Housing Affordability Policy Study: Material for Table Discussions Stakeholder Workshop #2 Material

Prepared by:
Dan Guimond, Principal
David Schwartz, Vice President
Economic & Planning Systems

Wednesday, April 16, 2014
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: Elevation Real Estate; Economic & Planning Systems

Source: MLS
Affordability Gaps for HHs w/ Median Income
(Shown are Affordable Price (Gray); Median Sales Price (Outline); and Gaps (Red))

Sources:
- U.S. Census 2000, 2012 & MLS
- Source: U.S. Census; Economic & Planning Systems
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 Windsor ▲ 620 *
    - from Wellington ▲ 1,110
    - from Timnath ▲ 30
    - from Berthoud ▲ 50
  - from Denver Metro ▼ 180

* Median Sales Price = Lower than Ft. Collins

Source: U.S. Census / LEHD 2011
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**
**Rental Market (incl. Student) Housing**
(and pipeline of development activity)

### Rental Market (incl. Student) Housing

#### Average Monthly Rent

<table>
<thead>
<tr>
<th>Year</th>
<th>$0</th>
<th>$200</th>
<th>$400</th>
<th>$600</th>
<th>$800</th>
<th>$1,000</th>
<th>$1,200</th>
<th>$1,400</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Vacancy Rate

- 0%
- 2%
- 4%
- 6%
- 8%
- 10%
- 12%
- 14%

### Development Pipeline

- **Multi-Family Development Pipeline**
  - **Total**: 4,827
  - **Multi-Family**: 2,984
  - **Student-Oriented MF (excl. dormitory)**: 1,843

Source: CDOH; Economic & Planning Systems

---

Fort Collins Housing Affordability Policy Study: **Stakeholder Workshop #2**
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)**
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?
Table Topic 3

HOUSING COST COMPONENT ESCALATION
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
Overall Cost Trend, 2000-2013

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

Change 2000-2013:
42% ▲ ($83,500)

Escalation in Costs:
City Fees & Taxes = 9% ▲ ($7,500)
Other Soft Costs + Profit = -6% ▼ ($4,800)
Hard Costs = 60% ▲ ($50,200)
Land = 37% ▲ ($30,620)

Profit margins squeezed?

Sources: City of Ft. Collins; MLS; Larimer County Assessor

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