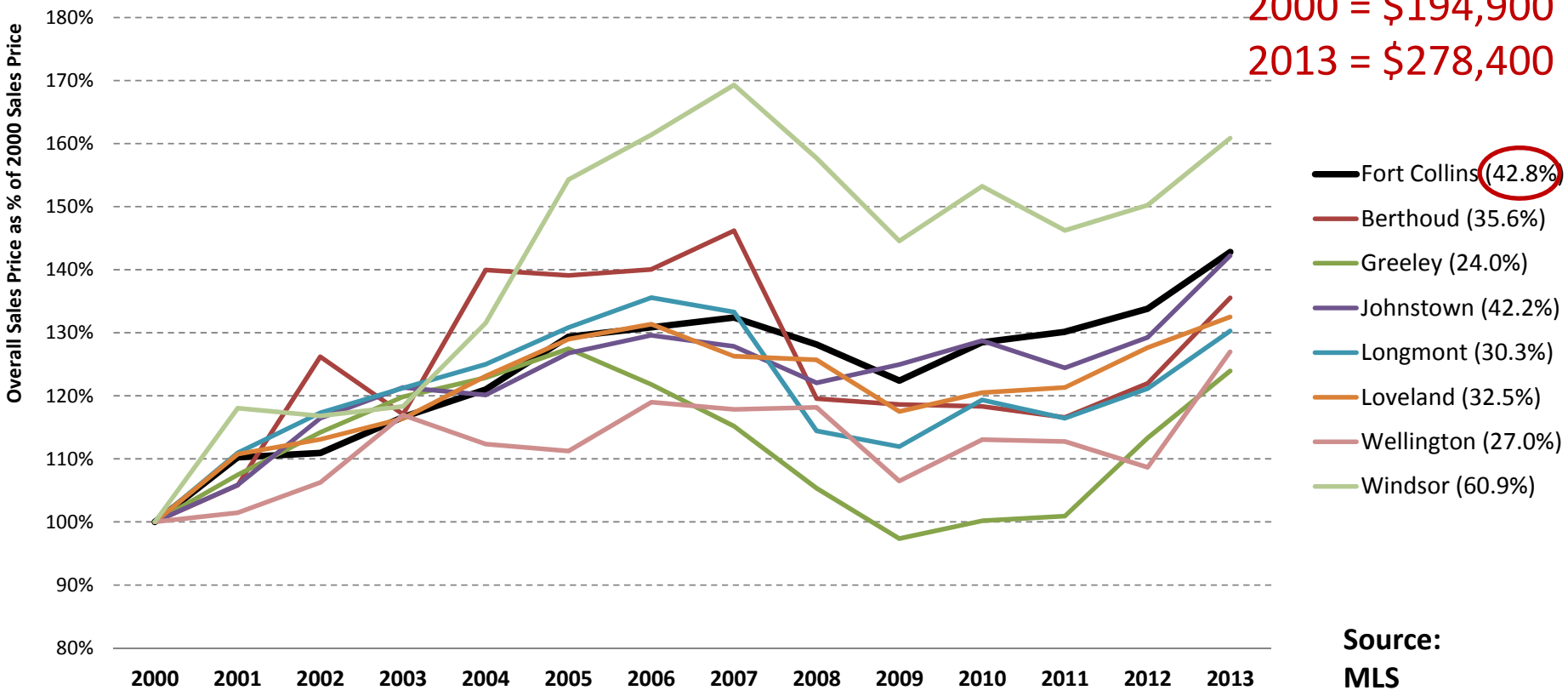
Increase:

+42% (2nd Largest Increase)

Averages

2000 = $194,900

2013 = $278,400

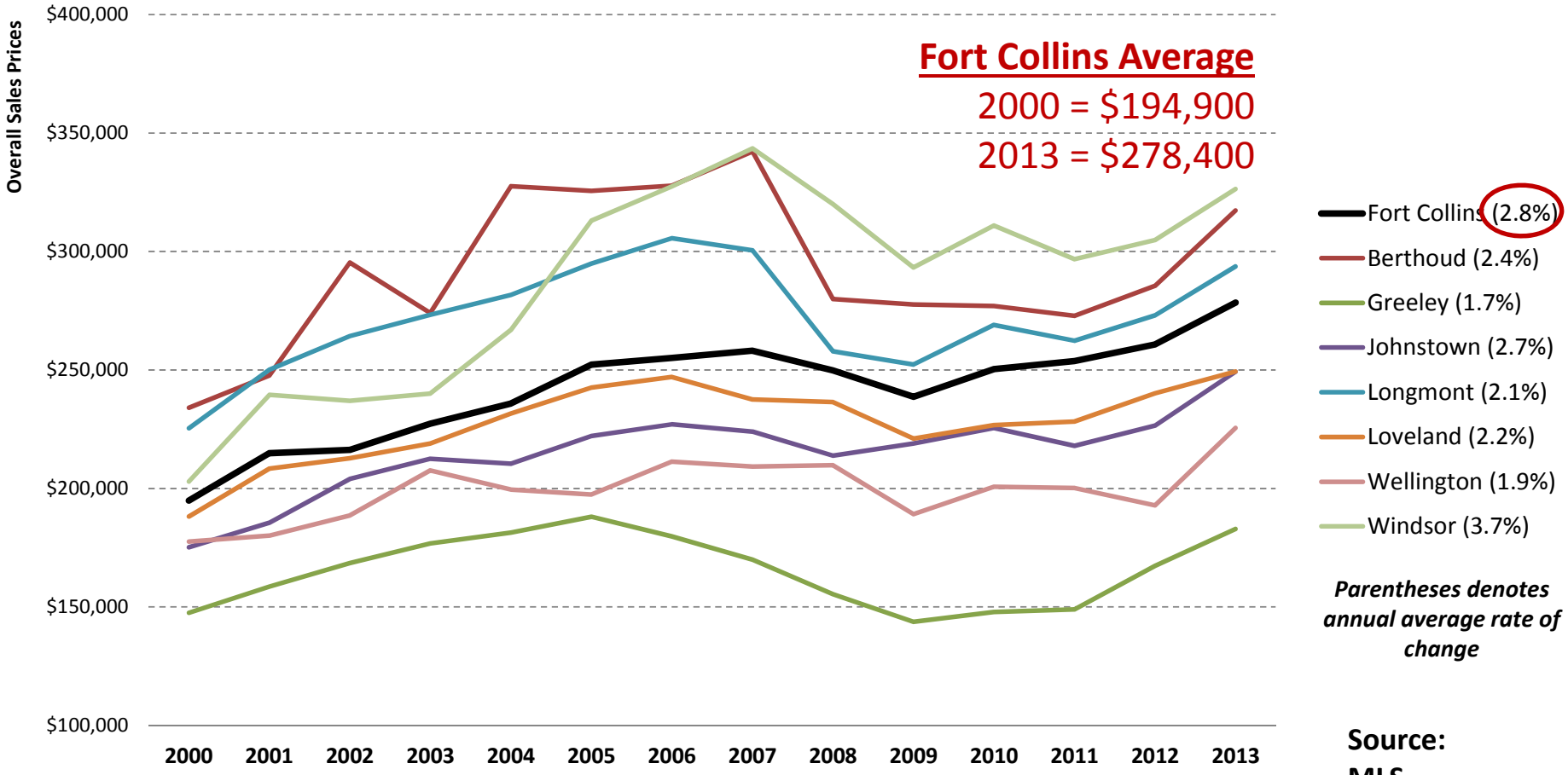


Source: MLS

Source: Elevation Real Estate; Economic & Planning Systems

Actual Average Sales Prices, 2000-2013

(All Product Types)



Source: Elevation Real Estate; Economic & Planning Systems

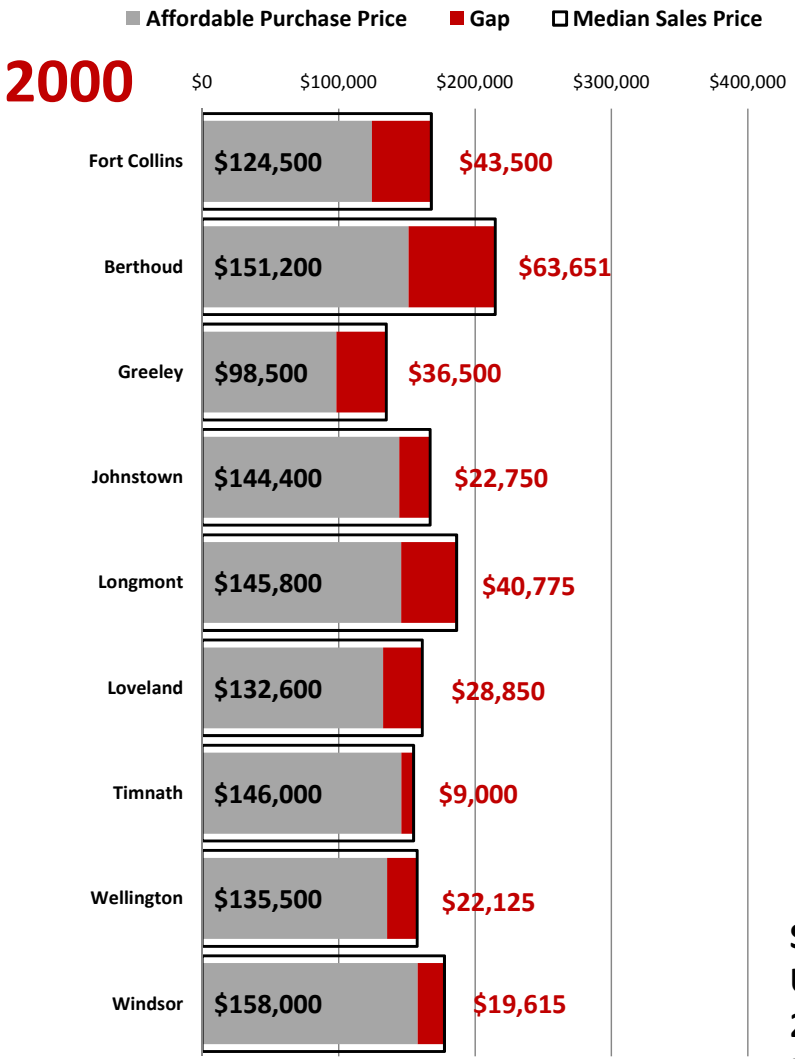
Source: MLS

How is housing affordability defined?

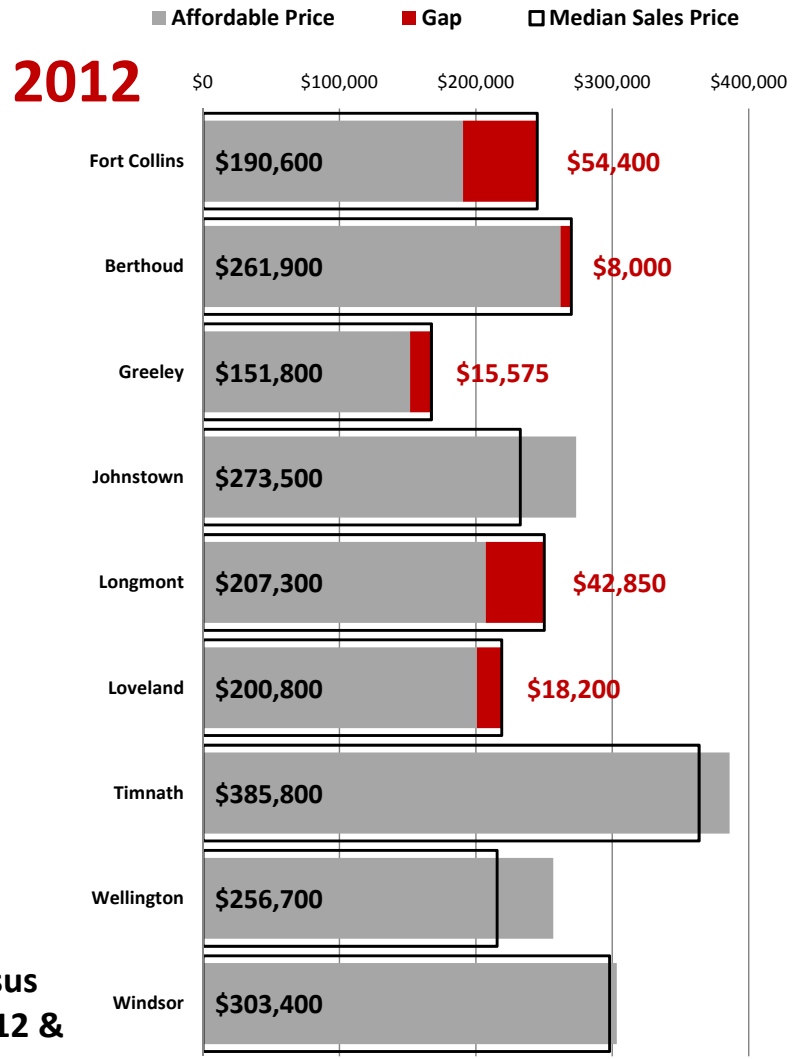
- Income
  - Census (2012, most recent available) = $53,400
    - HH size = approx. 2.4
  - HUD (2014) = $62,500 (2nd decrease in a row)
    - HH size = 2.5
- Housing Costs
  - Cost-burden (HUD term) = no more than 30% of income spent on housing
  - Rental affordability = 30% of income ÷ 12 months
  - Ownership affordability = 30%, factoring in PITI + HOA dues

Affordability Gaps for HHs w/ Median Income

(Shown are Affordable Price (Gray); Median Sales Price (Outline); and Gaps (Red)



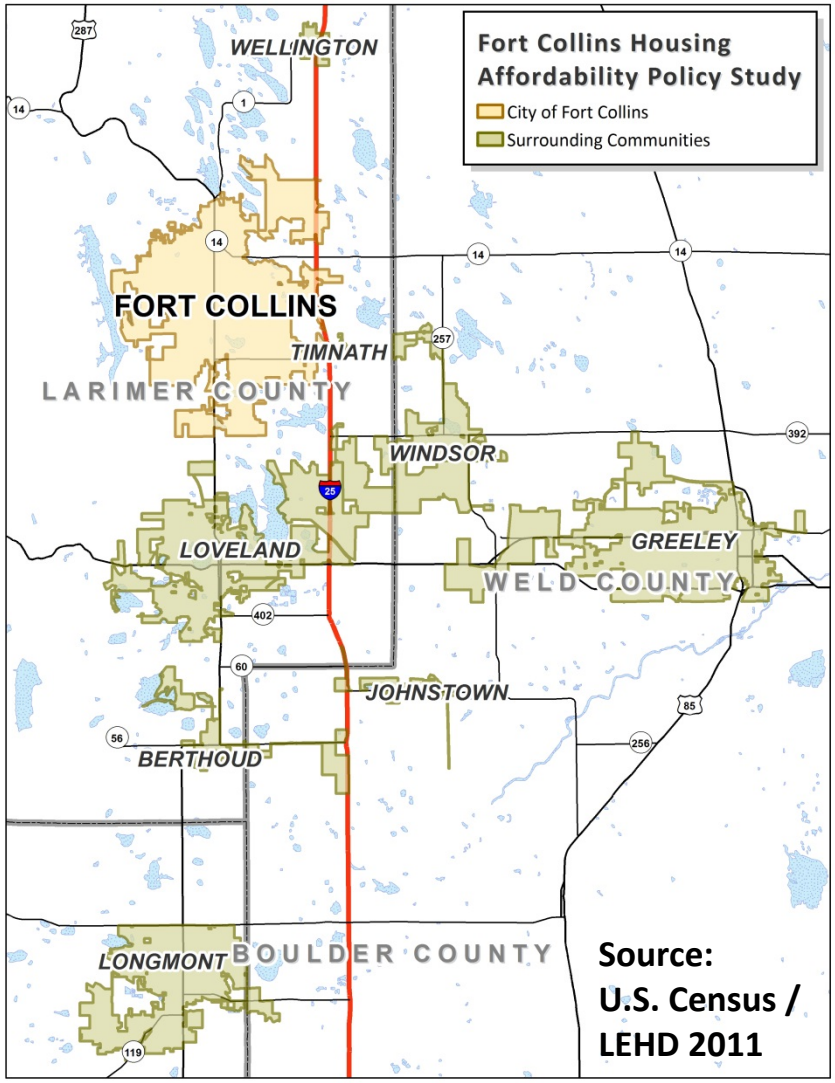
Source: U.S. Census; Economic & Planning Systems



Source: U.S. Census; Economic & Planning Systems

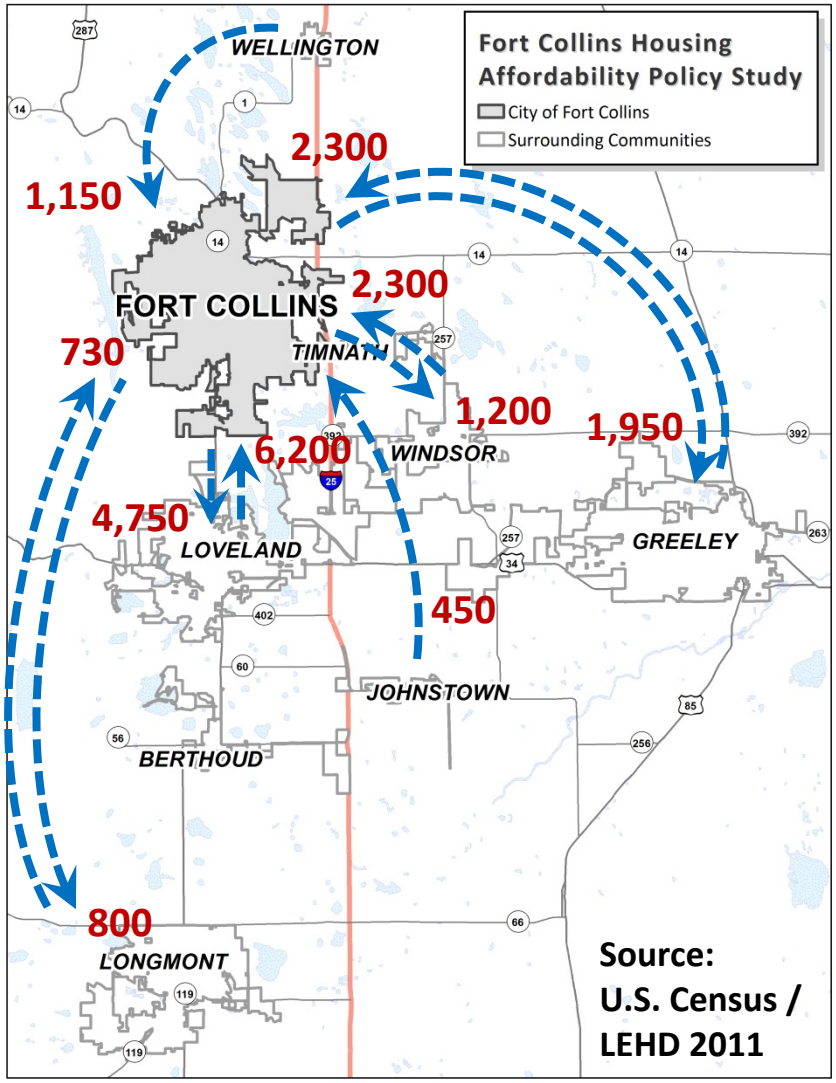
Sources: U.S. Census 2000, 2012 & MLS

Commuting Patterns
(2011 data)



- Total Wage & Salary Jobs
  - 72,600+ (2011)
- Commuting
  - 39,000 in-commuters
    - 32% increase since '03
  - 29,500 out-commuters
    - 2% increase since '03

Commuting Patterns
(by location, 2011)



- Out-Commuting (2003-11)
  - Net Change ▲ 560
  - to Denver Metro ▼ 880
- In-Commuting (2003-11)
  - **Net Change ▲ 9,400**
  - from Surrounding Communities ▲ 5,000
    - from Greeley ▲ 780 *
    - from Johnstown ▲ 300 *
    - from Longmont ▲ 360
    - from Loveland ▲ 1,820 *
    - from Wellington ▲ 620 *
    - from Windsor ▲ 1,110
    - from Timnath ▲ 30
    - from Berthoud ▲ 50
  - from Denver Metro ▼ 180

*** Median Sales Price = Lower than Ft. Collins**

Ownership Gaps

- **A)** What is a gap?
  - It **DOES** identify housing cost-burden at certain income levels
  - It **DOES NOT** just mean that more units need to be built
- **B)** Preliminary Estimates
  - Where are the gaps? i.e. Who is cost-burdened?
    - **2,150 HHs** earning under $25K / year
    - **490 HHs** earning $25K to $50K
- **C)** Who are they?
  - Elderly
  - Disabled
  - Mobile home owners
  - Other?

Table Topic 2

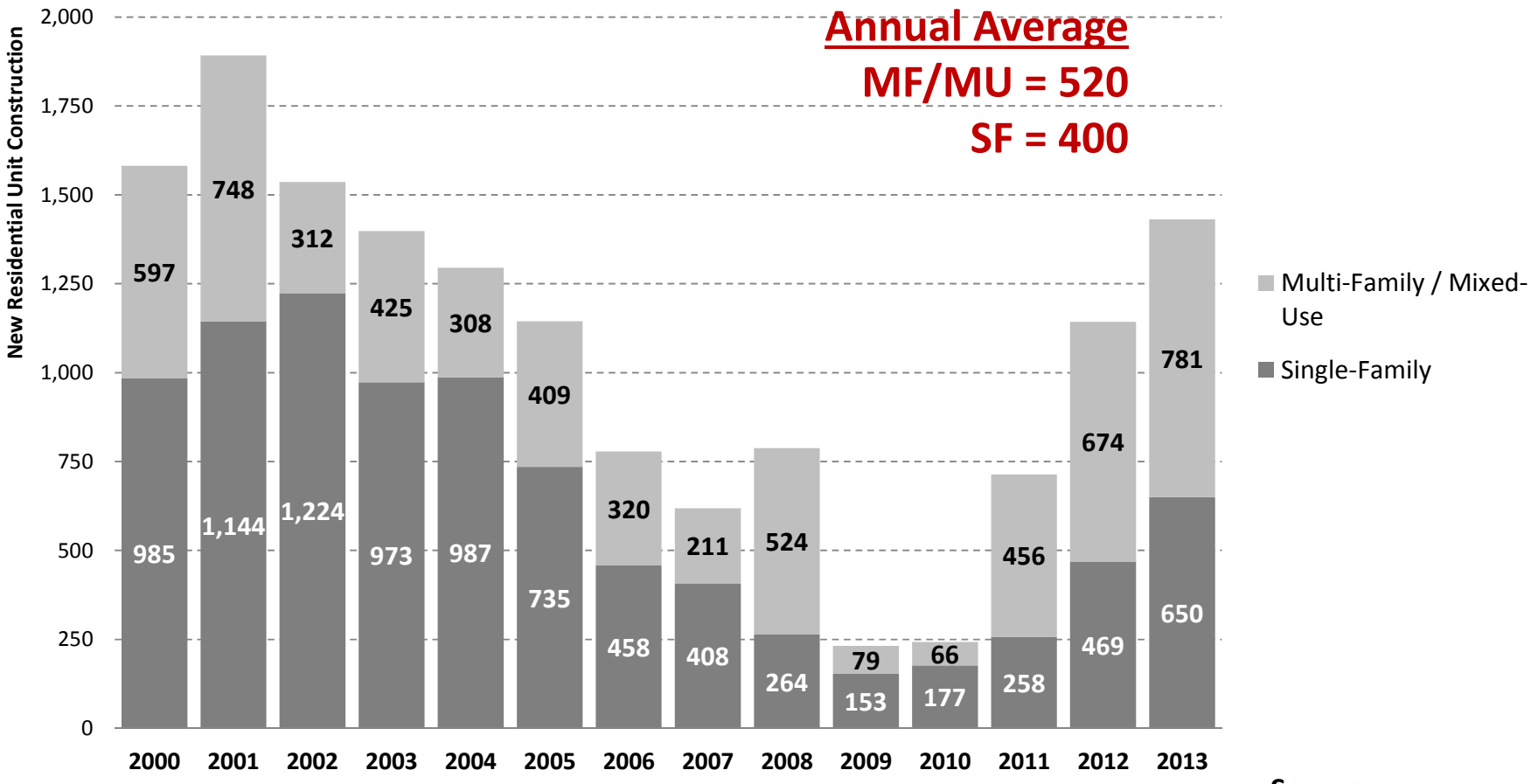
RENTAL & STUDENT HOUSING MARKET

Questions
(posed by Stakeholders in Workshop #1)

- What is the student population?
  - Undergrads
  - Grads
- What is the housing implication of this?
- What is CSU doing?
- How are they dealing with their housing issues?
  - On-campus
  - Off-campus (i.e. through encouragement of alternative transportation modes, etc.)
- What else are they doing?
  - Investment in bike/ped infrastructure
  - Parent/student alternative transportation sessions

Residential Construction, 2000-2013

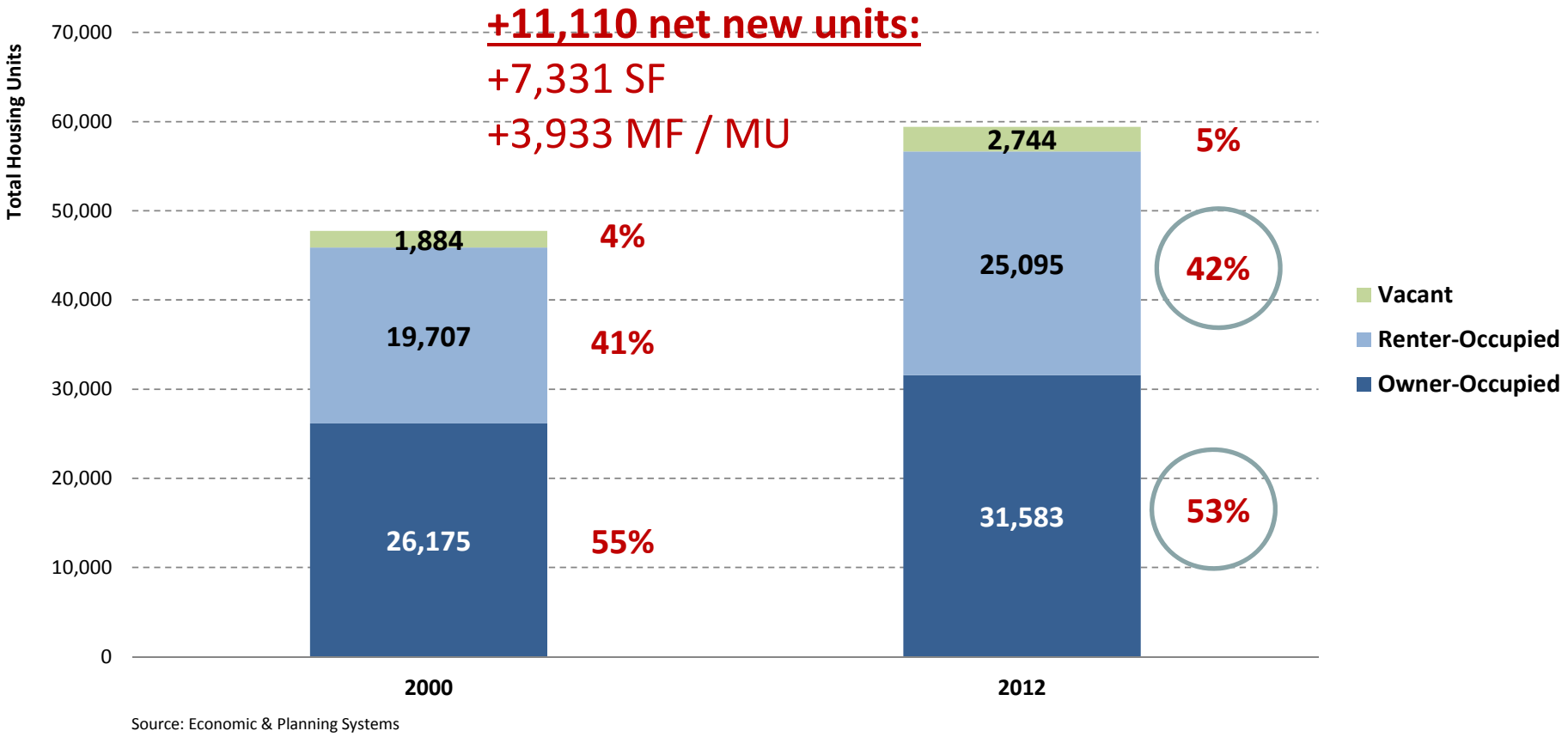
(City of Fort Collins information)



Source: City of Fort Collins; Economic & Planning Systems

Source: City of Ft. Collins

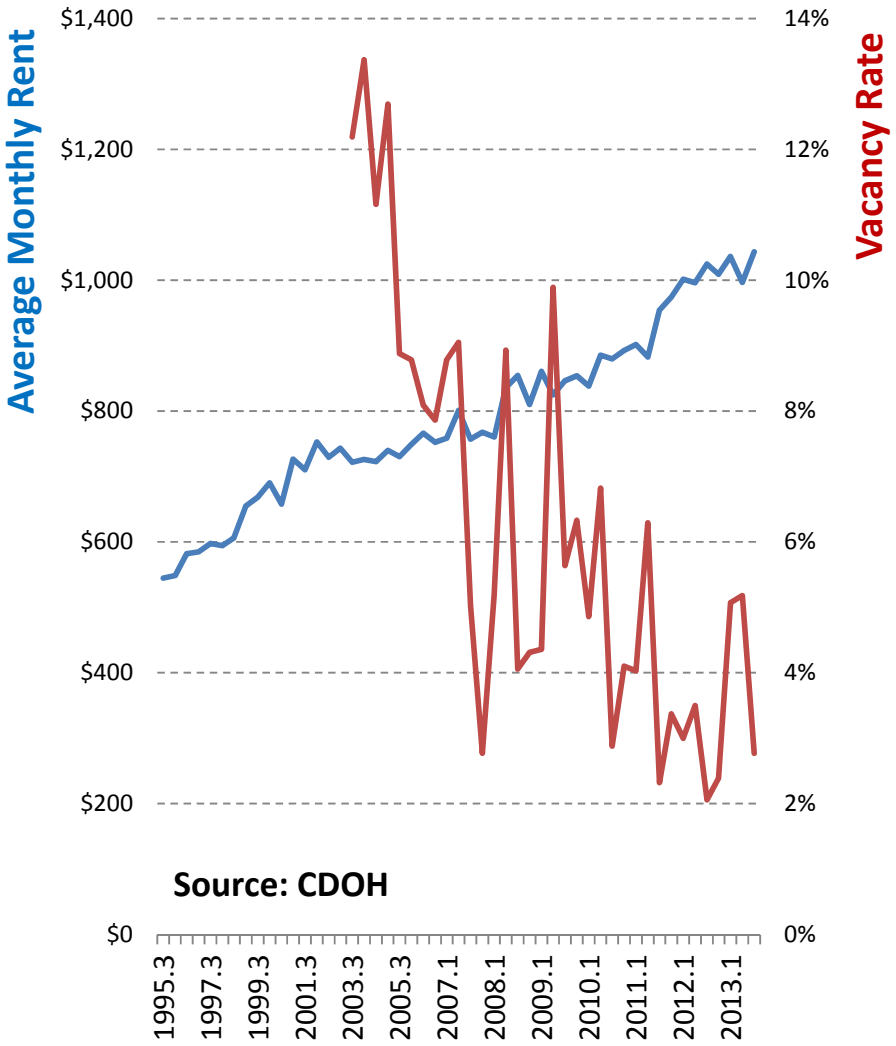
Housing Inventory, 2000 & 2012
(U.S. Census information)



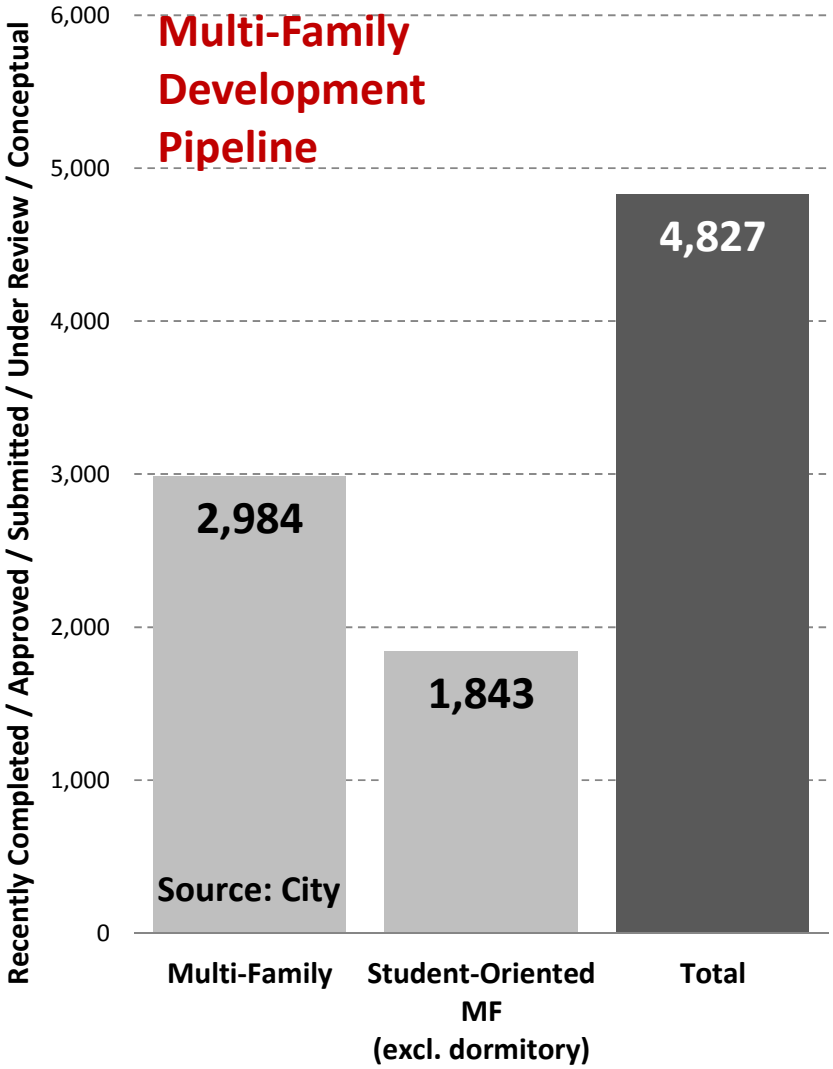
Source:
U.S. Census

Rental Market (incl. Student) Housing

(and pipeline of development activity)



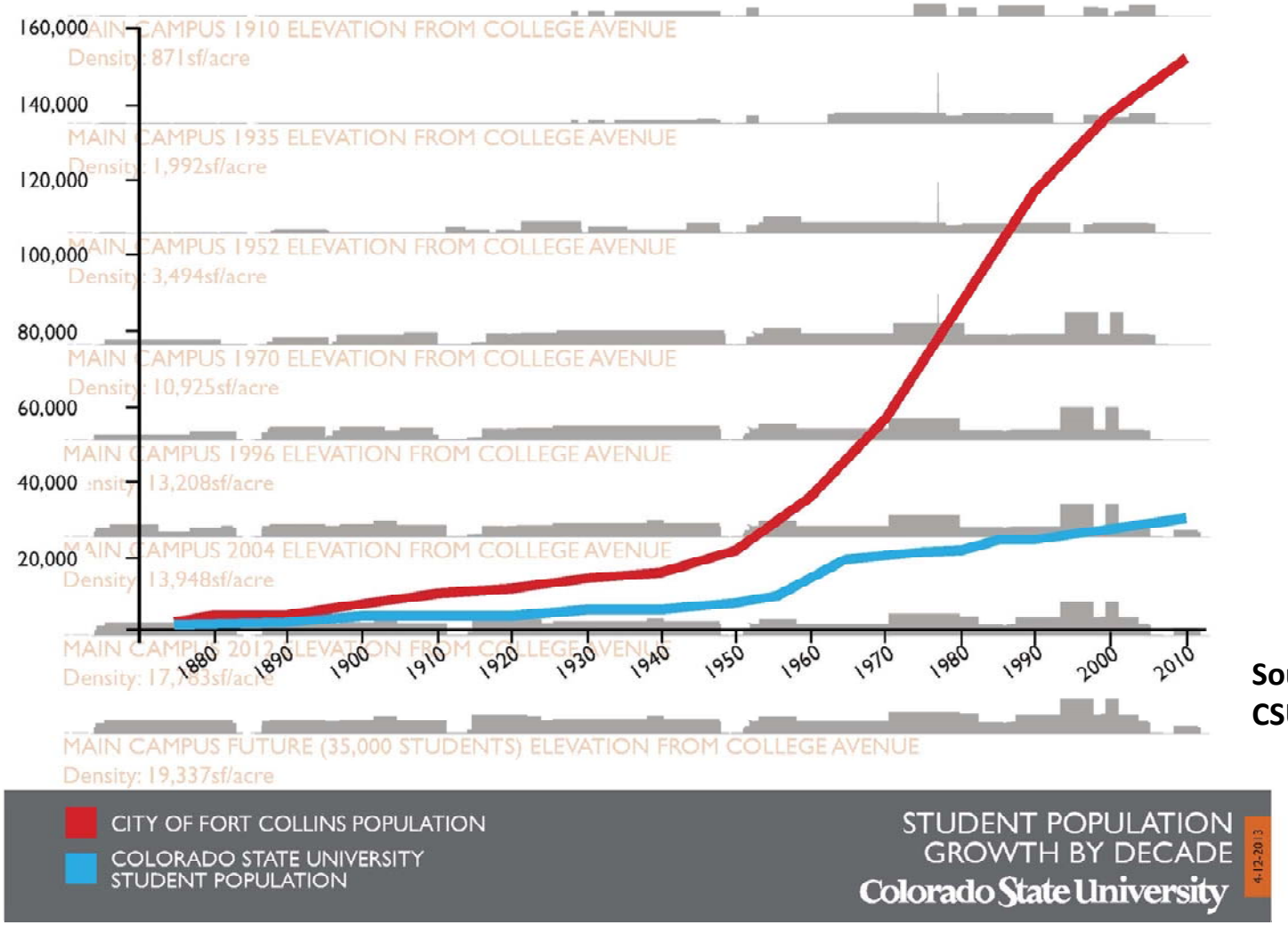
Source: CDOH; Economic & Planning Systems



Source: City of Fort Collins; Economic & Planning Systems

Student Population Trends

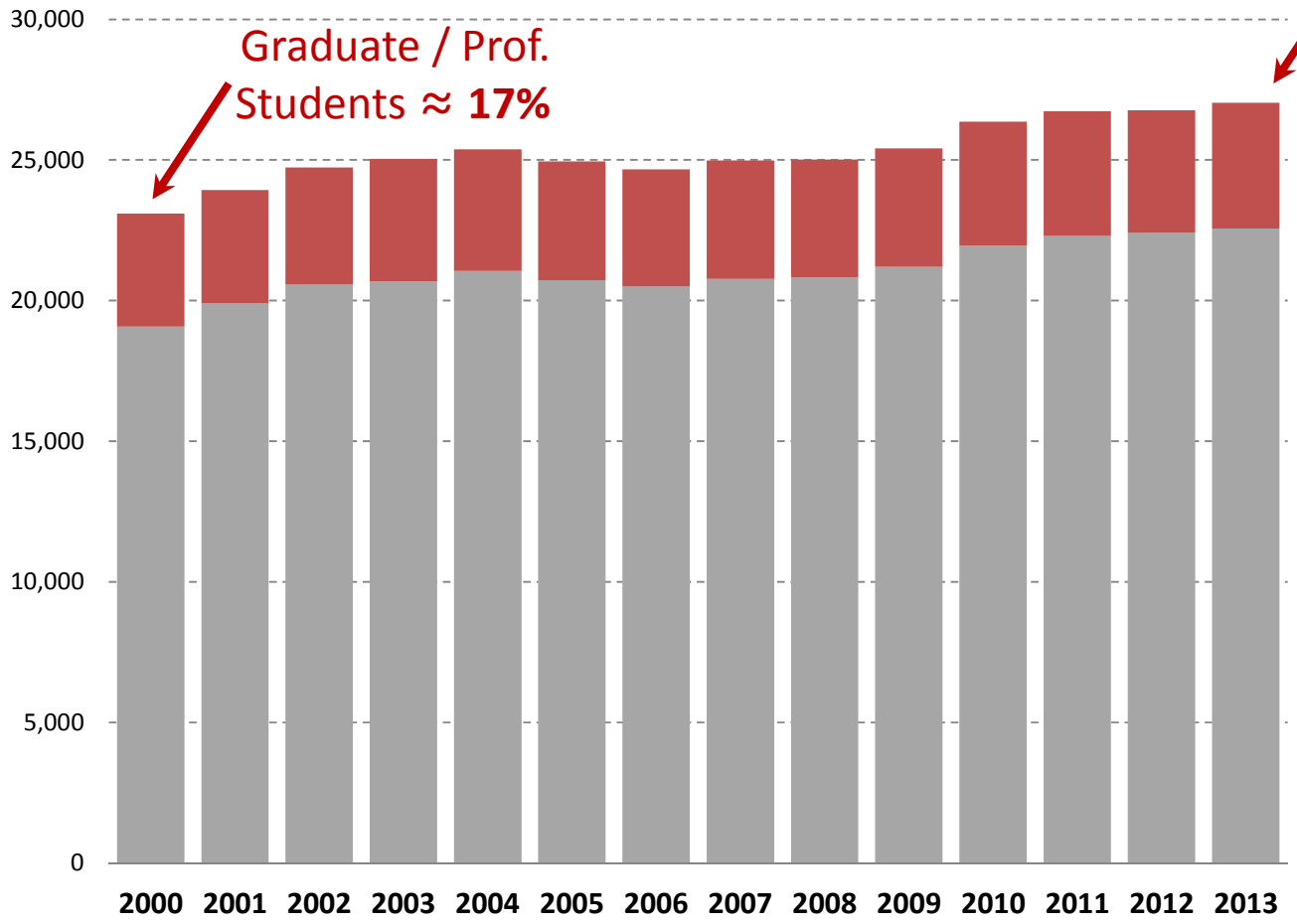
(CSU Institutional Research information, 2014)



Source: CSU

Student Population Trends

(CSU Institutional Research information, 2000-2013)



Source: CSU, Institutional Research; Economic & Planning Systems

Average Annual Growth ≈ ***300 students / year***

Graduate / Professional Students

Undergraduates

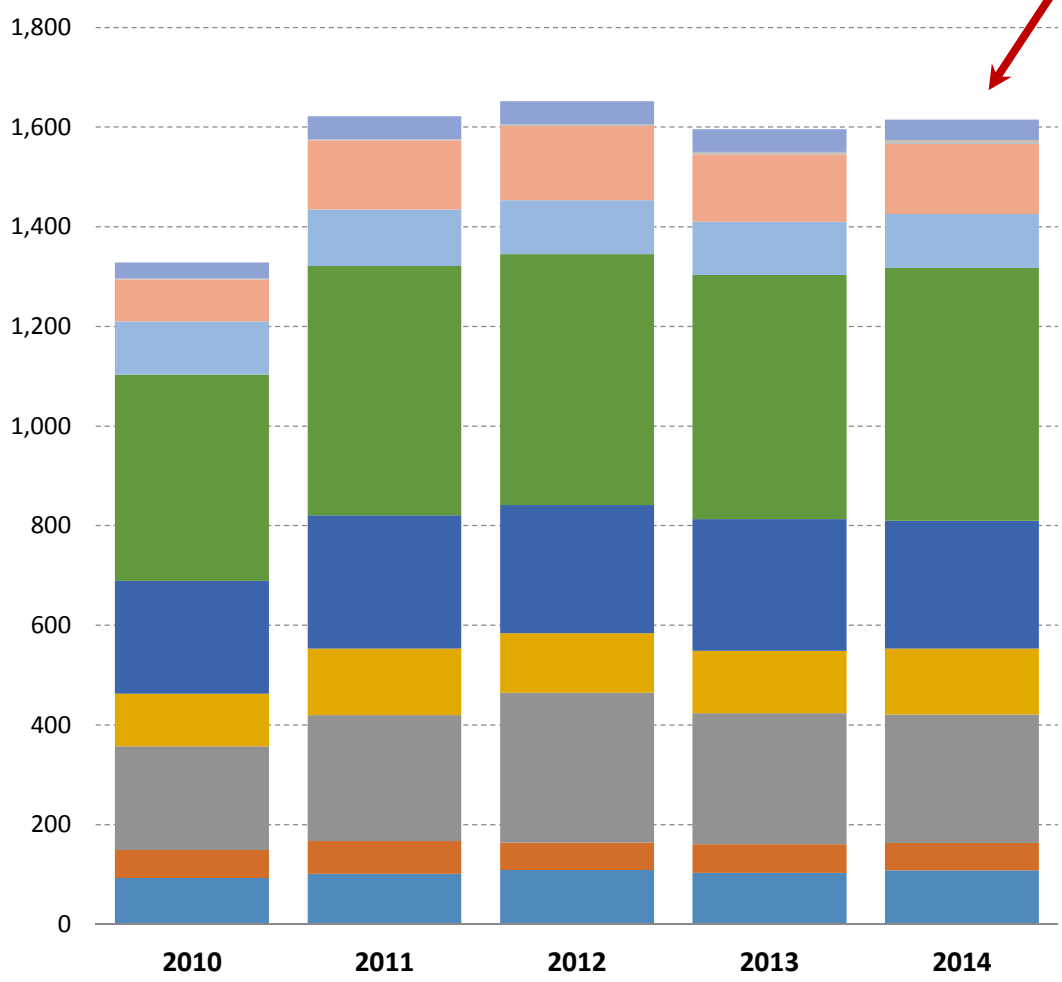
At this rate, the student pop won't reach ***35,000 until 2040***

Source: CSU

Graduate / Professional Assistants

(CSU Institutional Research information)

1,615 Total Assistants



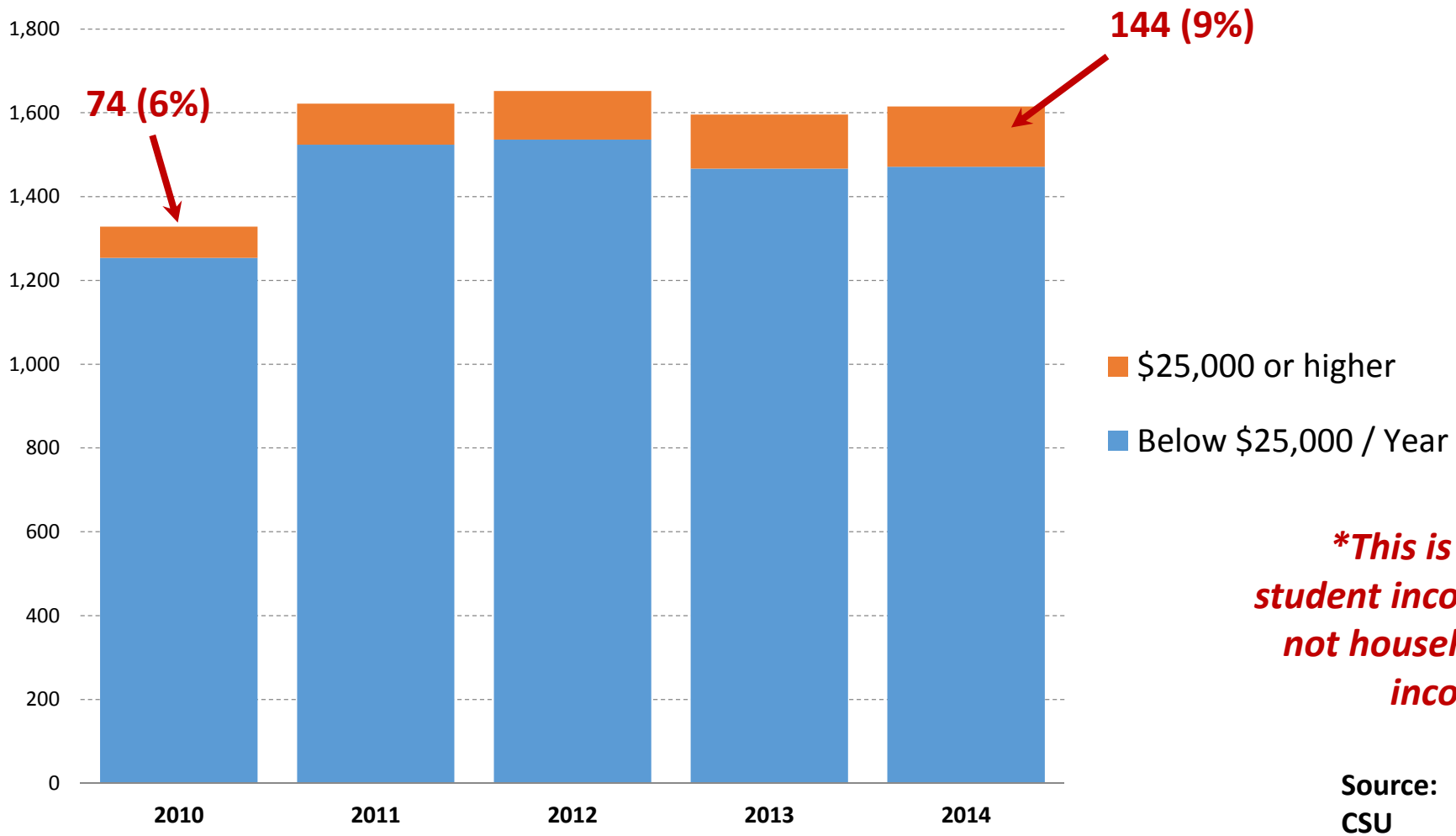
- Other
- President
- Intra-University
- Warner College of Natural Resources
- Veterinary Medicine + Biomedical Sci
- Natural Sciences
- Liberal Arts
- Health and Human Sciences
- Engineering
- Business
- Agricultural Sciences

Source: CSU

Source: CSU, Institutional Research Dept.; Economic & Planning Systems

Graduate Assistantships by Salary

(CSU Institutional Research Department information)



Source: CSU, Institutional Research Dept.; Economic & Planning Systems

This is just student income, not household income.

Source: CSU

What is CSU's Housing Capacity?
(Now and Projected)

NOW

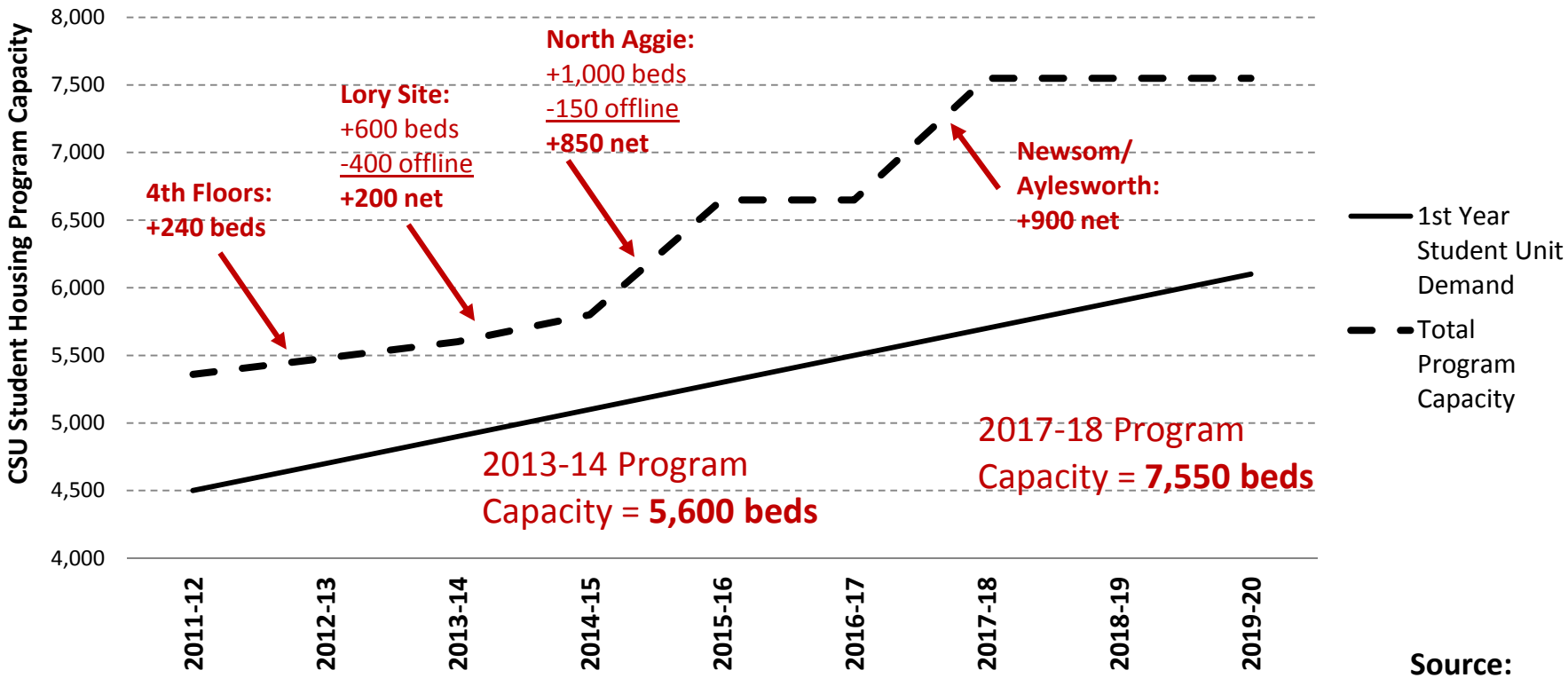
- Student Body = 27,000
  - Growing @ 300 students / year
- **On-Campus Housing**
  - Halls = 5,600 beds
  - Apartments = 1,200 beds
  - Total = 6,800 (25% student body)
- **Off-Campus Housing Demand** (75% student body ≈ 20,250)
  - 10% (2,025) Outside Ft. Collins
  - ~5% (1,010) at Home
  - 85% (17,210) in Ft. Collins:
    - @ 2.5 students / unit = **6,885 units**
    - @ 3.0 students / unit = **5,740 units**

PROJECTED

- On-Campus Growth
  - Adding 1,950 beds over 4 years
- Off-Campus Growth
  - 1,843 student-oriented units (5,158 beds) in pipeline
- *CSU projects that "most, if not all, …housing needs will be met" by on- and off-campus developments (SHAP, 2013)*

On-Campus Capacity Projection

(Information provided by CSU Housing & Dining Services)



Source: CSU Student Housing Action Plan, 2013; Economic & Planning Systems

Source: CSU

Average Annual Growth ≈ **490 beds / year**

vs

Average Annual Undergrad growth ≈ **270 students / year**

Off-Campus Rental Development

(Information provided by CSU Student Housing Action Plan)

- Student-Oriented
  - Approved / Under Construction / Recently Completed
    - 821 units (2,267 beds)
  - Approved PDP / Submitted
    - 303 units (879 beds)
  - Under Review
    - 113 units (227 beds)
  - Conceptual or Preliminary
    - 606 units (1,785 beds)
  - Total = 1,843 units **(5,158 beds)**

Average Unit Size =
2.8-bedroom

Source: City of Ft. Collins

Off-Campus Rental Development

(Information provided by CSU Student Housing Action Plan)

- Non-Student-Oriented
  - Approved / Under Construction / Recently Completed
    - 797 units (1,234 beds)
  - Approved PDP / Submitted
    - 1,708 units (2,706 beds)
  - Under Review
    - 94 units (123 beds)
  - Conceptual or Preliminary
    - 385 units (431 beds)
  - Total = 2,984 units **(4,494 beds)**

Average Unit Size =
1.5-bedroom

Source:
City of Ft. Collins

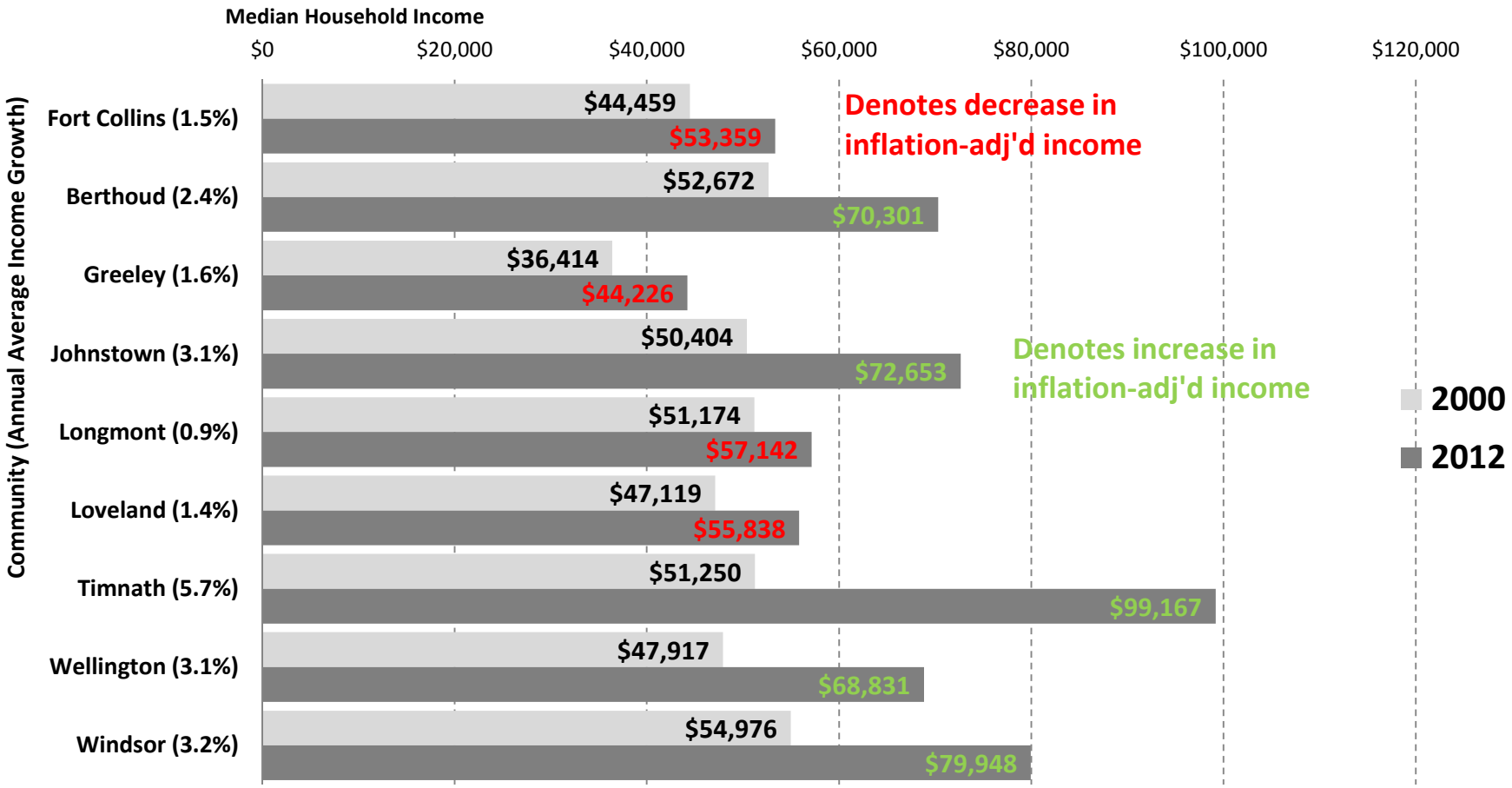
Permanent Rental Gaps

(with Student Population removed)

- **A)** What is a gap?
  - It **DOES** identify housing cost-burden at certain income levels
  - It **DOES NOT** just mean that more units need to be built
- **B)** Preliminary Estimates
  - Where are the gaps? i.e. Who is cost-burdened?
    - 7,970 HHs earning under $25K / year
- **C)** What about students?
  - Btw. **5,740 and 6,885 HHs** (under $25K) are students
- **D)** And grad/professional student HHs?
  - 1,300 assistants
  - est'd 50% live in HHs above $25K = **650 HHs**
- **E)** Where does that leave the cost-burden estimate?
  - 7,970 – (5,740 or 6,885) + 650 = **1,735 to 2,880 HHs** are cost-burdened
- **F)** Who are they?
  - Elderly
  - Disabled
  - Single-Parent Families
  - Other?

INCOMES

Median Household Incomes
(U.S. Census information)

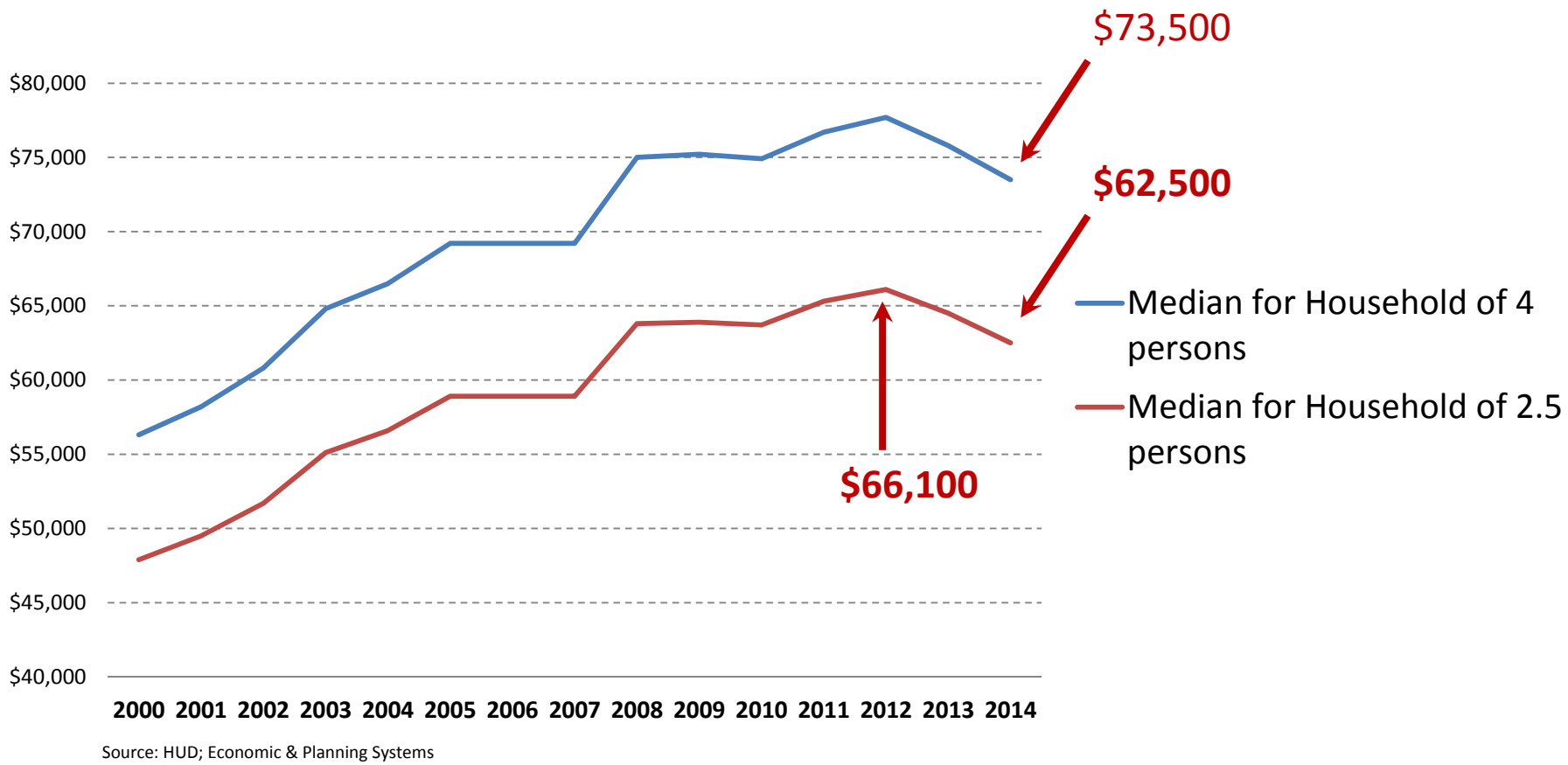


In parentheses, annual average growth

Source: U.S. Census; Economic & Planning Systems

Source: U.S. Census

HUD Median Incomes



Source:
HUD

Table Topic 3

HOUSING COST COMPONENT ESCALATION

Questions
(posed by Stakeholders in Workshop #1)

- What causes housing costs to escalate?
- What are the components of housing cost?
  - Differentiate between building permit fees, impact fees, etc.
- How much has land supply impacted the cost of housing?
- What can be done to keep the cost of housing down? …or lower it?

Housing Cost Breakdown

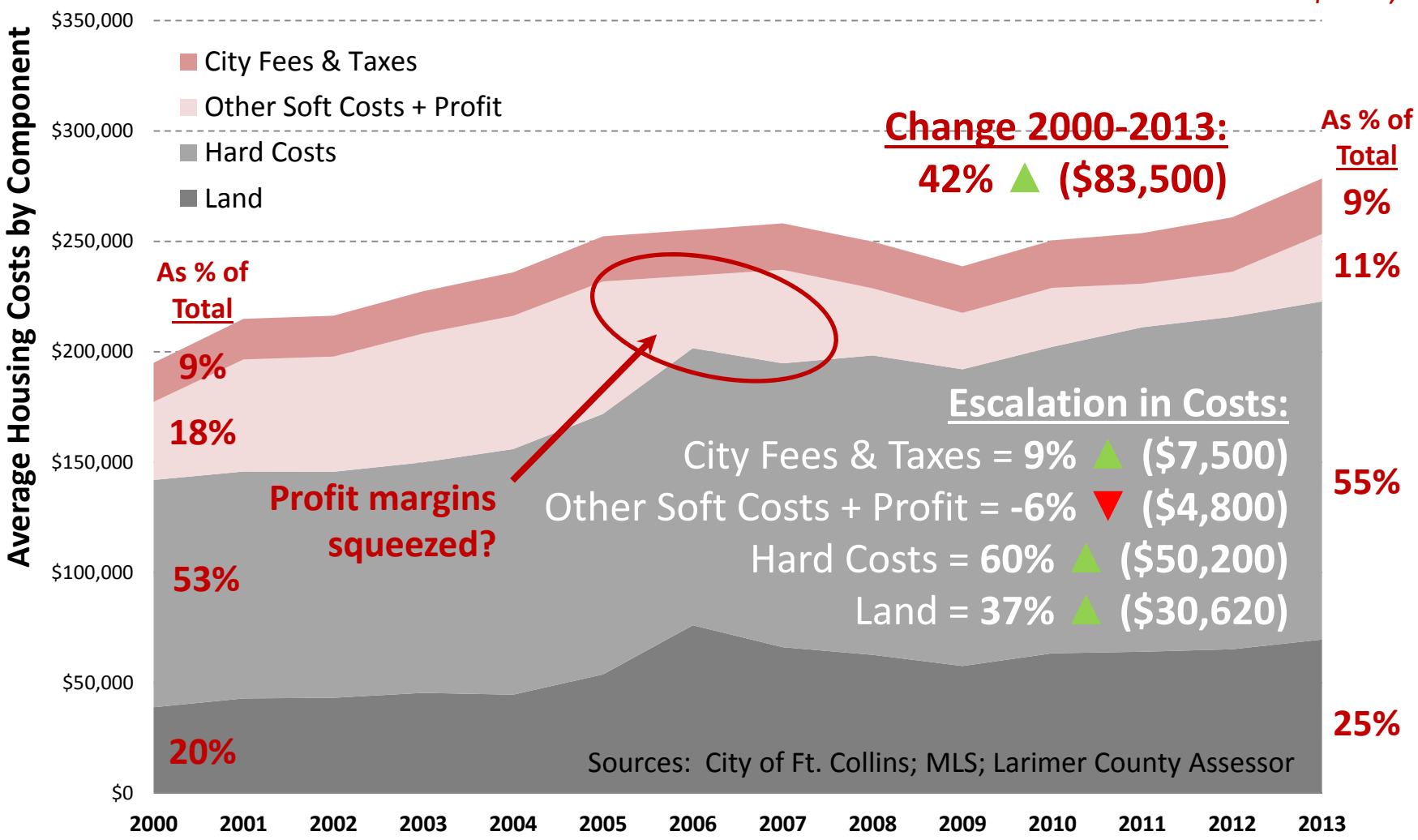
- What are the Components of Housing Costs?
  - **1) Land** – 20% to 25%
  - **2) Hard Costs** (materials, labor, etc.) – 55%
  - **3) Soft Costs - City/County Fees & Taxes**
    - Permit fee
    - Plan Check
    - Capital Expansion Fees (Street Oversizing, Fire, Police, General Government, Parks)
    - Utility fees (Water, Wastewater, Stormwater Plant Investment Fees)
    - Use Taxes
  - **4) Other Soft Costs & Profit**
    - Developer Fee / Profit
    - Architectural / Engineering
    - General Contractor
    - Legal
    - Insurance
    - Financing

Sources of Data on Cost Changes

- Land
  - Larimer County Assessor bulk sales data
- Hard Costs
  - Residential Construction PPI
- Soft Costs
  - Permit/Plan Check fees – City information; new formula implemented Jan 1, 2012
  - Capital Expansion fees – City information; no major update during time period
    - Costs escalated using Denver-Boulder-Greeley CPI
  - Utility fees – major update in 2003
    - Fees escalated by ENR City Cost Index and other local building information
  - Use taxes
    - City rate increased in 2011 from 3.00% to 3.85%
    - County rate decreased in 2013 from 0.8% to 0.6%
  - A&E – BLS wage index for Professional & Technical Services
  - GC – BLS wage index for Construction Trade

Overall Cost Trend, 2000-2013

Average
2000 = $194,900
2013 = $278,400



Source: City of Fort Collins; Larimer County Assessor; Elevations Real Estate; Economic & Planning Systems

What costs have escalated?

- **Overall Housing Cost**
  - Increased at 2.8% / yr
  - Increase = $83,500
- **1) Land Costs**
  - Increased at 4.6% / yr
  - Total increase = $30,620
- **2) Hard Costs** (Materials & Labor)
  - Increased at average of 3.1% / yr
  - Total increase = $50,200
- **3) Soft Costs** – City/County Fees & Taxes
  - Increased 2.8% / yr
  - Increase = $7,500
- **4) Other Soft Costs & Profit**
  - Decreased at -1.1% / yr
  - Decrease = $4,800

Table Topic 4

DISTRESSED POPULATIONS

Ft. Collins Housing Authority

- Under FCHA Management
  - Wellington
  - Fort Collins
  - Housing Choice Vouchers (closed, but opened for disabled)
  - Project-based vouchers
- Waiting List
  - 1,726 as of April 2014
    - Elderly – 207
    - Disabled – 520
    - 53% looking for 1-bedroom; 31%, 2-bedroom
- Income Distribution
  - Less than 30% AMI (2.5 person HH, $18,750) = 84%
  - 30 to 50% AMI (up to $31,250) = 15%

Distressed Populations

- Persons with Disabilities
  - Est'd 10,000 residents w/ one or more disabilities
    - 50% are 18 to 64 years old; 46% seniors; 4% children
  - 47% employed (16% unemployed)
  - Housing Needs (accessible units) - Est'd 350 rental units < $500/month
- Seniors
  - Est'd 12,500 (4,575 with disability)
  - 40% live alone
- Poverty
  - Federal poverty level (2013) = $19,530
  - Est'd 27,200 residents in poverty (56% of which are students)
  - Btw 2005 and 2012, ~4,000 more non-student residents are in poverty
  - ~2,900 families in poverty
  - Overall poverty rate: single dads = 28%; single moms = 36%
- Homeless
  - Est'd 250 to 500
  - 1,000 HHs receiving prevention assistance
  - 60 supportive housing units under development