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DRAFT

## INTRODUCTION

To move forward, we must understand where we are as a community and how we got here. The purpose of the Existing Conditions Assessment is to better understand the current state of housing in Fort Collins. Whereas previous iterations of the Housing Strategic Plan focused solely on affordable housing, this iteration will articulate goals, objectives, and strategies for the entire housing spectrum to achieve the Plan's draft vision that "Everyone has healthy, stable housing they can afford." The Existing Conditions Assessment will look at the entire range of the housing spectrum and many factors that influence housing. This document is intended to be a living document throughout the development of the Housing Strategic Plan, such that as new information or data arise, sections may be added, edited, refined or removed to better inform the plan and subsequent policies.

### WHAT ARE OUR EXISTING HOUSING GOALS?

Fort Collins aims to have 10% of its housing stock be deed restricted and affordable by 2040.

### WHY DEVELOP THE HOUSING STRATEGIC PLAN NOW?

The City typically updates its housing plan every five years. City Council adopted the previous version of this plan, the Affordable Housing Strategic Plan, in 2015. Regular 5-year updates allow the City to consistently reassess its goals and adjust policies while having ample data to support these changes in direction, if need be.

### WHAT'S DIFFERENT ABOUT THIS PLAN FROM PREVIOUS VERSIONS?

All previous housing plans adopted by the City have focused on affordable housing. For the purposes of this document, affordable housing is housing targeted towards households earning 80% or less of Area Median Income (AMI) without spending more than 30% of their income on housing. The Housing Strategic Plan will address the entire spectrum of housing. As such, this Existing Conditions Assessment provides data and analysis for the entire spectrum of housing.

### HOW ARE WE DOING SO FAR? ARE WE MEETING OUR GOALS?

Over the past five years, City and its partners have added 373 new affordable homes since the last plan was adopted, with 248 more under construction. Still, we are 708 units behind in meeting our affordable housing goals. Overall, the City has 3,534 affordable units in its affordable housing inventory. 290 of these units are for sale units with the remaining 3,244 units available for rent. To achieve our 10% goal by 2040, the City would need to increase the amount of affordable housing as a percentage of the overall housing by 1 percentage point every 5 years or 228 units every year from 2020 onward. In 2015, affordable housing made up 5% of the City's housing stock. With 70,692 housing units in the City as of 2019, affordable units make up 5% of the overall housing stock. To get back on track for achieving our affordable housing goal by 2040, the City would need 4,242 affordable housing units. This means the City is short 708 affordable units currently despite all of the unit production since 2015. Every year the City is unable to reach its affordable housing target means current and future generations must make up the difference.

## WHAT'S IN THIS REPORT?

Fort Collins' housing system is inextricably linked to the national and statewide context, especially impacts from structural racism. This planning effort is centered in equity. Following the introduction is a grounding in equity and inclusion overall, the historical context of racism and inequity in the U.S. housing system, and Fort Collins' history and present-day realities within that national historical context.

Then, this report presents data on a variety of factors that influence the housing market. These factors include demographics, job and wage data, housing prices, rents, vacancies, and much more. Qualitative data gathered from community engagement is also incorporated throughout this report to illustrate the ways in which our existing housing system connects to the experiences and challenges of residents who live and work in our community. Following a presentation of data, the report outlines the policy landscape and land supply in Fort Collins. Then, a brief discussion of limitations follows with a synthesis of our biggest challenges wrapping up the report.

## EQUITY AND INCLUSION

*"History cannot give us a program for the future, but it can give us a fuller understanding of ourselves, and of our common humanity, so that we can better face the future." Robert Penn Warren*

The Housing Strategic Plan is being developed in alignment with the [2020 City Strategic Plan's](#) Strategic Objective to "Advance equity for all, leading with race," so that a person's identity or identities is not a predictor of outcomes.

Leading a planning effort in equity impacts both process and outcome:

- Equity in process: Ensuring everyone has meaningful opportunities to engage and provide input into the Housing Strategic Plan process.
- Equity in outcomes: Everyone has healthy, stable housing they can afford.

Leveraging the concept of [Targeted Universalism](#), this work focuses on a universal outcome – the Plan's vision that "Everyone has healthy, stable housing they can afford," and will include targeted strategies to ensure a person's identity or identities is not a predictor of whether or not they, or our community, achieve this vision.

This section provides an initial framing around the historical and local context that influences this work and begins to illustrate how equity and housing are related. It was built from the Existing Conditions Document developed via the [Our Climate Future](#) planning process. Still, the City recognizes these efforts require humility, listening, and learning, as staff's knowledge in this space, both locally and nationally, is incomplete. Accordingly, staff anticipates these sections will be updated with the community throughout the process and beyond as understandings and information evolve.

## EXISTING CONDITIONS: HISTORICAL AND LOCAL CONTEXT

### LOOKING BACK TO LOOK FORWARD

Understanding how we can plan together for the Housing Strategic Plan requires awareness of both our past and present. The examples below are not meant to be comprehensive of the entire historical and present-day context, but are meant to provide an initial background to begin understanding how persistent inequities (see sidebar) impact our ability to realize the Plan's vision for housing that is stable, healthy, and affordable for all - and how we implement strategies moving forward with an equity lens.

*Centering work in equity includes understanding that racism takes place at multiple levels:*

**Individual racism:** pre-judgment, bias, or discrimination based on race by an individual.

**Institutional racism:** Policies, practices, and programs that, most often unintentionally and unconsciously, work to the benefit of white people and the detriment of people of color.

**Structural Racism:** A history and current reality of institutional racism across all institutions, combining to create a system that negatively impacts communities of color.

*(Source: fcgov.com/equity)*

### HISTORICAL CONTEXT

Chances are every person has likely experienced some degree of inequity. However, despite progress in addressing explicit discrimination, racial inequities continue to be deep, pervasive, and persistent across

the country. Racial inequities exist across all indicators for success, including in education, criminal justice, jobs, housing, public infrastructure and health, regardless of region.<sup>1</sup> Rooted in our country's violent history of genocide, colonization, slavery, and segregation, racist practices have been embedded in almost every aspect of American life,<sup>2</sup> resulting in structural racism.<sup>3</sup>

In housing specifically, there is significant evidence demonstrating how structural racism has impacted BIPOC (Black, Indigenous and People of Color) communities' ability to secure healthy, stable housing they can afford – both historically and today. Just a few examples are highlighted below for an initial grounding:

- In 1865, President Johnson [reversed](#) the Special Field Order providing formerly enslaved African Americans with 40 acres of land.
- While in 1917, the [Supreme Court](#) “unanimously overturned a zoning ordinance from Louisville, Kentucky that required residential by race in neighborhoods,” [restrictive covenants](#) excluding BIPOC from purchasing homes were nonetheless enforceable through the 1940s and continued in practice much later, even after they were technically outlawed by the Federal Fair Housing Law of 1968. These restrictive and discriminatory covenants were common throughout the county as housing development expanded after World War II. These covenants, often enforced by Home Owners' Associations and the real estate industry, resulted in the systematic exclusion of BIPOC households from equal access to the new housing choices available in the post-war era.<sup>4</sup>
- Neighborhoods were [graded](#) in the 1930s from a green to red scale, with red representing the greatest credit risks. Being African American (or Catholic, Jewish, or an immigrant from Asia or Southern Europe) meant these neighborhoods were deemed undesirable – preventing access to loans and attracting incompatible land uses. These divisions were reinforced with a 1935 Underwriting Manual that included this language reinforcing segregation, “If a neighborhood is to retain stability it is necessary that properties shall continue to be occupied by the same social and racial classes...”<sup>5</sup> This practice is commonly referred to as “redlining.” Restrictive covenants, predatory loan terms, and the higher interest rates charged to the BIPOC households who *could* manage to get a loan for a mortgage combined to limit the ability of BIPOC households to build wealth through home ownership over several generations.<sup>6</sup>
- The GI Bill enacted after World War II provided over 4.3 million home loans worth \$33 billion but largely benefitted White Americans. Historian Ira Katznelson [noted](#) there was “no greater instrument for widening an already huge racial gap in postwar America than the G.I. Bill.”
- In 1949, the Housing Act rejected amendments to integrate public housing, reinforcing segregated by design in public housing. After this rejection, predominantly Black or integrated neighborhoods were demolished to make way for segregated housing projects.<sup>7</sup>

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<sup>1</sup> Government Alliance on Race and Equity – [see their information here](#).

<sup>2</sup> See for example, section II of the [Racial Equity Toolkit](#) by the Government Alliance for Race and Equity (GARE).

<sup>3</sup> Reference the Equity and Inclusion Work Session [Agenda Item Summary](#) for more information.

<sup>4</sup> [Color of Law](#), by Richard Rothstein, pp VII-VIII

<sup>5</sup> [Color of Law](#) by Richard Rothstein, p 65

<sup>6</sup> Aaronson, Daniel; Hartley, Daniel; Mazumder, Bhashkar (2017) : [The effects of the 1930s HOLC "redlining" maps, Working Paper](#), No. 2017-12, Federal Reserve Bank of Chicago, Chicago, IL.

<sup>7</sup> [Color of Law](#) by Richard Rothstein, pp 30-32.

- The Civil Rights Act of 1964 saw the longest filibuster in the Senate’s history (57 days) because of disagreements about how to address past discrimination. Ultimately, the Act only addressed future discrimination, which “ignored the White head start, presumed that discrimination had been eliminated, presumed that equal opportunity had taken over, and figured that since Blacks were still losing the race, the racial disparities and their continued losses must be their fault.”<sup>8</sup>

These acts at the national level were reinforced locally, whether through Jim Crow laws in the South or zoning laws throughout the United States which restricted undesirable land uses in white neighborhoods but allowed incompatible land uses in Black neighborhoods, to name but a few. While not every federal or local action resulted in racial discrimination or increased the racial wealth gap, these foundational acts inform the outcomes we see today – White families have nearly 10 times the [net worth](#) of Black families, poverty rates and income levels are lower for nearly all BIPOC communities in Fort Collins (more information below), and, even in 2020, [homeownership rates](#) for BIPOC communities in America are significantly lower than that for Whites in America.

*White families have nearly 10 times the net worth of Black Families, and over 8 times the net worth as Hispanic, or Latinx households.  
Source: [Federal Reserve](#), as of 2016*

#### LOCAL CONTEXT

Our country’s broader history of oppression has also played out locally, at times with local government as a key actor. Many more examples have occurred on both individual, institutional, and structural levels than can be listed here. For illustrative purposes, some documented examples include:

- *Individual racism:* Fort Collins has seen [cases of racial profiling on the Colorado State University campus](#) and crime spree vandalism, such as experienced by our Muslim community when the Fort Collins Islamic Center was [vandalized](#). In addition, there is a [rise of anti-Semitism](#) in Colorado overall. In June, a Black CSU football player and his co-worker were [held at gunpoint](#) in Loveland.
- *Institutional racism:* From a land use and environmental justice perspective, starting in the 1930s neighborhoods were segregated so that residents of the Alta Vista, Andersonville, Buckingham and Holy Family neighborhoods lived near the city’s industrial wastelands; were exposed to toxins such as coal smoke and soot from the sugarbeet factory; dealt with constant pollution from trains carrying concentrated lime; and experienced odor and environmental impacts from the Fort Collins City dump.<sup>9</sup> One might ask why residents could not simply move to a different, healthier neighborhood.

This segregation and disproportionate exposure to environmental harms was enforced, in part, by restrictive covenants that excluded BIPOC residents from living in white neighborhoods in Fort Collins. These covenants often included minimum sales prices for homes as well, ensuring that lower-income residents – regardless of race – were also excluded:

<sup>8</sup> [Stamped from the Beginning](#) by Ibram X. Kendi, pp 384-386

<sup>9</sup> [Hang your Wagon to a Star: Hispanics in Fort Collins 1900 – 2000](#). Adam Thomas, SWCA Environmental Consultants, see in particular pages 7-9 for examples.

**SCHEDULE OF RESTRICTIONS**

1. NONE OF THE LOTS IN THIS SUBDIVISION SHALL EVER BE USED FOR ~~ANY PURPOSE OTHER THAN ORDINARY RESIDENTIAL PURPOSES.~~

2. NONE OF THE LOTS IN THIS SUBDIVISION SHALL EVER BE OWNED OR OCCUPIED BY ANY PERSONS OTHER THAN MEMBERS OF THE CAUCASIAN OR WHITE RACE, EXCEPT THE SERVANTS OR GUESTS OF PERSONS PROPERLY IN OWNERSHIP OR OCCUPANCY HEREUNDER.

3. ~~THAT NO BUILDING SHALL BE ERRECTED OR PLACED ON ANY OF THE LOTS~~

4. THAT NO DWELLING SHALL BE ERRECTED OR PLACED ON ANY OF THE LOTS IN THIS SUBDIVISION, WHICH SHALL COST LESS THAN THE AMOUNT HEREAFTER SPECIFIED, FOR EACH LOT, EXCLUSIVE OF THE COST OF LOTS AND OUTBUILDINGS, WHICH OUTBUILDINGS MAY INCLUDE QUARTERS FOR DOMESTIC SERVANTS.

LOT 1 -	DWELLING NOT LESS THAN	\$8,000.00
LOT 2 -	" " "	" \$10,000.00
LOT 3 -	" " "	" \$10,000.00
LOT 4 -	" " "	" \$12,000.00
LOT 5 -	" " "	" \$12,000.00
LOT 6 -	" " "	" \$15,000.00
LOT 7 -	" " "	" \$15,000.00
LOT 8 -	" " "	" \$15,000.00
LOT 9 -	" " "	" \$15,000.00
LOT 10 -	" " "	" \$5,000.00
LOT 11 -	" " "	" \$5,000.00
LOT 12 -	" " "	" \$5,000.00

STATE OF COLORADO } ss  
COUNTY OF LARIMER } ss

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS FIRST DAY OF MAY, A. D. 1948, BY A. A. SLADE.

WITNESS MY HAND AND OFFICIAL SEAL.  
MY COMMISSION EXPIRES MAY 20, 1948.

*A. A. Slade*  
John Hurdle  
NOTARY PUBLIC.

JAMES M. ANDREWS, BEING FIRST DULY SWORN ON HIS OATH, DEPOSES AND SAYS THAT HE IS A REGISTERED ENGINEER UNDER THE LAWS OF THE STATE OF COLORADO; THAT THE SURVEY AND PLAT OF "SLADE ACRES" WERE MADE BY HIM; AND SUCH SURVEY IS ACCURATELY REPRESENTED ON SAID PLAT THAT HE HAS READ THE STATEMENTS THEREON AND THE SAME ARE TRUE TO HIS OWN KNOWLEDGE.

*James M. Andrews*  
REGISTERED ENGINEER.

10

STATE OF Nebraska } ss  
COUNTY OF ADAMS } ss

On this 30th day of November A.D. 1948, before me, the undersigned, Lee Haggard,

a Notary Public, duly commissioned and qualified for and residing in said county, personally came Anna S. Tanner

to me known to be the identical person whose name is affixed to the foregoing instrument as grantor and acknowledged the same to be her voluntary act and deed.

Witness my hand and Notary Seal the day and year last above written.

*Lee Haggard*  
Notary Public.

Recorded DEC 13 1948 at 1:00 P.M. Book 800 Page 551  
Notary Seal: L. Haggard, Notary Public, Adams County, Nebraska

**PROTECTIVE COVENANTS FOR CIRCLE DRIVE SUBDIVISION OF L. C. MOORE'S THIRD ADDITION TO THE CITY OF FORT COLLINS, COLORADO**

KNOW ALL MEN BY THESE PRESENTS:

- The Northern Colorado Loan Association, being the owner in fee simple of all lands in Circle Drive Subdivision of L. C. Moore's Third Addition to the City of Fort Collins, Colorado, in accordance with Plat No. 4, filed December 1, 1945 in Plat Book 4, of the records in the office of the County Clerk and Recorder of Larimer County, does hereby establish these restrictive covenants for the benefit and protection of said Circle Drive Subdivision and of the undersigned, and of each and every person hereafter acquiring ownership of land therein:
- No buildings shall be erected on said subdivision except for use as residential property. No structure shall be erected, altered, placed, or permitted to remain on any residential building plot other than one detached single-family dwelling or one single-family dwelling not to exceed two and one-half stories in height and a private garage for not more than two cars.
  - No building shall be located nearer than 25 feet to the front lot line, nor nearer than 5 feet to any side street line.
  - No residential structure shall be erected or placed on any building plot, which plot has an area of less than 6000 square feet or a width of less than 60 feet at the front building setback line.
  - No trade or commercial activity shall be carried on upon any lot.
  - No trailer, basement, tent, shack, garage, barn, or other outbuilding erected in the tract shall at any time be used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence.
  - No dwelling costing less than \$5,000.00 shall be permitted on any lot in the tract. The ground floor area of the main structure, exclusive of one-story open porches and garages, shall be not less than 700 square feet.
  - No fence shall be erected forward of the front building setback line.

BOOK 870 PAGE 552

No poles for the support of electric or telephone lines shall be erected in said subdivision except in the alleys as platted on the plat of said subdivision.

1. No person of any race other than the Caucasian race shall use any building or any lot, except that this covenant shall not prevent occupancy by domestic servants of a different race domiciled with an owner or tenant.
- The City of Fort Collins, through its existing mayor or other officer having similar duties, is hereby authorized to reject any application for building permits in said Circle Drive Subdivision unless such application shows an intention to fully comply with all of the restrictions herein applicable as to type, size, cost and location of buildings or structures in said Subdivision, and any person for whose benefit this protective covenant is executed may enjoin any construction, occupancy or use not in full compliance herewith. These covenants are to run with the land and shall be binding on all parties and all persons claiming title to any property in said Circle Drive Subdivision until January 1, 1965, at which time said covenants shall be automatically extended for successive periods of ten years, unless by vote of a majority of the then owners of the lots in said Subdivision, it is agreed to change said covenants in whole or in part. If any person or corporation shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons, or corporation owning any real property situate in said Subdivision to prosecute any proceedings at law or in equity against the person or persons or corporation violating or attempting to violate any such covenant, and either to prevent him, them, or it from so doing, or to recover damages or other dues for such violation. Invalidation of any one of these covenants by judgment or Court order shall in no wise affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, The Northern Colorado Loan Association, a Colorado corporation, has caused its corporate name to be hereunto subscribed by its President and its corporate seal to be hereunto affixed, attested by its Secretary in the City of Fort Collins, Colorado this 12th day of December, A. D. 1948.

THE NORTHERN COLORADO LOAN ASSOCIATION  
By *Walter S. Schmel*  
President.

(SEAL)  
STATE OF COLORADO } ss  
COUNTY OF LARIMER }

The foregoing instrument was acknowledged before me this 28th day of December, 1948, by R. W. MOORE, as President and ROSEY MOORE as Secretary of THE NORTHERN COLORADO LOAN ASSOCIATION, a corporation.

My Notarial Commission expires: August 21, 1949  
WITNESS my hand and official seal.

*Walter S. Schmel*  
Notary Public.

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<sup>10</sup> Restrictive Covenant from Slade Acres, 1948 – south of Mulberry Street, at Sheldon Lake:

<https://citydocs.fcgov.com/?cmd=convert&vid=51&docid=7701&dt=S-SUBDIVISION+PLAT>

<sup>11</sup> Restrictive Covenant from Circle Drive, 1945 – east of Whedbee Street and south of E. Pitkin Street

<https://records.larimer.org/>, Book 800, Page 551-552.

- *Structural racism:* Before Fort Collins was even established, there were indigenous people in Larimer County for 13,000+ years, with the last local Native Americans in Larimer County (Arapahos) to move to reservations in 1868.<sup>12</sup> The legacy of institutional racism has led to recent displacement and gentrification of neighborhoods,<sup>13</sup> lower overall health and equity index scores,<sup>14</sup> and high school graduation rates at Poudre School District that are lower for students of color than for White students.<sup>15</sup> We see ripple effects from our community's legacy of housing discrimination and segregation in the present as well. For example, there is a documented 22% lending disparity between community members of similar socioeconomic status who identify Latinx/Hispanic and those who identify as White.<sup>16</sup> Whether through forced displacement, land use regulation, or the financial systems tied to housing, it is clear that access to stable, healthy, affordable housing is not distributed equitably among all communities in Fort Collins.

These few examples of the nation's and community's history, while not intended to be comprehensive, demonstrate the continued nature of discrimination at all levels and that impacts are disproportionately experienced by people of color and other communities with identities that have been historically marginalized. The City (and many community partners) have begun to address these disparities, by [acknowledging these inequities exist](#), establishing the [Ad Hoc Community Impacts Committee](#), and by centering planning and policy efforts in equity moving forward.

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*The City of Fort Collins supports equity for all, leading with race. More information about can be found at <https://www.fcgov.com/socialsustainability/equity.php>.*

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## HOUSING STRATEGIC PLAN: EQUITY FOR ALL, LEADING WITH RACE

***“We can’t heal the damage done by housing policy without the input and leadership of those most affected by its harmful past and present”<sup>17</sup>***

As noted in the introduction to this section, the Housing Strategic Plan is centering the way it plans, both from a process and outcome perspective, on equity. From a process perspective, Fort Collins’ prior Housing planning efforts focused on more traditional engagement approaches such as open houses and presenting information at group meetings. The current iteration of the Housing Strategic Plan embeds a more equitable process by ensuring that: (a) community members and organizations with closer ties to underrepresented populations are being supported to lead engagement, and (b) community members

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<sup>12</sup> There have been indigenous people in Larimer County for 13,000+ years and the 1868 event is only one example from indigenous group. More information can be found in [An Ethnohistory of the Cache la Poudre River National Heritage Area](#) by Lucy Burris.

<sup>13</sup> See, for example, this article from the [Colorado Sun](#).

<sup>14</sup> See the [Trends and Forces Report](#) associated with City Plan for this reference.

<sup>15</sup> See Poudre School District’s [graduation information](#), and slide 6 for graduation rates for English Language Learners compared to all students.

<sup>16</sup> Analysis of Impediments to Fair Housing Choice, update in 2017 by City staff to original work completed by BBC Consulting in 2012. The lending disparity cited here was identified in the 2017 update.

<sup>17</sup> The Affordable City by Shane Phillips, p. 40

who engage in the process more accurately reflect the actual demographics (race, income, age, gender, etc.) of our community. While all community members have opportunities to engage in the planning process, additional resources are being devoted up front to engage underrepresented populations with the goal of creating more equitable outcomes, e.g., a person's identity or identities no longer impacts their ability to thrive.

To achieve our desired outcome, we must redefine how the City functions and understand how our existing services, programs, and regulations can unintentionally impact certain communities. To this end, Fort Collins is learning from other cities across the country, such as [Oakland's](#) Equity Indicators for Housing, [Portland's](#) efforts to increase density in most neighborhoods, and [Austin's](#) Strategic Housing Blueprint, that are testing methods to expose the effects of inherited systems and developing equitable replacements through collaborative engagement with community members.

In Fort Collins, the City is piloting the Government Alliance on Race and Equity (GARE) Racial Equity Toolkit in this planning process to assess how proposed strategies do or do not advance racial equity. By assessing impact to racial equity, other dimensions of equity can also be addressed.

Leading with race is important, acknowledging that the creation and perpetuation of racial inequities has been ingrained in government, and that racial inequities across all indicators for success are deep and pervasive. We also know that other groups of people are marginalized based on characteristics including gender, sexual orientation, ability and age, to name a few. It is critical to address all areas of marginalization, and an institutional approach is necessary across the board. A racial equity framework that is clear about the differences between individual, institutional and structural racism, as well as the history and current reality of inequities, has applications for other marginalized groups.

The remaining sections of this document include reflections on the equity implications of the data shared. Understanding how racial equity specifically plays out in each section is an evolving process that will be updated as we move through the planning process.

## FORT COLLINS AND THE REGION

Fort Collins, as a city, exists within a regional context. This means that people may work in Fort Collins, but may choose, based on many factors, to live outside of the city (or vice versa). This is an important factor in understanding demand and supply dynamics for housing within the region.

As a starting point, the data includes a number of communities that surround Fort Collins based on commuting patterns from previous studies (Housing Affordability Policy Study, 2014), often serve as competitive communities based on a number of factors, and is where many live or work who are members of the Fort Collins community.

These communities include Timnath, Windsor, Wellington, Loveland, Greeley, Berthoud, Johnstown and Longmont. Other communities, such as Denver, Boulder and Golden were seen to be outside of the Fort Collins regional context, though we know there are residents who commute between these communities and Fort Collins every day.

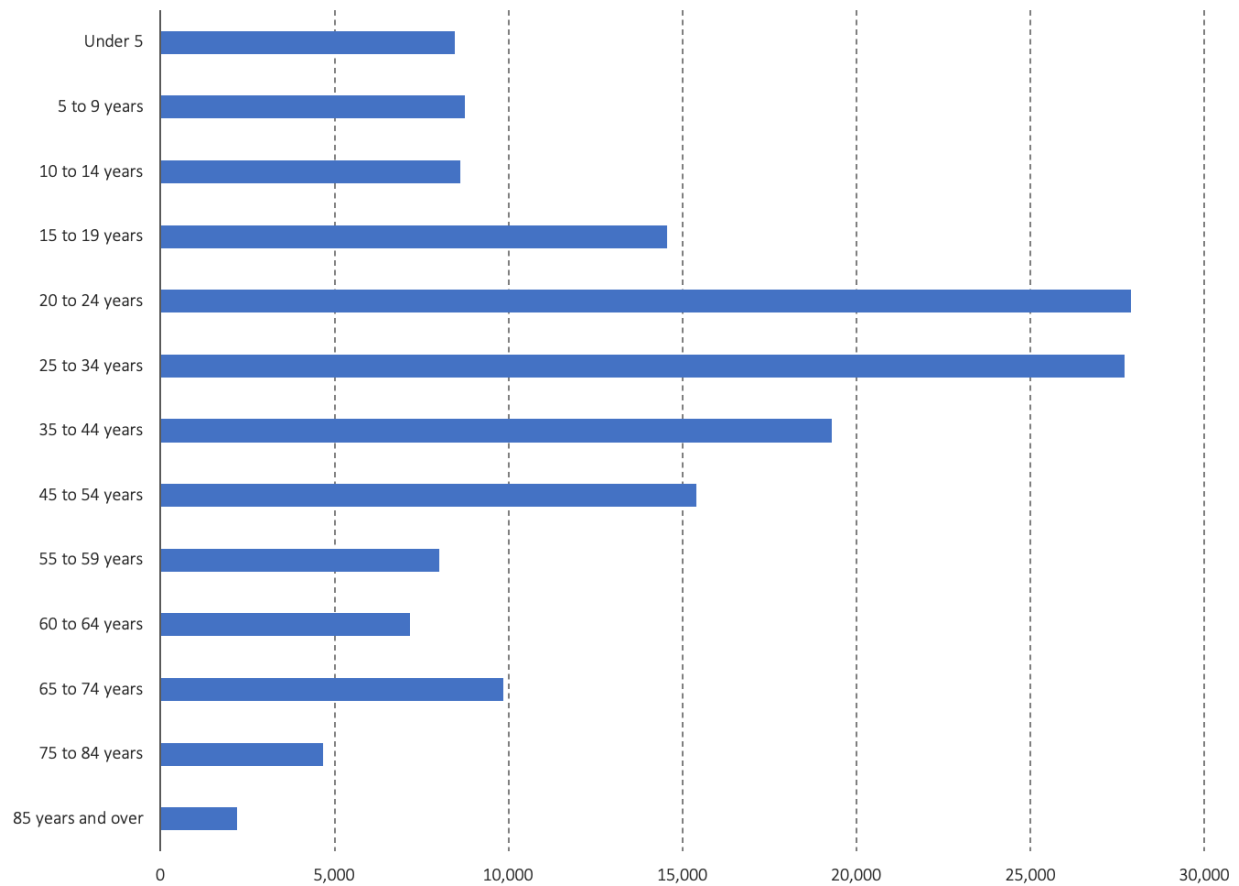
## WHO LIVES IN NORTHERN COLORADO?

To gain a better understanding of who lives in Fort Collins and the surrounding region, we can better plan for who wants to live here and who may be excluded based on a number of factors. For this, we take a look at a number of data points within the surrounding region and within Fort Collins specifically.

### DEMOGRAPHICS

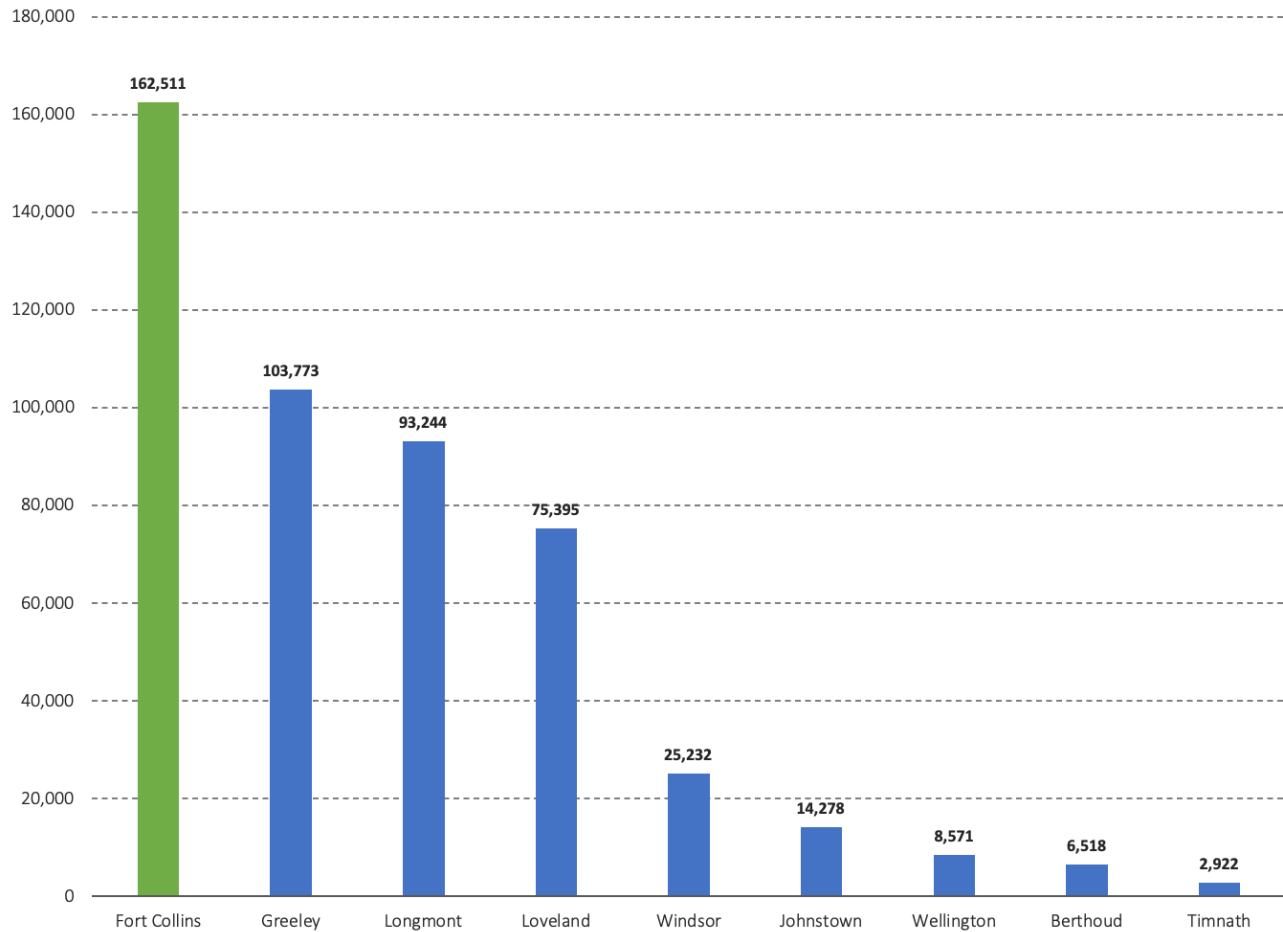
***Fort Collins is a young community with a growing senior population.***

The population of Fort Collins according to the latest American Community Survey (ACS) was 162,511 in 2018 with a median age of 29. The largest age cohorts in Fort Collins are in the 20-34 age groups. This is due principally to Colorado State University (CSU). Total enrollment at CSU in 2019 was over 34,000 students. The fastest growing cohort is people aged in their 60s. This cohort grew at nearly three times the rate of the rest of the population per the Trends and Forces Report as part of City Plan.

**Figure 1: Population Distribution for Fort Collins (ACS 2018, 5-year data)**

***Fort Collins is the largest community in the region.***

Fort Collins reached a population of 162,511 in 2018, making it the largest city in the region. The community closest in size is Greeley, with a population of 103,773. Longmont and Loveland both have sizable populations of 93,244 and 73,395 respectively. All other communities are smaller and have a high level of interconnectedness with the larger cities in the region.

**Figure 2: Population of Fort Collins and Northern Colorado Communities (ACS 2018, 5-year data)**

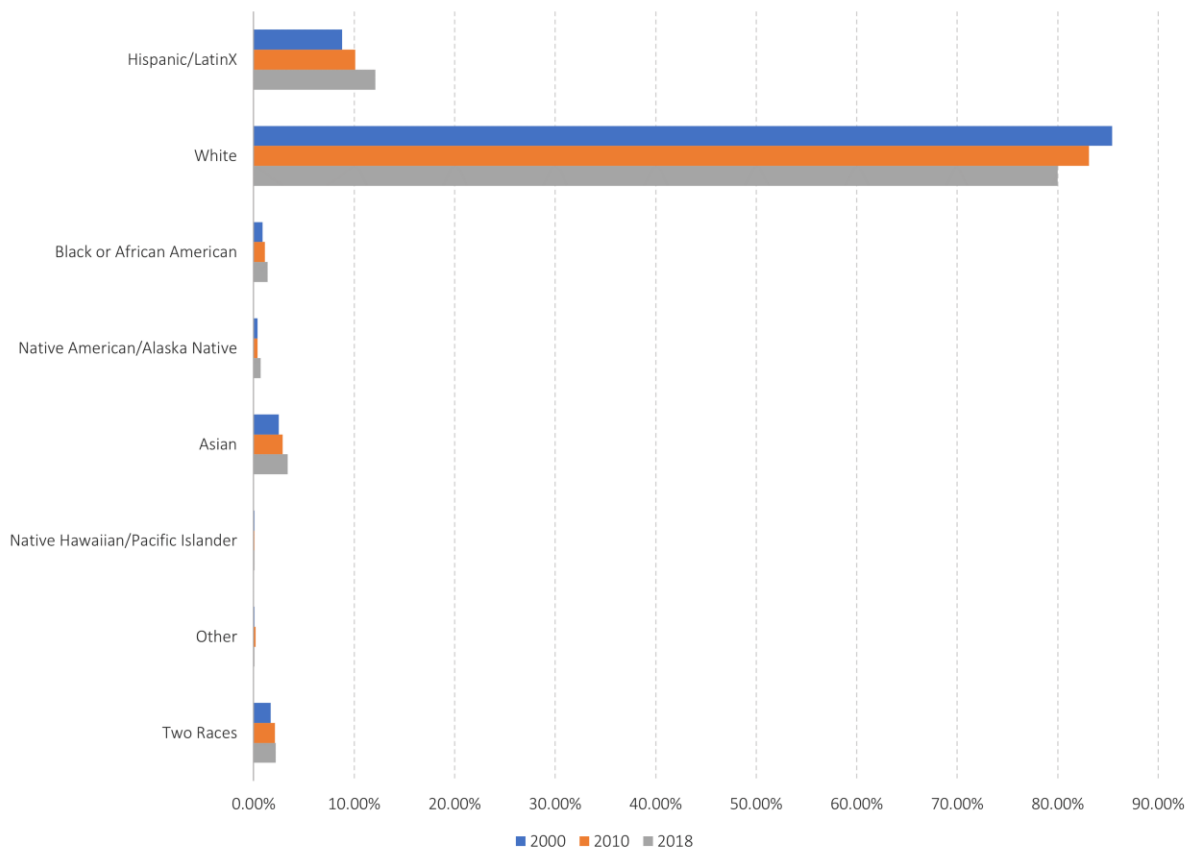
***Fort Collins and surrounding cities are predominantly white with sizable Latinx communities.***

According to the most recent Census data, 80% of the Fort Collins community identifies as white. The next largest racial group is Hispanic or Latinx, making up just over 12% of the community. The chart below provides a comparison of the racial/ethnic composition of Fort Collins in comparison to other Northern Colorado communities. All other nearby communities have a white majority population with the Hispanic or Latinx community being the second largest group. Greeley, Johnstown, Longmont, and Wellington all have a higher percentage of Hispanic or Latinx community members when compared to Fort Collins.

**Figure 3: Racial/Ethnic Composition of Fort Collins and Northern Colorado Communities, 2018 (ACS 2018 5-year Data)**

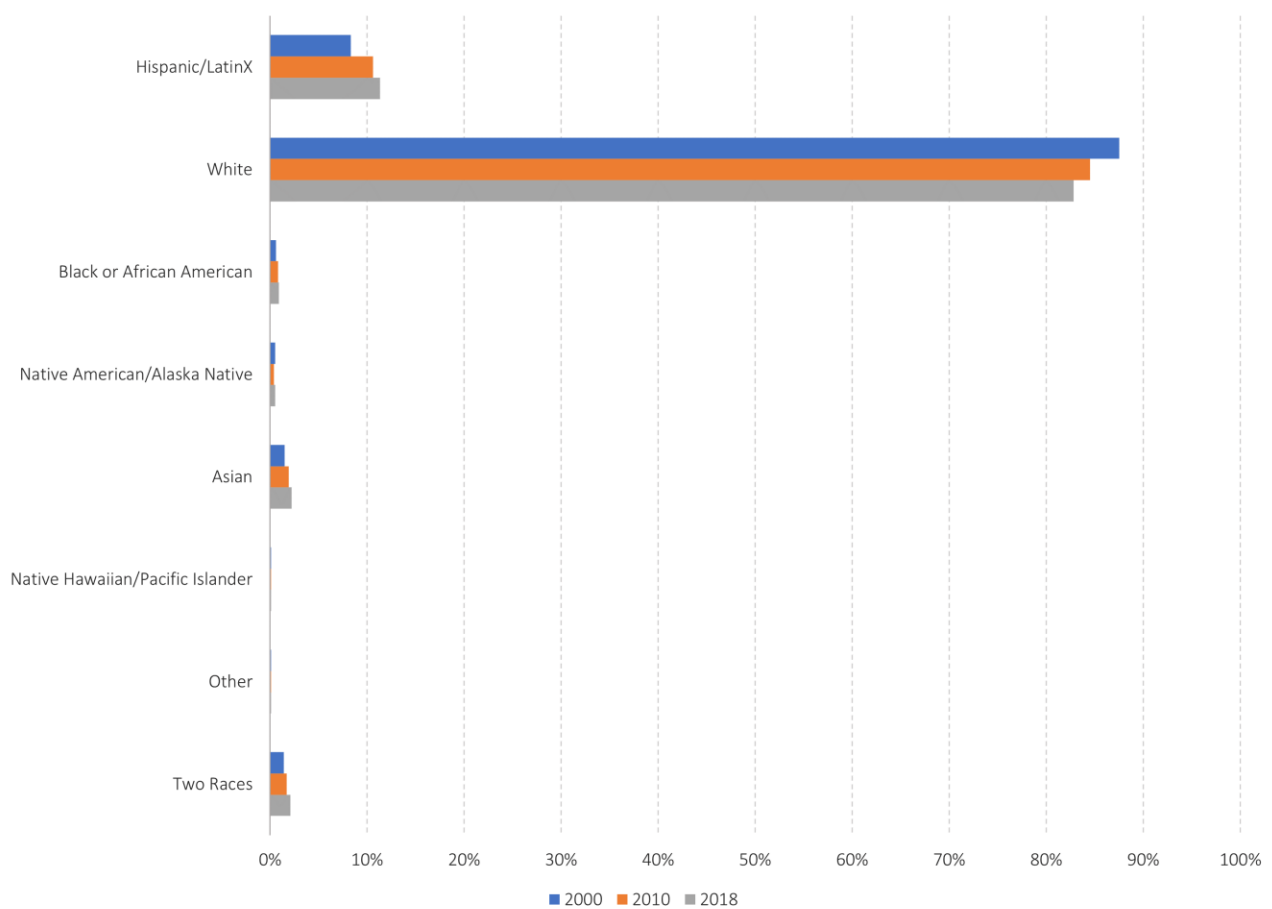
Race	Fort Collins	Berthoud	Greeley	Johnstown	Longmont	Loveland	Timnath	Wellington	Windsor
Hispanic or Latinx	12.1%	7.9%	39.1%	16.7%	25.2%	11.4%	8.2%	15.7%	8.0%
White	80.0%	91.2%	60.9%	77.8%	68.1%	84.8%	85.4%	84.3%	86.6%
Black or African American	1.4%	0.0%	2.2%	0.4%	0.9%	0.5%	0.0%	0.7%	0.4%
American Indian and Alaska Native	0.7%	0.0%	0.4%	0.3%	0.5%	0.4%	0.0%	0.3%	0.4%
Asian	3.4%	0.0%	1.2%	2.7%	3.3%	0.9%	6.2%	0.2%	2.4%
Other	2.4%	0.8%	1.9%	2.1%	2.0%	2.0%	0.3%	3.0%	2.2%

**Figure 4: Change in Racial/Ethnic Composition of Fort Collins from 2000-2018 (ACS 2018 5-year Data)**



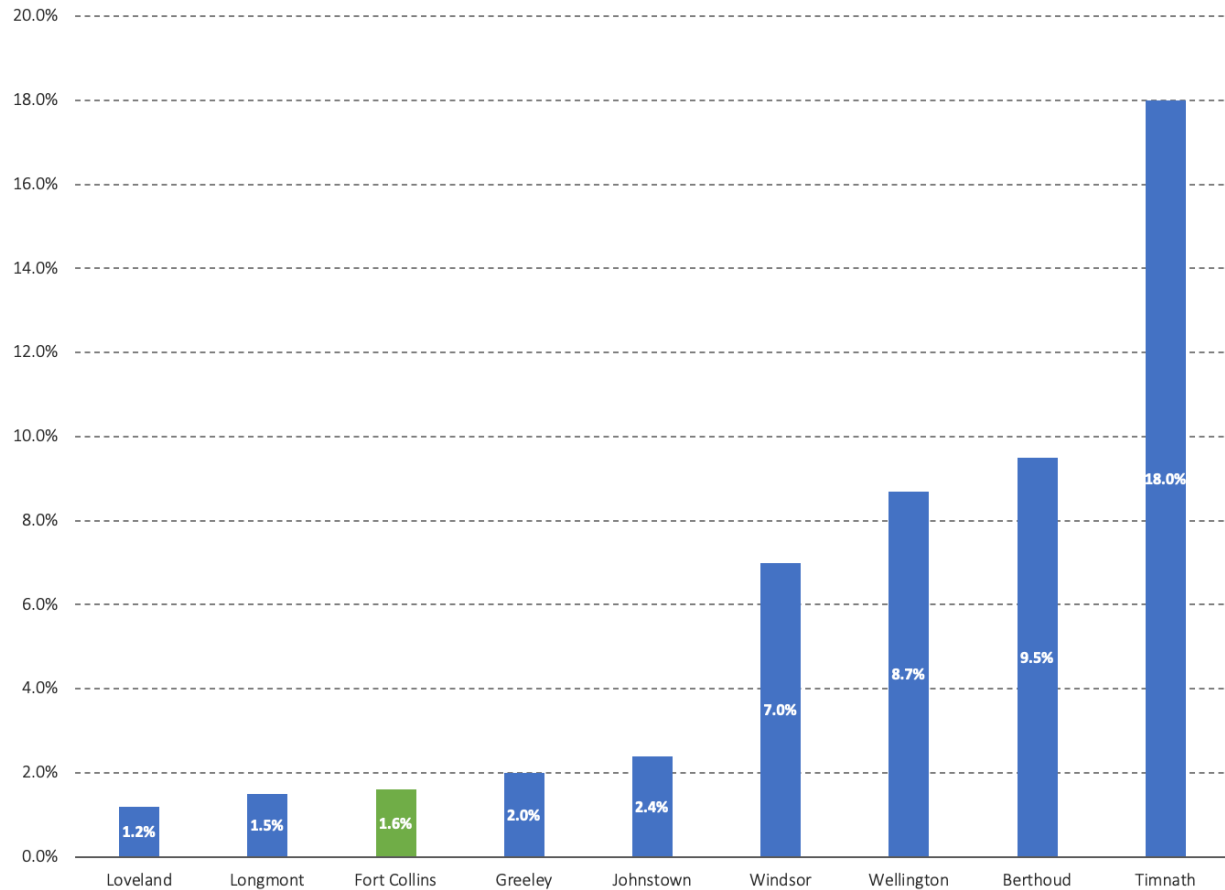
As seen in the chart above, the percentage of Hispanic/Latinx households as a portion of the total population of Fort Collins has increased between 2000 and 2018 from 8.8% to 12.1%. Within the same period, the percentage of White households as a portion of the total population of Fort Collins has decreased from 85.4% to 80%. A similar trend can be seen in the chart below based on data for all of Larimer County within the same period. The percentage of Hispanic/Latinx households as a portion of the total population of Larimer County has increased from 8.3% in 2000 to 11.3% in 2018 and the percentage of White households as a portion of the total population of Larimer County has decreased from 87.5% to 82.8%.

**Figure 5: Change in Racial/Ethnic Composition of Larimer County from 2000-2018 (ACS 2018 5-year Data)**

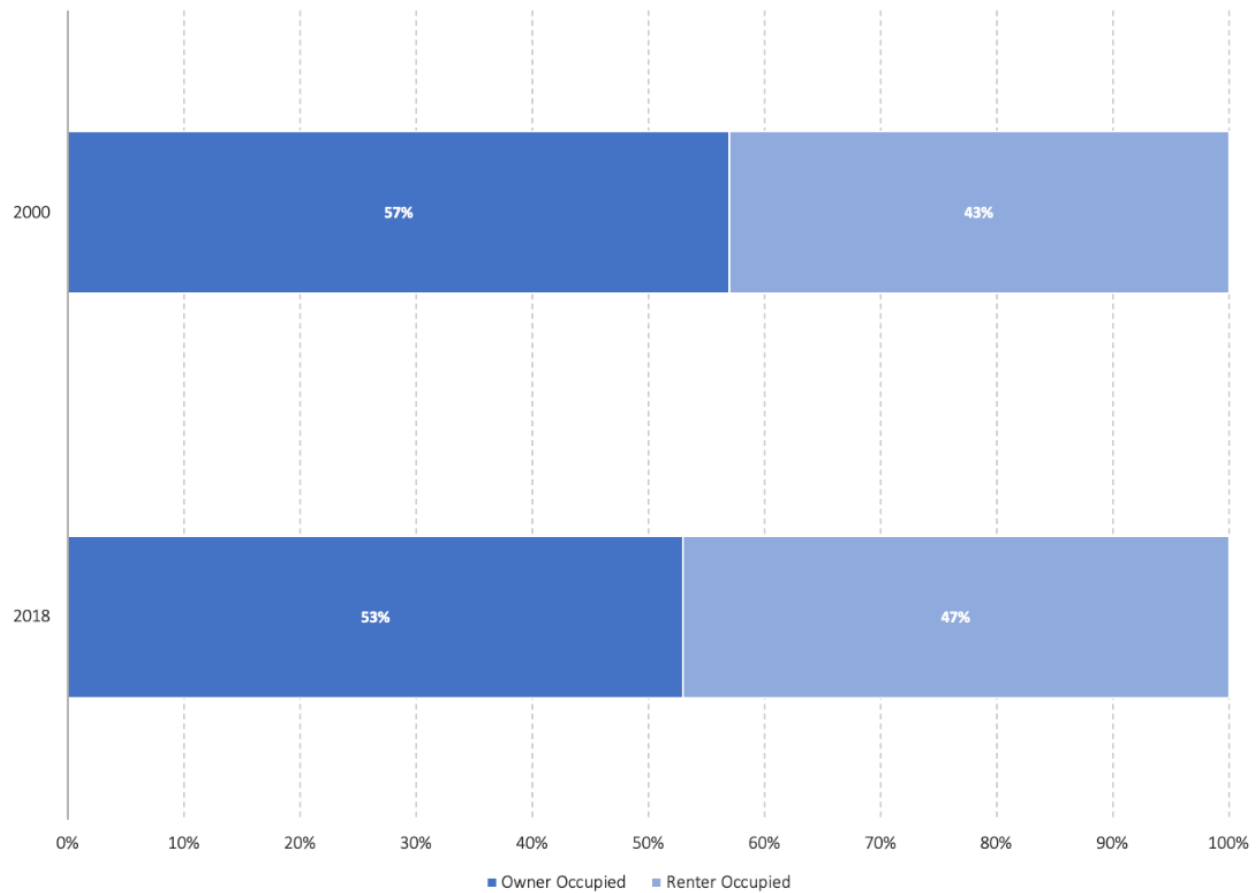


***The region continues to grow at a rapid pace.***

The population growth rate of surrounding communities has varied widely between 2015 and 2018. While Fort Collins grew by 1.6%, communities such as Timnath, Wellington, and Windsor grew by 18, 8.7, and 7 percent, respectively.

**Figure 6: Population Growth Rate, 2015 – 2018 (ACS 2018, 5-year data)*****Home ownership rates continue to decline***

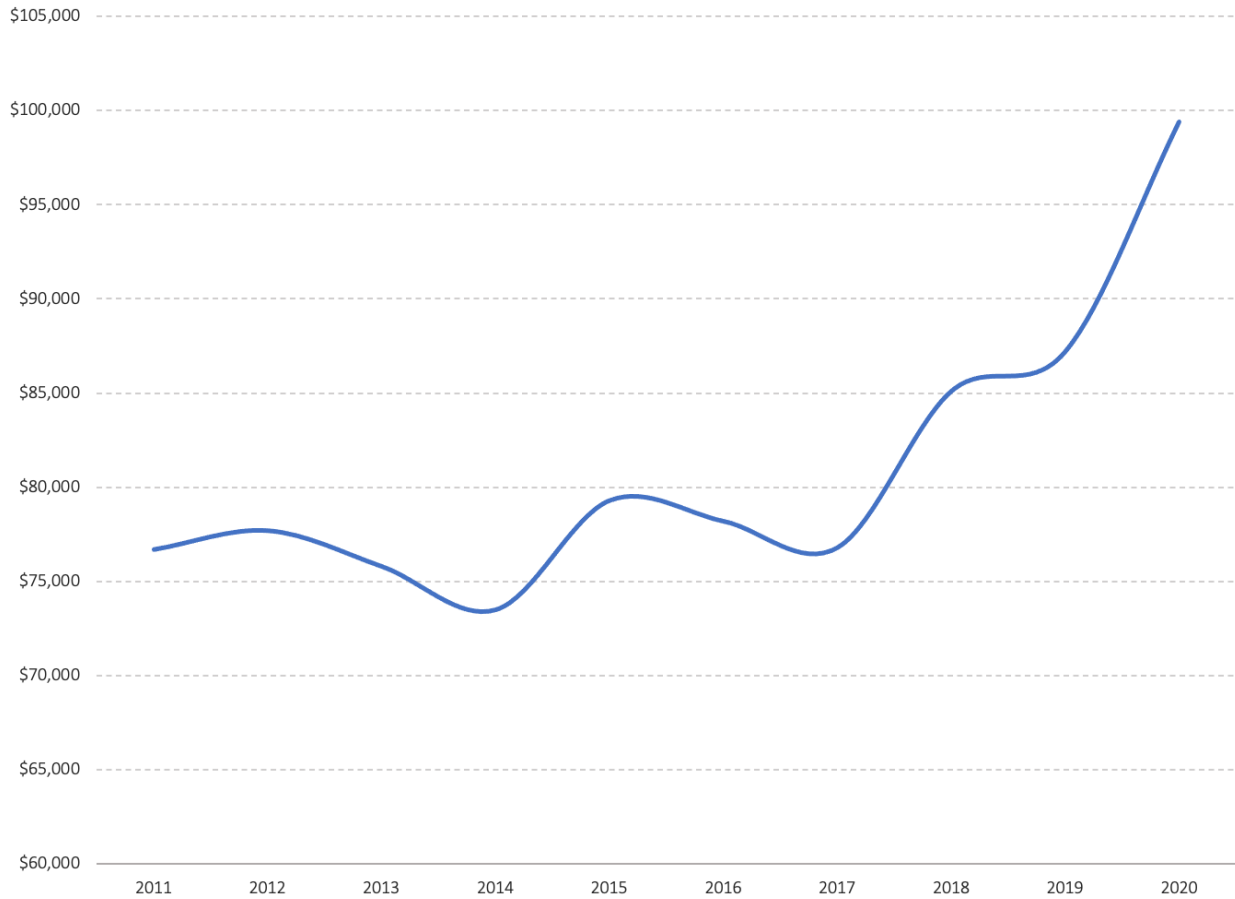
Since 2000, homeownership rates in Fort Collins have been in decline. 57% of households owned their home in 2000. In 2018, 53% of households owned their home.

**Figure 7: Housing Tenure, 2000 – 2018 (ACS 2018, 5-year data)**

## INCOMES, EMPLOYMENT AND COMMUTING

### ***Incomes in the Fort Collins area have risen since 2017.***

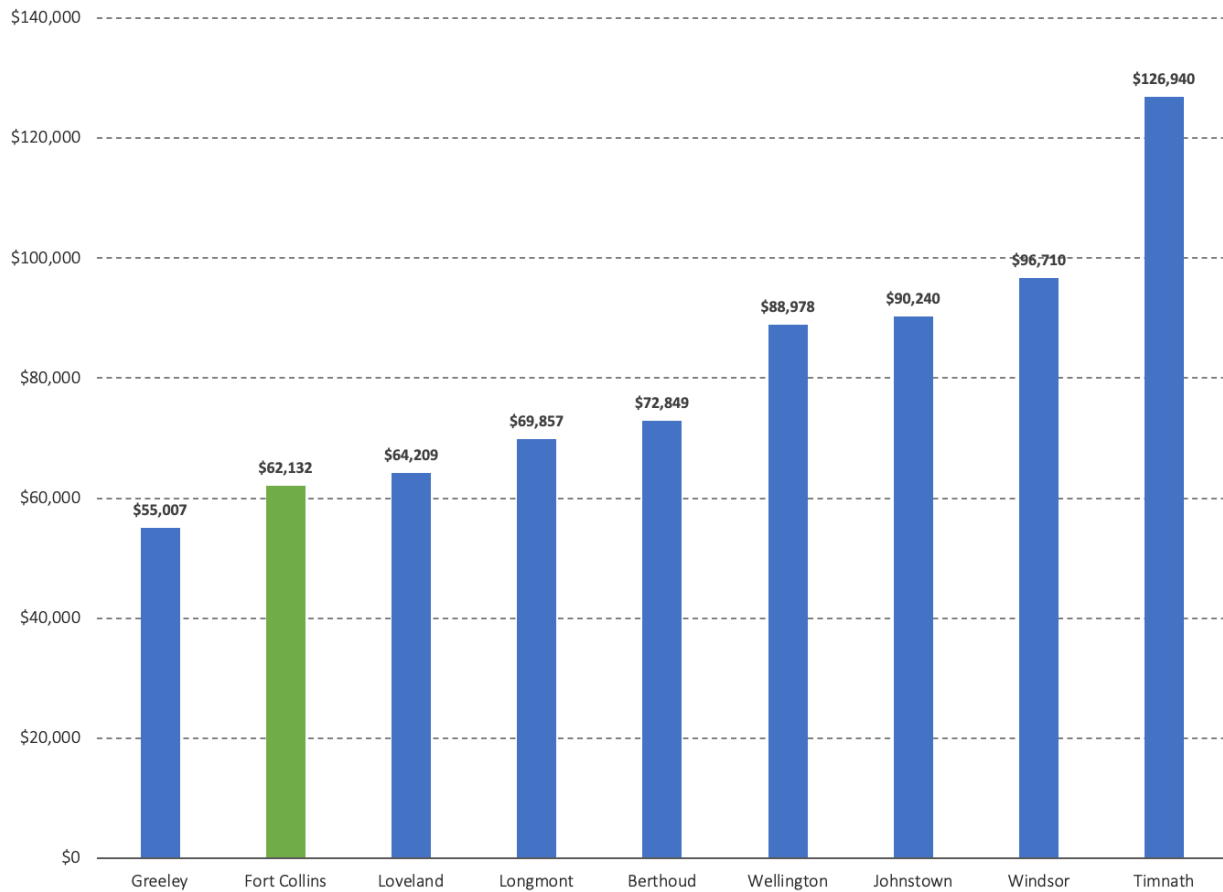
In absolute terms, median household income has steadily risen over the past decade. Incomes within the Fort Collins Metropolitan Statistical Area (MSA) hovered around \$75,000 from 2011 to 2017. Beginning in 2018, median income rose from \$85,100 to \$99,400 in 2020. When adjusted for inflation, however, incomes did not rise above 2011 levels until 2019. Incomes fluctuated between \$80,000 and \$90,000 until 2020 when incomes rose to \$99,400 for a family of four (Source: Root Gaps Analysis – using HUD 4-person household as a default household size).

**Figure 8: Area Median Income for a Family of Four in Fort Collins MSA, 2011 – 2020 (HUD)**

***Fort Collins has the second lowest median household income in the region.***

HUD does not produce median income data for each individual community in Northern Colorado. HUD produces income data based on Metropolitan Statistical Area (MSA). The Fort Collins MSA encompasses all of the communities within Larimer County. The other MSA in Northern Colorado is the Greeley MSA, which contains all of Weld County. The chart above illustrates change over time for a family of four and was taken from a recent study. In contrast, the chart below reflects data from those individual communities based on 2-person households rather than a collection of them using ACS data. Based on this data, only Greeley has a lower median household income for nearby communities.

**Figure 9: Median Household Income of Northern Colorado Communities, 2-Person Household 2018 (ACS 2018, 5-year data)**

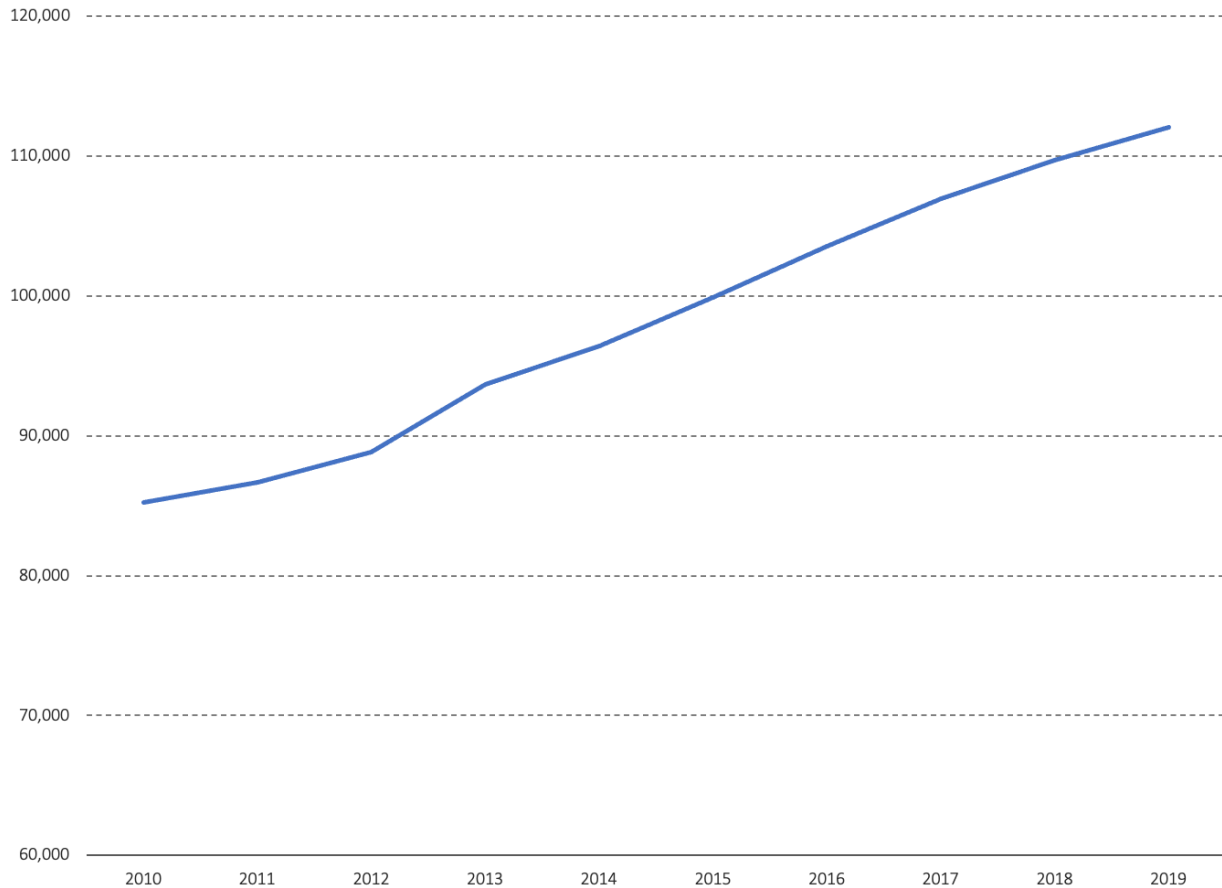


***Fort Collins continues to add jobs.***

Fort Collins has added jobs steadily through the past decade. In 2010, Fort Collins had 85,268 jobs compared to 112,089 jobs as of 2019. This is an annual growth rate of 2.8%, higher than our annual population growth rate of 1.6%.

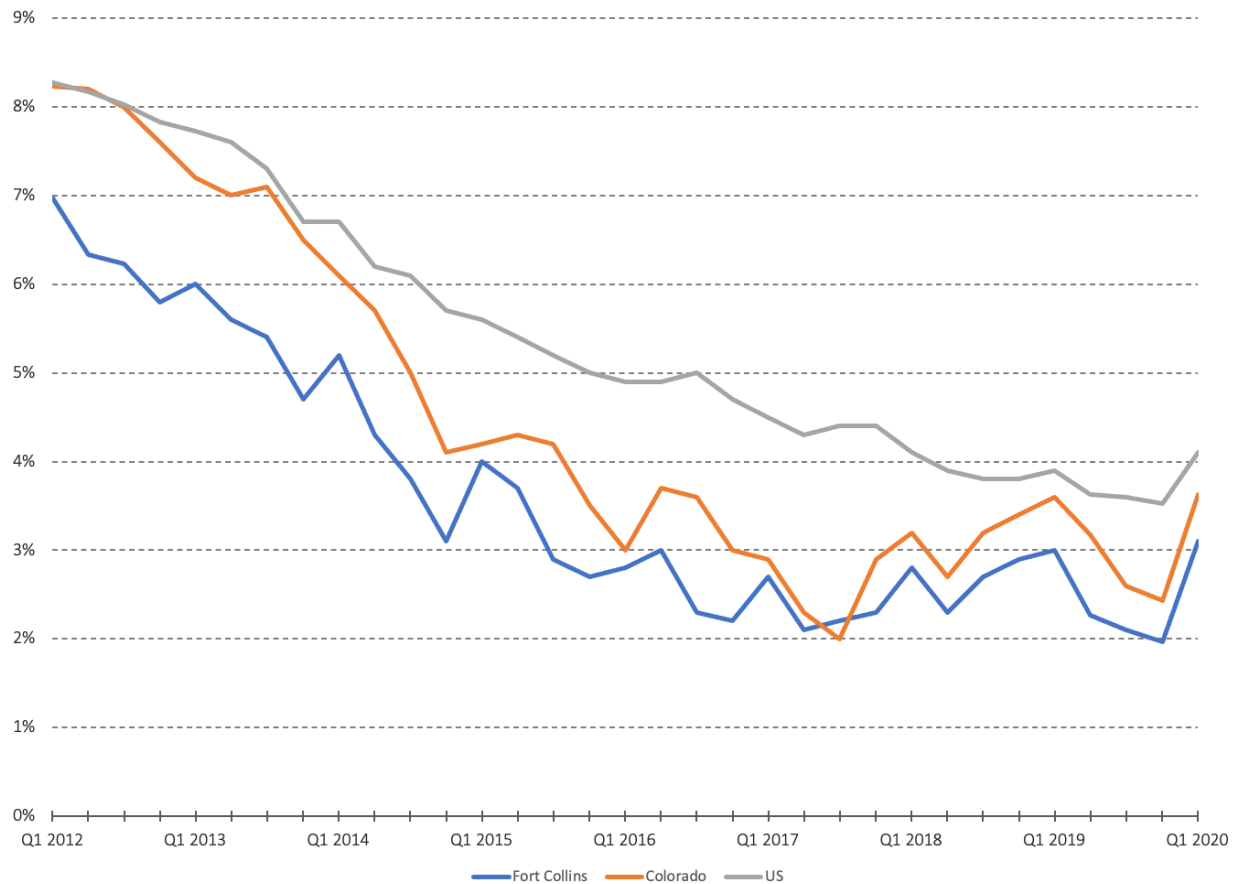
*Job growth outpaces population and housing increases: Fort Collins has seen a 2.8% annual growth rate, with 1.6% annual population growth rate and a 1.73% increase in units annually.*

*Sources: American Community Survey, 5-year estimates, City of Fort Collins, Bureau of Labor Statistics, Quarterly Census of Employment and Wages*

**Figure 10: Job growth in Fort Collins, 2010-2019 (BLS, QCEW)*****Unemployment in Fort Collins remains lower than the national average.***

Fort Collins has long had a lower than average unemployment rate. Unemployment in Fort Collins was 6.97% in 2012, fell below 3% in 2015, and has remained below 3% until the first quarter of 2020. Fort Collins has not had an unemployment rate higher than the national average during this time period.

**Figure 11: Unemployment rate in Fort Collins compared to the US and Colorado, 2012 – 2020 (BLS, QCEW)**



***Wages have increased, with low wage occupations increasing faster than average. Industries added jobs across the wage spectrum.***

Wages have steadily climbed since 2010, increasing 23.8% on average between 2010-2019. Low wage jobs have seen higher than average wage growth. Wages for occupations such as food preparation, community and social service, and sales saw the highest growth. Low, middle, and high-income occupation types all added jobs over the past decade. The fastest growing occupation types include business financial operations, farming, fishing, and forestry, and community and social services. Cells highlighted in red saw higher growth than average. Occupations below the black line are occupation types earning above average wages.

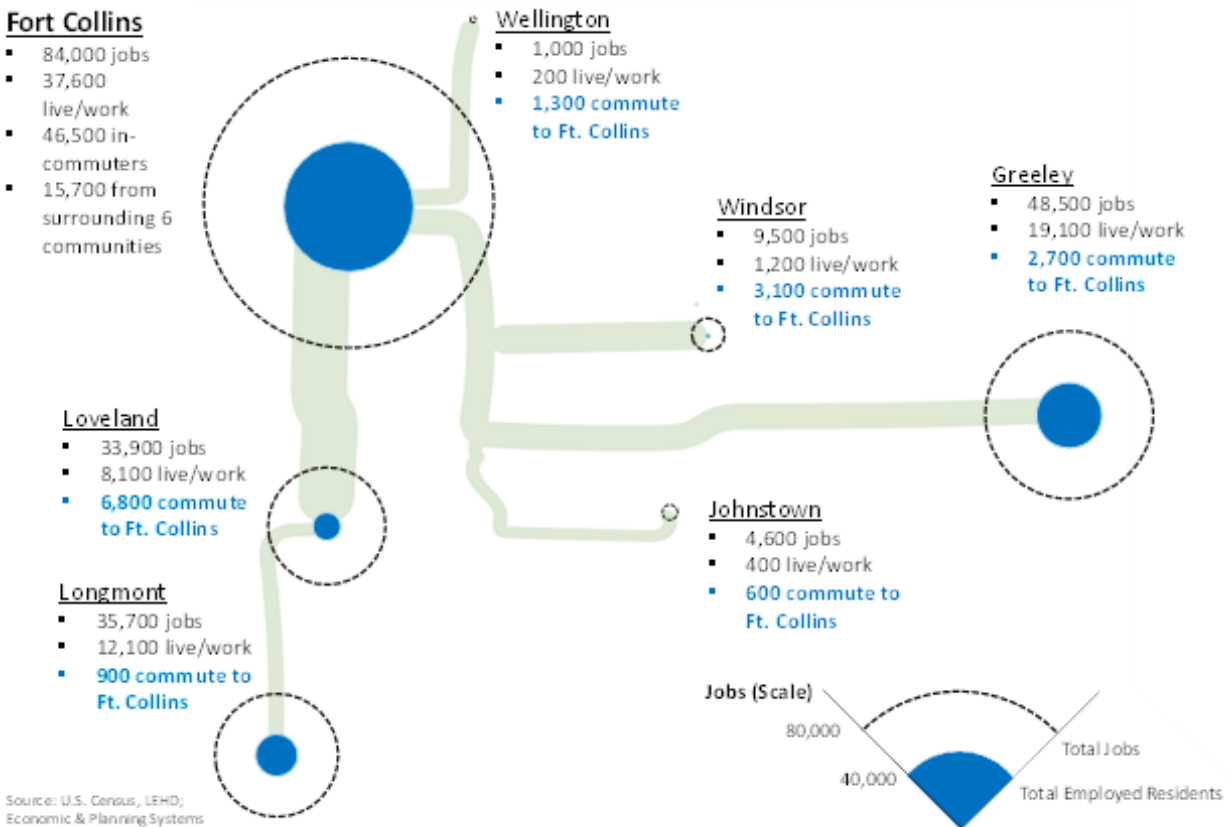
**Figure 12: Change in wages and number of jobs by occupation type, 2010 - 2019 (BLS, QCEW)**

Occupation Type	2010 Avg. Hourly Earnings	2019 Avg. Hourly Earnings	% Wage Increase 2010-2019	2010 Jobs	2019 Jobs	% Change 2010-2019
Food Preparation and Serving Related Occupations	\$10.55	\$14.51	37.5%	8,407	11,221	33.46%
Building and Grounds Cleaning and Maintenance Occupations	\$11.99	\$15.25	27.1%	3,240	4,091	26.28%
Healthcare Support Occupations	\$13.02	\$16.52	26.9%	3,138	4,374	39.39%
Personal Care and Service Occupations	\$13.32	\$16.59	24.5%	2,213	3,308	49.47%
Farming, Fishing, and Forestry Occupations	\$13.44	\$16.99	26.4%	338	534	57.83%
Transportation and Material Moving Occupations	\$14.15	\$17.31	22.3%	4,888	6,364	30.19%
Office and Administrative Support Occupations	\$15.91	\$19.59	23.1%	13,640	15,613	14.46%
Sales and Related Occupations	\$16.60	\$21.26	28.0%	8,902	10,888	22.31%
Production Occupations	\$16.97	\$21.38	26.0%	3,901	4,875	24.98%
Military-only occupations	\$18.48	\$22.33	20.8%	349	358	2.86%
Protective Service Occupations	\$20.02	\$22.90	14.4%	1,527	2,119	38.72%
Construction and Extraction Occupations	\$19.84	\$24.25	22.3%	3,192	4,741	48.51%
Arts, Design, Entertainment, Sports, and Media Occupations	\$22.29	\$24.34	9.2%	1,439	1,753	21.89%
Installation, Maintenance, and Repair Occupations	\$20.43	\$24.35	19.2%	2,794	3,904	39.72%
Community and Social Service Occupations	\$19.19	\$24.75	28.9%	1,286	1,987	54.55%
<b>Average Income</b>		<b>\$25.48</b>				
Educational Instruction and Library Occupations	\$22.54	\$27.91	23.8%	6,874	8,510	23.80%
Life, Physical, and Social Science Occupations	\$29.52	\$33.87	14.7%	2,112	2,797	32.39%
Business and Financial Operations Occupations	\$30.87	\$35.55	15.2%	3,975	6,448	62.20%
Healthcare Practitioners and Technical Occupations	\$34.39	\$40.23	17.0%	4,420	6,068	37.29%
Computer and Mathematical Occupations	\$35.41	\$41.86	18.2%	2,440	3,685	51.01%
Architecture and Engineering Occupations	\$35.48	\$43.53	22.7%	2,833	3,630	28.15%
Legal Occupations	\$38.53	\$47.96	24.5%	408	581	42.15%
Management Occupations	\$47.07	\$56.38	19.8%	2,948	4,240	43.83%
			<b>23.8%</b>			<b>35.89%</b>

**46,500 people commute into Fort Collins daily**

*The daytime population of Fort Collins grows 28% every day. (US Census, LEHD)*

Fort Collins has turned into a regional hub in Northern Colorado. 15,700 people commute into Fort Collins daily for work from 6 surrounding communities highlighted below. 46,500 people in all commute into Fort Collins. Many of these commuters are from communities to the south and east of Fort Collins including Loveland, Windsor, and Greeley. 46,500 additional people in the City means the daytime population of Fort Collins grows 28% of its current population (162,511 residents) every day.

**Figure 13: Commuting patterns, 2017 (US Census, LEHD)****EQUITY CONSIDERATIONS**

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*The difficult housing and commuting choices faced by people who work in Fort Collins have many implications, including potential health impacts from long commutes:*

*"I am concerned about our community wanting to continue to open businesses that rely on usually low-wage workers like restaurants or coffee shops but not building enough housing that they can afford. Our housing stock is forcing folks to commute to Fort Collins which cuts into the time they could spend cooking / exercising / spending time with family, etc."*

*- Home2Health Community Guide Participant*

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of color (BIPOC). This means BIPOC communities are likely to be disproportionately impacted by this confluence of factors as discussed later in this report.

Fort Collins is one of the most expensive communities to live in the region and has lower household incomes than most nearby communities. In addition, many of the jobs in Fort Collins are in industries that have below average wages. 69% of the jobs in Fort Collins are in industries where the hourly wage is below the community wide average. This means many households are likely facing difficult decisions related to housing. Some choose to live in Fort Collins and spend a disproportionate share of their earnings on housing. Others choose to live in less expensive communities and commute into Fort Collins for work. Both choices run counter to our objectives of being an inclusive community that will be carbon neutral by 2050. As noted in Figure 26 on page 40, lower income populations in Fort Collins are disproportionately black, indigenous, or people

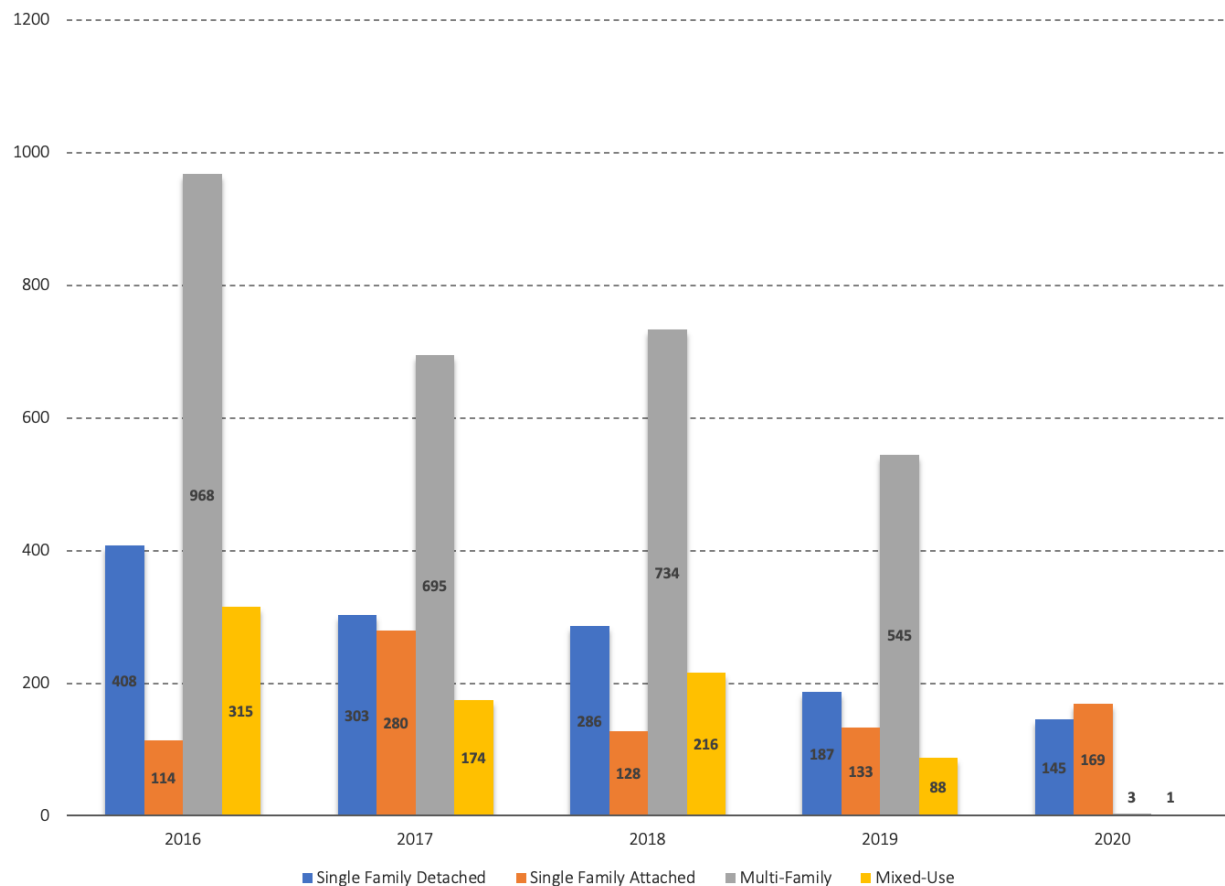
## HOUSING MARKET

### CONSTRUCTION AND SALES TRENDS:

#### ***Building permit activity has slowed.***

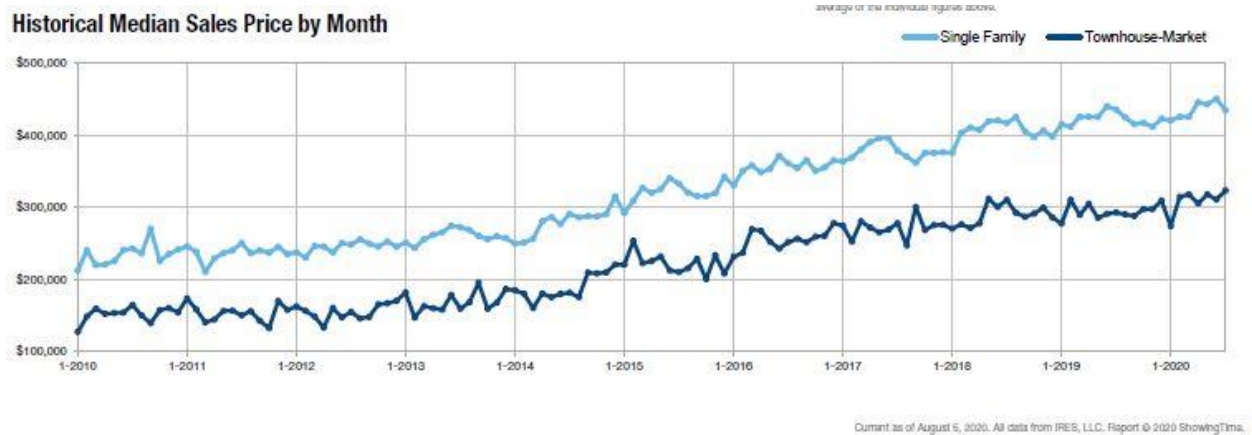
Fort Collins issued a total of 1,772 building permits for new residential construction in 2016. Building permit activity has slowed each year, reaching a low in 2019 of 947 issued permits for new residential construction. To date in 2020, Fort Collins has issued 314 building permits for new residential construction.

**Figure 14: Residential Building Permit Activity, 2016 – 2020 (Fort Collins Building Services Data)**



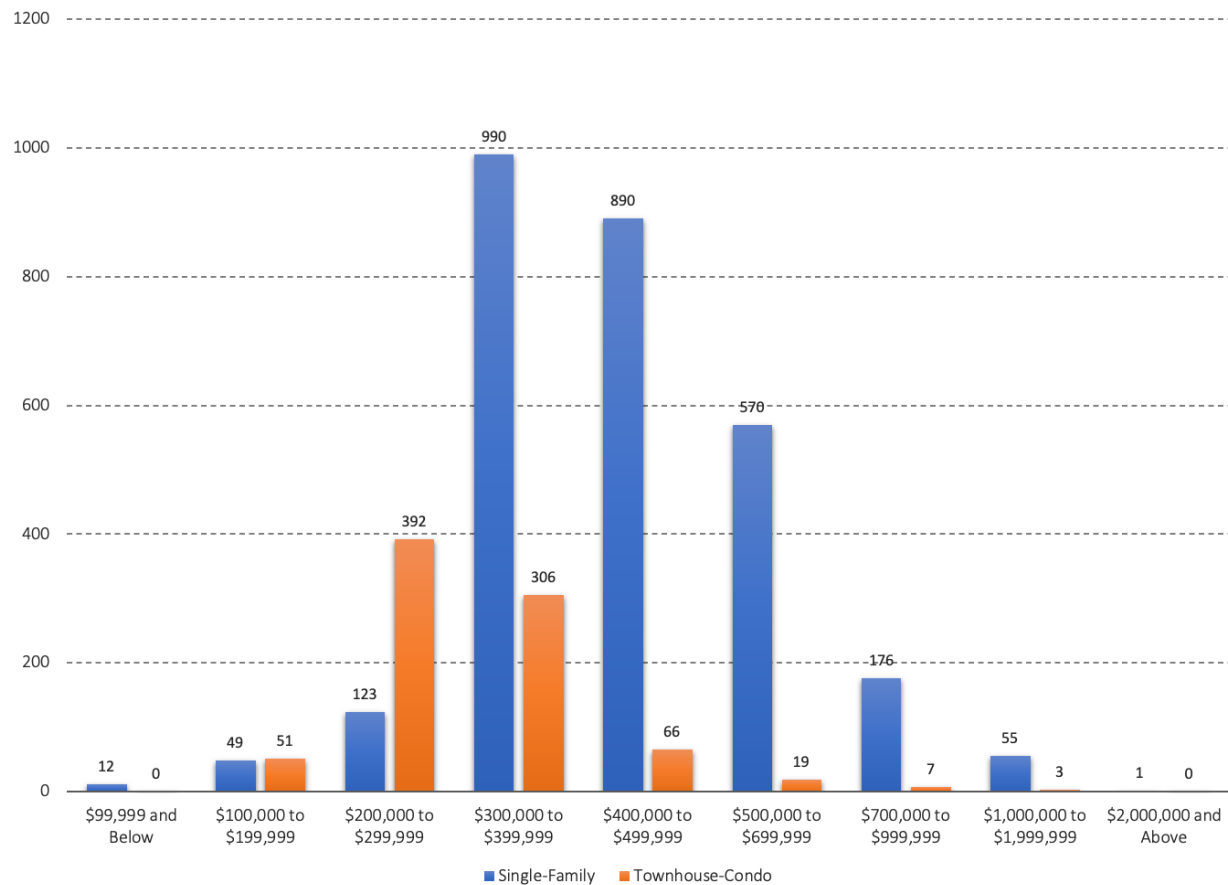
#### ***Housing prices have steadily climbed over the past decade in Fort Collins.***

In 2010, the median sales price of a single-family detached home was just over \$200,000 (IRES). Today, the median sales price of a single-family detached home is \$449,975, a 125% increase over 2010. Townhomes and condominiums have seen similar levels of appreciation. In 2010, the median sales price of townhomes/condominiums was \$120,000 compared to \$309,950 today, a 158% increase. Median income during this same timeframe only increased 25%.

**Figure 15: Historical median sales price by month, 2010 – 2020 (IRES)**

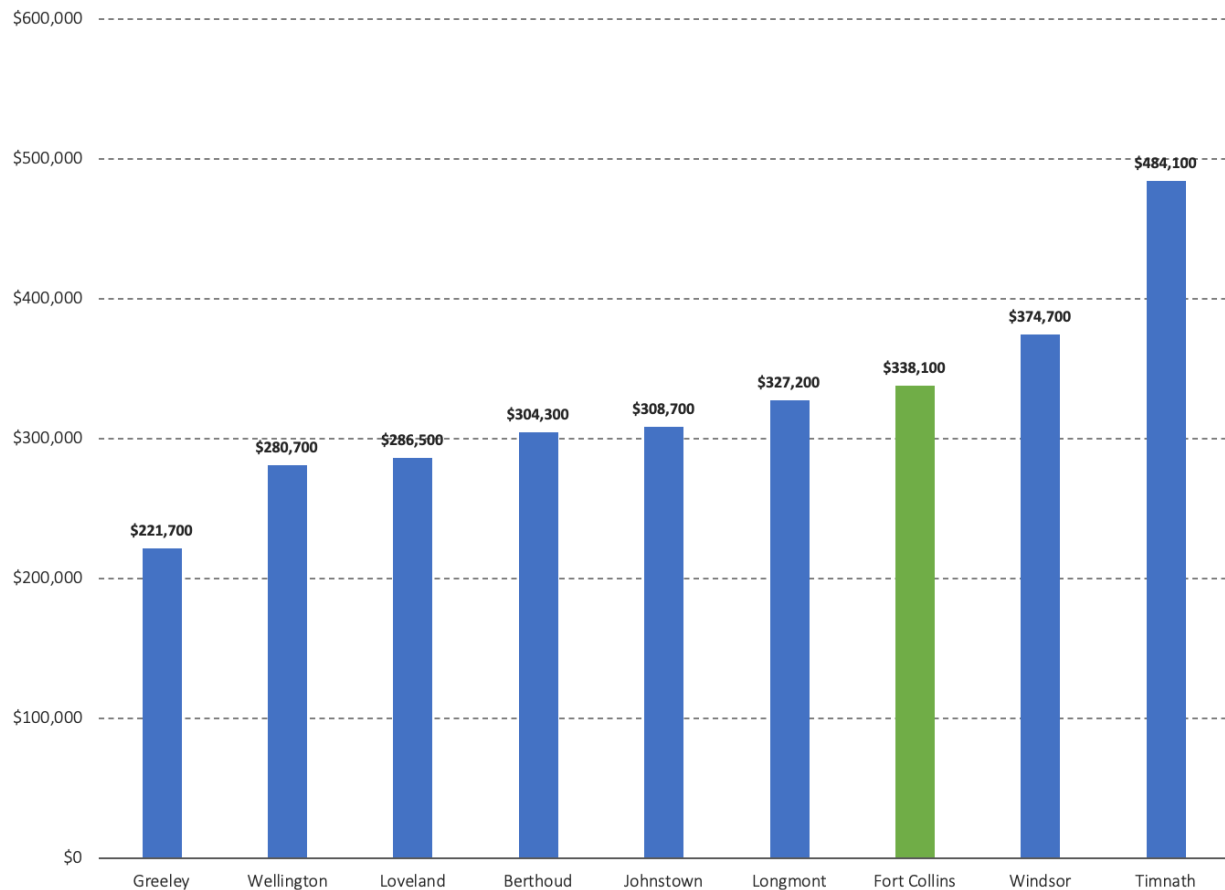
***Housing inventory for households earning the median income is low.***

In 2019, 3,710 homes sold in Fort Collins. 2,866 single-family detached homes sold while 844 townhomes and condominiums sold. 184 single-family and 443 townhomes and condos sold under \$300,000 in 2019.

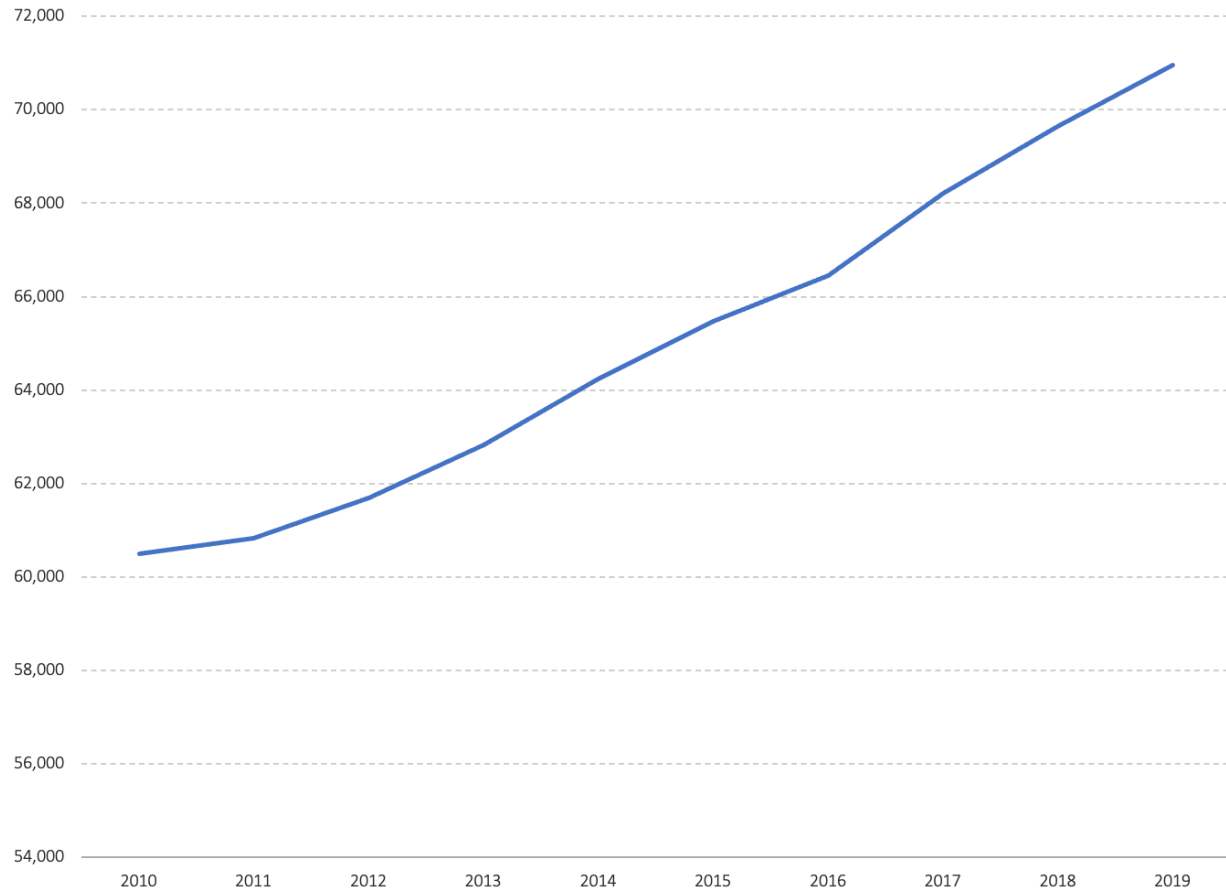
**Figure 16: Prices of Homes Sold, 2019 (IRES, 2019)**

***Fort Collins has the third highest average home value in the region***

Average home values vary across the region. While Loveland's growth rate remained relatively low compared to other communities in the region, their home values also remained relatively low compared to faster-growing communities, such as Timnath and Windsor. Fort Collins has the third highest average home value in the region despite having the second lowest median household income in the region.

**Figure 17: Average Home Value by Community (IRES, 2019)*****Fort Collins's supply of housing has grown***

In 2010, Fort Collins had 60,503 housing units. By 2019, the number of housing units reached 70,692 units, an increase of 10,459 units. This is an annual growth rate of 1.73%. While a 1.73% growth rate in housing units is higher than the City's 1.6% annual population growth rate, this still lags behind the 2.8% annual growth rate in jobs.

**Figure 18: Total number of housing units in Fort Collins, 2010 – 2019 (ACS 2018, 5-year data)**

## DEVELOPMENT PIPELINE

3795 units of housing are in the development pipeline currently. The breakdown of these units is as follows:

Unit Type	Units in Pipeline
Single-family detached	803
Single-family attached	481
Two-family	224
Multi-family	2,283
<b>Total</b>	<b>3,795</b>

A number of affordable housing projects are currently in the development pipeline or under construction, including:

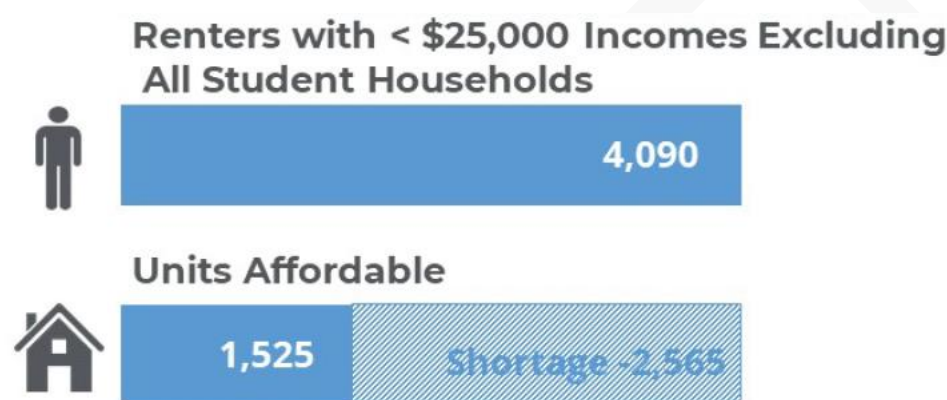
Project	Units	Status
Lakeview on the Rise	180 rentals	Under construction
Mason Place	60 rentals	Under construction

Project	Units	Status
Oak 140	79 rentals	In development review
Kechter Townhomes	60 ownership	In development review
VOA Senior Housing	55 rentals	In development review
St. John XXIII	34 rentals	In development review
<b>Total</b>	<b>468</b>	

## AFFORDABLE HOUSING STOCK

***There is a 2,500-unit shortage in affordable rental units for incomes under \$25,000***

According to the Social Sustainability Gaps Analysis, there is a large gap in the number of affordable units in Fort Collins and the number of households earning less than \$25,000 per year. 1,525 units in Fort Collins are affordable for the 4,090 households earning less than \$25,000 per year. This means there is a shortage of 2,565 rental units for households earning less than \$25,000 per year, when students are excluded.



Source: 2018 ACS and Root Policy Research

*In a recent questionnaire, Hispanic/Latinx respondents were less likely to own their homes and more likely to be cost-burdened (spending more than 30% of their income on housing):*

*"43% of Hispanic / Latinx respondents report owning their home compared to 52% of respondents identifying as non-Hispanic / Latinx."*

*"...with 59% of Hispanic / Latinx respondents reporting they are spending 50% or more of their household income on housing and only 8% reporting spending less than 30%; comparatively, only 27% of non-Hispanic / Latinx respondents report spending 50% or more of their income on housing and 20% report spending less than 30%."*

*~ Health Impact Assessment Summary, Larimer County Department of Health and Environment (LCDHE) Built Environment Group. Conducted as part of Home2Health.*

While Fort Collins has added thousands of new housing units over the past five years, this unit production has been met with continued price escalation. Increasing supply remains a high priority, however, simply building more units is unlikely to resolve housing affordability issues in Fort Collins. Job growth also continues at a faster pace than housing production. Property owners reap the benefit of increased

property values. Renters seeking to move into homeownership have a more difficult time doing so in a real estate market where prices continue to rise. Rents also continue to rise, as we will discuss in the following section of this report. The combination of property owners seeing increasing property values and renters increasingly unable to enter homeownership creates a widening gap in wealth creation opportunities. Low income renters end up being disproportionately impacted by the phenomenon and are unable to share in the wealth created by increased property values.

This uneven wealth creation impacts future generations of our community and continues the pattern of wealth inequality that largely follows racial lines (see page 5 more information). Statewide data for homeownership indicates that BIPOC households are less likely to own homes, and that the gaps between white and Hispanic/Latinx homeownership rates have actually widened over time. Research conducted by the Bell Policy Center has found that Colorado's black families are 62 percent less likely to own a home than the state's non-Hispanic white families. Latinx families are 43 percent less likely to own a home than white families, Native American families are 38 percent less likely, and Asian families are 36 percent less likely.<sup>18</sup>

One caveat to note is that Fort Collins does not currently have a rental registration program. This can present problems for renters, especially vulnerable populations with few options in the Fort Collins housing market. Housing can be maintained at a substandard level leaving factors of health and safety unaddressed. While tenants can report their landlords to the City for code violations, landlords may retaliate and put a tenant's housing stability at risk. Therefore, "naturally occurring" affordable or attainable housing should not always be assumed to be up to code standards and suitable as a safe and healthy dwelling unit.

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<sup>18</sup> Parsons, Mateo. Colorado's Racial Wealth Gap (2019). The Bell Policy Center. <https://www.bellpolicy.org/wp-content/uploads/2019/12/Racial-Wealth-Gap-Homeownership-Credit.pdf>

## HOUSING AFFORDABILITY

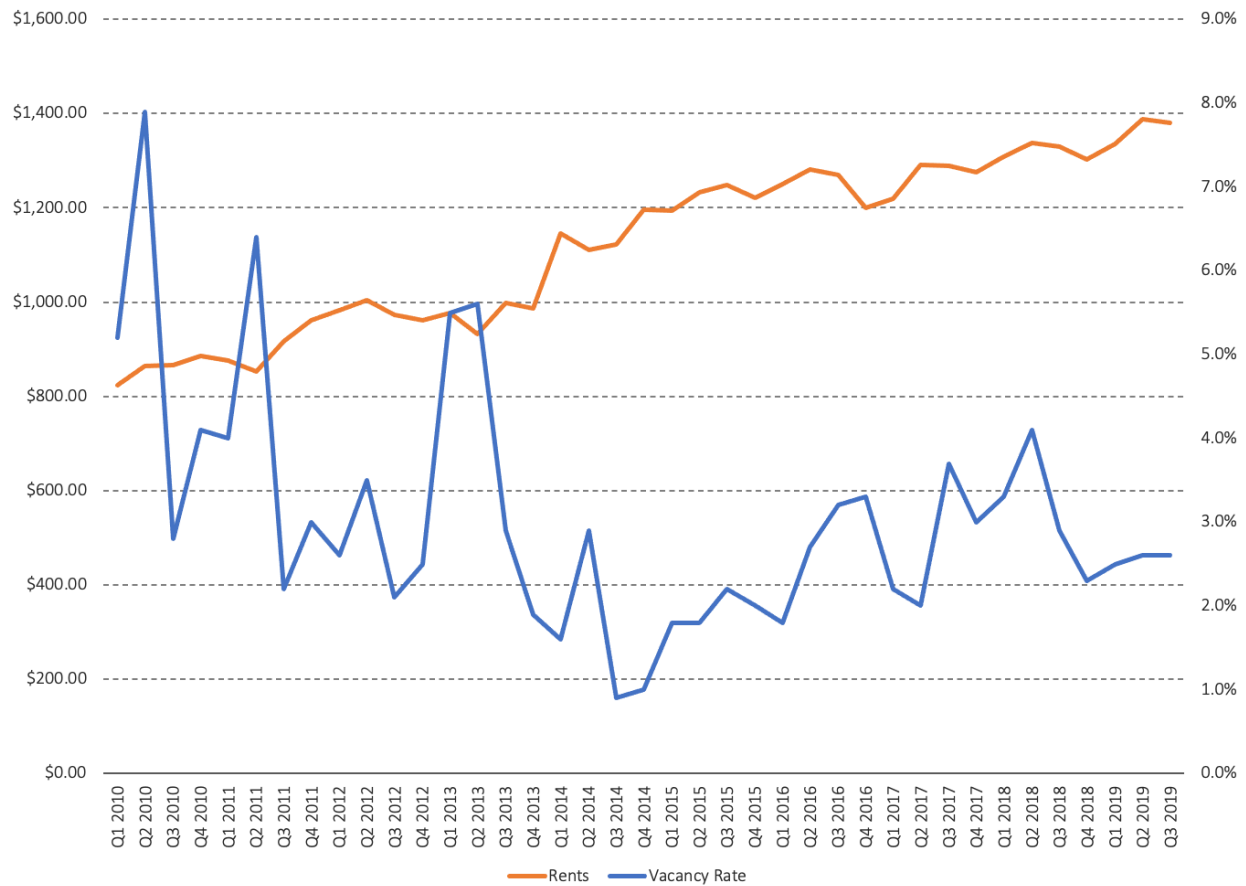
Housing prices are only part of the story. Incomes and wages must keep pace with housing prices in order for housing to be affordable. An affordable home (ownership or rental) is defined as costing no more than 30% of a household's income per month. If a household is paying more than 30% of their income per month on rent or on a mortgage, they are generally defined as "cost burdened."

### RENTAL HOUSING

***Rents continue to rise in conjunction with a low vacancy rate.***

Median rents have followed a similar trajectory as housing prices. In 2010, the median rent in Fort Collins was \$823.66. By the 3<sup>rd</sup> quarter of 2019, median rents in Fort Collins were \$1,380.94. This is an increase of 68%. Vacancy rates have remained low during this timeframe. A vacancy rate of 5% represents equilibrium, where rents stabilize. When vacancy rates fall below 5%, rents tend to rise. Since 2010, vacancy rates have been above 5% for a total of 4 quarters. Vacancy rates reached their lowest point of 0.9% in the 3<sup>rd</sup> quarter of 2014 and have hovered around 3% since 2016.

**Figure 19: Vacancy Rate and Median Rent, 2010 – 2019 (DOLA)**



***The supply of rental units does not align with demand.***

The “Rental Gap” column below shows the difference between the number of renter households and the number of rental units affordable to them. Negative numbers indicate a shortage of units at that specific income level. In order to meet the demand for affordable rental, the housing market would need 7,265 units.

Other income ranges have an oversupply of rental units. The market has over supplied rental units to households earning \$25,000 - \$74,999. Renters with too few affordable units to serve them are not homeless but are likely occupying a rental unit that is unaffordable to them. This rental gap figure includes renters that are students at Colorado State University. Removing students from this data could result in a reduced gap of around 2,500 units.

*27% of renters are competing for just 5% of the rental housing stock for households earning less than \$25,000.  
(Root Policy Study, 2020)*

**Figure 20: Rental Market Gaps (Root Policy Study, 2020)**

Income Range	# of Renters	% of Renters	Max. Affordable Rent	# of Rental Units	% of Rental Units	Rental Gap
Less than \$5,000	1,362	4%	\$125	0	0%	-1,362
\$5,000 to \$9,999	1,217	4%	\$250	190	1%	-1,027
\$10,000 to \$14,999	1,870	6%	\$375	412	1%	-1,458
\$15,000 to 19,999	1,587	5%	\$500	181	1%	-1,406
\$20,000 to \$24,999	2,754	8%	\$625	742	2%	-2,012
\$25,000 to \$34,999	3,031	9%	\$875	3,161	9%	130
\$35,000 to \$49,999	4,350	13%	\$1,250	8,196	24%	3,846
\$50,000 to \$74,999	8,683	27%	\$1,875	14,793	44%	6,110
\$75,000 or more	7,738	24%	\$1,875	6,291	19%	-1,447
<b>Total</b>	<b>32,592</b>	<b>100%</b>		<b>33967</b>	<b>100%</b>	<b>-7,265</b>

*About 60% of Fort Collins renters – about 17,000 households (see Figure 21, page 31) – are paying too much for their housing. Many people who attended Home2Health conversations in 2019-2020 shared experiences similar to this participant:*

*“When you lack affordable housing, it causes a lot of stress for the individual. Do I have enough money for rent, for food, for medicine, and for gas? You keep making trade-offs. [If] I pay for rent, I don't buy food or don't get medicine.”*

*– Home2Health Community Guide Participant*

***The median income renter cannot afford the median rent.***

Homeowners and renters face different challenges to obtaining affordable housing. Historically, homeownership has been more attainable than affordable rentals. In 2018, the income needed to afford the median monthly rent in the City is roughly \$5,000 more than the median household income for renter households. Similarly, the income needed to afford the mortgage payments for a median priced home is \$12,500 more than the median income of owner households.

The affordability of the for-sale market in the City has decreased since 2012 when the median household income was greater than the income needed to purchase a median priced home. Conversely, the gap between the median income and required income to rent the median priced unit in 2012 was

approximately \$4,000 more than in 2018. This may be due to lower-income households moving out of Fort Collins into more affordable communities within the region. While we can't know whether this is the case given the data available, we can see that historically affordable communities, such as Wellington and Berthoud, have increased in population since 2010 (see Figure 6) and those commuting into Fort Collins from outside communities has also increased within the same period (see Figure 13).

## RENTER COST BURDEN

*About 60% of renters are paying more than 30% of their income on rent.*

**Figure 21: Renter Cost Burden, Expressed as Percent of Income Paid toward Rent, Fort Collins, 2018 (ACS 2018, 5-year data)**

	Units	Percent
Occupied units paying rent	28,224	
Less than 15.0 percent	2,004	7.10%
15.0 to 19.9 percent	2,217	7.90%
20.0 to 24.9 percent	3,219	11.40%
25.0 to 29.9 percent	3,694	13.10%
<b>30.0 to 34.9 percent</b>	<b>2,617</b>	<b>9.30%</b>
<b>35.0 percent or more</b>	<b>14,473</b>	<b>51.30%</b>
Not computed	1,205	(X)

As seen in the chart above, more than 60 percent of renters in Fort Collins pay more than 30 percent of their income on rent. Other data sources have cited higher percentages of cost-burden for renters.

**Figure 22: Changes in Affordability, Fort Collins, 2000 to 2018 (ACS)**

	2000	2012	2018
<b>Renters</b>			
Median Rent	\$689	\$1,002	\$1,369
Median renter income	\$26,977	\$31,314	\$50,196
Income required to afford median rent	\$27,560	\$40,080	\$54,760
<b>Owners</b>			
Median value	\$169,000	\$248,800	\$414,900
Median owner income	\$61,532	\$80,916	\$95,942
Income required to afford median value	-	\$72,651	\$108,623

## HOME OWNERSHIP

***Many homes for sale are not affordable to middle income households.***

In 2018, 21% of owner-occupied households were found to be cost-burdened, paying more than 30% of their monthly income on their mortgage.

**Figure 23: Homeowner Cost Burden, Fort Collins, 2018 (ACS 2018, 5-year data)**

<b>Cost Burden homeownership</b>	<b>Total Households</b>	<b>Cost-Burdened Households</b>	<b>Percent</b>
<b>By Mortgage Status</b>			
<i>With a mortgage</i>	22,671	5,799	26%
<i>Owned free and clear</i>	9,941	1,201	12%
<b>By Age of Homeowner</b>			
<i>Householder 15 to 24 years</i>	730	169	23%
<i>Householder 25 to 34 years</i>	3,656	675	18%
<i>Householder 35 to 64 years</i>	20,302	3,712	18%
<i>Householder 65 years and Over</i>	8,408	2,444	29%
<b>By Income of Household</b>			
<i>Income less than \$20,000</i>	1,626	1,376	85%
<i>Income \$20,000 to \$34,999</i>	2,782	1,297	47%
<i>Income \$35,000 to \$49,999</i>	2,483	1,270	51%
<i>Income \$50,000 to 74,999</i>	5,379	2,118	39%
<i>Income \$75,000 or more</i>	20,342	939	5%
<b>All Owner-Occupied Households</b>	<b>32,612</b>	<b>7,000</b>	<b>21%</b>

***About 70% of homes sold are affordable to the median income household.***

Another way to measure how affordable housing is to the typical household in an area is to compare the median income to the number of real estate listings this income could afford. The Housing Opportunity Index shows the percentage of homes a household earning the median income could afford to purchase. The higher the percentage, the more homes a household earning the median income could afford in the area. The table below shows the Housing Opportunity Index score in Fort Collins dating back to 2007. Since 2007, the Housing Opportunity Index has fluctuated from a high of 86% of homes sold being affordable to median income households in 2013 to a low of only 50% in 2017. As of the 1<sup>st</sup> quarter in 2020, 68% of homes sold have been affordable to median income households. While these numbers may indicate that housing has become more affordable to more individuals in Fort Collins, it does

*Fort Collins has a growing senior population. Older residents seeking to age in place or move to more accessible or suitable homes face a range of concerns:*

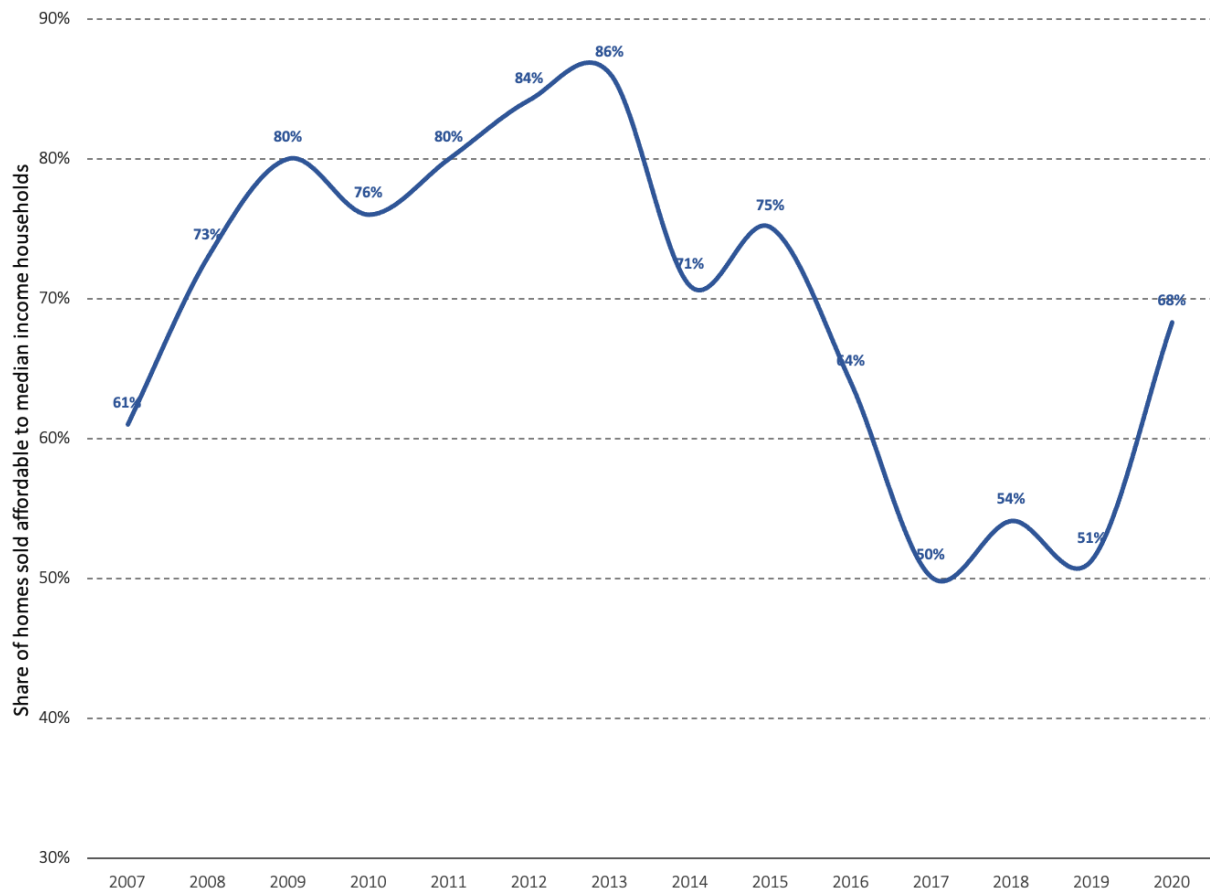
*“For those who own homes, the cost of major repairs is very concerning. In addition to the cost, the hiring and managing a contractor is also stressful.”*

*“One respondent mentioned that she would like to move to a quieter place but feared she couldn’t find one she could afford. And she doesn’t want to move out of the City for fears that she would become isolated.”*

*– Summary of Questionnaire of Older Adults, Partnership for Age-Friendly Communities. Conducted as part of Home2Health.*

not necessarily mean that housing prices have gone down. Therefore, families who are cost-burdened may be moving to more affordable communities within the region, such as Wellington or Berthoud, which have grown significantly in population from 2010 to 2018.

**Figure 24: Housing Opportunity Index in Fort Collins, 2007 – 2020 (NAHB)**



***Single-family homes in nearby communities are the same price as a condominium or townhome in Fort Collins.***

According to the American Community Survey, the Median Household Income for a family of 2 in Fort Collins is about \$62,000 (2018 ACS 5-year data). That means such a household can afford a monthly mortgage or rental payment of about \$1,565 as 30% of their income. This means such a family can afford a mortgage of about \$331,000 with a down-payment of 5%, an interest rate of 3.92% and a 30-year fixed-rate mortgage. Mortgage rates are historically low, therefore an increase in the interest rate would raise the cost of borrowing and decrease the size of an attainable mortgage.

While it can be valuable to look at Census Data for stable averages over a given period, it can also be valuable to compare average sales values by month across communities to understand housing market trends. According to the Fort Collins Board of Realtors, the median sales price for a single-family home in Fort Collins in July of 2020 was \$434,150. By contrast, the median sales price for a townhouse or condo in

July of 2020 was \$322,750, which is affordable for a family with 100% of the Area Median Income of about \$62,000.

According to Zillow sales data, the median price of homes sold in Wellington is \$351,600. While data is not available to distinguish a price differential between single-family and townhome or condo, we do know that about 95% of housing units in Wellington are single-unit buildings, or single-family homes (DOLA profile, ACS 2014-2018). Therefore, a single-family home with a yard in Wellington is similar in price to a townhome or condo in Fort Collins.

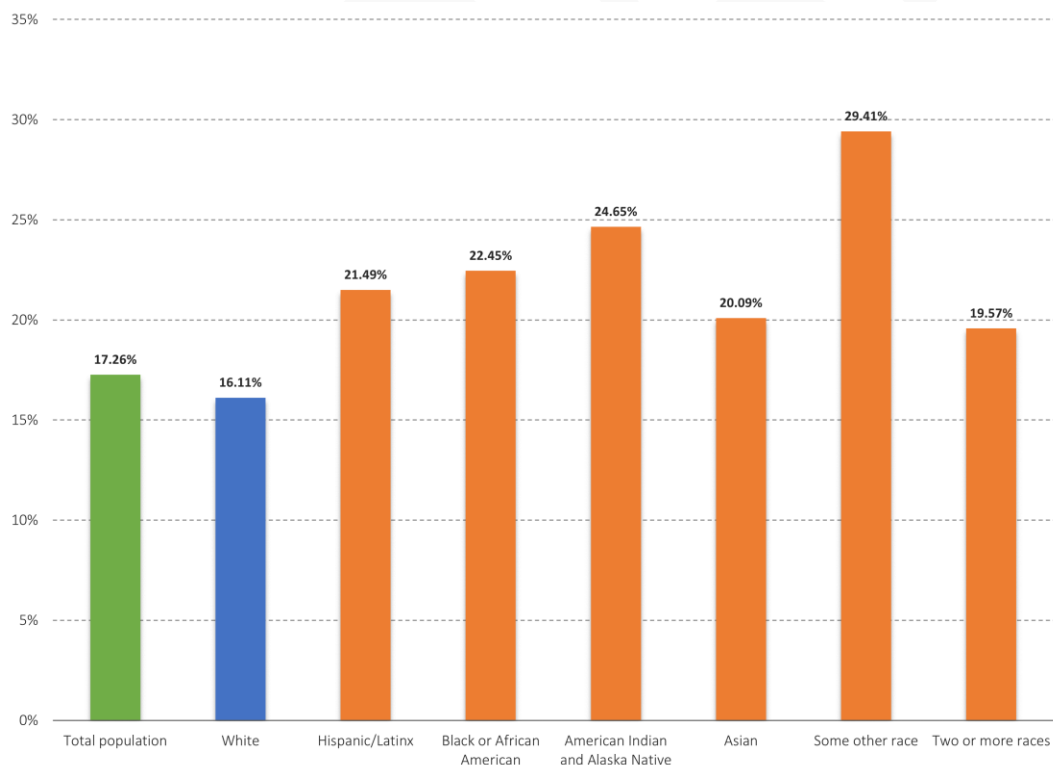
## HOUSING DISPARITIES

As noted in the Equity and Inclusion section beginning on page 3, structural, or systemic, racism has been ingrained into all levels of government and private actions. In Fort Collins, inequities are seen across race and class lines, though more work is required to assess the exact relationship between each act and its impact locally. Still, the City's Social Sustainability Department produced two reports highlighting many of the inequities in the Fort Collins housing market. The [Gaps Analysis](#) provides a summary of current trends in the Fort Collins community related to components of social sustainability. The [Consolidated Plan](#) is a required plan to receive funding from the Department of Housing and Urban Development. The Consolidated Plan relies principally on Census and American Community Survey data to assess gaps to fair housing. The information below comes from these two reports.

***Racial and ethnic minorities earn less and are more likely to live below the poverty line in Fort Collins.***

Individuals of "some other race" had the highest poverty rate at 29 percent followed by American Indian at 25 percent, and Black or African American at 22 percent. The Hispanic population experienced a higher poverty rate than the non-Hispanic white population with a poverty rate of 21 percent compared to 16 percent, respectively. Interestingly, according to the ACS, the poverty rate for the population of Fort Collins as a whole decreased slightly from 2010 to 2018 from 18.2 percent to 17.3 percent. However, the poverty rate for Hispanic/Latinx residents in Fort Collins has remained the same at about 21 percent over the same period.

**Figure 25: Poverty Rate by Race in Fort Collins (ACS 2018, 5-year data)**



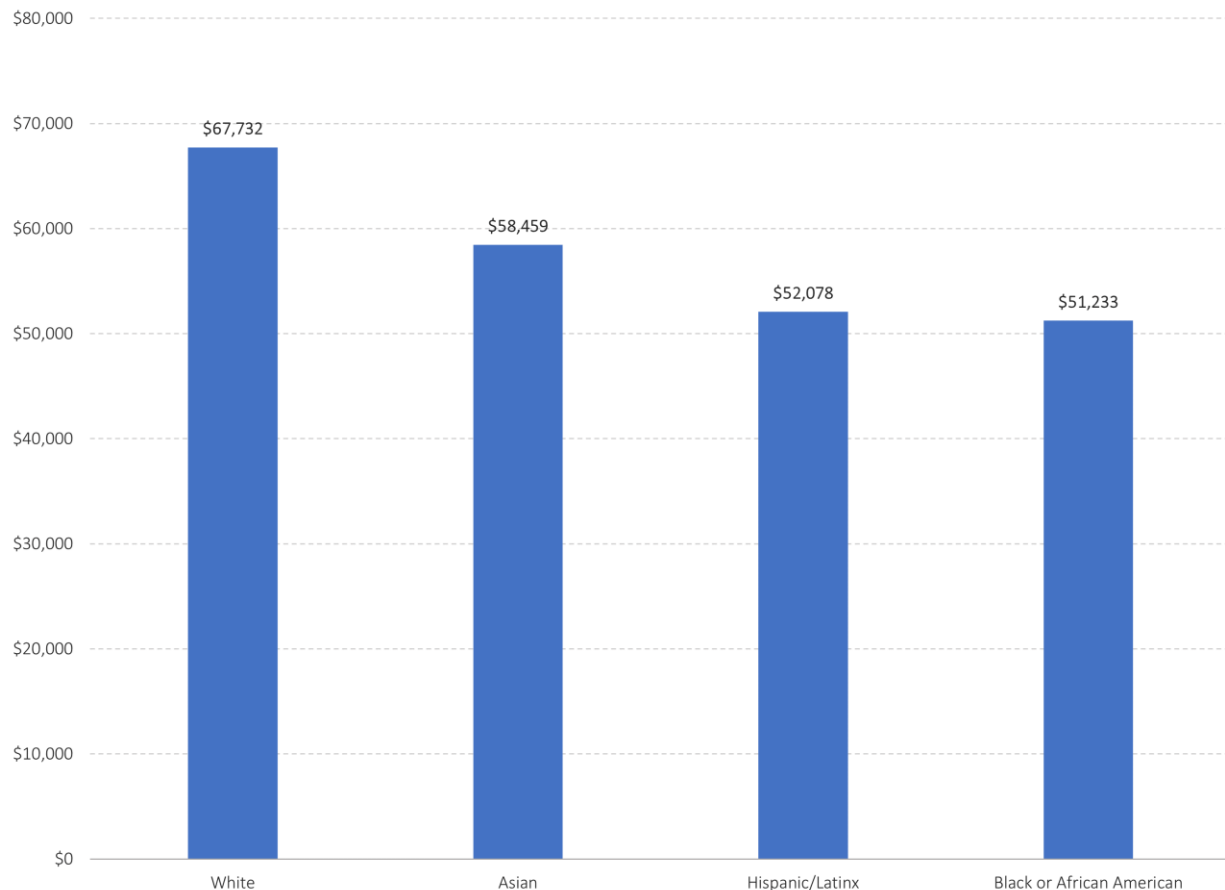
***Persons with disabilities are more likely to be in poverty.***

The percent of the population with a disability living in poverty is estimated at 27 percent or nearly 3,700 individuals. This data from the American Community Survey defines a disability as having serious difficulty with four basic areas of functioning - hearing, vision, cognition, and ambulation. Compared to the poverty rate for individuals with no disability at 15 percent, the poverty rate for individuals with a disability is 12 percentage points higher.

***Median household income for Hispanic or Latino and Black or African American households is lower than for the white population.***

Median household income for African American and Hispanic households is roughly \$20,000 less than non-Hispanic white and Asian households. Roughly one in four nonwhite households earn less than \$25,000 annually.

**Figure 26: Median Household Income in Fort Collins by Race (ACS 2018, 5-year data)**

***The number of households living below the poverty line is decreasing.***

In 2010, 18% of the population lived below the poverty line. In 2015, the poverty rate rose to 19% with the poverty rate declining to 17% in 2018. While a decreasing poverty rate looks good on paper, it begs

the question are low income households sharing in the economic growth of the region or are low-income households being priced out in Fort Collins and moving elsewhere?

***Senior households with at least one person age 75 or older have the highest percentage of households at 0–30% AMI (20%).***

40% of households with one or more children aged six and younger have incomes at or below 80% AMI. In general, households with older adults or with young children are more likely to earn less than 100% AMI. The number of seniors in Fort Collins is expected to reach nearly 20% of the population by 2030.

***Extremely low-income and very low-income families have a greater likelihood of experiencing housing problems than households with higher incomes.***

White, Black/African American, and Hispanic households are impacted at a higher rate than Asian and Native American households. The most pervasive housing problem, by far, is cost burden. According to the American Community Survey, over 60% of renters in Fort Collins were cost-burdened in 2018.

***Black/African American households are cost-burdened at a significantly higher rate (60%) than average (38%).***

As incomes rise, the rate of housing problems decreases, however, Black/African American households continue to be disproportionately impacted even at higher incomes.

***Poverty data for Fort Collins shows that Hispanic/Latinx households had a 6.2% higher incidence of poverty than non-Hispanic or Latino households in 2017.***

Although just 12% of the general population in Fort Collins is Hispanic/Latinx, 42% of public housing and 23% of voucher holders are Hispanic/Latinx.

***Forty-eight percent (48%) of public housing residents and 38% of voucher holders are female headed households with children.***

Thirty-eight percent (38%) of public housing residents and 26% of voucher holders are households with children. 10% of public housing residents and 7% of voucher holders are non-elderly households with children with a disabled household member.

***Homelessness is increasing and 35% of PEH are chronically homeless***

According to the 2020 Social Sustainability Gaps Analysis, homelessness increased in the 2019 point-in-time count over the 2013 count – 348 total homeless individuals were counted in 2019 vs 250 in 2013. Of these, 35% are chronically homeless, compared to 16% nationwide.

***Homelessness impacts certain populations more than others***

42% of individuals tracked through the Housing First Initiative report having a disability. Veterans make up 13% of the total homeless population, while they represent just 5.6% of the Fort Collins population. While Black/African American residents make up just 1% of the Fort Collins, they account for 6% of the homeless population.

## POLICY LANDSCAPE

The City has a number of incentives for affordable housing. These incentives include financial assistance, partnerships, and Land Use Code provisions that incentivize affordable housing developments.

### FINANCIAL ASSISTANCE

#### ***Community Development Block Grant (CDBG) and HOME Funds***

The City of Fort Collins receives CDBG and HOME funds from the Federal government. Both sets of funds can be used to support affordable housing projects. CDBG funds may also support economic development activities that target low income households. HOME funds must go towards programs and projects that support homeownership and affordable housing opportunities for low and very low-income households. The City conducts a competitive process every year for allocating these funds. The amount of money available from these two funding sources ranges from \$1.5 million to \$2.5 million annually.

#### ***Affordable Housing Capital Fund***

This fund is a part of the Building on Basics quarter cent sales tax. A portion of this fund is dedicated to funding affordable housing. The City has earmarked \$4 million collected over the course of 10 years to help fund affordable housing. The funding is back loaded with \$1.5 million received over the first 6 years and \$500,000 a year for 2021-2025. To date, this fund has contributed fee waiver back fill (made the General Fund whole after providing fee waivers) for several projects including Oakridge Crossing, Village on Horsetooth, and Mason Place. \$876,662 of the fund went to Mason Place, a 60-unit permanent supportive housing project, as a direct subsidy. The City has around \$300,000 currently in the fund and is holding it for fee waivers since general fund reserves will not be as available in 2020.

#### ***Private Activity Bonds (PABs)***

PABs are tax exempt bonds issued by local governments to help finance a variety of projects. Investors purchase the bonds. Underwriters then use the bond proceeds to issue loans for the project. The project then pays back the loans and the investors receive these payments plus interest.

Fort Collins receives an allocation of tax-exempt bond money it can use to fund qualified projects each year from the State of Colorado. The amount of money the State is able to allocate to PABs is equal to \$105 per person in Colorado. Half of the PAB allocation goes to local governments. Local governments receive a percentage of the PAB allocation equal to their population as a percentage of the overall state population. Fort Collins, as an example, received 2.94% of the State's PAB allocation in 2020 since Fort Collins contains 2.94% of the state's overall population.

Fort Collins uses its PABs for helping fund affordable housing developments. In 2020, Fort Collins received \$8,885,119 in PABs. Due to the competition for this funding source, the City implemented an application process for PABs. PABs are typically required to use 4% Low Income Housing Tax Credits (LIHTC) issued by the Federal government.

***Metropolitan Districts***

Metropolitan Districts are special tax districts that are able to issue debt to cover the expense of constructing and maintaining infrastructure improvements and other municipal services. Metropolitan Districts typically issue tax exempt bonds to pay for the cost of developing within the boundaries of the district. They then levy a special tax for all property within the district to make bond payments along with the ongoing maintenance of infrastructure improvements.

Metropolitan Districts must seek approval from the local government in which it resides along with approval from the voters within the district's boundaries in order to levy an additional property tax. In Fort Collins, Metropolitan Districts must provide public benefits for approval. Many developments have chosen to provide affordable housing to provide public benefit. City Council is currently considering adoption of a policy requiring Metropolitan Districts to provide affordable housing.

***Fee deferral***

Qualified affordable housing projects can defer fees until they receive their Certificate of Occupancy or until the 1<sup>st</sup> of December in the year that building permits are obtained, whichever occurs first.

***Fee waivers***

Units targeting households earning less than 30% Area Median Income are eligible for fee waivers. City Council is the decision maker on any fee waiver requested by a developer. Developers may seek waivers of capital expansion fees, development review fees, and building permit fees. A process improvement is underway to turn this incentive into a fee off set process that would be more predictable and easier to administer. The amount will still be based on historically waived fees and will still be subject to council discretion.

***Homebuyer Assistance***

The City of Fort Collins provides loans to income-eligible households to cover a portion of the required down payment and closing costs for buyers who have not been on title to a home for the past three years. The loan is to be paid back in full either when the house is sold, transferred out of the buyer's name, rented, or if the buyer seeks a second lien (such as a home equity loan). Eligible households can receive a loan of up to 5% of their purchase price (maximum of \$15,000) to cover down payment, closing costs or both. Few households are able to qualify for this program based on the rise in housing prices over recent years and due to availability of down payment assistance from other entities such as Colorado Housing and Finance Authority (CHFA), Impact Development Fund, and others. The City plans on suspending its Homebuyer Assistance program in 2021.

**PARTNERSHIPS**

There are many partners the City works with to advance Fort Collins' housing goals. Below are just a few, recognizing more partners and employers influence this work.

### ***Local Housing Providers***

The City has several non-profit housing providers such as [CARE Housing](#) and [Neighbor to Neighbor](#) whose missions supports affordable rental housing. Additionally, the City has affordable housing development partners. [Habitat for Humanity](#) is the City's largest developer of affordable home ownership opportunities. [Housing Catalyst](#), Fort Collins Housing Authority, was established over 45 years ago. Not only is Housing Catalyst the City's most productive development partner for rental homes but is also the largest property management company in northern Colorado. Since the City does not develop or manage affordable housing, the projects of these partners, as well as other developers of affordable housing, are critical to achieving the City's goals.

### ***Homeward 2020***

The City [partners](#) extensively with community organizations to support people experiencing homelessness (PEH). [Homeward 2020](#) is a collaborative, strategic think-tank guiding implementation of Fort Collins' 10-year plan to make homelessness rare, short-lived and non-recurring by setting priorities, developing alignment and action plans, and suggesting policy.

### ***Northern Colorado Continuum of Care***

The newly formed Northern Colorado Continuum of Care (CoC) serves the Northern Colorado region and brings together agencies in Larimer and Weld counties to develop a strategic, regional approach to housing and homelessness. In 2021, the CoC will receive its first allocation of Federal and State funding for allocation to participating members to implement projects and programs in the region. The CoC program is a HUD-mandated best-practice and HUD provides direct assistance to CoC's through grants, technical assistance and data development supports.

### ***Community Land Trust***

Community land trusts are a model of providing affordable housing that removes land from the purchase of a home. The land trust owns the land permanently and typically enters into a long term, renewable lease with the homeowner. When the home sells, the family earns a portion of the appreciation in the property while the land trust keeps the remainder. This allows the home to be re-sold at an affordable price for generations. The City has entered into a partnership with Urban Land Conservancy and Elevation Community Land Trust. The community is expected to support projects owned by the trust with subsidy, land or other contributions.

### ***Land Bank***

The Land Bank program is the City's main long-term incentive for affordable housing. In the early 2000s, the City purchased five parcels throughout the City that had development impediments at the time. These development impediments would be resolved by development occurring near these parcels. Once these impediments were resolved, the value of the parcels in the Land Bank would rise. This would enable the City to sell these parcels to a qualified affordable housing developer at a discounted price while having some revenue from the land sale to purchase other Land Bank parcels. When the City decides to deploy a

Land Bank parcel, it issues a Request for Proposal for qualified developers. Developers submit their proposals and the City selects the best development partner. The City and development team then enter into a contract to build an affordable housing project. All units must be affordable in perpetuity for the Land Bank program.

## LAND USE CODE PROVISIONS

### *Low Density Mixed-Use (LMN) Zone District Density Bonus*

Affordable housing projects receive a density bonus in the LMN zone district. The maximum density in the LMN is normally 9 dwelling units per acre. Affordable housing projects can develop with a density of 12 dwelling units per acre.

### *Height bonus in the Transit Oriented Development Overlay Zone (TOD)*

The TOD is an overlay zone that covers Downtown, the College/Mason corridor to the South Transit Center, and the Mall. The purpose of this zone is to encourage higher density development to support the MAX bus line. The TOD applies additional Land Use Code standards on top of the zone district specific standards on parcels within the TOD overlay. One of the provisions of the TOD is the allowance of one additional story of building height if the project qualifies as an affordable housing development and is south of Prospect Road. This allows the developer to build additional units in exchange for 10% of the units overall being affordable to households earning 80% AMI or less.

### *Reduced landscaping requirements*

Affordable housing projects may plant smaller trees than required by the Land Use Code. Smaller trees tend to be cheaper and acts as an incentive for reducing the cost of building affordable housing.

### *Priority processing*

Qualified affordable housing projects receive priority processing during the development review process. Priority processing reduces each round of review by City staff by one week. This allows developers to seek approvals for their project quicker, reducing costs to the developer.

## SUMMARY OF INCENTIVES

In a typical year, the City of Fort Collins has \$1,500,000 - \$3,000,000 in direct financial subsidy it can grant to affordable housing projects. Between 2015 – 2020, the median average subsidy the City contributed per affordable housing unit was \$38,970. If this expected subsidy required to yield one affordable unit were to continue, we could expect direct financial subsidy to deliver 38 – 77 units per year. This would be at least 151 units below our annual affordable housing goal established in the previous Affordable Housing Strategic Plan of 228 units per year. **Assuming \$38,970 in direct financial subsidy continues to yield one unit of affordable housing, the City would need an additional \$5,884,470 per year to deliver an additional 151 units of affordable housing or \$8,885,160 in total, annual funding.** Many affordable housing projects rely on this direct subsidy in addition to others such

as the Land Bank, PABs, fee waivers, fee deferrals, and other incentives offered by other governmental organizations. If one of these incentives dissipates or sees reductions in finances, it puts additional strain on the other incentives to fill the financial gap of affordable housing projects.

## PREVIOUS STUDIES

### ***Housing Affordability Policy Study (HAPS) - 2015***

In 2015, the City contracted with Economic Planning Systems (EPS) to produce a report investigating the feasibility and impact of various methods of incentivizing and funding affordable housing. This report was called the Housing Affordability Policy Study (HAPS). HAPS made the following findings:

1. Local employment growth has been stronger than regional growth, and incomes have barely kept pace with the cost of living.
2. Housing prices have risen faster than incomes, and the affordability gap for households with median income has widened.
3. Most of the increase in housing costs has been attributable to the rise in hard costs (labor and materials) and land.
4. In-commuting has increased while out-commuting has remained flat.
5. Demand for rental housing is tightening the market, but also stimulating construction.
6. Multifamily residential accounts for a majority of recent and proposed construction activity.
7. The threat of construction defects claims has had a material impact on multifamily for-sale housing development.
8. Approximately 1,000 ownership households are cost burdened (households spending more than 30% of their income on housing).
9. Between 1,250 and 2,400 renter households are cost burdened.

HAPS made the following recommendations:

1. Re-examine marginal fee structures.
2. Fee waivers for affordable housing.
3. Establish a public financing-based incentive policy.
4. Establish affordable housing easement/agreements.
5. Reduce the minimum allowable home size.
6. Identify a disposition strategy for the City's land bank properties.
7. Work with elected officials to remedy the threat of construction defect claims.

### ***Land Use Code Audit - 2020***

The City of Fort Collins Land Use Code (LUC) establishes the parameters for all new development and infill/redevelopment and is one of the primary tools used to support the implementation of the City's comprehensive plan—City Plan. While Fort Collins regularly updates Land Use Code standards, most changes are minor or relate to process and procedural considerations. Until the Land Use Code Audit in 2019, a thorough audit of standards had not been completed since the Land Use Code was first adopted in 1997.

The 2019 version of City Plan places new emphasis on community priorities and emerging issues to incentivize and maintain more affordable and attainable housing, diversify the types of housing available, promote mixed use and transit-supportive development along key corridors, and address the changing dynamics of employment and industrial land. The Plan identifies implementation strategies to help achieve these goals and priorities, many of which may result in changes to Fort Collins' development standards and processes.

In the fall of 2019, the City initiated a Land Use Code Audit process to identify the strengths, weaknesses, and opportunities in the Land Use Code as they relate to City Plan policy direction. Among a full list of recommendations, key housing-related recommendations in the Land Use Code Audit included:

1. Create more opportunities for a range of housing choices
2. Define a range of options between two-family and multi-family housing
3. Clarify definition of and opportunities for Accessory Dwelling Units (ADUs)
4. Remove barriers to allowed densities
5. Incentivize affordable housing projects
6. Clarify and simplify development standards
7. Consolidate like standards and definitions and make them more broadly applicable
8. Increase flexibility
9. Recalibrate incentives to reflect current market conditions
10. Align Design Manual with updated development standards

A full reorganization and rebuild of the Land Use Code is a time- and resource-intensive effort that would require a Budgeting for Outcomes (BFO) offer to fund the work. Until such time as resources to support a rebuild of the Land Use Code are available, the Land Use Code Audit will serve as a guide for City staff and decision-makers when opportunities arise to implement incremental changes to the Land Use Code.

#### ***Analysis of Impediments to Fair Housing - 2020***

The Analysis of Impediments to Fair Housing Choice is a study of barriers to housing choice in Fort Collins (previously required by HUD). It includes information on fair housing law, community demographics, employment, housing, public policy and land use code, fair housing complaints, and results of a community survey on housing choice. The City updated the document in August 2020, and identified the impediments, observations, and actions below. Actions are steps the City can take toward ameliorating impediments, either alone, in collaboration with partners, or through funding new or existing community programming.

#### **Impediments and Recommended Actions:**

1. Lack of awareness of Fair Housing law. There is a lack of knowledge of Fair Housing law, particularly around reasonable accommodations. Most formal complaints were resolved with a "no cause" determination. However, landlords, tenants, and service providers would benefit from increased education around Fair Housing law, including rights and responsibilities.

Action: Strengthen fair housing information, educational and training opportunities.

2. Some discrimination in housing still occurs. Survey respondents identified that discrimination occurs in housing. Family size, age, race, and income were the primary reasons respondents felt they were either denied housing or received disparate treatment regarding their housing. Additionally, the failure of housing providers to make reasonable accommodations for tenants with disabilities was identified as a form of housing discrimination.

Action: Improve the housing environment for people with disabilities.

3. Disparities in mortgage lending practices exist. Research indicates that Hispanic/Latino applicants have been denied loans at a higher rate than white applicants, regardless of income. Of particular note, the Hispanic/Latino denial rate for poor credit was 38%, while the Not Hispanic rate was 20%. This indicates that support for programs that address credit access for Hispanic/Latino persons, such as consumer education and financial literacy programs, are actions the City can take to ameliorate this disparity.

Action: Support efforts to improve residents' establishment and building of credit.

4. Housing affordability disproportionately impacts people who have lower incomes and/or are members of a protected class, especially persons with disabilities. Public housing and the voucher program provide housing to protected classes at higher rates than their representation of persons in poverty.

Action: Support programs, projects, and organizations that improve housing access and affordability.

The Analysis of Impediments to Fair Housing also offers the following observations:

1. Fort Collins has some concentration by ethnicity. The City of Fort Collins recognizes that there is a concentration of people of Hispanic/Latino origin in the north part of town, particularly in three contiguous neighborhoods on the north part of town, known collectively as Tres Colonias. These are historically Hispanic/Latino neighborhoods with a vibrant history and culture. Residents are actively mobilized against gentrification in these neighborhoods and the City is working with residents for culturally and community informed improvements, such as gutters, sewers, sidewalks and neighborhood parks. Residents of these neighborhoods have continuing concerns about displacement due to escalating housing costs and developments.

Action: Continue to pursue infrastructure and public amenity equity.

2. Land use code and policy updates could improve the housing market for people who are low-income and/or members of a protected class. Ongoing community engagement efforts will be used to identify code and policy changes which will support expanded housing choice.

Action: Pursue public engagement activities to inform Land Use Code and policy updates through Home 2 Health.

## EQUITY CONSIDERATIONS

Though the City offers a range of incentives and programs to increase the amount and availability of affordable housing, fair housing issues and housing discrimination disproportionately impact community members who have low incomes, people with disabilities, and Latinx community members. Efforts to address housing disparities, such as additional incentives for affordable housing development, changes to Land Use Code regulations and processes, housing programs, and public engagement processes, must be intentionally designed to help fulfill the vision of the Housing Strategic Plan: *Everyone has stable, healthy housing they can afford.*

## LAND SUPPLY

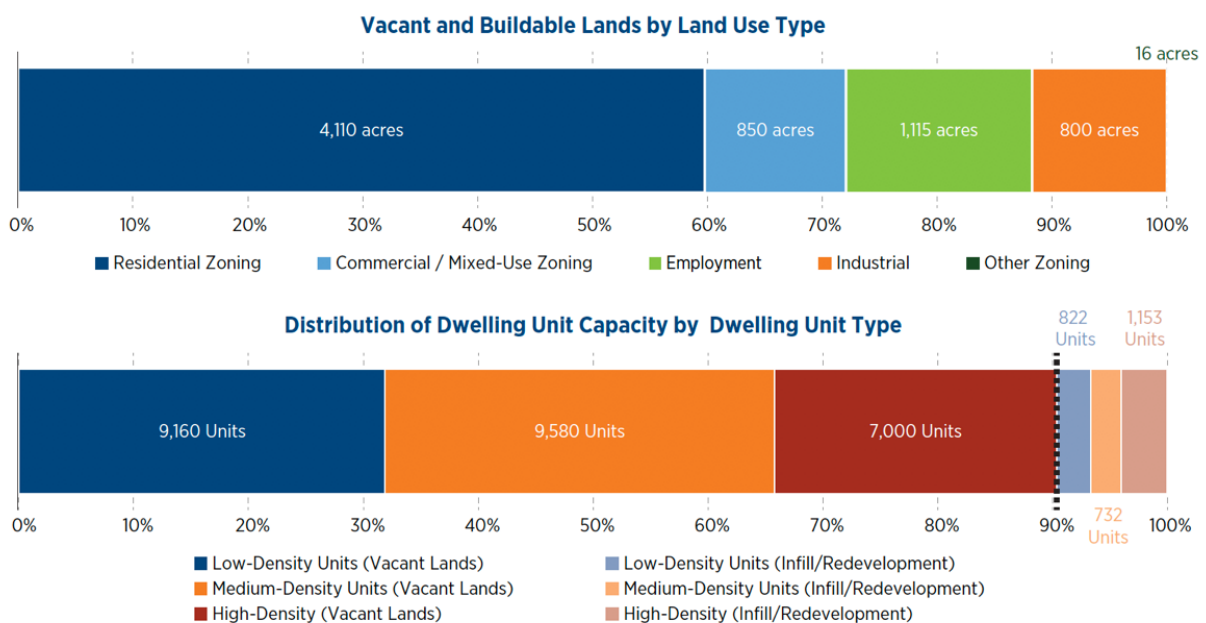
Fort Collins entered into Intergovernmental Agreements (IGAs) with surrounding communities and Larimer County in the early 1980s establishing a Growth Management Area (GMA) for each community. The GMA defines the ultimate municipal boundaries of Fort Collins and surrounding communities. The GMAs for Fort Collins and surrounding communities created buffers between communities to prevent the communities growing together and creating an undistinguished, sprawling metropolis. The GMA contains land currently in Larimer County that will annex into the City as development occurs so that there is a supply of land for future growth in Fort Collins. To amend these boundaries, Fort Collins must seek approval from Larimer County and surrounding communities with which it has IGAs. The GMA thus limits the land supply for Fort Collins to accommodate future development.

### ***Current zoning will not meet the future demand for housing.***

With a limited supply of land, zoning becomes a critical tool for allowing the City to meet the demand for housing. Zoning is a regulatory tool that dictates how property may be used. Zoning is the way Fort Collins tries to achieve the land use goals found in City Plan. Zoning aims to get the kind of development desired by the community. Fort Collins has 28 zone districts that permit a variety of kinds of development. The Trends and Forces Report from City Plan provided an analysis of how many more housing units the City's current zoning would allow and compared this to future demand for housing. According to this analysis, demand for housing will exceed the City's capacity by around 2,000 units by 2040. The following graphic from the Trends and Forces report illustrates the capacity of our zoning for future residential development:

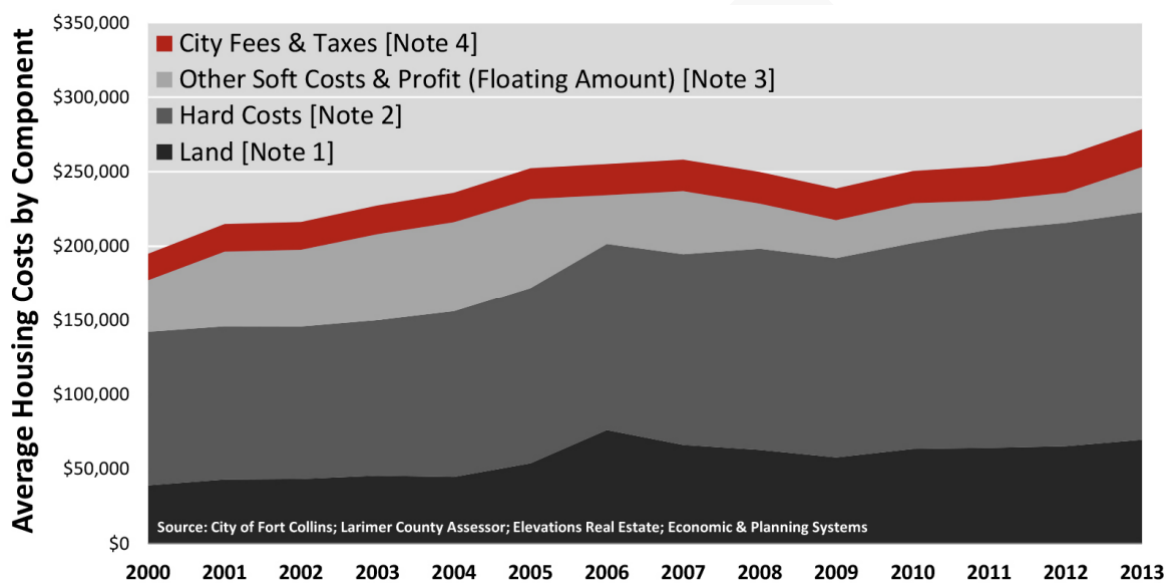
### Characteristics of Development Potential <sup>30</sup>

Fort Collins & GMA



### ***Higher land values contribute to the increased cost of building new housing***

Numerous factors contribute to the cost of building housing. Some elements are within the City's control while others are more difficult to influence. The cost of building housing has steadily increased. The average cost of building a house in 2014 was around \$274,000. Land makes up an increasingly high share of the cost of building homes. As land prices, labor and material costs, and City fees have increased, profitability for developers has decreased. Increased land values are also linked to zoning. If our supply of land does not keep up with demand, as the previous section shows, prices rise. Decreased profitability leads to more risk for developers and influences the variety of housing they build. Developers are more likely to build housing that has a proven track record of delivering a good return on investment, leading to an increasingly homogenous built environment. Future iterations of this report will contain updated information on the cost of development currently.



### ***Zoning influences the cost of housing***

*Zoning impacts land prices by the intensity of development allowed within the zone district. Developers are willing to pay more money for land if it allows development that is more valuable. Land zoned for offices and 5-story buildings is more valuable than land that only allows single-family detached homes, for example.*

In addition to controlling for the density of development, zoning also controls for a number of aspects of development. The Fort Collins Land Use Code provides design standards that new buildings must meet. Some of these design standards that require high quality materials or changes in building materials, for example, can add to the cost of building housing. The Land Use Code also outlines the process for developing in Fort Collins. This process requires City staff to review the project for compliance with

all of its various codes and regulations. Many projects must also seek approval from a third party in order

to proceed. These processes can add time and unpredictability to the process of development. When taken as a whole, regulations can exceed 30% of the cost of development<sup>19</sup>.

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*There are economies of scale, however, with zoning from a developer's perspective. Assume a piece of land is worth \$100,000 in the open market. If you can only build one home on that lot, the land cost per unit is \$100,000. If you can build 4 homes, the land price per unit falls to \$25,000.*

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<sup>19</sup> National Association of Home Builders. *Regulation: Over 30 Percent of the Cost of a Multi-Family Development*. Accessed 22 September 2020.  
<https://www.nahbclassic.org/generic.aspx?genericContentID=262391&channelID=311>

## LIMITATIONS

The information presented in this report represents the best data and information available to City staff at the time of writing. That does not mean, however, that this data and information is without faults. The following discussion outlines the limitations of this report.

### ***Some data is more recent than others***

While most data in this report is up to date through 2018, some data sources have not seen an update since 2015. This makes it more difficult to establish cause and effect when analyzing the data.

### ***Data sources do not have complete, or have conflicting, information***

Much of the data for this report comes from the American Community Survey, 2018. We have mainly used 5-year estimate data, which was released by the Census Bureau in 2019. This data does not have detailed information by race due to the low number of Black, Indigenous, and People of Color (BIPOC) households in Fort Collins. This makes it impossible to see, for example, the number of Latinx renters or Native American homeowners. 2020 Census information should be available in 2021 and should contain data at a finer grain of detail. This data can also conflict with other data sources. An example of this is household size. Some data indicates household size is falling in Fort Collins while others claim it is rising. This makes drawing clear conclusions from the data challenging.

### ***Geographic differences in the data***

Not all data presented in this report is limited to the geographic boundaries of Fort Collins. The job data presented in this report is collected at the zip code level. Some zip codes in Fort Collins contain portions of other communities. This makes comparisons of different data sources not exactly 1:1.

### ***Data and inferences are imprecise***

Much of the analysis in this document relies on data that is imprecise or calculated from data with small sample sizes. Our inferences from the data and calculations based on this data are imperfect as a result. The purpose of this document is to show the general scale of the issue facing Fort Collins's housing stock rather than to provide a precise answer to our housing issues.

## OUR BIGGEST CHALLENGES

### ***Price escalation impacts everyone, and disproportionately impacts BIPOC households***

*Data clearly indicate BIPOC communities are disproportionately low-income, have smaller net worth, and are less likely to be homeowners. While structural racism is evident across the United States and more locally, more work is needed to establish the exact cause of these disparate outcomes here in Fort Collins.*

Latinx, Black or African American, and Native American households make up a disproportionate share of low-income households in Fort Collins. While the wages of many low-income occupations have climbed faster than wages overall, they still have not kept up with the increase in housing prices. Since 2010, rents have increased 68%, single-family detached homes have increased in value by 125%, townhome and condo values have risen 158%, while wages have increased by just 25%. With an ever-widening gap between housing prices and incomes, and without further review into possible causes and explanations for that gap, BIPOC

households could continue to be further marginalized by our housing system and suffer from the continued effects of a gap that may be caused, at least in part, by effects of institutionalized racism, which is further as outlined in the Equity and Inclusion Section beginning on page 3.

### ***Current incentives and financial resources are insufficient for meeting our affordable housing goals***

While the City has a number of affordable housing incentives and \$1,500,000 – \$3,000,000 in direct subsidy funding every year, these resources are not enough to meet the City’s affordable housing goals. The City is currently 708 affordable units behind in meeting its goals. Assuming a \$38,970 investment by the City yields one unit of affordable housing, it would take roughly \$27,590,000 of investment to catch up. \$27,590,000 of direct subsidy represents 9 – 18 years of resources at current funding levels. This also assumes LIHTC prices remain steady, there is ample PAB allocation for each project, and private developers have the ability to deliver projects. In addition, recommendations from the Land Use Code Audit indicate that current land use incentives (e.g. increased density, parking reductions) for affordable housing need to be revised and recalibrated. Every year that passes where the City does not meet its affordable housing goals means current and future generations must make up the difference.

### ***Job growth continues to outpace housing growth***

Jobs grew at 2.8% per year from 2010 to 2019. The Fort Collins population only grew by 1.6% annually during the same timeframe. While the housing stock of Fort Collins grew by 1.73% from 2010 – 2019, this is still a slower pace of growth than experienced by the job market. Unemployment initially fell from 7% to 3% between 2012 and 2015 and has held steady below 3% since 2015. All of these factors indicate that most new jobs find someone to fill these positions. If new housing supply cannot keep up with the pace of job growth, people are likely forced to live in surrounding communities. Timnath, Wellington, and Windsor grew by 18, 8.7, and 7 percent, respectively from 2015 – 2018. These communities amongst others are turning into bedroom communities for Fort Collins. As of 2015, 18,799 car trips started in communities with cheaper home prices than Fort Collins. Some of these commuters live in nearby communities by choice. It is likely, however, that many of these commuters cannot afford to live in Fort Collins and must live in surrounding communities. This is an example of the “drive till you qualify” effect.

This runs counter to the inclusive vision outlined by City Plan and the City's climate action goals amongst others, e.g., the City's goals include reducing VMT (vehicle miles travelled); when individuals have to drive further to meet their housing needs, VMTs are increasing instead of decreasing.

***The cost of development continues to rise***

In isolation, housing regulations help deliver the kind of development and community desired by the Fort Collins community. Developers pay for the impact their developments have on the community through various fees, and regulations help ensure consistency across all kinds of new housing development. The unintended consequence of regulations on housing coupled with impact fees in Fort Collins is that new housing ends up being unattainable for most households. Fees for infrastructure, water, and development review continue to rise as resources become scarcer and developments become more complex. Whereas in 2015 the average cost to build a unit of housing was around \$278,000, today it costs close to \$330,000. Median income households can only afford a home priced at around \$330,000. Developers build housing for a profit and thus cannot build new homes for sale below \$330,000 without some form of subsidy. In addition, the Land Use Code Audit identified many places where existing regulations could be revised or clarified to better encourage a wide range of housing options. However, rewriting the Land Use Code is a complex, resource-intensive task that will require funding to complete. Complicating this picture is the finite natural resources and land in Fort Collins. Water will only continue to be scarcer and more expensive. Within our GMA, Fort Collins has a limited supply of land. This all means it will only become more expensive to develop in Fort Collins. A dollar spent today on housing will go further than a dollar spent on housing in ten years.

***Addressing the entire housing spectrum will require new tools and processes***

Previous housing plans in Fort Collins have been focused on subsidized, deed-restricted affordable housing for residents making 80% AMI or less. City incentives, regulations and processes target the construction, expansion, and preservation of affordable housing that meets this definition. As this Existing Conditions document outlines, however, our existing tools are not enough to achieve our affordable housing goals. Federal funding like Low Income Housing Tax Credits (LIHTC), HOME, and CDBG funds only support units targeted at households earning less than 80% AMI. Further, escalation in housing prices and rents means that it is increasingly difficult for many to afford housing in Fort Collins, even if they make more than 80% AMI. City policies and regulations also do not address housing stability and health in a systematic way. A key challenge for this Housing Strategic Plan will be to determine the appropriate incentives, regulatory frameworks, and processes needed to fully achieve the vision for stable, healthy housing that people across the housing spectrum can afford. Implementation of these new tools will likewise be a critical challenge. Fort Collins will have some important decisions to make about whether and how to dedicate additional funding to housing incentives, implement changes to the Land Use Code, and adjust our processes to fully support the vision of the Housing Strategic Plan.

## REMAINING QUESTIONS

### *What will the lasting effects of COVID-19 be?*

COVID-19 has cast a shadow of uncertainty over many facets of life. Unemployment has soared into double digits, leaving many without a stable income for the time being. While the CARES Act did provide enhanced unemployment benefits and a one-time stimulus to households earning less than \$100,000, it is unclear what the medium and long-term financial prospects are for households impacted by COVID-19. Previous recessions have seen increased rates of foreclosures and evictions. Recovery is also uncertain since this current recession is in direct response to a pandemic. Recovery will depend on the availability of a viable vaccine, continued physical distancing, how fast businesses recover, and many other factors. This makes predicting the lasting effects of COVID-19 difficult.

### *How will housing policies evolve to address health and stability - particularly for renters - in addition to affordability?*

What does it mean for all residents to have healthy and stable housing? With only 1 in 10 renters being able to afford the median home price in Fort Collins, how will the City support its nearly 50% of households that are renters? Today, the City has several programs available to support households, e.g., income-qualified programs, Healthy Homes, Landlord and Tenant Information, and more, and has recently supported increased rights for manufactured homeowners (who own the home but rent or lease the land). Since fewer households in Fort Collins own homes than in the past, housing policies also need to evolve to better support renters in our community.

As noted on page 50, the current zoning does not meet demand for housing supply. Further, Fort Collins limits the number of unrelated people that can occupy a home (referred to as U+2). While many consider U+2 to be essential and a success story in preserving neighborhood character, it is unclear to what extent U+2 impacts the housing market. More study would shed light on how U+2 impacts the local housing market and how it might be modified to meet its intent without impacting the affordability of housing.

The Housing Strategic Plan will include the entire spectrum of housing and will recognize the critical role of rental housing within the housing system. This will require careful consideration of new policies that could improve housing stability and health for renters.