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

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4 Major Topic Areas

- Ownership Housing and Commuting Patterns
- Rental and Student Housing
- Housing Cost Components
- Distressed Populations
Table Topic 1

OWNERSHIP HOUSING & COMMUTING
Average Sales Price Change, 2000-2013
(Shown with 2000 as Baseline; Subsequent years show % increase over 2000 Baseline)

Increase:
+42% (2nd Largest Increase)

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

Overall Sales Price as % of 2000 Sales Price

Source: Elevation Real Estate; Economic & Planning Systems

Source: MLS
Actual Average Sales Prices, 2000-2013
(All Product Types)

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

Source: Elevation Real Estate; Economic & Planning Systems

Parentheses denotes annual average rate of change

Source: MLS
How is housing affordability defined?

• Income
  – Census (2012, most recent available) = $53,400
    - HH size = approx. 2.4
  – HUD (2014) = $62,500 (2nd decrease in a row)
    - HH size = 2.5

• Housing Costs
  – Cost-burden (HUD term) = no more than 30% of income spent on housing
  – Rental affordability = 30% of income ÷ 12 months
  – Ownership affordability = 30%, factoring in PITI + HOA dues
Affordability Gaps for HHs w/ Median Income
(Shown are Affordable Price (Gray); Median Sales Price (Outline); and Gaps (Red))

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

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

Source: U.S. Census; Economic & Planning Systems
Commuting Patterns
(2011 data)

• Total Wage & Salary Jobs
  – 72,600+ (2011)

• Commuting
  – 39,000 in-commuters
    ➢ 32% increase since ‘03
  – 29,500 out-commuters
    ➢ 2% increase since ‘03

Source: U.S. Census / LEHD 2011
Commuting Patterns
(by location, 2011)

- **Out-Commuting (2003-11)**
  - Net Change ▲ 560
  - to Denver Metro ▼ 880

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

* Median Sales Price = Lower than Ft. Collins

Source: U.S. Census / LEHD 2011
Ownership Gaps

• **A)** What is a gap?
  - It **DOES** identify housing cost-burden at certain income levels
  - It **DOES NOT** just mean that more units need to be built

• **B)** Preliminary Estimates
  - Where are the gaps? i.e. Who is cost-burdened?
    - **2,150 HHs** earning under $25K / year
    - **490 HHs** earning $25K to $50K

• **C)** Who are they?
  - Elderly
  - Disabled
  - Mobile home owners
  - Other?
Table Topic 2

RENTAL & STUDENT HOUSING MARKET
Questions
(posed by Stakeholders in Workshop #1)

- What is the student population?
  - Undergrads
  - Grads
- What is the housing implication of this?
- What is CSU doing?
- How are they dealing with their housing issues?
  - On-campus
  - Off-campus (i.e. through encouragement of alternative transportation modes, etc.)
- What else are they doing?
  - Investment in bike/ped infrastructure
  - Parent/student alternative transportation sessions
Residential Construction, 2000-2013  
(City of Fort Collins information)

Source:  
City of Ft. Collins

Annual Average  
MF/MU = 520  
SF = 400

Source:  
City of Fort Collins; Economic & Planning Systems
Housing Inventory, 2000 & 2012
(U.S. Census information)

- **+11,110 net new units:**
  - +7,331 SF
  - +3,933 MF / MU

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Housing Units</th>
<th>Vacant</th>
<th>Renter-Occupied</th>
<th>Owner-Occupied</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>26,175</td>
<td>1,884</td>
<td>19,707</td>
<td>2,584</td>
</tr>
<tr>
<td>2012</td>
<td>31,583</td>
<td>2,744</td>
<td>25,095</td>
<td>3,794</td>
</tr>
</tbody>
</table>

Source: Economic & Planning Systems

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

Source: CDOH; Economic & Planning Systems

Multi-Family Development Pipeline

Source: City of Fort Collins; Economic & Planning Systems

Source: City
Student Population Trends
(CSU Institutional Research information, 2014)

Source: CSU
Student Population Trends
(CSU Institutional Research information, 2000-2013)

Graduate / Prof. Students ≈ 17%

Average Annual Growth ≈ 300 students/year

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

Source: CSU, Institutional Research; Economic & Planning Systems
Graduate / Professional Assistants
(CSU Institutional Research information)

1,615 Total Assistants

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

Source: CSU, Institutional Research Dept.; Economic & Planning Systems
Graduate Assistantships by Salary
(CSU Institutional Research Department information)

<table>
<thead>
<tr>
<th>Year</th>
<th>Below $25,000</th>
<th>$25,000 or higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,440</td>
<td>144 (9%)</td>
</tr>
<tr>
<td>2011</td>
<td>1,600</td>
<td>74 (6%)</td>
</tr>
<tr>
<td>2012</td>
<td>1,600</td>
<td>74 (6%)</td>
</tr>
<tr>
<td>2013</td>
<td>1,600</td>
<td>74 (6%)</td>
</tr>
<tr>
<td>2014</td>
<td>1,600</td>
<td>74 (6%)</td>
</tr>
</tbody>
</table>

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

*This is just student income, not household income.*

Source: CSU
What is CSU’s Housing Capacity? 
(Now and Projected)

NOW

- Student Body = 27,000  
  - Growing @ 300 students / year

- **On-Campus Housing**
  - Halls = 5,600 beds
  - Apartments = 1,200 beds
  - Total = 6,800 (25% student body)

- **Off-Campus Housing Demand** (75% student body ≈ 20,250)
  - 10% (2,025) Outside Ft. Collins
  - ~5% (1,010) at Home
  - 85% (17,210) in Ft. Collins:
    - @ 2.5 students / unit = 6,885 units
    - @ 3.0 students / unit = 5,740 units

PROJECTED

- On-Campus Growth
  - Adding 1,950 beds over 4 years

- Off-Campus Growth
  - 1,843 student-oriented units (5,158 beds) in pipeline

- *CSU projects that “most, if not all, ...housing needs will be met” by on- and off-campus developments (SHAP, 2013)*
On-Campus Capacity Projection
(Information provided by CSU Housing & Dining Services)

<table>
<thead>
<tr>
<th>Year Interval</th>
<th>Program Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td></td>
</tr>
<tr>
<td>2013-14</td>
<td></td>
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<tr>
<td>2014-15</td>
<td></td>
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<tr>
<td>2015-16</td>
<td></td>
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<tr>
<td>2016-17</td>
<td></td>
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<tr>
<td>2017-18</td>
<td></td>
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<tr>
<td>2018-19</td>
<td></td>
</tr>
<tr>
<td>2019-20</td>
<td></td>
</tr>
</tbody>
</table>

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

Average Annual Growth $\approx 490$ beds / year vs Average Annual Undergrad growth $\approx 270$ students / year

Source: CSU

Graphical representation of capacity projection with specific details on capacity growth over years.
Off-Campus Rental Development
(Information provided by CSU Student Housing Action Plan)

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

Average Unit Size = **2.8-bedroom**
Off-Campus Rental Development
(Information provided by CSU Student Housing Action Plan)

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

Source:
City of Ft. Collins

Average Unit Size = 1.5-bedroom
Permanent Rental Gaps (with Student Population removed)

- **A)** What is a gap?
  - It **DOES** identify housing cost-burden at certain income levels
  - It **DOES NOT** just mean that more units need to be built

- **B)** Preliminary Estimates
  - Where are the gaps? i.e. Who is cost-burdened?
    - 7,970 HHs earning under $25K / year

- **C)** What about students?
  - Btw. **5,740 and 6,885 HHs** (under $25K) are students

- **D)** And grad/professional student HHs?
  - 1,300 assistants
  - Est’d 50% live in HHs above $25K = **650 HHs**

- **E)** Where does that leave the cost-burden estimate?
  - 7,970 – (5,740 or 6,885) + 650 = **1,735 to 2,880 HHs** are cost-burdened

- **F)** Who are they?
  - Elderly
  - Disabled
  - Single-Parent Families
  - Other?
INCOMES
## Median Household Incomes
(U.S. Census information)

<table>
<thead>
<tr>
<th>Community</th>
<th>Median Household Income 2000</th>
<th>Median Household Income 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Collins (1.5%)</td>
<td>$44,459</td>
<td>$53,359</td>
</tr>
<tr>
<td>Berthoud (2.4%)</td>
<td>$52,672</td>
<td>$70,301</td>
</tr>
<tr>
<td>Greeley (1.6%)</td>
<td>$36,414</td>
<td>$44,226</td>
</tr>
<tr>
<td>Johnstown (3.1%)</td>
<td>$44,226</td>
<td>$72,653</td>
</tr>
<tr>
<td>Longmont (0.9%)</td>
<td>$51,174</td>
<td>$57,142</td>
</tr>
<tr>
<td>Loveland (1.4%)</td>
<td>$47,119</td>
<td>$55,838</td>
</tr>
<tr>
<td>Timnath (5.7%)</td>
<td>$51,250</td>
<td>$99,167</td>
</tr>
<tr>
<td>Wellington (3.1%)</td>
<td>$47,917</td>
<td>$68,831</td>
</tr>
<tr>
<td>Windsor (3.2%)</td>
<td>$54,976</td>
<td>$79,948</td>
</tr>
</tbody>
</table>

*In parentheses, annual average growth*

**Source:**
U.S. Census

Denotes decrease in inflation-adj’d income

Denotes increase in inflation-adj’d income

Source: U.S. Census; Economic & Planning Systems
HUD Median Incomes

Source: HUD; Economic & Planning Systems

- Median for Household of 4 persons: $73,500
- Median for Household of 2.5 persons: $62,500
- Median for Household of 2.5 persons: $66,100

Source: HUD
Table Topic 3

HOUSING COST COMPONENT ESCALATION
Questions
(posed by Stakeholders in Workshop #1)

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

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

- **Land**
  - Larimer County Assessor bulk sales data

- **Hard Costs**
  - Residential Construction PPI

- **Soft Costs**
  - Permit/Plan Check fees – City information; new formula implemented Jan 1, 2012
  - Capital Expansion fees – City information; no major update during time period
    - Costs escalated using Denver-Boulder-Greeley CPI
  - Utility fees – major update in 2003
    - Fees escalated by ENR City Cost Index and other local building information
  - Use taxes
    - City rate increased in 2011 from 3.00% to 3.85%
    - County rate decreased in 2013 from 0.8% to 0.6%
  - A&E – BLS wage index for Professional & Technical Services
  - GC – BLS wage index for Construction Trade
Overall Cost Trend, 2000-2013

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

Change 2000-2013:
42% \(\uparrow\) ($83,500)

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

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

Source: City of Fort Collins; Larimer County Assessor; Elevations Real Estate; Economic & Planning Systems
What costs have escalated?

- **Overall Housing Cost**
  - Increased at 2.8% / yr
  - Increase = $83,500

- **1) Land Costs**
  - Increased at 4.6% / yr
  - Total increase = $30,620

- **2) Hard Costs** (Materials & Labor)
  - Increased at average of 3.1% / yr
  - Total increase = $50,200

- **3) Soft Costs** – City/County Fees & Taxes
  - Increased 2.8% / yr
  - Increase = $7,500

- **4) Other Soft Costs & Profit**
  - Decreased at -1.1% / yr
  - Decrease = $4,800
Table Topic 4

DISTRESSED POPULATIONS
Ft. Collins Housing Authority

- Under FCHA Management
  - Wellington
  - Fort Collins
  - Housing Choice Vouchers (closed, but opened for disabled)
  - Project-based vouchers

- Waiting List
  - 1,726 as of April 2014
    - Elderly – 207
    - Disabled – 520
    - 53% looking for 1-bedroom; 31%, 2-bedroom

- Income Distribution
  - Less than 30% AMI (2.5 person HH, $18,750) = 84%
  - 30 to 50% AMI (up to $31,250) = 15%
Distressed Populations

• Persons with Disabilities
  – Est’d 10,000 residents w/ one or more disabilities
    ➢ 50% are 18 to 64 years old; 46% seniors; 4% children
  – 47% employed (16% unemployed)
  – Housing Needs (accessible units) - Est’d 350 rental units < $500/month

• Seniors
  – Est’d 12,500 (4,575 with disability)
  – 40% live alone

• Poverty
  – Federal poverty level (2013) = $19,530
  – Est’d 27,200 residents in poverty (56% of which are students)
  – Btw 2005 and 2012, ~4,000 more non-student residents are in poverty
  – ~2,900 families in poverty
  – Overall poverty rate: single dads = 28%; single moms = 36%

• Homeless
  – Est’d 250 to 500
  – 1,000 HHs receiving prevention assistance
  – 60 supportive housing units under development