



Built On What Matters

Town of Frederick Planning Commission Agenda

Frederick Town Hall

401 Locust Street

Thursday, September 18, 2025

6:30 PM

Call to Order – Roll Call

Pledge of Allegiance

Approval of Agenda

Special Presentations

Public Comment

This portion of the agenda is provided to allow members of the audience to provide comments to the Planning Commission. Please sign in and you will be called. If your comments or concerns require an action, that item(s) will need to be placed on a later Agenda. Please limit the time of your comments to three (3) minutes.

Staff Reports

Consent Agenda

Consent Agenda items are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion of Consent Agenda Items unless a Board member so requests, in which case the item may be removed from the Consent Agenda and considered at the end of the Consent Agenda.

- A. Approval of Minutes

Action Agenda

- B. Spindle Hill Battery Energy Storage System Minor Subdivision and Overhead Power Line Conditional Use -
Bailey Arvizu, Associate Planner

Discussion Items

- C. Housing Needs Assessment for Colorado Communities

Commissioner Reports

Other Business

Adjournment

Executive Session



Town of Frederick Planning Commission

Meeting Minutes
August 21, 2025

Call to Order – Roll Call: At 6:32 pm Chairperson Moe called the meeting to order and requested roll call.

Present were Chairperson Moe, Vice Chair Conroy, and Commissioner Mahoney. Also Present were Planning Manager Ali Van Deutekom, Deputy Town Attorney Christine Francescani, and Deputy Town Clerk Emily Nitcher.

Pledge of Allegiance:

Approval of Agenda: No changes to the Agenda.

Public Comment:

Consent Agenda: Motion by Commissioner Mahaoney and seconded by Vice Chair Conroy to approve the consent agenda.

Upon roll call vote motion Passed 3 to 0.

Approval of Minutes:

Commissioner Reports:

Other Business: The next regular meeting is September 18th.

In October, both meetings, the 2nd and 16th, will possibly be needed.

Commissioner Mahoney is unavailable on the 2nd.

Chairperson Moe is possibly unavailable on the 16th.

Adjournment: There being no further business of the Planning Commission, Chairperson Moe adjourned the meeting at 6:37 pm.



Built On What Matters

Kristie Conroy, Vice
Chairperson

TOWN OF FREDERICK

Planning Commission

Staff Report

Tracy Moe, Chairperson

Nathan Scott,
Commissioner
Roger Kelley,
Commissioner

Spindle Hill Battery Energy Storage System Minor Subdivision and Overhead Power Line Conditional Use

Agenda Date: September 18, 2025 Planning Commission

Attachments:

1. PC Resolution - Spindle Hill BESS Conditional Use
2. PC Resolution - Spindle Hill BESS Minor Subdivision
3. 2025-09-09 Spindle BESS_Subdivision Plat Draft
4. Spindle BESS_Transmission Line Plan_Rev A_061025

Reviewed By:

Action Type

3) Quasi-Judicial: Actions of a specific nature or impact to a property interest that require an evidentiary hearing; such as land use applications; may be approved by ordinance or resolution as applicable.

Strategic Plan Alignment:



COMMUNITY AND ECONOMIC VITALITY– Frederick is a community that fosters economic, recreational, cultural, and environmental vitality and builds upon and enhances a variety of economic opportunities. Frederick celebrates its downtown and regards it as a gem in the region.

Summary Statement:

Clearway Energy, the applicant, is seeking approval of a Minor Subdivision plat to then site plan for the new "Lot 1" as a battery energy storage system development. Clearway

Energy is also seeking a Conditional Use approval to install overhead power lines, which are necessary for the battery energy storage system to function.

Detail of Issue/Request:

Spindle Battery, LLC, a subsidiary of Clearway Energy Group, LLC, is seeking approval of the Johnson Farms/Spindle Hill Energy Minor Subdivision Amendment No. 2. Clearway Energy is also seeking approval of a Conditional Use for "Overhead Power Lines" within the Agricultural (A) and Industrial (I) Zoning District. Both applications, the Minor Subdivision and the Conditional Use, are to support the overall project of developing a new battery energy storage facility in coordination with the Public Service Company of Colorado (PSCo) on what would be Lot 1 of the new subdivision if approved.

Clearway Energy seeks to replat Lot 1, 193.979 acres, of Johnson Farms/Spindle Hill Energy Minor Subdivision Amendment No. 1 through the Minor Subdivision process to create a new plat: Johnson Farms/Spindle Hill Energy Minor Subdivision Amendment No. 2. They intend to create two lots, Lot 1, 50.981 acres, and Outlot A, 142.998 acres. Lot 1 is currently under review for development as a battery energy storage facility through the administrative site plan process.

The applicant will enter into a Memorandum of Agreement for Public Improvements (MOAPI) as part of this Minor Subdivision. The MOAPI will require a Board of Trustees for approval. The applicant will also need to amend the Annexation Agreement to allow for development within the Minor Subdivision area. The Annexation Agreement Amendment will be brought to the Board of Trustees for approval.

To facilitate the connection from the proposed battery energy storage facility to the existing Spindle substation to the northwest, the applicant is seeking a Conditional Use approval to install "Overhead Power Lines" on Lot 1 of the new subdivision, 6300 Wheatland Boulevard, and Lot 1A of Replat A at 6430 Wheatland Boulevard. The property at 6300 Wheatland Boulevard is zoned Agricultural (A); the property at 6430 Wheatland Boulevard is zoned Industrial (I). "Overhead Power Lines" are conditional in all zone districts.

Should the applicant receive approval of both the Minor Subdivision and Conditional Use applications from the Board of Trustees, Town Staff will complete the administrative Site Plan review and issue approval. The Site Plan will reflect the approved locations and details of the proposed overhead power lines.

Legal Comments:

The project was sufficiently noticed according to the requirements found in the Town of Frederick Land Use Code.

Alternatives/Options

The applicant is not required to complete a plat application to develop the site. However, the applicant is required to site plan the entire site that they are developing. It would be impractical and excessive for the applicant to meet the requirements of developing the entire 193+ acres of Lot 1 of the existing subdivision. In order to minimize the extent of the site plan required to only focus on the area being developed, the applicant has chosen to subdivide.

The Conditional Use application is necessary as the overhead power lines are a necessary part of the overall development. The applicant has not indicated any other possible method to connect the proposed battery energy storage facility to the existing substation.

Financial Considerations

Not Applicable

Staff Recommendation

Staff recommends that the Planning Commission recommend approval of the Johnson Farms/Spindle Hill Energy Minor Subdivision Amendment No. 2 and Overhead Power Lines Conditional Use without conditions.

Community Impact

25-PCR-11

A Resolution of the Planning Commission Recommending Approval of the Spindle Hill Battery Energy Storage System Overhead Power Lines, 8499 CR 14 & 6430 Wheatland Boulevard Conditional Use

WHEREAS, Clearway Energy Group, LLC submitted an application for Conditional Use located generally at 8499 CR 14 and 6430 Wheatland Boulevard for the purpose of installation of overhead power lines for a battery energy storage system; and

WHEREAS, the Planning Commission heard Clearway Energy Group, LLC's application for Conditional Use at public hearing on September 18, 2025.

NOW THEREFORE, be it resolved by the Planning Commission of the Town of Frederick, Colorado:

Section 1. The Frederick Planning Commission finds that:

- 1.1 An application for the Spindle Hill Battery Energy Storage System Overhead Power Lines, 8499 CR 14 & 6430 Wheatland Blvd, Conditional Use has been submitted.
- 1.2 Said application was found to be complete through the review process.
- 1.3 Said application was considered during a public hearing held September 18th, 2025.
- 1.4 Proper notice was given according to Section 4.5. of the Frederick Land Use Code.
- 1.5 Said application conforms with the applicable requirements of Section 4.9.4. of the Frederick Land Use Code, namely:
 - a. The conditional use will satisfy all applicable provisions of this Code and subdivision regulations unless a variance is being requested.
 - b. The conditional use will conform with or further the goals, policies and strategies set forth in the Comprehensive Plan; provided, that if a Comprehensive Plan update has not occurred in the five (5) years preceding the application date, the Board may consider instead the impacts of the conditional use on public health, safety, and welfare, including but not limited to its anticipated impacts on the balance of land uses in the Town and the need for the conditional use in the context in which it is proposed.
 - c. The conditional use will be adequately served with public utilities, services and facilities (i.e., water, sewer, electric, schools, street system, fire protection, public transit, storm drainage, refuse collection, parks system, etc.)

and not impose an undue burden above and beyond those of the permitted uses of the district.

- d. The conditional use will not substantially alter the basic character of the district in which it is located or jeopardize the development or redevelopment potential of the district.
- e. The conditional use will result in efficient on- and off-site traffic circulation which will not have a significant adverse impact on the adjacent uses or result in hazardous conditions for pedestrians or vehicles in or adjacent to the site.
- f. Potential negative impacts of the conditional use on the rest of the neighborhood or of the neighborhood on the conditional use have been mitigated through setbacks, architecture, screen walls, landscaping, site arrangement or other methods.
- g. The applicant has submitted evidence that all applicable local, state, and federal permits have been or will be obtained.

Section 2.

- 2.1 A public hearing was held and the public was able to provide testimony.
- 2.2 The Planning Commission recommendation is based on competent, substantial evidence in the written record and the testimony provided at the public hearing.

Section 3. On the basis of the above, the Town of Frederick Planning Commission recommends approval of the Conditional Use application.

This resolution was approved this 18th day of September, 2025 by a vote of ____ to ____.

Tracy Moe, Chairperson, Planning Commission

25-PCR-10

A Resolution of the Planning Commission Recommending Approval of the Johnson Farms/Spindle Hill Energy Minor Subdivision Amendment No. 2

WHEREAS, Clearway Energy Group, LLC submitted an application for a minor subdivision amendment, no. 2; and

WHEREAS, the Planning Commission heard Clearway Energy Group, LLC's application for minor subdivision amendment at public hearing on September 18, 2025.

NOW THEREFORE, be it resolved by the Planning Commission of the Town of Frederick, Colorado:

Section 1. The Frederick Planning Commission finds that:

- 1.1 An application for the Johnson Farms/Spindle Hill Energy Minor Subdivision Amendment No. 2 has been submitted.
- 1.2 Said application was found to be complete through the review process.
- 1.3 Said application was considered during a public hearing held September 18th, 2025 at which time the public was able to provide testimony.
- 1.4 Sufficient notice was given according to Section 4.5 of the Frederick Land Use Code.
- 1.5 The Johnson Farms/Spindle Hill Energy Minor Subdivision Amendment No. 2 application conforms with the applicable requirements of Section 4.9.3. of the Frederick Land Use Code, namely:
 - 1.5.1 The subdivision is compatible with and will not have adverse impacts on the surrounding properties.
 - 1.5.2 10 or fewer new lots or blocks are created.
 - 1.5.3 The preliminary plat provides for a functional system of land use and is consistent with the criteria set forth in this Code.
 - 1.5.4 The land use mix within the project conforms to the Town's zoning district map and furthers the following planning objectives:
 - 1.5.4.1 The proposed development promotes the Town's small-town, rural character, or implements a Board-approved sub-area, corridor, or urban renewal plan, however titled;
 - 1.5.4.2 Proposed residential development adds diversity to the Town's housing supply;
 - 1.5.4.3 Proposed commercial development will benefit the Town's economic base;

- 1.5.4.4 Parks and open space are incorporated into the site design, as appropriate to the proposed principal use or uses of the land;
- 1.5.4.5 The proposed project protects the Town's environmental quality;
- 1.5.4.6 The development enhances cultural, historical, educational and/or human service opportunities;
- 1.5.5 The utility and transportation design is adequate, given existing and planned capacities of those systems;
- 1.5.6 Negative impacts on adjacent land uses have been identified and satisfactorily mitigated; and
- 1.5.7 There is a need or desirability within the community for the applicant's development, and the development will help achieve a balance of land use and/or housing types within the Town, according to the Town's goals.

Section 2. The Planning Commission recommendation is based on competent, substantial evidence in the written record and the testimony provided at the public hearing.

Section 3. On the basis of the above, the Town of Frederick Planning Commission recommends that the Board of Trustees approve the Johnson Farms/Spindle Hill Energy Minor Subdivision Amendment No. 2 application with the following condition:

- 1. Revise the dedicatory statement to remove references to public roads and lands.

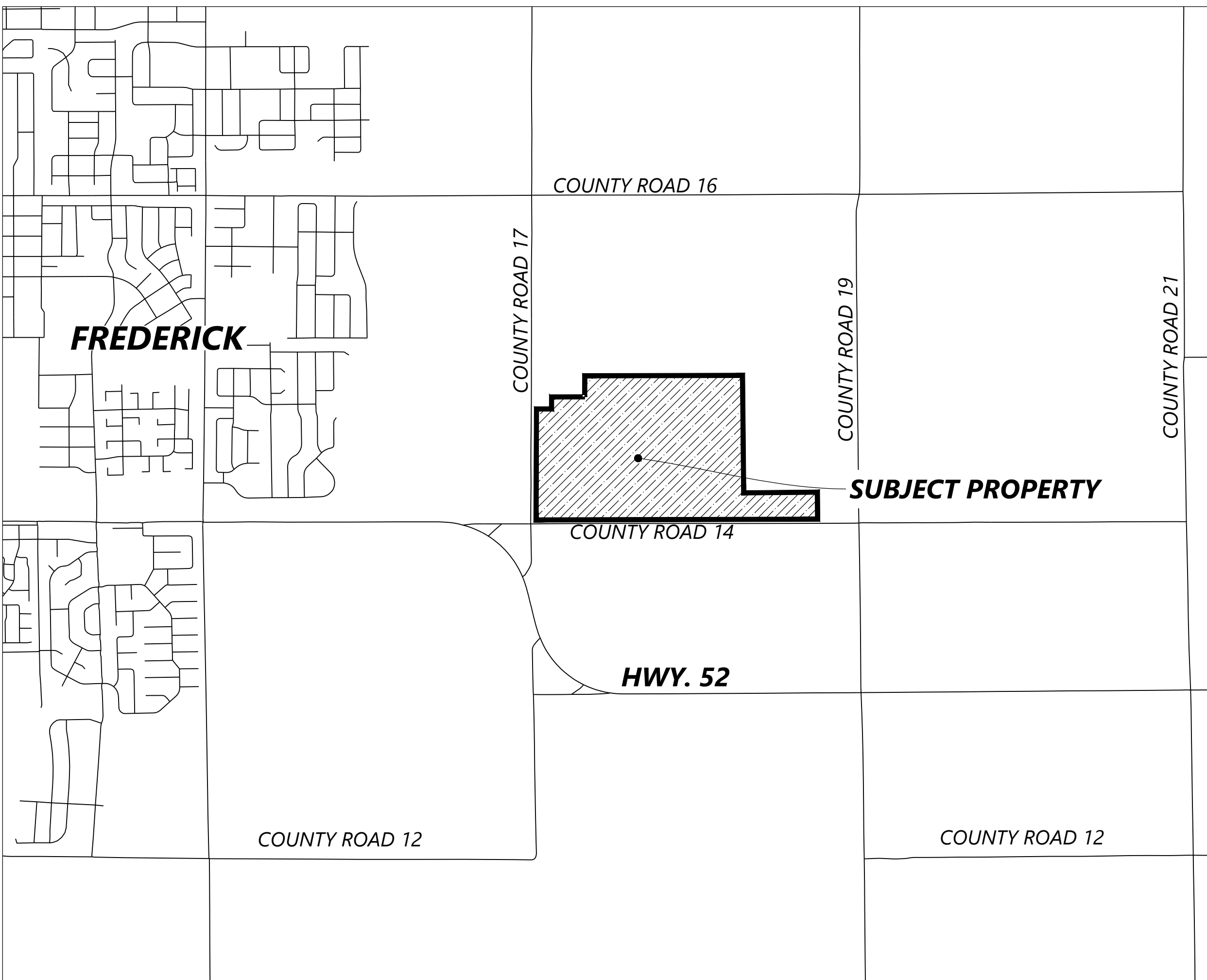
This resolution approved this 18th day of September, 2025 by a vote of ____ to ____.

Tracy Moe, Chairperson, Planning Commission

JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION AMENDMENT NO. 2

A REPLAT OF LOT 1, JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION
AMENDMENT NO. 1, A REPLAT OF OUTLOT 2
A PART OF THE SOUTH HALF OF SECTION 33, TOWNSHIP 2 NORTH, RANGE 67 WEST, 6TH P.M.
TOWN OF FREDERICK, COUNTY OF WELD
STATE OF COLORADO
193.979 ACRES, 2 LOTS

VICINITY MAP
(1" = 1500')

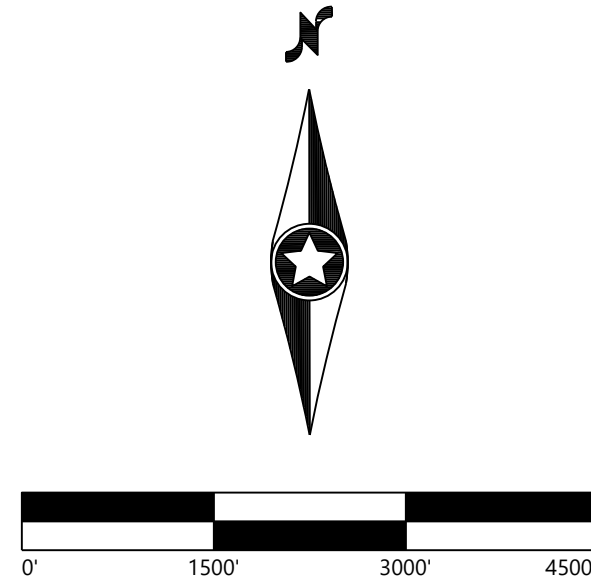


LAND USE TABLE			
LOT	AREA (AC.)	(SQ. FT.)	LAND USE
LOT 1	50.981	2,220,722	BATTERY ENERGY STORAGE SYSTEMS & OVERHEAD POWER LINES
OUTLOT A	142.998	6,228,980	EXISTING AGRICULTURAL
TOTAL	193.979	8,449,702	

OWNER:
SPINDLE BATTERY LLC
C/O CLEARWAY ENERGY GROUP LLC
4900 N. SCOTTSDALE ROAD, SUITE 5000
SCOTTSDALE, AZ 85251

ENGINEERS:
CLEARWAY ENERGY GROUP LLC
EVAN WIED
PROJECT MANAGER
100 CALIFORNIA ST, SUITE 640
SAN FRANCISCO, CA 94111

SURVEYOR:
WESTWOOD PROFESSIONAL SERVICES
THOMAS GIRARD, PLS 38151
SURVEY MANAGER
10170 CHURCH RANCH WAY, SUITE 201
WESTMINSTER, CO 80021



GENERAL NOTES

- THIS LAND TITLE SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY WESTWOOD, PS. FOR MATTERS RELATED TO OWNERSHIP, ENCUMBRANCES, RIGHTS AND INTERESTS, WESTWOOD, PS RELIED UPON THE TITLE COMMITMENT FILE NO. NCT23031353-5 PREPARED BY OLD REPUBLIC TITLE NATIONAL TITLE INSURANCE COMPANY WITH A COMMITMENT DATE OF JULY 8, 2024.
- THE SUBJECT PROPERTY AS DEFINED IN THE TITLE COMMITMENT REFERENCED ABOVE IS INACCURATE BECAUSE IT REFERS TO AN OUTDATED PLAT. THE SUBJECT PROPERTY IS CURRENTLY SHOWN AS LOT 1, JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION, AMENDMENT NO. 1, A REPLAT OF OUTLOT 2, RECORDED ON MARCH 24, 2016 AT RECEPTION NO. 4190256.
- THE PROVIDED TITLE COMMITMENT DOES NOT REFLECT THE CURRENT RECORDED EASEMENTS AND BOUNDARIES SHOWN IN THAT SUBDIVISION OF LAND FOR THE SUBJECT PROPERTY: LOT 1 JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION, AMENDMENT NO. 1, A REPLAT OF OUTLOT 2, RECORDED AT RECEPTION NO. 4190256. THIS SURVEY INCORPORATES THE MOST CURRENT RECORDED PLAT OF THE SUBJECT PROPERTY ACCORDING TO PUBLIC RECORDS OF WELD COUNTY.
- BEARINGS AND DISTANCES ARE GROUND, BASED ON NAD83(2011), COLORADO STATE PLANE, NORTH ZONE. US SURVEY FEET. VERTICAL DATUM IS NAVD88 (GEOID18). THE COMBINED SCALE FACTOR IS 0.99972399, BASED ON OPUS POST PROCESSING SOLUTION PROCESSED AT N: 1278042.30923772; E: 3171667.26104124; ELEV: 5006.58'.
- THE BASIS OF BEARINGS FOR THIS SURVEY IS THE NORTH LINE OF THE SOUTH 1/2 OF SECTION 33, TOWNSHIP 2 NORTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, WELD COUNTY, COLORADO, BEARING N89°51'35"E, FROM THE WEST QUARTER CORNER OF SAID SECTION 33, BEING MONUMENTED BY A 2 1/2" ALUMINUM CAP, STAMPED "PLS 38512 2017 609 CONSULTING", TO THE EAST QUARTER CORNER OF SAID SECTION 33, BEING MONUMENTED BY A 3 1/4" ALUMINUM CAP, IN MONUMENT BOX, ILLEGIBLE WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.
- ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT FLOOD INSURANCE RATE MAPS NO. 08123C2082E & 08123C2084E, DATED JANUARY 20, 2016, THIS PROPERTY LIES WITHIN ZONE X (AREA OF MINIMAL FLOOD HAZARD).
- THE INTENT OF THIS MINOR SUBDIVISION PLAT IS TO EXACTLY MIMIC THE PREVIOUSLY RECORDED SUBDIVISION OF JOHNSON FARMS/SPINDLE HILL WITH NO DEVIATION FROM THE ORIGINAL BOUNDARY. NEWLY DEFINED SUBDIVISION LOTS ARE REFLECTED ON SHEET 2.
- DATE OF FIELD SURVEY: JULY 2024.
- WESTWOOD PROJECT NO. 0046720.00.
- OIL AND GAS WELL LOCATIONS ARE BASED ON THE COLORADO EMISSIONS AND CARBON MANAGEMENT COMMISSION GIS DATA DOWNLOADED ON FEBRUARY 24, 2025. BUILDING SETBACKS SHOWN WERE DERIVED FROM SECTION 9.18 OF THE TOWN OF FREDERICK LAND USE CODE. LOCATIONS OF THE PLUGGED AND ABANDONED WELLS ON THE SUBJECT PROPERTY, AS PROVIDED BY THE COLORADO EMISSION AND CARBON MANAGEMENT COMMISSION (ECMC), HAVE BEEN FIELD VERIFIED ON JUNE 17, 2025. RETRACEMENT OF THE ABANDONMENT REPORTS AND OTHER PUBLIC RESEARCH PROVIDED SPECIFIC LOCATIONS WHICH WERE ACCURATELY DETERMINED IN THE FIELD AND CONFIRMED WITH RELIABLE SUB SURFACE METAL LOCATION PROCEDURES.

OIL & GAS WORKING PAD SURFACE	LOT SETBACK	BUILDING SETBACK
FACILITY WITHOUT WELLS	150'	200'
1-4 WELLS	150'	200'
5-14 WELLS	150'	350'
15 OR MORE WELLS	150'	500'

FLOWLINE 15'

ALL ACTIVE EXISTING PRODUCTION FLOWLINES ON SITE ARE SHOWN PER FIELD LOCATED UTILITY MARKINGS AND INFORMATION PROVIDED BY THE OPERATOR. ALL MIDSTREAM GATHERING LINES ON SITE ARE LOCATED IN 30' EASEMENTS AT MINIMUM AND INCLUDE THE RECORDED RECEPTION NUMBER. AFTER DISCUSSION WITH THE TOWN OF FREDERICK OIL AND GAS COUNSEL, IT WAS DECIDED TO ADVANCE THE SUBDIVISION WITHOUT EASEMENTS FOR FLOWLINES AND ACCESS AS LONG AS ALL INFRASTRUCTURE IS PROPERLY DETAILED ON THE PLAT.
- THE TOWN OF FREDERICK TRANSPORTATION MASTER PLAN SHOWS A FUTURE COLLECTOR BETWEEN COUNTY ROAD 14 AND COUNTY ROAD 16, AND COUNTY ROADS 14 AND 17 AS FUTURE 2-LANE ARTERIALS.
- THE OWNER, ITS LEGAL REPRESENTATIVES, HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS IN INTEREST AND ASSIGNS SHALL BE JOINTLY AND SEVERABLY LIABLE AND RESPONSIBLE FOR MAINTAINING THE STRUCTURAL INTEGRITY AND OPERATIONAL FUNCTIONS OF ALL DRAINAGE FACILITIES LOCATED ON THE PROPERTY SHOWN HEREON UNLESS OTHERWISE SPECIFIED HEREIN, INCLUDING BUT NOT LIMITED TO PRIVATE DRAINAGE FACILITIES AND PUBLIC AND PRIVATE DRAINAGE EASEMENTS. IN THE EVENT THE OWNER FAILS TO CORRECTLY REPAIR ANY SUCH DRAINAGE FACILITIES WITHIN THIRTY (30) DAYS AFTER WRITTEN NOTICE THEREOF, THEN SAID CORRECTIONS/REPAIRS TO SAID DRAINAGE FACILITIES MAY BE COMMENCED AND COMPLETED BY THE TOWN AND ALL COSTS AND CHARGES BILLED TO AND PAID BY THE OWNER. THE TOWN SHALL HAVE THE PERPETUAL LEGAL RIGHT TO INGRESS AND EGRESS OVER AND ACROSS THE PROPERTY, BY MEANS OF ROADS, LANES, AND PARKING AND LOADING AISLES LOCATED THEREON IF SUCH THERE BE, OTHERWISE BY SUCH ROUTE AS SHALL CAUSE THE LEAST PRACTICAL DAMAGE AND INCONVENIENCE TO THE OWNERS WHILE BEING PRACTICAL AND ACCESSIBLE TO THE TOWN'S EQUIPMENT, TO ACCESS THE DRAINAGE FACILITIES ON THE PROPERTY SHOWN HEREON IN ORDER TO COMMENCE AND COMPLETE SAID CORRECTIONS/REPAIRS. THE TOWN SHALL ALSO HAVE ANY OTHER REMEDIES AVAILABLE TO IT AS AUTHORIZED BY LAW.
- THE CENTERLINE OF STANLEY DITCH, AS SHOWN HEREON, IS BASED ON RECTIFIED ORTHOPHOTOGRAPHY, PHOTOGRAMMETRIC MAPPING AND/OR LIDAR DATA GENERATED TO NATIONAL MAP ACCURACY STANDARDS BY WESTWOOD PROFESSIONAL SERVICES, INC. AND WAS ACQUIRED ON SEPTEMBER 4, 2024.

SURVEYOR'S CERTIFICATE:

I, THOMAS GIRARD, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY THAT THE SURVEY REPRESENTED BY THIS PLAT WAS MADE UNDER MY SUPERVISION AND THE MONUMENTS SHOWN THEREON ACTUALLY EXIST AND THIS PLAT ACCURATELY REPRESENTS SAID SURVEY.

BY: _____
(THOMAS GIRARD, PLS 38151)

DATE: _____

CERTIFICATE OF OWNERSHIP AND DEDICATION:

THE UNDERSIGNED CERTIFIES TO AND FOR THE BENEFIT OF THE BOARD OF TRUSTEES OF THE TOWN OF FREDERICK, COLORADO, THAT AS OF THE DATE SET FORTH BELOW AND THE DATE OF RECORDING OF THIS DOCUMENT, THE UNDERSIGNED CONSTITUTE ALL OF THE OWNERS OF THE PROPERTY WHICH IS THE SUBJECT OF THIS PLAT, THAT THE UNDERSIGNED HAVE GOOD RIGHT AND FULL POWER TO CONVEY, ENCUMBER AND SUBDIVIDE SAME, AND THAT THE PROPERTY IS FREE AND CLEAR OF ALL LIENS, ENCUMBRANCES, EASEMENTS AND RIGHTS-OF-WAY EXCEPT THE EASEMENTS AND RIGHTS-OF-WAY DEPICTED ON THIS PLAT, AND THE LIENS HELD BY OTHER SIGNATORIES TO THIS DOCUMENT. IN THE EVENT OF A DEFECT IN SAID TITLE WHICH BREACHES THE WARRANTIES IN THIS CERTIFICATE, THE UNDERSIGNED, JOINTLY AND SEVERALLY AGREE(S) TO REMEDY SUCH DEFECT UPON DEMAND BY WELD COUNTY, WHICH REMEDY SHALL NOT BE DEEMED EXCLUSIVE.

KNOW ALL MEN BY THESE PRESENTS THAT SPINDLE BATTERY LLC, BEING THE OWNER(S), MORTGAGEE OR LIENHOLDER OF CERTAIN LANDS IN THE TOWN OF FREDERICK, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

LOT 1, JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION, AMENDMENT NO.1, A REPLAT OF OUTLOT 2

CONTAINING 193.98 ACRES, MORE OR LESS;

HAVE BY THESE PRESENTS LAID OUT, PLATTED, AND SUBDIVIDED THE SAME INTO LOTS, TRACTS, BLOCKS, STREETS, AND EASEMENTS AS SHOWN ON THIS PLAT UNDER THE NAME AND STYLE OF JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION, AMENDMENT NO. 2, AND DO HEREBY DEDICATE TO THE TOWN OF FREDERICK, ITS SUCCESSORS AND ASSIGNS FOREVER SUCH PUBLIC STREETS AND OTHER PUBLIC WAYS AND LANDS SHOWN HEREON, IN FEE-SIMPLE ABSOLUTE, AND DO HEREBY DEDICATE TO THE TOWN OF FREDERICK AND APPROPRIATE UTILITY COMPANIES AND EMERGENCY ASSISTANCE ENTITIES, THE EASEMENTS SHOWN HEREON FOR THE PURPOSES STATED.

THE ENTITIES NAMED ON THE EASEMENT, OR RESPONSIBLE FOR THE SERVICES AND/OR UTILITIES FOR WHICH THE EASEMENTS ARE ESTABLISHED ARE HEREBY GRANTED THE PERPETUAL RIGHT OF INGRESS AND EGRESS FROM AND TO ADJACENT PROPERTIES FOR THE PURPOSES NAMED ON THE EASEMENT OR FOR THE INSTALLATION, MAINTENANCE AND REPLACEMENT OF UTILITY LINES AND RELATED FACILITIES.

THE SIGNATURE OF ANY REPRESENTATIVE OF ANY PARTNERSHIP OR CORPORATE ENTITY INDICATES THAT ALL REQUIRED PARTNERSHIP OR CORPORATE APPROVALS HAVE BEEN OBTAINED.

IN WITNESS WHEREOF, WE HAVE HEREUNTO SET OUR HANDS AND SEALS THIS ____ DAY OF _____ A.D., 20__.

JOHN WOODY, VICE PRESIDENT - SPINDLE BATTERY LLC.

STATE OF COLORADO)
COUNTY OF WELD) SS

THE FOREGOING CERTIFICATE OF OWNERSHIP AND DEDICATION WAS ACKNOWLEDGED BEFORE ME

BY _____, ACTING IN HIS CAPACITY AS _____

THIS ____ DAY OF _____, 20__.

WITNESS MY HAND AND SEAL _____

MY COMMISSION EXPIRES _____

NOTARY PUBLIC _____

CERTIFICATE OF APPROVAL BY THE BOARD OF TRUSTEES:

THE FINAL PLAT MAP OF THE JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION, AMENDMENT NO.2 IS APPROVED AT THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF FREDERICK, COLORADO, HELD ON _____, 20____. THE DEDICATIONS OF PUBLIC STREETS, PUBLIC RIGHTS-OF-WAY, PUBLIC EASEMENTS AND OTHER PLACES DESIGNATED OR DESCRIBED FOR PUBLIC USES AS SHOWN HEREON, SUCH OTHER EASEMENTS SHOWN HEREON FOR THE PURPOSES SHOWN ARE HEREBY ACCEPTED. ALL CONDITIONS, TERMS, AND SPECIFICATIONS DESIGNATED OR DESCRIBED HEREIN SHALL BE BINDING ON THE OWNER, ITS HEIRS, SUCCESSORS, AND ASSIGNS.

ALL EXPENSES INCURRED WITH RESPECT TO IMPROVEMENTS FOR ALL UTILITY SERVICES, PAVING OF STREETS, GRADING, LANDSCAPING, CURBS, GUTTERS, SIDEWALKS, AND WALKWAYS, ROAD LIGHTING, ROAD SIGNS, FLOOD PROTECTION DEVICES, DRAINAGE STRUCTURES AND OTHER IMPROVEMENTS THAT MAY BE REQUIRED TO SERVICE THE SUBDIVISION SHALL BE THE RESPONSIBILITY OF THE OWNER(S) AND NOT THE TOWN. THE CONSTRUCTION OF IMPROVEMENTS BENEFITING THE SUBDIVISION AND THE ASSUMPTION OF MAINTENANCE RESPONSIBILITY FOR SAID IMPROVEMENTS BY THE TOWN OR OTHER ENTITIES SHALL BE SUBJECT TO A SEPARATE MEMORANDUM OF AGREEMENT FOR PUBLIC IMPROVEMENTS.

THIS ACCEPTANCE OF THE FINAL PLAT DOES NOT GUARANTEE THAT THE SOIL CONDITIONS, SUBSURFACE GEOLOGY, GROUNDWATER CONDITIONS OR FLOODING CONDITIONS OF ANY LOT SHOWN HEREON ARE SUCH THAT A BUILDING PERMIT WILL BE ISSUED FOR THAT LOT.

TRACIE CRITES, MAYOR

ATTEST:

TRICIA DAVID, TOWN CLERK

SHEET INDEX

SHEET, NO. _____	TITLE
SHEET 1	COVER, GENERAL NOTES, DEDICATIONS AND CERTIFICATION
SHEET 2	PARCEL DETAILS
SHEET 3	EASEMENTS TO BE DEDICATED PER PLAT DETAILS

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Westwood Professional Services, Inc.

REVISIONS:

DATE COMMENT

JOHNSON FARMS/ SPINDLE HILL ENERGY MINOR SUBDIVISION,
AMENDMENT NO. 2,
TOWN OF FREDERICK, COUNTY OF WELD COUNTY, COLORADO

PREPARED FOR:

Clearway

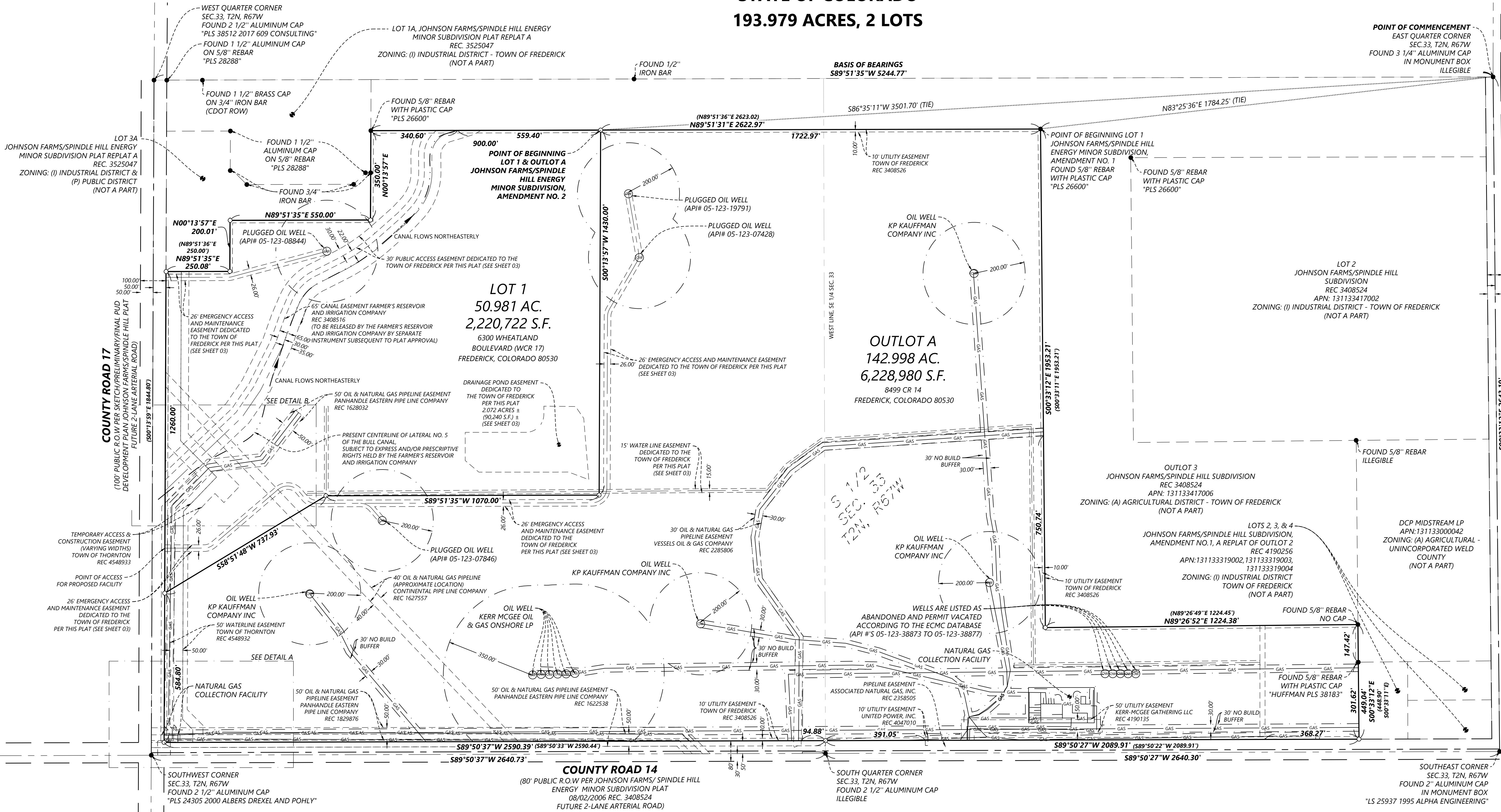
100 California Street, Suite 650
San Francisco, CA 94111

DATE: 09/09/2025

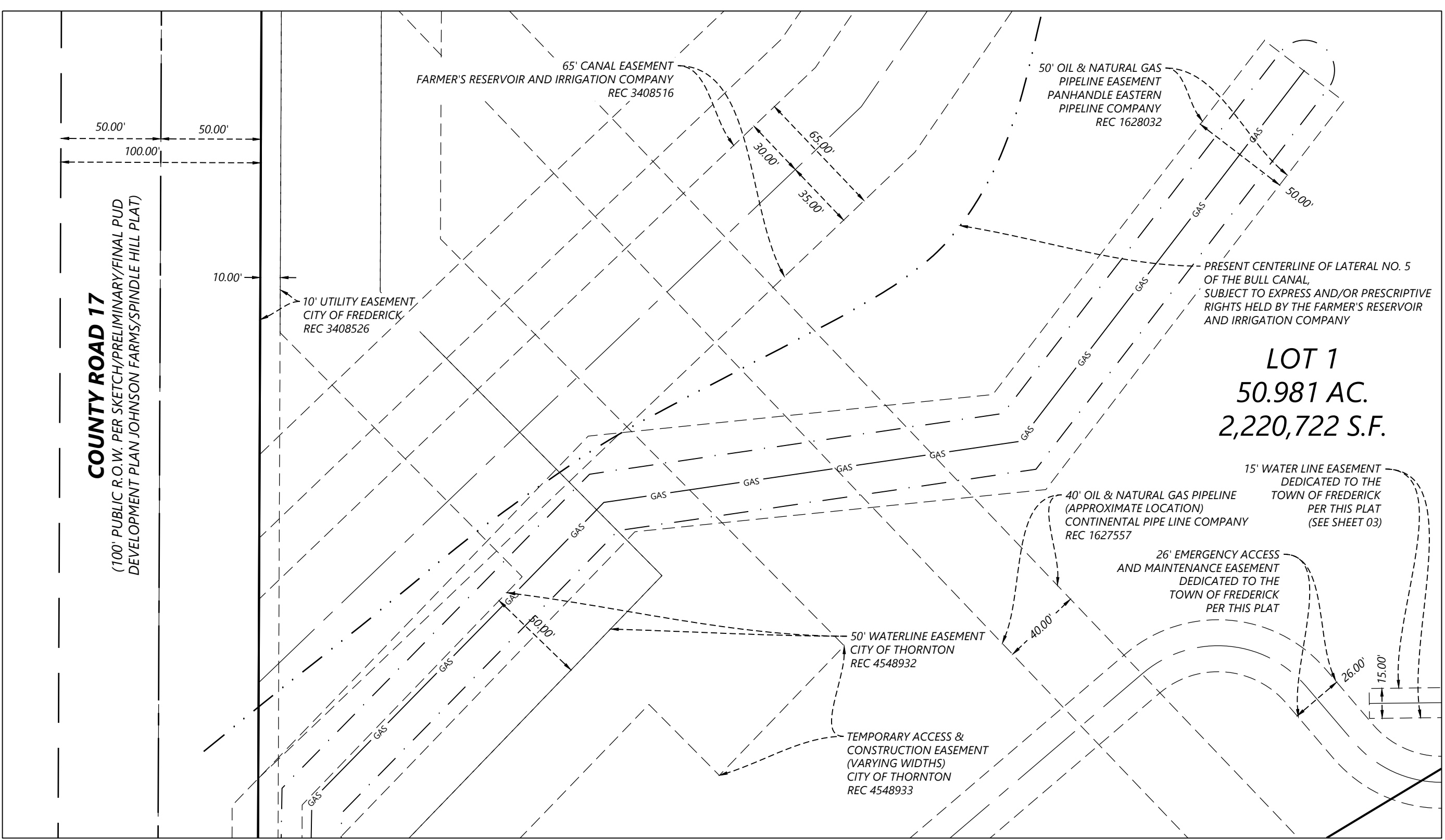
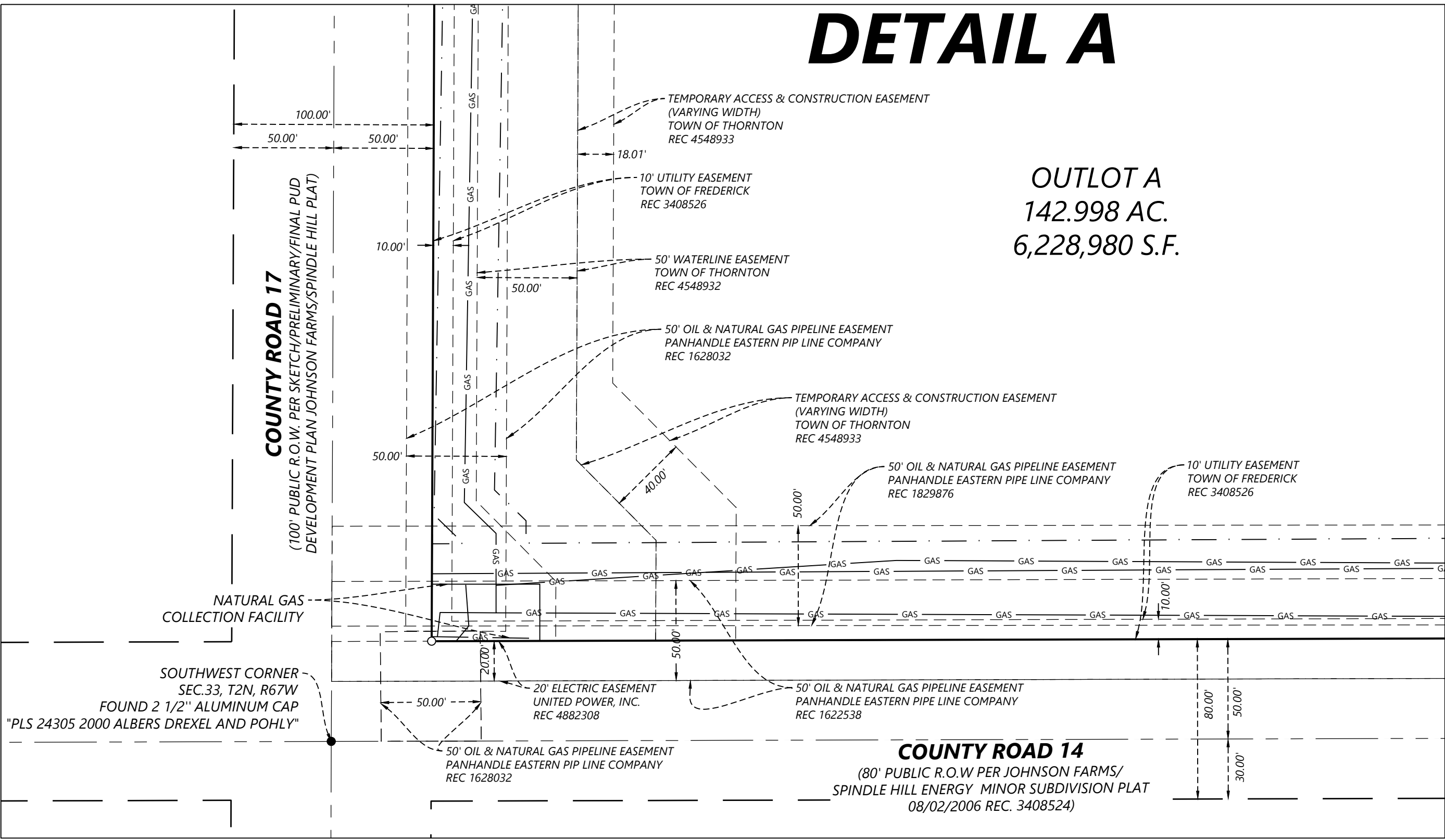
SHEET: 01 of 03

JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION
AMENDMENT NO. 2

A REPLAT OF LOT 1, JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION
AMENDMENT NO. 1, A REPLAT OF OUTLOT 2
A PART OF THE SOUTH HALF OF SECTION 33, TOWNSHIP 2 NORTH, RANGE 67 WEST, 6TH P.M.
TOWN OF FREDERICK, COUNTY OF WELD
STATE OF COLORADO
193.979 ACRES, 2 LOTS



DETAIL B



REVISIONS:		
#	DATE	COMMENT

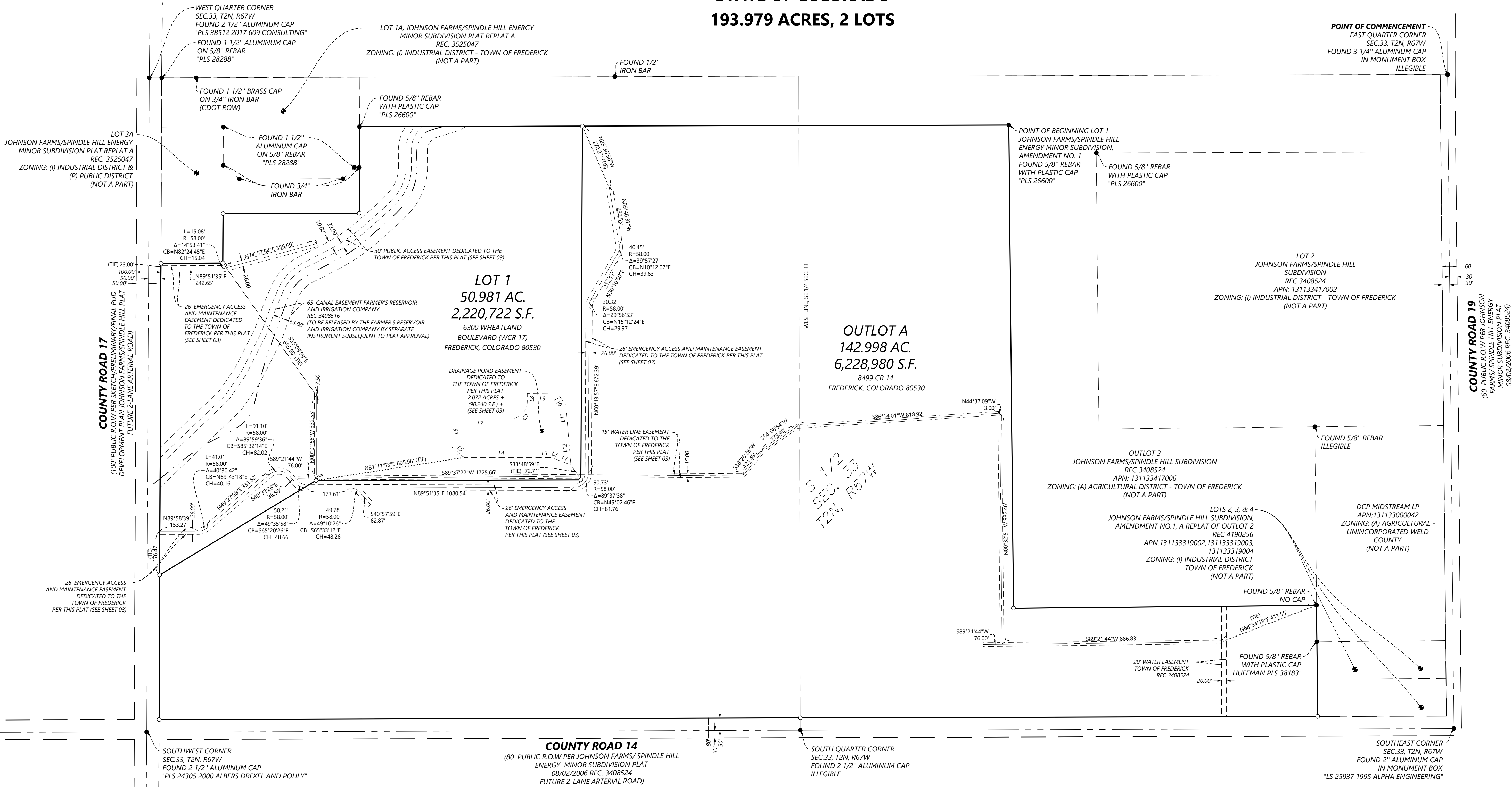
LEGEND:	
	FOUND MONUMENT (SEE LABEL)
	SET 5/8" REBAR & 2-1/2" CAP
	OIL & GAS WELL LOCATION
	BOUNDARY LINE
	RIGHT-OF-WAY LINE
	ROAD CENTER LINE
	ADJOINER PARCEL LINE
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	SECTION LINE
	QUARTER SECTION LINE
	RECORD MEASUREMENT PER REC. 4190256

JOHNSON FARMS/ SPINDLE HILL ENERGY MINOR SUBDIVISION,
AMENDMENT NO. 2,
TOWN OF FREDERICK, COUNTY OF WELD COUNTY, COLORADO

JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION
AMENDMENT NO. 2

A REPLAT OF LOT 1, JOHNSON FARMS/SPINDLE HILL ENERGY MINOR SUBDIVISION
AMENDMENT NO. 1, A REPLAT OF OUTLOT 2
A PART OF THE SOUTH HALF OF SECTION 33, TOWNSHIP 2 NORTH, RANGE 67 WEST, 6TH P.M.
TOWN OF FREDERICK, COUNTY OF WELD

STATE OF COLORADO
193.979 ACRES, 2 LOTS



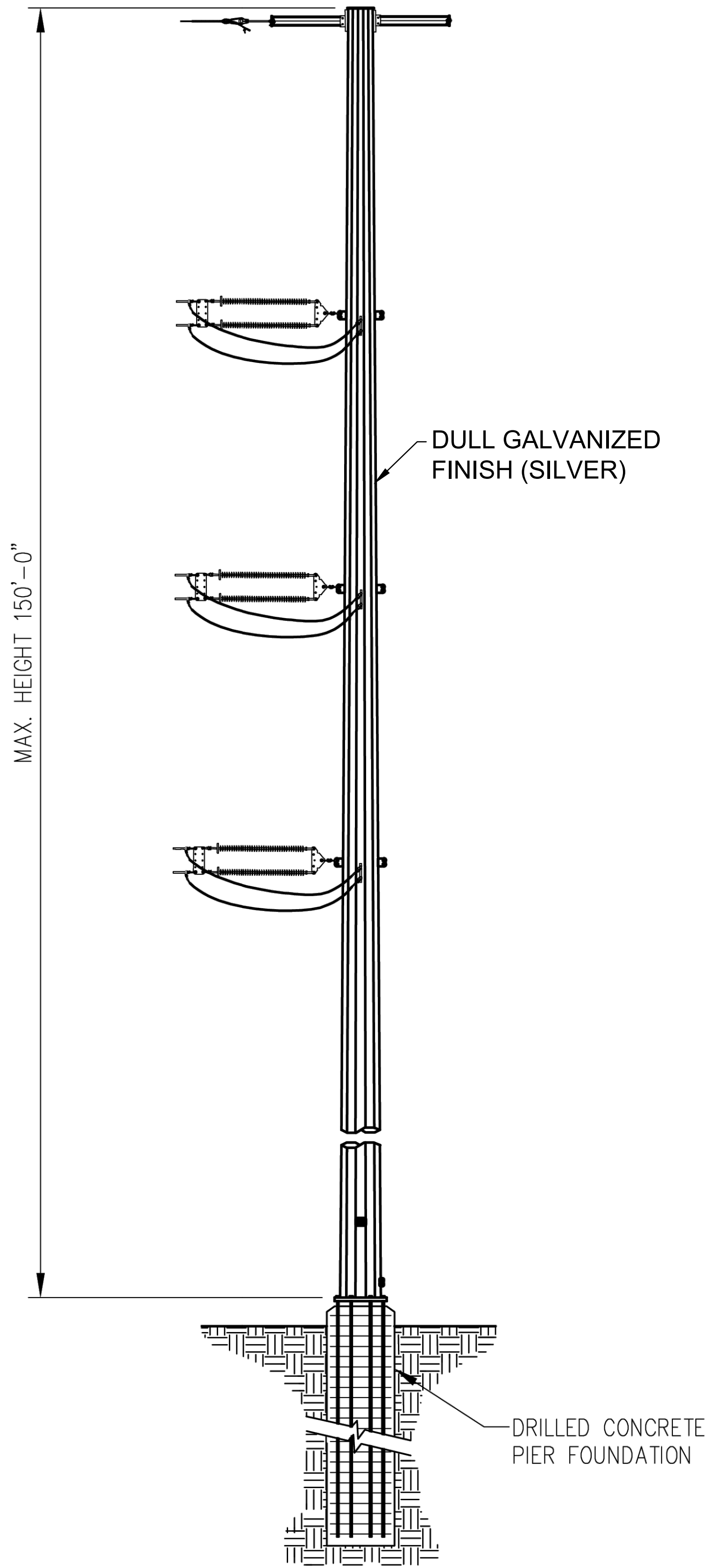
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L2	N71°23'39\"W	20.00'						
L3	S89°45'21\"W	50.33'						
L4	N90°00'00\"W	299.58'						
L5	N49°44'59\"W	69.91'						
L6	N00°00'00\"E	110.55'						
L7	N90°00'00\"E	237.06'						
L8	N00°00'00\"E	31.55'						
L9	S89°25'13\"E	123.73'						
L10	S35°03'56\"E	56.31'						
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L12	S04°48'14\"E	140.84'						

REVISIONS:		
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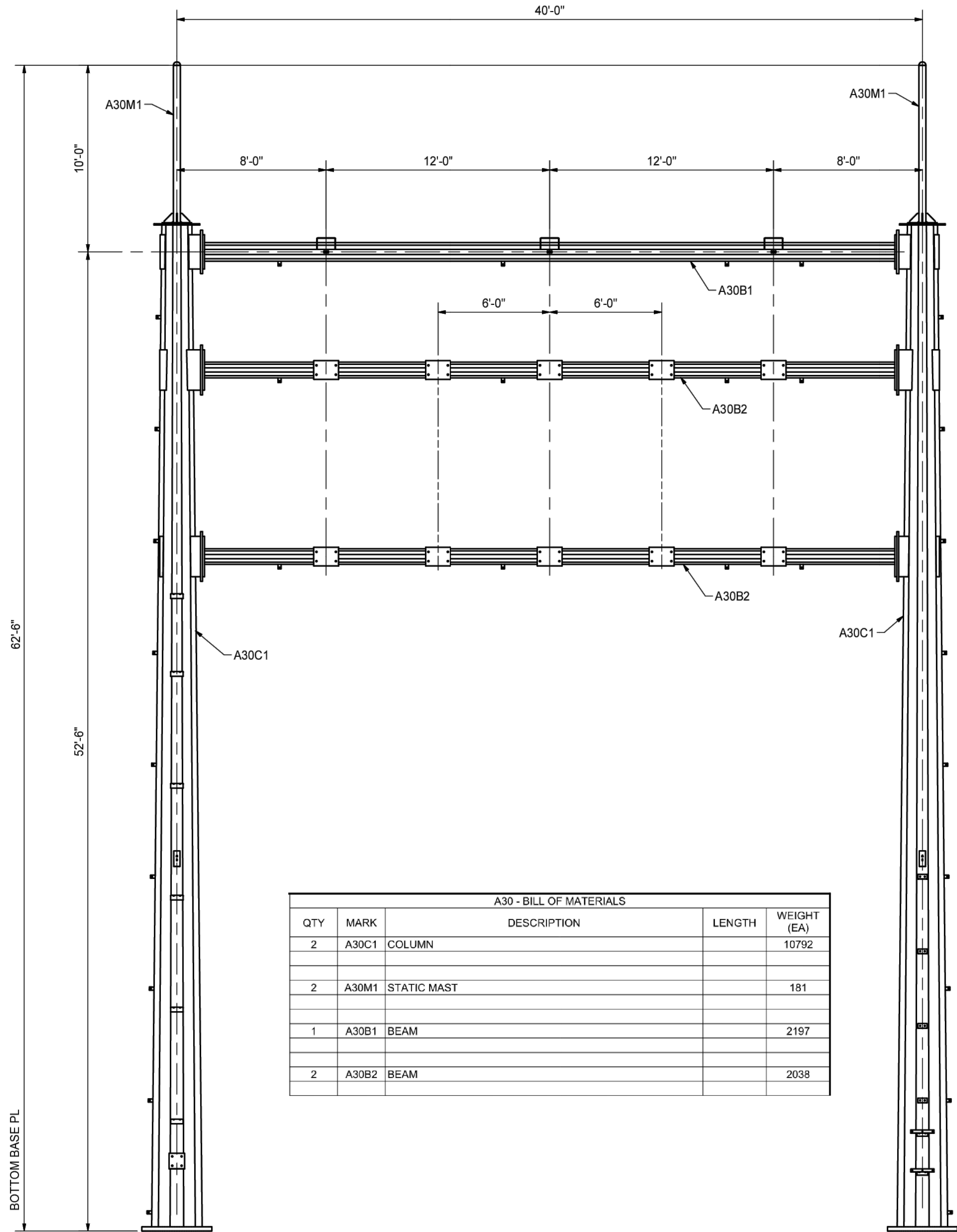
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JOHNSON FARMS/ SPINDLE HILL ENERGY MINOR SUBDIVISION,
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SELF SUPPORTING STEEL MONOPOLE



A30 - BILL OF MATERIALS				
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2	A30C1	COLUMN		10792
2	A30M1	STATIC MAST		181
1	A30B1	BEAM		2197
2	A30B2	BEAM		2038



TETRA TECH

PRELIMINARY
NOT FOR
CONSTRUCTION

SPINDLE BATTERY, LLC
SPINDLE BESS PRELIMINARY SITE PLAN
TOWN OF FREDERICK, WELD COUNTY COLORADO
MONOPOLE DETAILS

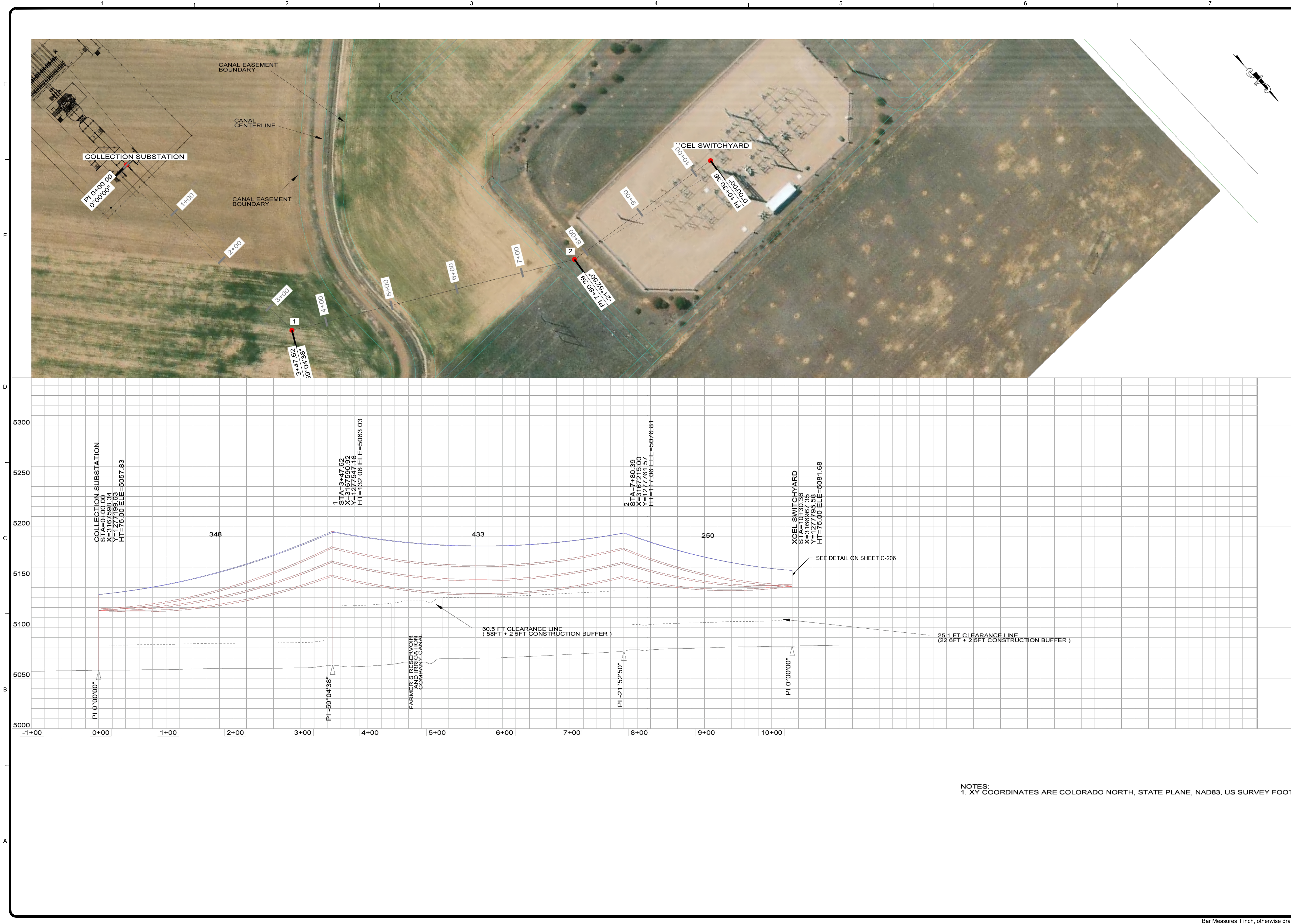
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DRWN:	CAN
CHKD:	JPP

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390 UNION BOULEVARD, SUITE 400
LAKEWOOD, CO 80228
302-217-5700

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LAKEWOOD, CO 80228
302-217-5700

**PRELIMINARY
NOT FOR
CONSTRUCTION**

MARK	DATE	DESCRIPTION	BY
A	06/04/25	OVERHEAD TRANSMISSION LINE SUBMITTAL	CAN

SPINDLE BATTERY, LLC

SPINDLE BESS PRELIMINARY SITE PLAN

TOWN OF FREDERICK WELD COUNTY COLORADO

GENTIE ELEVATIONS

PROJ:	194-1038-0063
DESN:	CAN
DRWN:	CAN
CHKD:	JPP

102

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Built On What Matters

Kristie Conroy, Vice
Chairperson

TOWN OF FREDERICK

Planning Commission

Staff Report

Tracy Moe, Chairperson

Nathan Scott,
Commissioner
Roger Kelley,
Commissioner

Housing Needs Assessment for Colorado Communities

Agenda Date: September 18, 2025 Planning Commission

Attachments:

1. Denver Area's Regional Housing Needs Assessment
2. Appendix B
3. Appendix C
4. Appendix D
5. SB 24 174
6. Housing Needs Assessment Guide for Colorado Communities

Reviewed By:

Action Type

4) Information: Items that require no specific action and are provided for informational purposes only.

Strategic Plan Alignment:



COMMUNITY AND ECONOMIC VITALITY– Frederick is a community that fosters economic, recreational, cultural, and environmental vitality and builds upon and enhances a variety of economic opportunities. Frederick celebrates its downtown and regards it as a gem in the region.

Summary Statement:

Staff desire to facilitate a discussion with the Planning Commission regarding the proposed Housing Needs Assessment. This Housing Needs Assessment incorporates data and strategies that apply to the broader multi-county region as well as Frederick specifically.

Detail of Issue/Request:

The Denver region has experienced a 17 percent increase in population over the last decade, without a proportionate increase in housing production. Vacancy rates have hit historic lows and home prices have soared, with the median sale prices increasing 180% in the decade, far surpassing the 55% increase in incomes over the same period. Home prices and rents are out of reach for median income earners, with over half of renters contributing a disproportionate amount of income towards housing costs.

Both residents and local governments in the Denver area face a variety of issues as a result of this housing environment. In response to these pressing housing challenges, DRCOG's Board of Directors initiated a housing needs assessment for its member governments in 2023. A housing needs assessment identifies the amount of housing needed in a community to meet the demands of current and future residents across all income levels. It uses data on demographic factors, housing stock characteristics, market trends, and forecasted population growth to understand the number of housing units an area will need to produce to meet current and future housing demand over a specified planning period. For the Denver Area Regional Housing Needs Assessment, the specified period is between 2023 and 2050.

A primary purpose of pursuing the housing needs assessment is to provide a data-driven foundation to inform housing strategy. Housing needs assessments offer a broad understanding of housing needs for people across the income spectrum and with different household characteristics, which allows for a more targeted and effective approach to meeting needs. Understanding how much housing the region needs, where it is needed, and at which price points, for both current and future populations, is necessary for policymakers to address overall housing supply and affordability challenges.

Legislative Context

In May 2024, the State of Colorado passed Senate Bill 24-174 (SB24-174), known as the "Sustainable Affordable Housing Assistance" law; see Attachments #2 & #3. SB24-174 requires local governments to conduct a housing needs assessment, compliant with methodology and baseline components specified by DOLA, by December 31, 2026. However, local governments are exempt from the requirement to conduct a local housing needs assessment if they participate in a state-compliant regional housing needs assessment. Non-compliance with this bill puts Frederick in jeopardy of losing access to state-funded programs, some of which are programs the Town has used in the past.

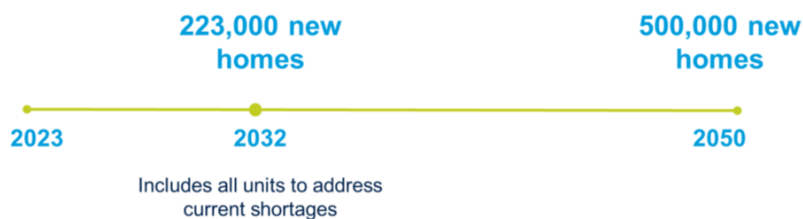
While the Denver Area Regional Housing Needs Assessment effort began before the May 2024 passage of SB24-174, the legislation allows a path for compliance for already-existing housing needs assessments. DRCOG followed the process outlined in

the legislation and submitted the assessment to DOLA by the legislation's December 31, 2024 deadline. DOLA reviewed the assessment for compliance and issued notice in February 2025 that the assessment was conditionally approved for substantial compliance. The notice included specific guidance on modifications that would bring the assessment into full conformance, and DRCOG has completed those modifications. This allows local governments in the DRCOG region to use the Regional Housing Needs Assessment in Attachment #1 for compliance with SB24-174 if they choose to participate. You are able to read a summary of the bill here: <https://leg.colorado.gov/bills/sb24-174>

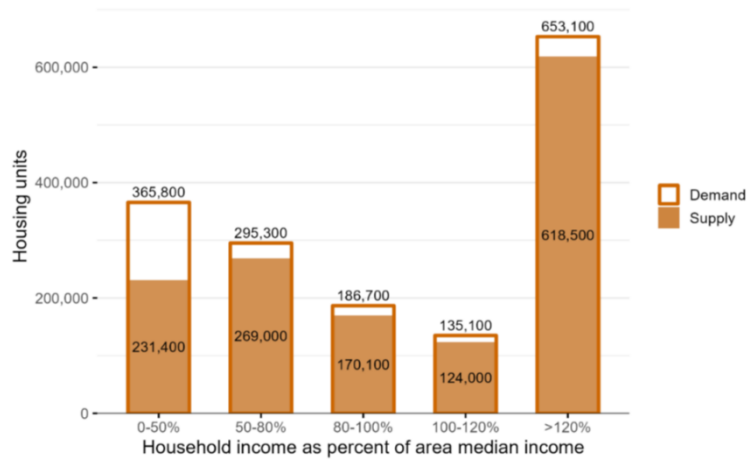
Denver Area's Regional Housing Needs Assessment

The development of the Denver Area Regional Housing Needs Assessment included two distinct endeavors. The first was an analysis of regional data to identify gaps in housing supply and affordability across income levels and household types. The second consisted of extensive engagement with stakeholders across various housing sectors to identify systemic barriers to developing housing. Throughout development of the Regional Housing Needs Assessment, DRCOG collaborated closely with local government officials, housing developers, community organizations, advocates, finance professionals, and economists. The analysis revealed the following:

- Despite periodic building booms, the region has not produced enough housing to keep pace with population and job growth.
- Housing supply is less than demand in every household income category. Low-income households (below 50% of Area Median Income) represent the greatest need for additional housing. See the "Regional Housing Need by Income" chart below.
- An aging population and smaller household trends will require more diverse housing types.
- Housing types and affordability are unevenly distributed across the region.
- In the Denver region, 500,000 housing units are needed to address current and future needs across the income spectrum by 2050.
- Of the 500,000 housing units, 223,000 units are needed over the 10-year period between 2023 and 2032. See the "Total Regional Housing Need" graph below.



Total Regional Housing Need

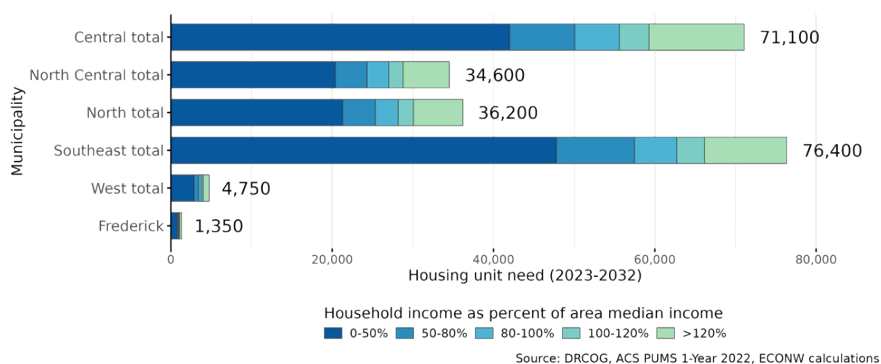


Regional Housing Need by Income

The orange outline of these bars represents the 10-year demand for housing by income level, while the shaded area presents the region's current supply of housing affordable at each income level. The gap in each bar represents the region's housing need. The engagement efforts with local government staff, lending and investment institutions, developers, professional associations, state and regional agencies, consultants, infrastructure/utility providers, and advocacy organizations included discussions on increasing housing supply. The prime identified barriers to addressing housing need fall into five categories: Land use and zoning, infrastructure, development costs and market factors, funding and finance, community consensus and collective action.

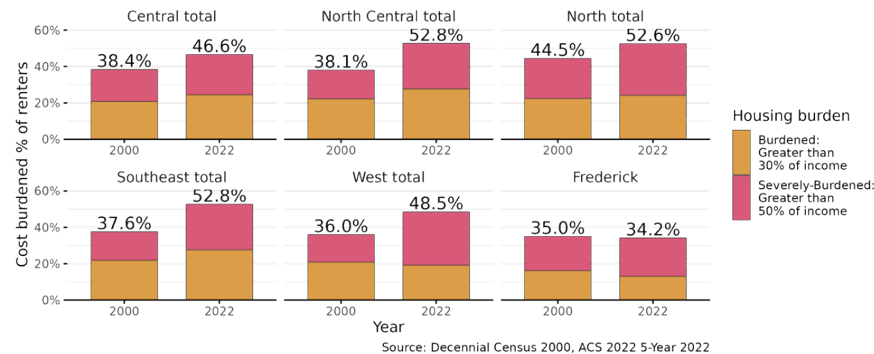
A detailed description of the barriers can be found in the attached Regional Housing Needs Assessment. Understanding Housing Need in our Community, the Regional Housing Needs Assessment calculated the housing need for the Denver region and then distributed the need to individual municipalities based on population, employment, transportation, and housing data. Housing markets are regional, and the methodology and data analysis reflect this. Understanding each municipality's housing needs is essential because housing policy is often developed and implemented at the local level of government. These numbers provide decision-makers with a better understanding of the scale and scope of the region's housing needs so they can make informed decisions about housing strategy in their community.

10-Year Housing Need in our Community



The chart above shows how many housing units are needed over the 10-year period from 2023 to 2032, and at what income levels those units are needed. The precise number is not as important as understanding the scale and scope of the need and developing a strategy proportionate to the need.

Cost Burdened Households in our Community



This chart shows the proportion of rented homes in our community where households are spending 30%+ and 50%+ of their income on housing costs. It also shows how this proportion has changed between 2000 and 2022. Implementing a housing strategy that is proportionate to the housing need would provide relief to these households in our community.

Regional Housing Needs Assessment - Benefits of Participation

Participation in the Denver Area Regional Housing Needs Assessment is not compulsory. However, there are notable advantages to a local jurisdiction's choosing to participate:

- It exempts the local jurisdiction from the requirement to conduct and publish a state-compliant local housing needs assessment by the deadline of December 31, 2026, which would require significant staff time and likely the services of a consultant with expertise in the subject matter.
- It maintains flexibility for the local jurisdiction to still develop its own state-compliant housing needs assessment later. Future planning efforts at the local level can then utilize data from the local housing needs assessment, or other data sources, for their housing action plan.

Further, housing markets are regional. Choices about where to live are based on access to jobs, affordability, schools, amenities, childcare and other factors that often transcend jurisdictional boundaries. A regional housing needs assessment offers a shared analysis for an interjurisdictional issue. A regional approach fosters shared collaboration to address the scale and scope of housing needs and develop strategies that match the nature of housing demand.

Legal Comments:

Local governments must conduct a housing needs assessment by December 31, 2026, as per SB24-174. However, they are exempt from this if they participate in a regional housing needs assessment that complies with state requirements.

Alternatives/Options

No action from the Planning Commission is needed at this time.

Financial Considerations

Not Applicable.

Staff Recommendation

This is for informational purposes only; there is no staff recommendation.

Community Impact

Overall, the actions outlined in the housing needs assessment are expected to have a positive impact on residents and community members by addressing housing affordability and availability, accommodating diverse housing needs, engaging the community in the planning process, and fostering regional collaboration. However, the pace of growth, where growth occurs, the availability and access to critical infrastructure like roadways, water lines, storm sewer and other amenities is a vital part of this discussion and not to be diminished.



July 2024

Regional Housing Needs Assessment

Denver Regional Council of Governments

Prepared for: Denver Regional Council of Governments (DRCOG)

ECONorthwest

222 SW Columbia Street • Suite 1600 • Portland, OR 97201 • 503-222-6060

Acknowledgments

ECONorthwest prepared this report with support from, guidance and input of several partners, including staff, and leadership of the Denver Regional Council of Governments (DRCOG), Community Planning Collaborative and MIG. We are especially grateful to participants in the project Advisory Group composed of representatives from DRCOG member governments, state agencies, environmental advocacy groups transportation planning professionals, private housing developers, mission driven housing developers, housing finance professionals, consultant land use attorneys, nonprofit housing advocates, economists and data scientists.

That assistance notwithstanding, ECONorthwest is responsible for the content of this report. The staff at ECONorthwest prepared this report based on their general knowledge of the economics of housing and regional economies. ECONorthwest also relied on information derived from government agencies, private statistical services, the reports of others, interviews of individuals, or other sources believed to be reliable. ECONorthwest has not independently verified the accuracy of all such information and makes no representation regarding its accuracy or completeness. Any statements nonfactual in nature constitute the authors' current opinions, which may change as more information becomes available.

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Executive Summary

Denver's past and future growth requires more housing

The Denver region has experienced rapid growth in recent years, with a 17 percent increase in residents since 2010 and a 33 percent increase in jobs. Many of the region's 3.4 million residents struggle to find affordable and accessible housing in their location of choice as home prices and rents have increased far faster than incomes.

The Regional Housing Needs Assessment provided the opportunity for local governments, non-profits, industry representatives and other organizations involved in housing preservation and production across the Denver region to better understand the scope, scale, and nature of housing issues in the region. The Denver region while interconnected through jobs and transportation, has historically approached housing policy at the town, city, and county level.

Addressing the regional housing needs will require greater coordination across local jurisdictions as many of the barriers are too complex and broader than one local community can take on alone and there is tremendous opportunity to more efficiently address barriers collaboratively.

➤ Overview

The region needs to build 511,000 units by 2050 to meet current and future housing needs.

Despite periodic building booms, the region has not produced enough housing to keep pace with population and job growth.

Much of the new housing in the region does not support the diversity of housing needs across all income levels and household types.

Diverse factors create barriers to housing production.

A regional housing strategy is critical to coordinate efforts across sectors and align housing development with broader regional goals for transportation and economic development.

Measuring regional housing need

DRCOG conducted this Regional Housing Needs Assessment to establish an objective, data-driven understanding of the baseline housing need for both the current and future population.

Using a methodology shaped by best practices and the guidance of a local Advisory Group, the Regional Housing Needs Assessment estimates that 511,000 units are needed across the region by 2050 to meet both the needs of the current population and to accommodate projected population growth and changing demographics. Just over 300,000 of these housing units will need to be affordable to households earning 60 percent or less of the



median income. Older adults will make up a greater share of the population, shaping trends around housing needs, such as income and mobility.

Understanding barriers to housing production

The barriers to producing more housing—and at a higher rate than past trends— vary significantly depending on the unique characteristics of each community and evolve over time in response to changing circumstances. The interplay between factors such as market conditions, the regulatory environment, infrastructure availability, community consensus, and financial resources can hinder the delivery of new housing. These barriers are especially challenging to creating housing affordable at low and moderate incomes—either by preventing them from moving forward altogether or by resulting in the development of fewer units than what might be allowed or desired under current conditions.

Moving toward a regional housing strategy

Addressing regional issues requires regional partnership. Many stakeholders in the region, including DRCOG’s member governments, have long identified the need for coordinating regional housing efforts to address the overall housing supply and affordability challenges. Local communities, however, often struggle with access to consistent and reliable data, or staff capacity, to develop and implement strategic and effective housing policy.

A regional strategy is intended to foster shared understanding, collaboration, and actions to help member governments, in partnership with other stakeholders, make progress toward addressing the region's housing needs. As part of this Regional Housing Needs Assessment, DRCOG collaborated with public and private sector partners across the region to develop a framework that will serve as the foundation for creating a regional housing strategy starting in late 2024. By working collaboratively to develop a comprehensive regional housing strategy and integrate it with other key planning efforts, DRCOG and its partners can take a significant step toward fostering more equitable, resilient, and livable communities for all residents of the Denver region. The Regional Housing Needs Assessment aims to provide a thorough analysis of housing needs and to develop a better understanding of barriers related to housing production, creating a strong foundation for developing the regional housing strategy. The forthcoming regional housing strategy will build upon the findings and insights presented in this report.



1. Introduction and context

The Denver region has experienced substantial growth over the last decade. Since 2010, the population has increased by 17 percent to 3.4 million residents, while the number of jobs increased by 33 percent. However, housing production has failed to keep pace with population growth. As vacancy rates hit historic lows, home prices and rents have soared. The median home sale price in Denver reached \$550,000 as of December 2023, increasing by 180 percent over the last decade while incomes increased by 55 percent during the same period.¹ Home sale prices and rents are out of reach for median income earners, and over 51 percent of renters cost-burdened across the region.² Moreover, the most recent Point-in-Time count showed the highest number of unsheltered homeless people in the region since 2008.^{3,4} These trends grow more acute within local communities, particularly when disaggregated by race, income, age, and other demographic factors, exacerbating issues of housing access, displacement, and inequity.

Housing markets are regional

People make choices about where to live based on access to jobs, affordability, schools, amenities, childcare and other factors that often transcend jurisdictional boundaries. Despite this shared regional market, housing policy and planning in the Denver region has primarily occurred at the town, city or county level, resulting in fragmented efforts that have struggled to adequately account for and address regional dynamics that shape housing demand, supply, and ultimately, affordability. Greater efforts for coordinated policy and planning are needed to better address housing barriers that local communities cannot take on alone.

DRCOG supports regional planning and coordination

The Denver Regional Council of Governments (DRCOG) is a planning organization in which local governments collaborate to set policies, guidelines, and funding priorities across key areas including transportation, growth and development, aging, and disability resources. DRCOG's member governments include 9 counties and 49 cities and towns as shown in Exhibit 1. Representatives from these governments work together to make life better for those who call the region home.

¹ Redfin; Zillow, 2023

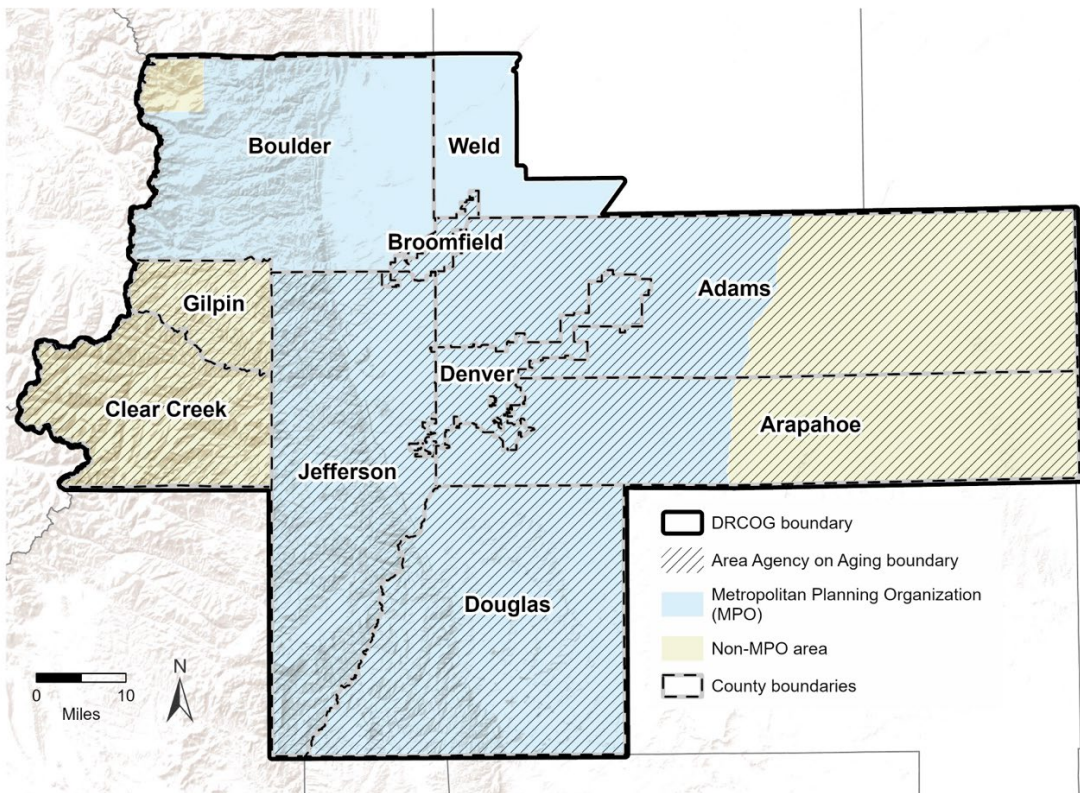
² Denver County Median Family Income 2023

³ Metro Denver Homelessness Initiative

⁴ Point-In-Time Count is an annual survey conducted in the United States to assess homelessness. The Point-In-Time Count serves as a snapshot of homelessness in a community by providing an estimate of the overall scope of homelessness on a single night. It includes both sheltered (those in emergency shelters and transitional housing) and unsheltered (those without shelter) populations.



Exhibit 1: DRCOG Planning Area



Source: DRCOG

In 2017, DRCOG adopted Metro Vision, which is the long-range plan for growth and development across the Denver region. The plan provides guidance and coordination between counties and municipalities on regional land use, transportation, and a variety of other government policies. It is centered around promoting sustainable, managed growth for the Denver region, with implementation occurring through local initiatives aligned with Metro Vision's overall framework. The plan recognizes that many of the effects associated with growth—such as traffic, air quality and housing costs—cross jurisdictional boundaries and local governments must work collaboratively to address them.

Metro Vision recognizes the interconnections between DRCOG's traditional planning focus on transportation, growth, and aging and disability needs with housing, economic development, community health, and resilience. One of Metro

REGIONAL PLANNING PROCESS

New Role for Housing in Transportation Planning

In 2021, the federal Infrastructure Investment and Jobs Act amended the scope of the metropolitan transportation planning process, related to the factors a Metropolitan Planning Organization must consider, adding *housing*, alongside *transportation improvements*, and *state and local planning growth and economic development patterns*.



Vision’s overarching themes is “healthy, inclusive, and livable communities” with desired outcomes related to increased housing diversity to meet the needs of residents of all ages, incomes, and abilities. To this end, Metro Vision outlines specific objectives to diversify the region’s housing stock, increase the regional supply of housing attainable for a variety of households, and increase opportunities for diverse housing accessible by multimodal transportation.

As the designated metropolitan planning organization for the Denver region, DRCOG is well-positioned to convene member governments and regional stakeholders, provide consistent guidance, data, and tools to help advance Metro Vision and encourage collaboration to meet the diverse housing needs across the region. This support from DRCOG allows local jurisdictions to focus on how they can influence development—by managing and encouraging new housing in ways that are consistent within a community’s specific vision. Ultimately, increasing housing options relies on local policy, but regional coordination enables strategic and consistent action toward creating more equitable access and housing affordability across the Denver region.

Building toward a regional strategy

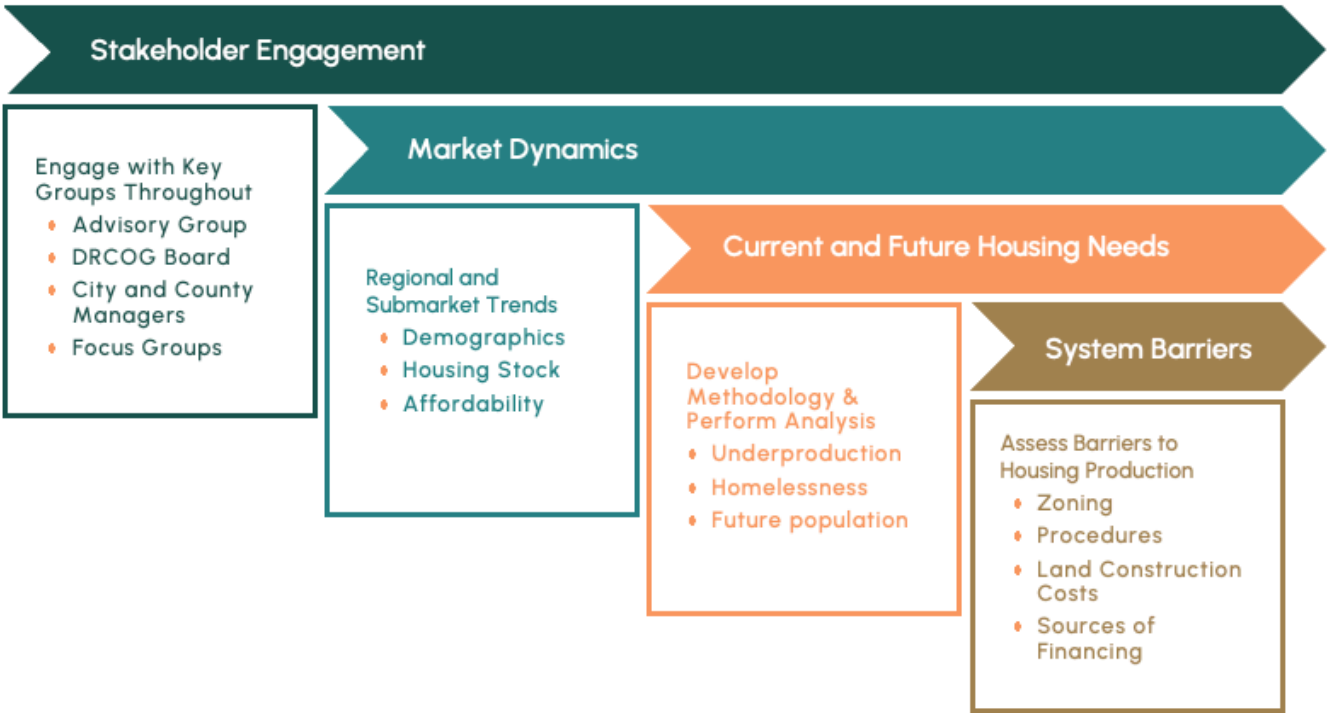
DRCOG is approaching regional housing planning in two distinct pieces over the next two years. The first piece is a Regional Housing Needs Assessment, which developed a methodology and conducted an analysis to quantify housing needs across the region through 2050, as represented in Exhibit 2. This analysis helps provide a baseline understanding of the scope and scale of housing issues across the region and identifies key barriers to housing production.

Throughout the development of the Regional Housing Needs Assessment, the project team engaged key groups whose work touches on regional housing issues from different perspectives. An Advisory Group composed of representatives from local government, state agencies, housing developers, service providers, and advocates met six times throughout the project to provide feedback and guidance on the approach, methods, and key barriers to producing more needed housing in the Denver region. This group also helped establish the framework for a regional housing strategy.

In addition to the Advisory Group, the project team convened multiple focus groups and individual stakeholder meetings representing an array of interests and perspectives across approximately 200 participants. These conversations gathered critical information about municipal planning, infrastructure and utilities, the homebuilding sector, affordable housing, regional economic development, housing finance, aging services, and climate and sustainability issues. Input from this wide range of participants helped illuminate the challenges faced by public and private sector actors working to increase opportunity in the region and identify how a coordinated housing strategy could support those efforts. See Appendix A for a more detailed summary of stakeholder engagement activities.



Exhibit 2. Regional Housing Needs Assessment Process



The Regional Housing Strategy, expected to begin in late 2024, will involve working with local governments and housing partners across the region to develop a strategy to collectively address these identified housing needs.

What is a regional housing needs assessment?

Regional Housing Needs Assessments are critical tools for quantifying housing needs at a regional level. A housing needs assessment uses data on key demographic factors, housing stock characteristics, market trends, and forecasted population and job growth to understand the number of housing units an area will need to produce to meet current and future housing need over a specified planning period. With thoughtful design, these assessments offer planners and policymakers a more comprehensive and nuanced understanding of housing need for people across the income spectrum and with different household characteristics, which allows for a more targeted and effective approach to meeting diverse needs.



2. Regional housing needs

DRCOG conducted this Regional Housing Needs Assessment to establish an objective, data-driven understanding of the baseline housing need for both the current and future population. Understanding the total need and affordability gaps at all income levels will critically inform local, regional and statewide efforts to address housing need. In addition, this housing needs assessment will serve as a foundation for the development of a regional housing strategy which will articulate what we can do collectively as a region. Throughout this Regional Housing Needs Assessment development, the following guiding principles were identified by DRCOG staff, the consultant team, and the Advisory Group to inform the process.

» This chapter summarizes DRCOG's approach, methodology, results and key findings for regional housing needs.



Proactively determine housing need for the region.



Develop a data-driven approach to policy and planning.



Maintain transparency around data sources, limitations, and methodological choices.



Align with Metro Vision planning areas and goals.



Align future strategy development with subregional and local needs.

Key Findings

The key findings section summarizes important takeaways about regional housing needs. Further context and discussion follow.

- » **The region needs to build 511,000 units by 2050 to meet current and future housing needs. While housing is needed at all income levels, housing that is affordable to households earning less than 60 percent of Area Median Income represents the largest share. The market will not deliver this type of housing on its own, particularly at the volume needed. Government subsidies and creative partnerships with private market actors will be required to meet housing needs.**
- » **Adults aged 65 and older will comprise a larger share of the population by 2050 and household sizes are shrinking. These shifts in household composition along with forecasted housing need by income category shows that jurisdictions and the region**



will need to plan for more diverse housing options for a broader range of household incomes to meet current and future housing needs.

- » The Denver region has seen booms and busts in housing production over the past several decades. Yet new housing has not kept pace with overall population growth over the same period. A steep decline in construction during the Great Recession contributes to the shortage of needed housing today. As an additional challenge, the existing housing stock does not support the diversity of housing needs across all income levels and household types.
- » The differences in need and supply across submarkets highlight the range of housing dynamics across the region and demonstrate the need for more tailored strategy development for submarkets and the local governments within them. Opportunities to align housing with transportation access, job centers and other key factors also differ across regional submarkets and highlight the different roles they can play in meeting the region's overall housing needs.

How to measure regional housing need

This Regional Housing Need Assessment estimates the number of households across the Denver region that will need dwelling units affordable to them between 2023 and 2050. This estimate of needed housing is created using Census data on population and housing, regional population forecasts, and other local data sources. A detailed description of the data sources and methodology used in this RHNA is included in Appendix C.

At a high level, the method used in this Regional Housing Needs Assessment has two primary components:

- ♦ **Future need:** To project future housing need, the analysis uses the State Demography Office's projected household growth for the Denver region through 2050. This household projection gets translated to housing units by factoring in a healthier vacancy rate that enables greater mobility within the housing market and across the region. This number is then compared to the current supply of housing.
- ♦ **Current need:** To estimate current need, two components must be included. Underproduction is the estimated number of housing units that are needed to provide sufficient housing to current residents that are well captured in census surveys. Homelessness need is the estimated number of housing units that are needed for those currently experiencing homelessness who are not well captured in census surveys.

Regional housing needs

The analysis shows the Denver region will need to produce just over 511,000 new housing units between 2023-2050 to address current need, driven by underproduction and people experiencing homelessness, and future need, driven by anticipated population growth. A



breakdown by component of the total housing need through 2050 for the Denver Region is shown in Exhibit 3 below.

Exhibit 3: Summary of housing need by component, 2023–2050

Component	Housing units	Share
Current need	52,000	10%
Future need	458,000	90%
Total units	511,000	100%

Source: ECONorthwest analysis; DRCOG synthesis of State Demography Office 2022 Household Forecast; and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates; Metro Denver Homeless Initiative State of Homelessness Report, 2022–2023

Total housing need by income

The Regional Housing Needs Assessment allocates total housing needs by 2050 based on different income levels, recognizing that households across the income spectrum need affordable housing options. Exhibit 4 shows the distribution of total needed units by Area Median Income relative to the current supply of housing affordable to households earning those incomes.⁵ Exhibit 5 shows the distribution of total needed units by income and housing need component.

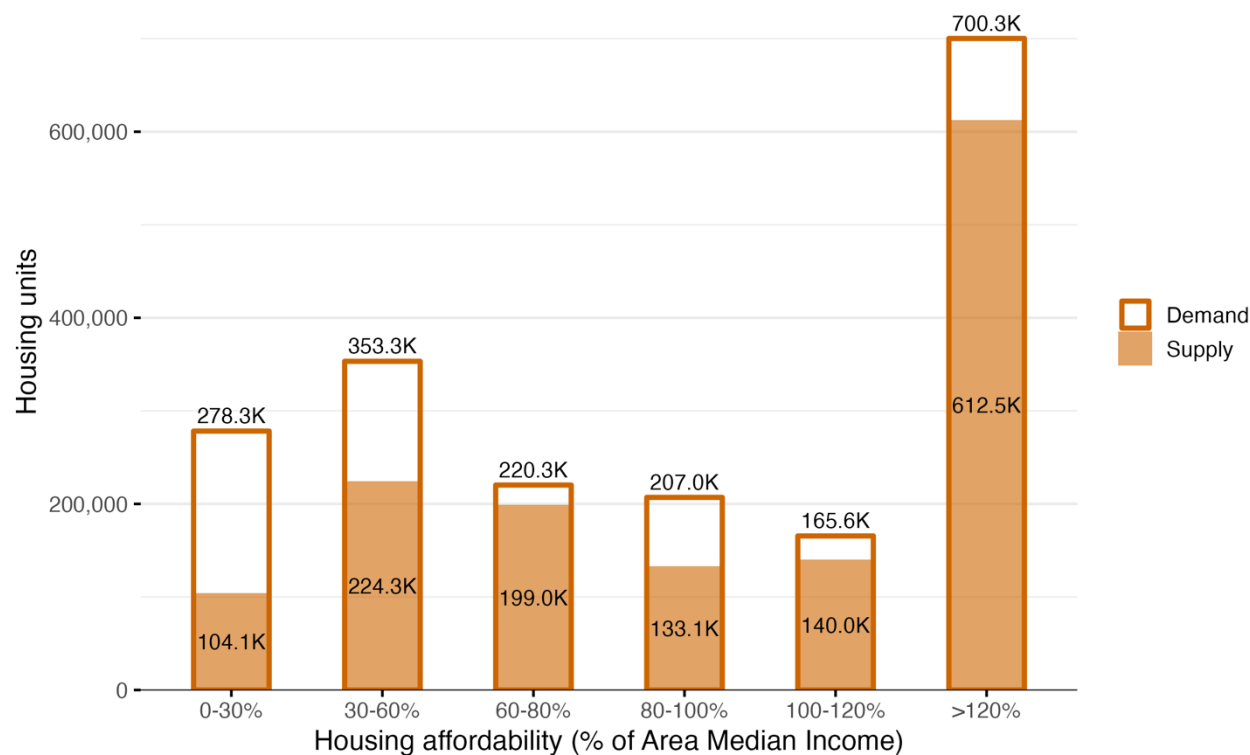
Housing needs for the Denver region are heavily skewed toward lower income households. An estimated 303,000 housing units for households earning 0–60 percent of the Area Median Income are needed to meet current and future demand. The private market typically fails to deliver housing affordable to these income levels, as they require a patchwork of financial subsidies to build and maintain. Housing needs are lower for households in the 60–80 percent Area Median Income range, partly due to an existing supply of housing affordable to these income levels.⁶ Just over 187,000 units serving higher earning households above 80 percent of Area Median Income are also needed. The market can potentially produce housing for these income levels on its own, assuming supportive local policies are in place.

⁵ According to the Department of Housing and Urban Development, housing is considered affordable for a household if their housing costs do not exceed more than 30 percent of their annual income, including additional expenses such as insurance, property tax, and utility expenses. This standard of affordability traces back to rent caps established for public housing tenants.

⁶ While there is a relative match between the number of households at this income level and the number of housing units affordable to them, mismatches at lower and higher income levels increase the competition for moderately priced housing. As a result, many communities observe a shortage of available housing affordable to households earning between 60 and 100 percent of Area Median Income.



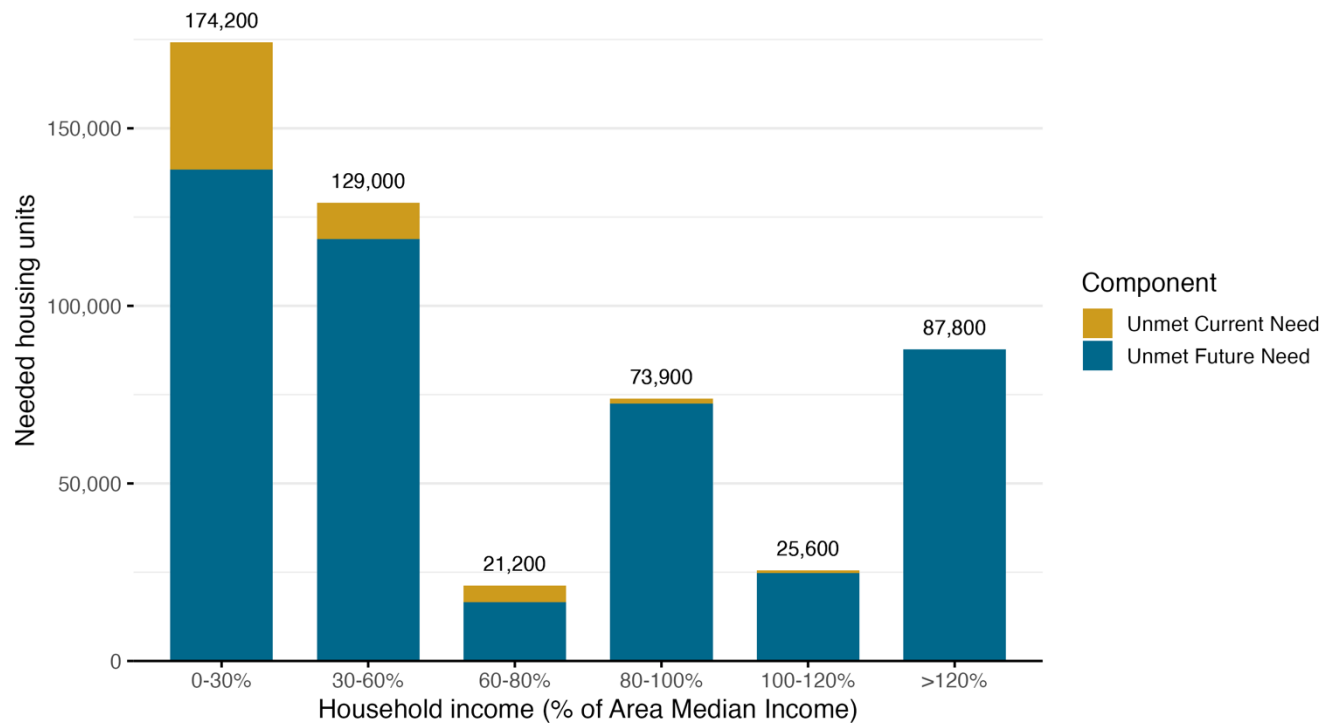
Exhibit 4: Housing need compared to current supply by income, 2023–2050



Source: EConorthwest analysis; DRCOG synthesis of State Demography Office 2022 Household Forecast and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates; Metro Denver Homeless Initiative State of Homelessness Report, 2022–2023



Exhibit 5. Housing need components by income, 2023–2050



Source: ECONorthwest analysis; DRCOG synthesis of State Demography Office 2022 Household Forecast and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates; Metro Denver Homeless Initiative State of Homelessness Report, 2022–2023

10-year scaled estimate

The Regional Housing Needs Assessment estimates need through 2050, but this estimate can be adjusted for a shorter planning horizon to better understand the number of units needed in the near term and to align policies and strategies with current market conditions. Therefore, the analysis includes results adjusted for a 10-year horizon, out to 2032. All of current need units are included in the 10-year scaled estimate. The 10-year estimate represents 42 percent of the total need through 2050.

Over 216,000 housing units are needed in the Denver region between 2023 and 2032 to address current need, driven by underproduction and people experiencing homelessness, and future need, driven by anticipated population growth through 2032. A breakdown by component of the housing need through 2032 for the Denver region is shown in Exhibit 6 below.

Exhibit 6: 10-Year scaled estimate of housing need

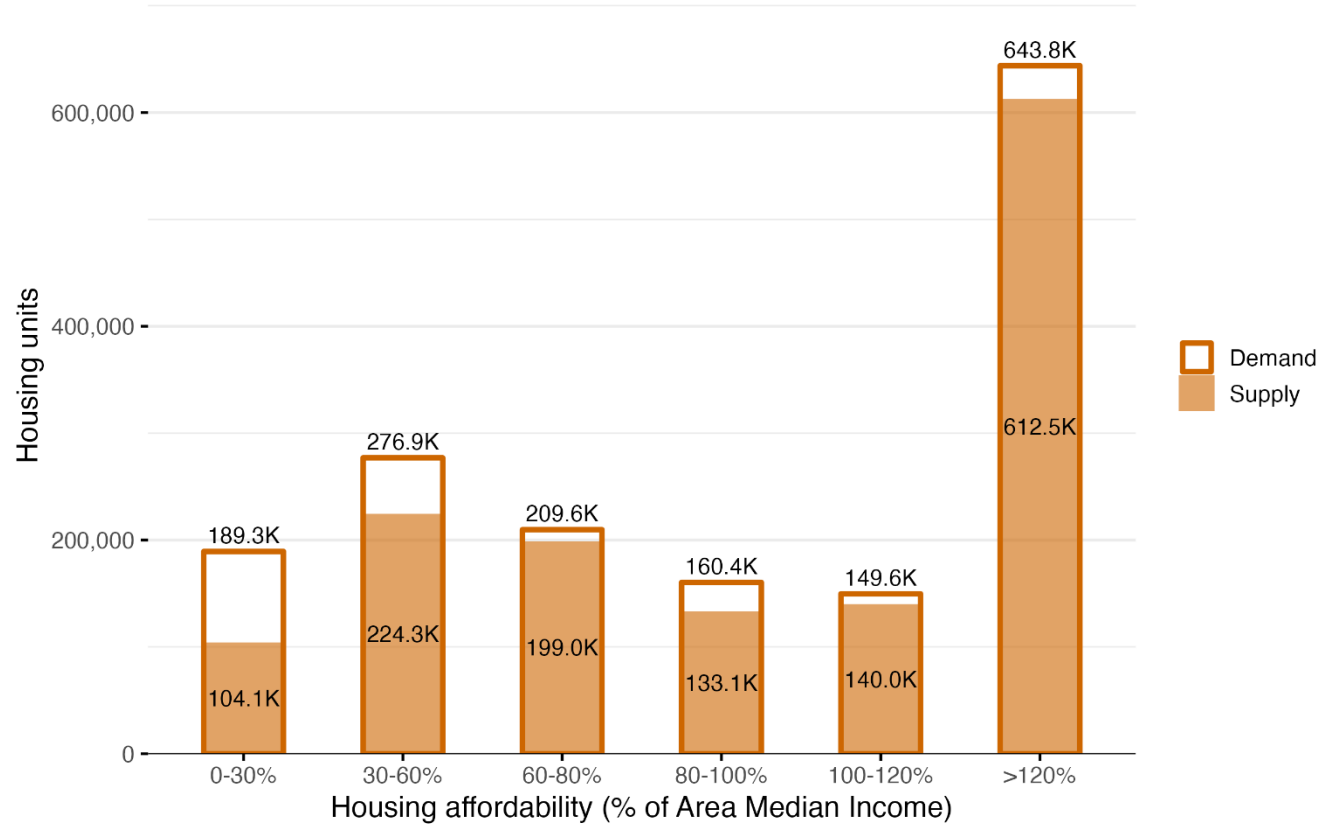
Component	Housing units	Share
Current need	52,000	24%
Future need	164,000	76%
Total units	216,000	100%



Source ECONorthwest analysis; DRCOG synthesis of State Demography Office 2022 Household Forecast and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates; Metro Denver Homeless Initiative State of Homelessness Report, 2022–2023

Exhibit 7 shows the 10-year distribution of total needed units by area median income relative to the current supply of housing affordable to households earning those incomes. The distributions reflect the assumptions and methods, discussed above, that allocate all units to address homelessness and more of the units to address underproduction to the lowest income categories. Therefore, the 10-year estimate still shows the greatest need in the 0–60 percent Area Median Income categories.

Exhibit 7. 10-Year scaled estimate of housing need compared to current supply by income



Source: ECONorthwest analysis; DRCOG synthesis of State Demography Office 2022 Household Forecast and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates; Metro Denver Homeless Initiative State of Homelessness Report, 2022–2023

Key trends driving regional needs

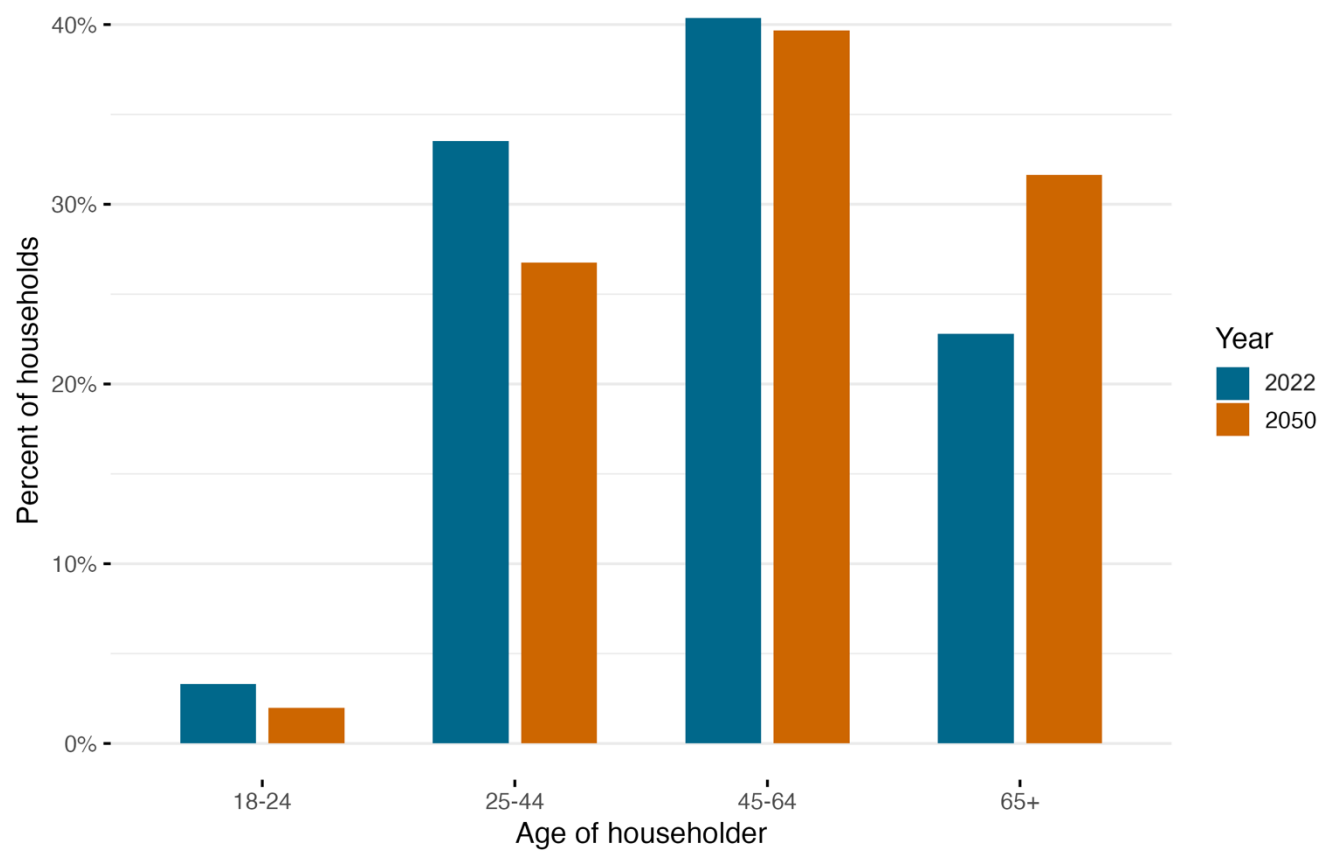
Many factors shape the details of current and future housing needs, including demographic shifts and economic trends. In the Denver region, a few key trends are important for understanding why housing needs are heavily skewed toward lower income households. A more detailed assessment of demographic and housing trends is provided in Appendix B.



The region’s population is aging

According to the 2022 Colorado State Demography Office household forecast for 2023 through 2050, adults over the age of 65 will become a larger share of population than they are currently. Since retirement often coincides with fixed or lower incomes compared to working years, the growth in the older adult population will contribute to a rise in the share of lower-income households overall. While some older adults may have accumulated greater wealth over their working years, many have fixed incomes that leave them susceptible to increasing housing costs. Others may have that wealth primarily as home equity, and thus locked into a home that may not meet their changing needs. The expected growth in this segment of the population contributes to the pressing need for more affordable housing options that also meet the mobility needs of older adults across the Denver region.

Exhibit 8. Percent of households by age range, 2022 & 2050, Denver region



Source: DRCOG synthesis of State Demography Office 2022 Household Forecast and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates.

Existing housing supply has not kept pace with demand

In a growing region, new housing supply is needed to accommodate new households arriving to the area, natural population growth, changing preferences, and natural turnover and vacancy. New housing supply is essential to allow households the option to move and self-



sort into the neighborhoods, housing types, and affordability levels that meet their needs and optimize their regular travel behaviors. Housing markets in growing areas like the Denver region need ample and well-distributed new supply. In a well-supplied housing market, households can move through the stock via a process called “filtering” or the “housing ladder.” Over time, housing ages and depreciates, becoming relatively more affordable for different households.

New market-rate housing is typically priced for and occupied by higher income households, while new subsidized housing is usually priced for low-income households. Many higher income households move into newly constructed units from older, smaller or more affordable housing, which is then vacant and available for households with moderate incomes. When there is an adequate supply of new housing for a region’s population, this dynamic creates a steady, though slow, process of increasing the supply of affordable housing through “filtering” as properties age (Exhibit 9). Some properties will eventually be demolished if they age or depreciate until they are no longer habitable or the cost of needed renovations exceeds the value. In under-supplied markets, however, this filtering process can slow further, stop, or move in reverse. In very tight housing markets, with steep competition for housing units, higher income households will occupy older or lower-cost units, causing a “mismatch” between what those households can afford and their actual housing costs. At the same time, lower income households will experience this “mismatch” by having to pay a larger share of their income toward housing as competition increases rents. Renovations can also reposition lower cost units for higher income households. When competition and demand concentrate in specific locations, these dynamics contribute to neighborhood gentrification and the loss of affordable housing units.

Exhibit 9. Illustration of housing market filtering



Source: ECONorthwest

Housing production in the Denver region has largely kept pace with population growth in the last several years, and notably the share of multifamily units is growing. The region is still working from a place of historic underproduction and the existing housing stock does not support the diversity of housing needs across all income levels and household types. This

has created a mismatch between household income and housing costs, where households are occupying housing units that generally cost less than the household can afford or they're likely occupying housing units that cost more than their income can afford, demonstrating a substantial need for more affordable housing options for lower income households making between 0–60 percent of Area Median Income and a need to continue delivering market-rate units that more adequately meet the demand for middle and higher-income households.

Even when filtering is occurring and housing is becoming relatively more affordable over time, governments still must invest in building new regulated affordable units to meet the needs of lower income residents. This type of housing almost always needs government intervention and public subsidy to be developed. Voucher-based assistance that subsidizes lower income residents' access to market-rate units is another way to help meet this need, though limited funding results in long waiting lists for households that qualify.



3. Submarket housing needs

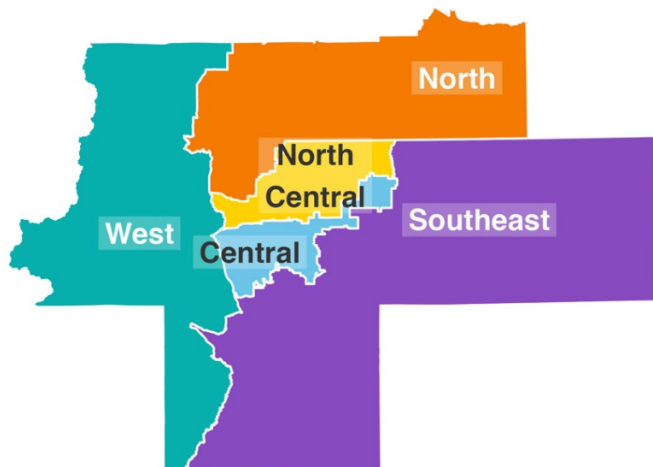
In consultation with DRCOG staff, the project team created a model for distributing the 10-year scaled estimate of the Regional Housing Needs Assessment results among five submarkets.

Understanding housing need at a submarket level can better account for local differences rather than relying on regional trends or averages. This approach allows for more targeted strategy and policy development to support investments based on the distinct needs within specific submarkets, rather than utilizing a one-size-fits-all approach. Defining submarkets also provides a basis for understanding shared responsibility that can support potential future collaboration between neighboring jurisdictions to address their shared housing needs.

The submarkets in this Regional Housing Needs Assessment are contiguous areas that were defined by evaluating how housing location decisions are made across the region in relation to commute patterns and employment locations. This approach allows DRCOG and stakeholders to understand how households make decisions related to job location, housing affordability, and transportation access. Exhibit 10 shows the five submarkets—West, Central, North Central, North, and Southeast—used in the Regional Housing Needs Assessment.

» This chapter summarizes DRCOG’s approach, methodology, results and key findings for submarket housing needs.

Exhibit 10. Regional submarkets



Source: ECONorthwest analysis of ACS 1-year 2022 PUMS and LODES data. Note that delineation follows Public Use Microdata Areas and thus extend beyond DRCOG boundary in the North Submarket.

Submarket housing needs

Regional housing need was distributed to the submarkets based on criteria that reflect both current conditions and needs and forecasted future conditions and needs. The criteria include factors that shape the demand for housing, align with regional planning goals for greater affordability across the region, and recognize the intricate relationship between transportation infrastructure and employment centers to improve access to job opportunities and reduce commute times. At a high level, the categories and rationale behind the criteria are as follows:

- ◆ **Population:** Housing need corresponds directly to population size.
- ◆ **Regional jobs:** Employment is a driver of housing demand. Better matching of job and housing locations creates more options for housing, shortens commute times, and eases strain on the region's transportation systems.
- ◆ **Multimodal accessibility:** Metro Vision outlines a plan for more compact urban development and a greater use of transit, walking, and biking for daily activities.
- ◆ **Housing availability:** Low rental vacancy rates help illuminate places where housing is particularly in high demand and short supply, relative to the region as a whole.
- ◆ **Housing affordability:** Every community in the Denver region has a role to play in planning for housing affordable to a range of incomes. Areas with a smaller supply of affordable housing contribute to regional inequities in access to opportunity and suboptimal transportation outcomes.

DRCOG can also use the above criteria to distribute the resulting submarket shares of regional need among local jurisdictions. Such a process will help illustrate local housing need by income in a regional and submarket context. The project team has equipped DRCOG staff to be able to run and refine this model as needed and as inputs to the regional housing needs estimate change, such as regional population and jobs forecasts from the State Demography Office.

Exhibit 11 shows the 10-year scaled estimate of total regional need—approximately 216,000 units distributed across the five regional submarkets, broken out by component of need.

Exhibit 11. Summary of submarket share of regional need, 10-year scaled estimate

Submarket	Current need	Future need	Total units
Central	14,000	56,000	70,000
North	8,000	29,000	37,000
North Central	7,000	27,000	34,000
Southeast	21,000	48,000	69,000
West	2,000	4,000	6,000

Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.



Submarket housing need by income

Differences in need across the submarkets highlight the imbalance of housing demand across the region relative to existing supply and affordability, as shown in Exhibit 12 and Exhibit 13. These differences contribute to problematic transportation outcomes, such as longer commutes and less access to opportunity. Variation across the submarkets also demonstrates the need to develop tailored strategies to meet varied needs across the region.

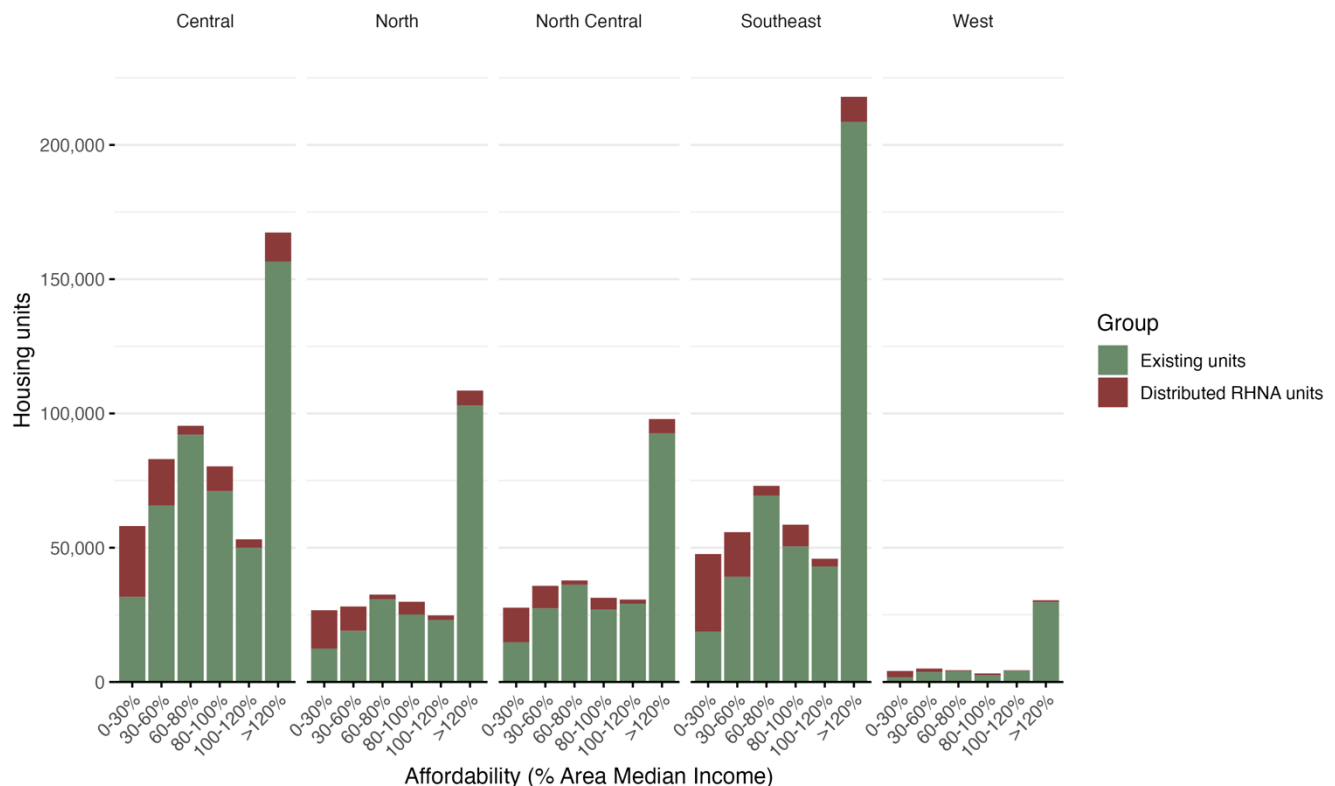
Exhibit 12. Submarket share of regional need by income, 10-year scaled estimate

SUBMARKET	0–30%	30–60%	60–80%	80–100%	100–120%	>120%	TOTAL
Central	27,000	17,000	3,000	9,000	3,000	11,000	70,000
North	14,000	9,000	2,000	5,000	2,000	5,000	37,000
North Central	13,000	8,000	2,000	4,000	2,000	5,000	34,000
Southeast	29,000	17,000	3,000	8,000	3,000	9,000	69,000
West	2,300	1,300	300	600	200	700	6,000
Total	85,000	52,000	11,000	27,000	10,000	31,000	216,000

Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.

Note: Components of need do not sum to total because of rounding.

Exhibit 13. Submarket share of total need compared to current supply, 10-year scaled estimate



Source: ECONorthwest analysis; DRCOG synthesis of State Demography Office 2022 Household Forecast and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates; Metro Denver Homeless Initiative State of Homelessness Report, 2022–2023; DRCOG 2020 Small-Area Forecast

Regional submarket factors

Variation in housing need across the submarkets reflect different ways in which these areas have been affected by and responded to broader regional trends. These more localized trends can be used to inform policy decisions that support meeting a broader regional need.

Population and job growth has been uneven

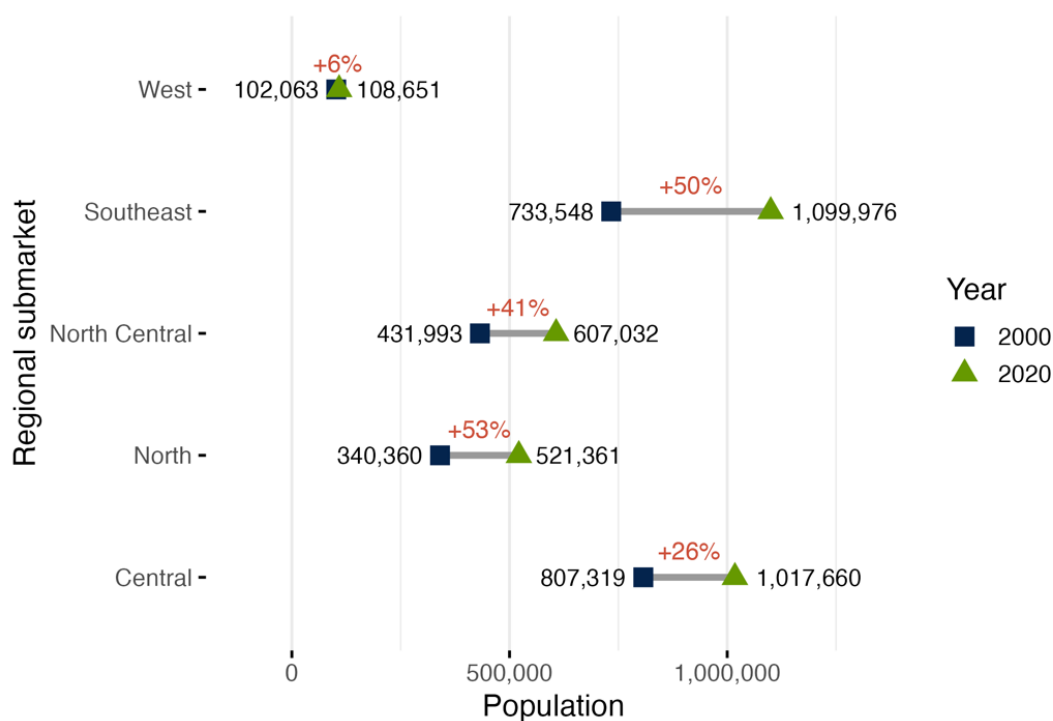
While the Denver region as a whole has seen significant job and population growth over the past several decades, these trends have not been distributed across the submarkets proportionately, as shown in Exhibit 14 and Exhibit 15.

The Southeast submarket, which includes cities such as Aurora, Castle Rock, Littleton, and Englewood saw the highest total population growth over the last 20 years with over 366,000 new people. While the Central submarket, which includes Denver and Lakewood, saw population grow by only 26 percent, this still accounted for over 210,000 new people over 20 years. The North Central region, which includes Northglenn, Westminster, Brighton and Commerce City, also grew rapidly with a 41 percent increase in population. The North submarket, encompassing cities like Boulder, Erie, Longmont, and Louisville, experienced the highest rate of population growth, 53 percent. The more isolated West submarket grew the least over the last two decades.

Exhibit 15 shows that the Southeast submarket has seen the largest increase in jobs since 2000, followed by the Central and North submarkets. These submarkets have all increased jobs for different reasons, for example land supply and new commercial development in the Southeast submarket, urban intensification and redevelopment in the Central submarket, and growth in institutional employment and tech and supportive industries in the North submarket. While employment growth is forecast to grow at slower rates through 2050, job growth will continue to occur, which will lead to increased demand for housing across the submarkets.

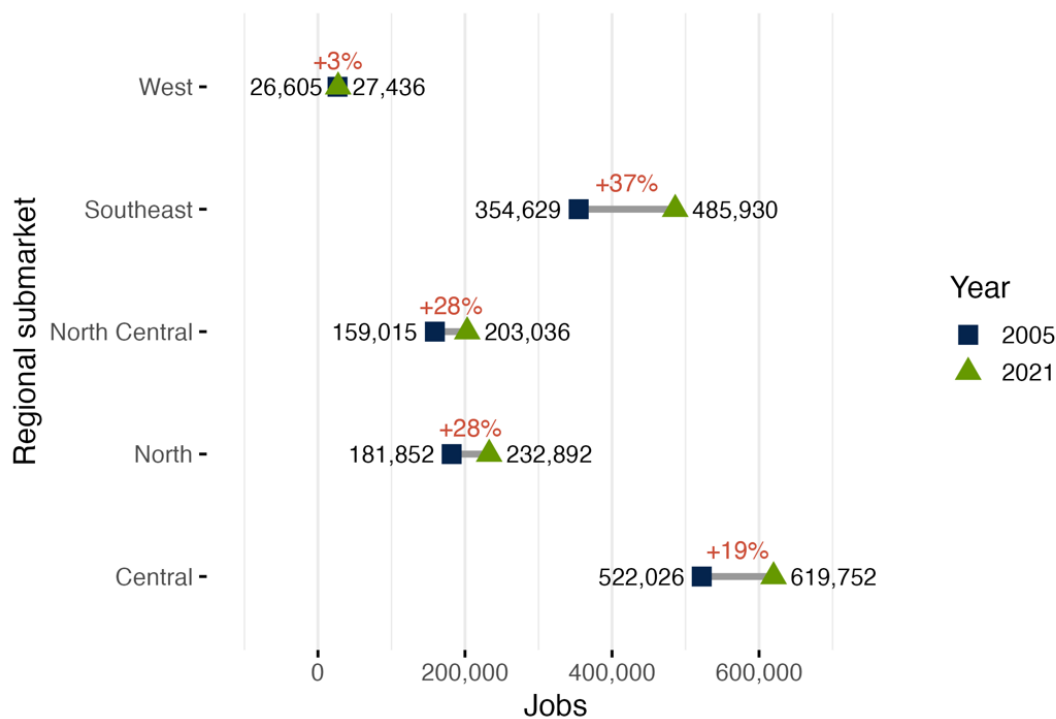


Exhibit 14. Population change, regional submarkets, 2000–2020



Source: ECONorthwest analysis of U.S. Census Bureau Decennial Census 2000, 2020.

Exhibit 15. Job growth, regional submarkets, 2005–2021



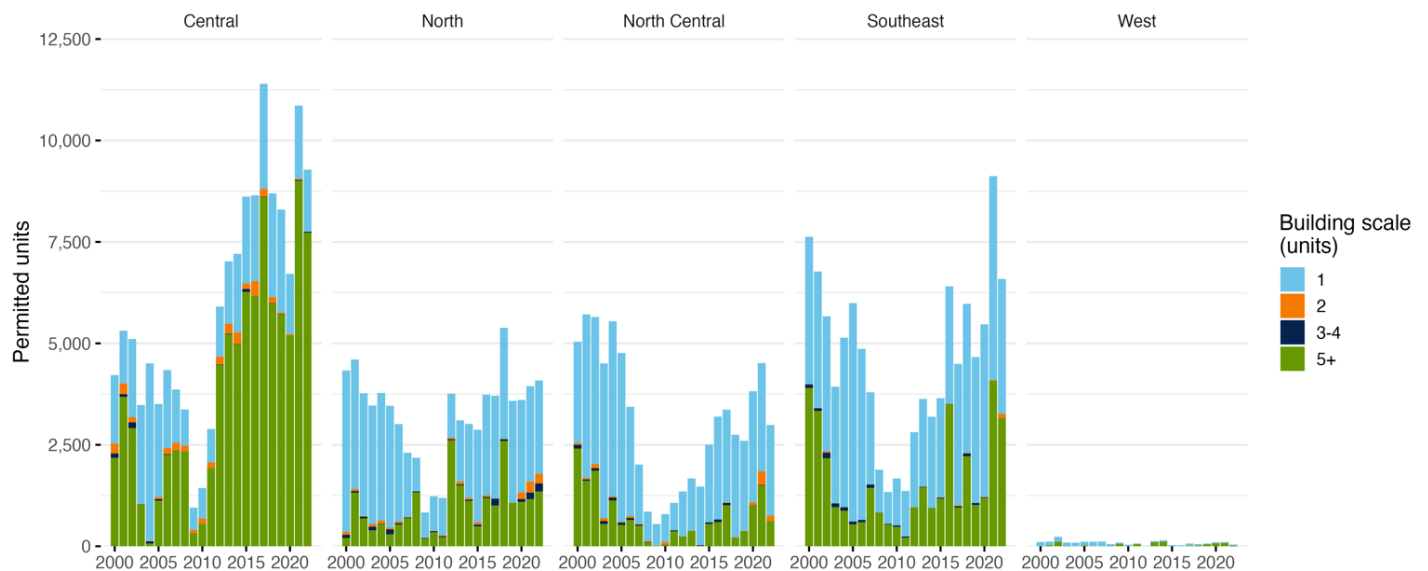
Source: ECONorthwest analysis of LODS data 2005 and 2021.



New housing supply varies across the submarkets

Housing production trends across the submarkets can help paint a more complete picture of regional dynamics, especially in the context of the population and job growth trends. As shown in Exhibit 16, the submarkets have experienced varied amounts of new construction and differences in the types of housing being built.

Exhibit 16. Housing production, regional submarkets, 2000–2020



Source: ECONorthwest analysis of U.S. Census Bureau Building Permit Survey.

Note: Unincorporated portions of the regional submarkets are not included in these totals.

The Central submarket has seen a large increase in housing production after recovering from the 2008 recession. The Central submarket saw both the fastest housing recovery post-recession as well as seeing new housing production at rates both higher than other submarkets and higher than the previous 2002–2008 period of economic expansion. During the post-recession market recovery, the Central submarket began shifting toward more dense multifamily development in response to previous plans and policies. In 2022, the Central submarket delivered over 9,200 housing units, substantially more than its pre-2008 recession peak year.

The North submarket has returned to pre-recession levels of housing production, but new housing development is not occurring at rates that reflect rapid population growth in the submarket. The submarket had a record year in 2018, delivering just over 5,300 units. In 2022, over 4,000 units were built, similar to its early 2000s pace. While single-unit development continues to make up the largest share of new housing, there has been a notable increase of new multifamily units that make up a larger share of new production than in the pre-2008 economic cycle.

The North Central submarket appears to have struggled to fully recover post-recession compared to other submarkets. Housing production remained slow, with just under 3,000

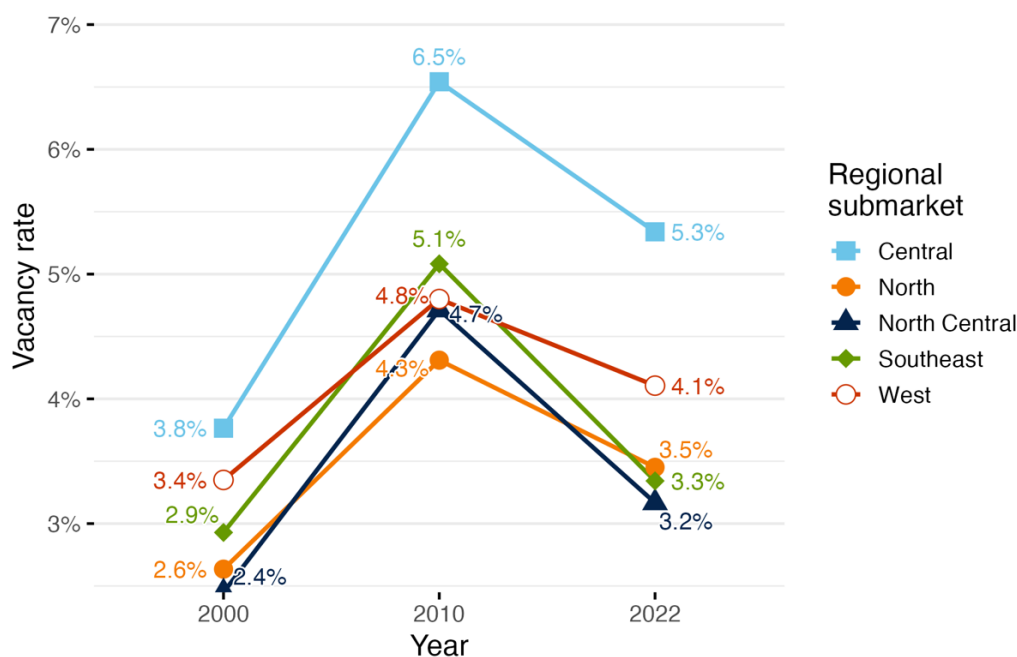
units delivered in 2022, well below its pre-recession peaks and not in line with observed population growth, which can lead to housing pressures in the submarket.

The Southeast submarket has recovered to its pre-recession housing production levels, especially over the last few years. The submarket saw a record production year in 2021 with over 9,100 housing units permitted, and another 6,500 units in 2022. The Southwest submarket also saw a large increase in the share of multifamily production in 2021 and 2022.

The West submarket's production pace stayed relatively flat over the past decade. Fewer than 2,000 housing units were permitted between 2000 and 2020, which contributes to both limited housing availability and relatively slow population growth that has occurred in many of these smaller communities across the foothills.

Differences in housing production are partially reflected in the different rates of housing vacancy across the submarkets, as shown in Exhibit 17.

Exhibit 17. Vacancy trends by regional submarket, 2000–2022



Source: Decennial Census 2000, 2010, ACS 5-year 2022

Source: ECONorthwest analysis of U.S. Census Bureau Decennial Census 2000, 2010; American Community Survey 5-year 2022 estimates.

The North Central, Southeast, and Northern submarkets currently have the lowest vacancy rates for both ownership and rental housing in the region, indicating constrained housing markets as shown in Exhibit 17. The Central submarket indicates vacancies are slightly higher than other submarkets likely due to higher rates of recent multifamily development that has led to absorption periods for a larger volume of new units. The West submarket



has seen relatively stable vacancy rates since 2000 due to relatively slow changing housing stock given the less urban character of communities in the submarket.



4. Systemic barriers to meeting housing needs

Two key challenges in meeting the Denver region’s housing needs include building housing that supports the diversity of housing needs across all income levels and household types and ensuring that diverse housing options exist across the region’s submarkets. When looking at the region as a whole, the production of market-rate housing has kept better pace with the demand from higher income households. This level of production needs to be sustained to continue meeting projected needs, and should be more evenly distributed across communities to create more opportunity for residents to make choices based on their needs and preferences. At the same time, the region will need to significantly increase the production of affordable housing, especially for the lowest income households to meet the scale of existing and future needs.

» This chapter summarizes the varied and intersecting barriers to producing more housing overall and more diverse types of housing in the region.

The barriers to meeting housing needs described in this report were identified by regional stakeholders including, local government staff, representatives from lending and investment institutions, developers, professional associations, state and regional agencies, consultants, as well as infrastructure/utility providers and advocacy and service organizations. The barriers to producing more housing—and at a higher rate than past trends—are varied, operate at multiple levels, and interact in complex ways. These obstacles are not uniform across the region; they vary significantly depending on the unique characteristics of each geographic location and evolve over time in response to changing circumstances. Typically, it is the combination and intersection of these barriers that hinders housing projects—especially those affordable at low and moderate incomes—either by preventing them from moving forward altogether or by resulting in the development of fewer units than what might be allowed or desired under current conditions.

The categories discussed below highlight key issues that affect how and how much housing is built in the region. Appendix D contains a more detailed discussion of each category and examples of how these barriers are experienced in communities across the Denver region.

Land use and zoning

Land use refers to the way in which land is utilized and managed, including how land should be allocated for various purposes, such as residential, commercial, industrial, agricultural, recreational, or conservation areas. Land use planning provides a vision for



future development within neighborhoods, districts, towns, cities, counties, regions or other defined planning areas. Local jurisdictions play a crucial role in determining the balance of land uses within their boundaries through comprehensive plans, zoning ordinances, and development standards. They aim to ensure that the allocation of land aligns with the community's vision, goals, and priorities while considering factors such as economic development, environmental sustainability, and quality of life.

Zoning regulates local land use by establishing guidelines and restrictions used to control and guide property development in various areas within cities, towns, and counties. Communities are divided into districts or zones, each with specific regulations governing allowed uses, building size, dimensional requirements, density, parking, and other development standards.

Land use and zoning barriers include:

- » **Zoning that supports a narrow range of housing types** limits the land available for more housing production and options.
- » **Open space and off-street parking requirements** limit housing production by making many types of housing infeasible in many locations.
- » **Exclusively commercial zones** also reduce the land available for more housing production.
- » **Permitting and procedures** reduce housing production feasibility through greater costs including additional time, other delays, uncertainty, and risk.
- » Where local regulation-based **incentives are not matched to needed housing types**, the value of such incentives are not able to make up for additional costs needed to increase housing production and options.

Infrastructure

Infrastructure refers to the fundamental facilities and services that support a community's development and operation. In the context of housing, key infrastructure includes transportation networks such as roads, public transit, sidewalks, and bikeways; water and sewer systems; stormwater management systems for collecting and treating runoff; energy sources such as electricity and natural gas; and community facilities such as schools and parks. The costs and construction of new infrastructure are often shared between the private and public sectors where private developers install infrastructure related to their projects and public sector agencies provide and maintain larger, off-site infrastructure systems, funded through taxes, user fees, and impact fees charged to developers. However, over time, the roles of the private and public sectors in providing and funding infrastructure projects have become more blurred due to funding challenges. Increasingly, private developers are required to contribute more to off-site infrastructure improvements, while public agencies



need to explore innovative partnerships and financing mechanisms to deliver and maintain necessary facilities and services.

Infrastructure barriers include:

- » **Limited infrastructure funding** leads to a heavy reliance on user fees, potentially burdening existing residents. Additionally, jurisdictions face the risk of taking on burdensome bond obligations, so they often delegate infrastructure development to developer-led special districts.
- » **Limited capacity of existing systems** may require developers to facilitate upgrades themselves. These added costs can make housing projects less financially feasible, especially for affordable housing, resulting in less housing production, fewer units in the projects that do move forward, or a focus on higher-priced housing units that can absorb these additional costs.
- » The presence of **multiple service providers** within a single jurisdiction complicates efforts to coordinate and potentially reduce or waive development fees.
- » **Access to opportunity** presents a dual challenge in housing development. Areas that are destination-rich, compact, walkable, and well-served by existing transit typically have higher land costs, making development more expensive. Communities along historically underinvested corridors have concerns about the loss of more affordable housing options when the real estate market responds to regional transit improvements.

Development costs and market factors

The most important factor determining whether and what kind of housing gets built in our communities is financial feasibility. Both for-profit and nonprofit developers need the expected revenues of a finished project to at least cover the cost of repaying loans, providing a return on any investor equity, and covering their staffing and operational expenses. Local policies contribute to total project costs—regulations governing the size, unit density, materials and other design factors all affect a project budget. At the same time, broader market conditions influence the basic costs of development in ways that can make housing more expensive or less likely to be built.

Development costs and market barriers include:

- » **Rising interest rates and insurance costs** affect housing development by slowing down development activity across all housing types, particularly affordable housing projects.
- » **Elevated land values** may discourage public agencies from providing their holdings to support housing production due to their limited revenue options.
- » Securing adequate **water supply** often incurs costs beyond just the infrastructure needed for delivery, further increasing development expenses.



- » The construction industry faces a **labor shortage**, stemming from employment levels that have not fully recovered since the Great Recession, further exacerbated by high housing costs and the cyclical nature of Colorado's development industry.
- » **Construction defect liability laws** have discouraged developers from building dense ownership housing, particularly condominiums.

Funding and finance

The terms "funding" and "financing" are often used interchangeably, but there is an important difference between the two. Funding describes the ultimate sources of money to pay for development costs and generally comes from private developers (for-profit or nonprofit) and investors or public sector partners (whether from local revenue sources, state funds, or federal funds). For affordable housing especially, the limited amount of funding available from all sources is the primary challenge to ramping up construction and preserving the affordable housing that already exists.

Financing describes mechanisms to distribute funding, such as loans, grants, and equity investments (among others). The features and requirements of different financing tools have implications for development costs, and some tools are better suited—or restricted, as in the case of tax credits—to certain kinds of development. Even jurisdictions that have limited sources of funding may be able to adjust how they finance development in order to better leverage funds to meet housing production needs.

Funding and finance barriers include:

- » There's an over-reliance **on limited federal resources** for affordable housing development, with annual applications for federal tax credits in the state consistently exceeding the available supply.
- » The **lack of a dedicated source of regional gap funding** creates challenges for projects that often face delays or even cancellation due to the time-consuming and complex process of assembling gap funding from multiple sources.
- » **Local incentive programs** (e.g., voluntary inclusionary zoning) designed to boost affordable housing production often fall short of their intended goals.
- » **Existing funding programs** for affordable housing development often favor larger-scale projects with experienced developers because of perceived lower risk, putting smaller communities at a disadvantage.

Community consensus and collective action

Beyond official rules, processes, and market factors, community consensus and collective action play crucial roles in shaping the local and regional housing landscape. The commitment of key stakeholders and elected officials is essential for enacting policies and



allocating resources that support housing development. A lack of commitment or consensus can derail even well-intended efforts to meet housing needs. Similarly, collective action by community members and advocacy groups can either push housing initiatives forward or oppose development. Community consensus and collective action barriers include:

- » **Local resistance to new housing development**, particularly affordable housing and diverse housing types, poses a significant barrier to addressing housing needs.
- » The **lack of consistent local data** hinders a comprehensive understanding of housing needs across different jurisdictions.
- » **Colorado's state tax policy**, particularly the Taxpayer Bill of Rights (TABOR), significantly constrains the government's ability to generate revenue that keeps pace with population growth and demographic changes. This often limits the capacity of government to fund housing initiatives and related services.

Interplay of barriers to building housing

Organizing barriers into key groups can help inform development of a future regional housing strategy with a framework that addresses both the broad issues and the on-the-ground experiences in the region. The interplay between factors such as market conditions, the regulatory environment, infrastructure availability, community context, and financial resources can lead to unintended outcomes. For example, land use and zoning barriers may create mismatches between areas with access to needed infrastructure, land prices or market demand to support feasible construction of more housing. Such interplay limits location flexibility and choices for the development of more housing and more housing options, affecting many sectors' ability to meet regional housing needs. Solutions to address these barriers will need to be multifaceted, well-researched, and comprehensive.



5. Moving toward a regional strategy

Addressing a regional issue requires regional partnership. Many stakeholders in the region, including DRCOG's member governments, have long identified the need for coordinating regional housing efforts to address the overall housing supply and affordability challenges. Local communities often struggle with access to consistent, reliable, and granular data for understanding demographic and housing trends that can establish a baseline to inform strategic and effective housing policy. Some communities may also lack the technical expertise and/or staff capacity to maintain regular coordination between neighboring jurisdictions that is necessary to meaningfully address housing affordability.

» This chapter outlines a framework for developing a regional housing strategy to address the housing needs and challenges identified in the Regional Housing Needs Assessment.

With a long history of regional planning and coordination, DRCOG is well positioned to convene diverse partners through the development of a regional strategy. A regional housing strategy will align efforts across the region and identify collective actions to address housing supply and affordability. DRCOG has collaborated with stakeholders and partners, including the Advisory Group, to develop a framework, described below, that will serve as the foundation for creating a regional housing strategy.

Components of a regional strategy

A regional strategy is intended to foster shared understanding, collaboration, and actions to help jurisdictions make progress toward addressing the region's housing needs. The housing strategy will aim to address the region's current and future housing needs outlined in this report while better coordinating housing and transportation. The framework offers preliminary purpose and vision, guiding principles, and focus areas to kickstart the process of developing a regional strategy led by DRCOG, in partnership with member jurisdictions, and other stakeholders.

Purpose and vision

Defining statements of purpose and vision help orient the strategy toward achieving broader goals for regional collaboration beyond the specific outcomes related to meeting housing needs. This preliminary vision builds on DRCOG's mission as a regional planning organization and its relationship with member jurisdictions.



- ◆ Support and further Metro Vision and the 2050 Metro Vision Regional Transportation Plan.
- ◆ Develop a consistent, data-informed, and equity-centered approach to analyzing and responding to housing needs while coordinating with the current and planned transportation system.
- ◆ Foster a culture of shared responsibility for addressing housing needs.
- ◆ Build consensus around a shared framework for action.
- ◆ Increase capacity within local communities to advance housing strategies and respond to evolving needs.
- ◆ Build a region that is more resilient, inclusive and equitable.

Guiding principles

The following principles offer guidance for how a regional housing strategy can focus efforts and encourage coordinated action that accommodates a variety of partners. To achieve those ends, a regional housing strategy should:

- » Align with the region’s **equity** vision for communities that offer access to opportunity and meet the needs of all races, ages, incomes, and abilities.
- » Be **data-informed**, grounded in a **shared understanding** of the region’s diverse housing needs.
- » Ensure **flexibility** in responding to the contexts of communities across the region.
- » Be **comprehensive** in addressing the barriers to more housing and more diverse types.
- » Reflect the unique roles and authorities of each sector while facilitating **collaboration** and **shared accountability**.
- » Identify resource requirements to ensure **actionable plans** and deliver **desired outcomes**.
- » Balance **near-term results with long-term resilience** to meet housing needs under varied economic conditions.

Focus areas and intended outcomes

Clearly articulated outcomes are an essential component of a regional housing strategy. Organizing outcomes around the identified barriers to housing production in the Denver region clarifies how specific actions and interventions can directly address challenges and contribute to overall housing goals.

Exhibit 18. Example outcomes of a regional strategy, by focus area

Focus area	Intended outcomes
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Land Use, Zoning & Regulatory Processes	Increased housing supply aligned with regional and local needs (by household size, income, location, and preferences).
Infrastructure	Better alignment between housing development and infrastructure availability, condition and capacity.
Development Costs & Market Factors	Construction of more—and more diverse and affordable—housing options.
Funding & Capacity	Expanded and sustained affordable housing and preservation efforts.
Community Consensus & Collective Action	Improved policy alignment, resource leveraging, and broad support for addressing shared housing needs.

Implementation considerations

Additional factors related to implementation will be critical to define through the strategy development process. These include:

- ◆ **Roles and Responsibilities:** For each intervention, outlining the sector or specific actors best positioned to lead, those who will play supportive or complementary roles, and identifying DRCOG's role will set the stage for coordinated action.
- ◆ **Costs and Timeline:** Estimating the scale of investment, sources of funding, and time required for implementation will help jurisdictions prioritize and sequence actions to meet their local needs.
- ◆ **Impact:** Given the diversity of barriers and issues the regional housing strategy aims to address, it may be valuable to characterize the impact of specific interventions, whether it directly results in additional housing unit, is focused on a specific segment of housing need (such as low-income or older adult housing) or contributes to capacity-building among jurisdictions or partners.

What is DRCOG's role?

Given DRCOG's broad reach and role in shaping regional development, it is uniquely positioned to coordinate regional housing needs and strategy, particularly because of its formal planning roles in regional transportation and growth, its ability and role in regional population forecasting, and collection of growth and permit data. Engagement conducted among a broad segment of member governments, housing developers, public agencies, community-based organizations, policy organizations and service providers suggests that DRCOG can build on these existing roles and strengths as the region moves toward



developing a housing strategy and taking a more coordinated, collaborative approach to addressing housing needs on a regional level than ever before.

DRCOG is recognized as a valuable partner in ways that can be leveraged for regional housing work:

- ◆ **Convening and facilitation:** DRCOG has been an effective and trusted convener of diverse stakeholders on issues of regional planning and policy that can facilitate greater resource alignment and partnerships.
- ◆ **Data collection and analysis:** DRCOG is seen as an important source for comprehensive, standardized data for jurisdictions and other stakeholders across the region.
- ◆ **Technical assistance:** DRCOG has a record of providing technical assistance to member governments that supplements and extends their local capacities.
- ◆ **Education:** DRCOG's current role in sharing information and providing education on regional issues can be leveraged to share best practice strategies on implementation at the local level.

Participants identified additional roles DRCOG could step into or expand from its current activities:

- ◆ **Policy alignment:** DRCOG could be a voice for the region at the state level to help ensure that new legislation and policies related to housing are aligned with other programs and priorities (e.g., transportation investments, climate planning) and are designed and funded for effective implementation.
- ◆ **Funding coordination:** DRCOG has been successful in setting the regional agenda for transportation planning and directing investments in line with those goals. A greater role with understanding, communicating and addressing regionwide housing needs could provide an additional new lens through which to evaluate and consider regional transportation system investments as well as housing-transportation coordination strategies.

How DRCOG plans to move forward

DRCOG will continue to engage member governments and other regional partners and stakeholders in a robust and collaborative process to craft a regional housing strategy starting in late 2024. This process will involve working closely with local communities, housing providers, advocates, and other key stakeholders to build on the shared vision and guiding principles outlines in this report and develop an actionable strategy for addressing the region's housing needs.

A critical component of developing the regional housing strategy will be conducting extensive community engagement to gather input and insights from a wide range of perspectives. DRCOG recognizes that meaningful community engagement is essential for



crafting effective solutions that are responsive to the diverse needs and priorities across the Denver region. This engagement will aim to build broader awareness of regional housing challenges, identify local concerns and opportunities, and foster buy-in and collective ownership of the resulting strategy.

The regional housing strategy will serve as an important tool for integrating regional housing priorities into DRCOG's other major planning initiatives. DRCOG will utilize the housing strategy to guide updates to Metro Vision and the Metro Vision Regional Transportation Plan. By aligning these plans with the housing strategy, DRCOG can ensure a more comprehensive and coordinated approach to addressing the region's housing needs in the context of transportation investments and other regional priorities. By working collaboratively to develop a comprehensive regional housing strategy and integrate it with other key planning efforts, DRCOG and its partners can take a significant step toward fostering more equitable, resilient, and livable communities for all residents of the Denver region.



Appendix B. Regional Housing Trends

Housing need and availability across the Denver region is not evenly distributed among its diverse and growing population, particularly for groups that face historic and ongoing disadvantages due to systemic inequities. As housing prices across the Denver region have soared out of reach for many households, an affordability crisis threatens long-time residents with displacement, puts homeownership out of reach for many households, stretches seniors on fixed incomes too thin, puts more people at risk of becoming homeless, and threatens the ability for the region to attract workers that support economic growth.

A comprehensive regional housing needs assessment is critical for understanding the nature and extent of the challenge and to start developing effective solutions and more equitable outcomes. This section is intended to provide context for the results of the Regional Housing Needs Assessment. It provides an overview of demographic and housing market trends contributing to growing unaffordability, while also highlighting nuanced factors that are key to developing an effective regional housing strategy.

➤ Key Findings

- » **The Denver region has experienced consistent and strong population growth (20 percent), job growth (33 percent), and increases in median family income (55 percent) over the past 12 years. Employment growth in the technology, sciences, and healthcare sectors have contributed to an influx of higher-income households.**
- » **The demographic composition of the region is shifting. The region is becoming more racially and ethnically diverse, with growth in the Hispanic and Black populations, among other communities of color. Adults 65+ will comprise a larger share of the population by 2050. Household sizes are shrinking. All of these trends will have implications for the types of housing needed throughout the region.**
- » **Housing production has largely kept pace with population growth in the last several years. But the region is still working from a place of historic underproduction and the existing housing stock does not support the diversity of housing needs across all income levels and household types. Cost-burdening in the region has increased substantially since 2000, most acutely for Black renters.**
- » **Median family income grew 57 percent between 2015–2023, which has likely resulted in widening income inequality across the region. While home sale prices have risen 180 percent over the last decade, housing affordability and stability continues to be a challenge for a growing share of low and middle-income households.**



Population and employment growth

The Denver region has experienced substantial growth over the past decade. Between 2010 and 2022, the population increased by about 20 percent to reach just over 3.6 million residents. During this same time period, the number of jobs in the region increased by 33 percent, adding nearly 550,000 jobs to surpass 2.2 million total jobs in the region by 2022. This period of economic growth also fostered a tremendous increase in the median family income (MFI), increasing by about 55 percent since 2010, as shown in Exhibit 1.

» Data presented in this section comes from a variety of sources. Therefore, the geographies the sources cover do not always align perfectly with DRCOG's official jurisdiction boundary. At times, the "Denver region" refers to DRCOG's 10-county region, the Denver Metropolitan Statistical Area, or the PUMA-based region.

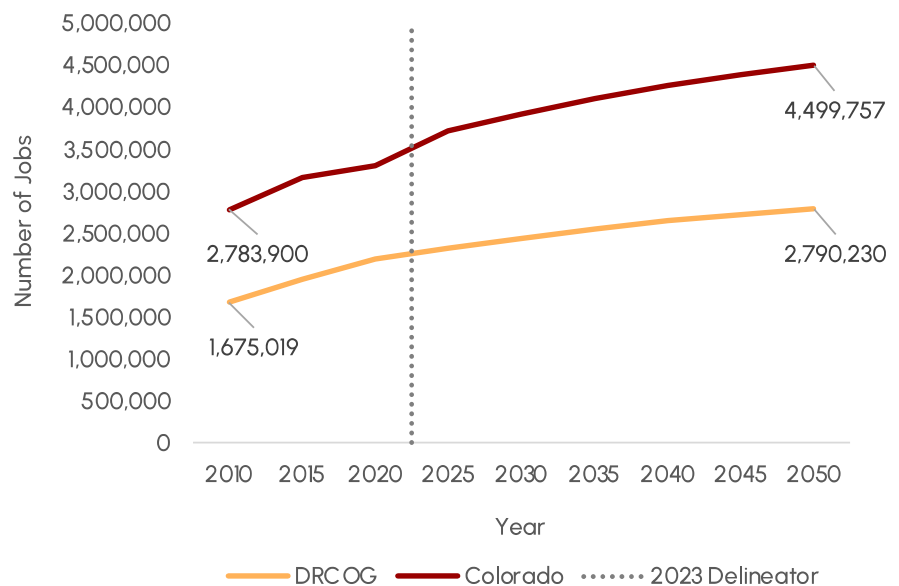
Exhibit 1: Population, Job, and Income Growth, 2000-2022, Denver Region

	2010	2022	% CHANGE 2010-2022
Population	3,003,317	3,617,790	20%
Jobs	1,675,019	2,223,734	33%
MFI	\$75,900	\$117,800	55%

Source: DRCOG synthesis of State Demography Office Household Forecasts.

The number of jobs in the Denver region is expected to continue growing through 2050. Exhibit 2 shows recent and forecasted job growth for the region and the state through 2050. By 2050, the state is expected to add over 950,000 jobs, representing an almost 27 percent increase. Of that growth, the Denver region is expected to grow by over 560,000 new jobs, representing a 25 percent increase to reach 2.7 million jobs by 2050.

Exhibit 2: Job growth, 2050, Denver region



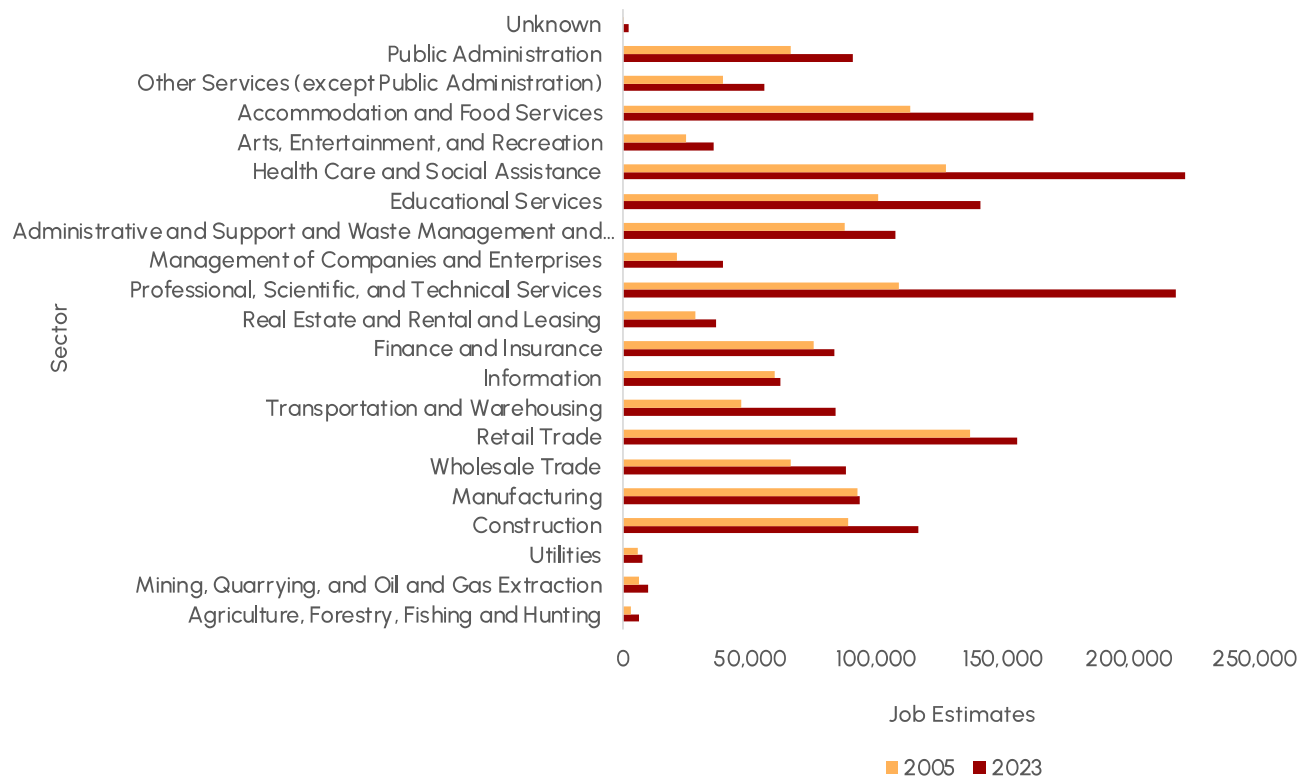
Source: DRCOG Small-Area Forecast (2020) and DRCOG synthesis of State Demography Office 2022 Household Forecast.

The region's job growth has been fueled by expansion across several key industry sectors, as shown in Exhibit 3. There has been substantial growth in professional, scientific, and technical services, healthcare and social assistance, construction, and accommodation and food services.



The influx of high-paying jobs in professional, scientific, and technical services helps explain the increase in incomes observed across the region. As the region has grown, so too has employment in the service sector, as reflected by new jobs in accommodation and food services.

Exhibit 3: Change in jobs by sector, 2005–2023, Denver region



Source: DRCOG Small-Area Forecast (2020) and DRCOG synthesis of State Demography Office 2022 Household Forecast.

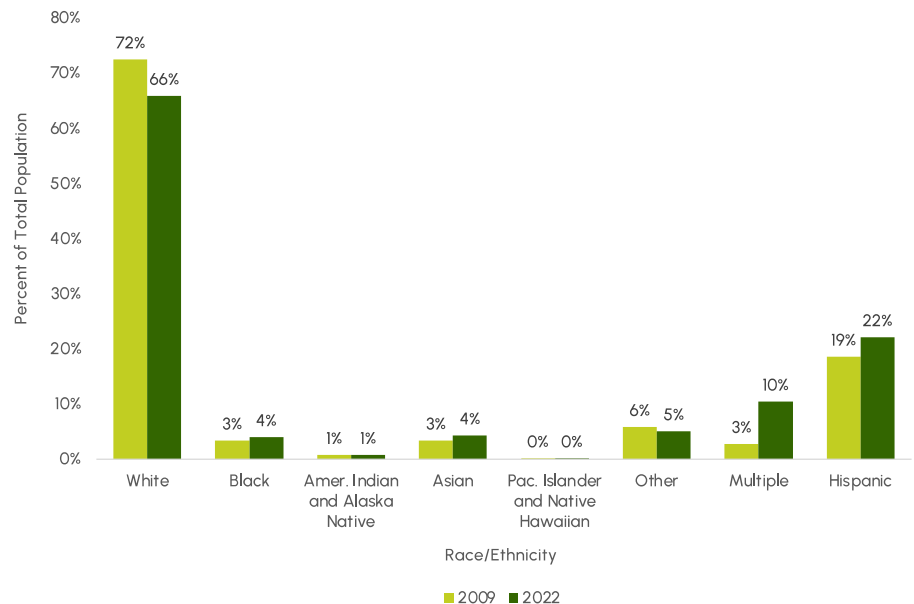


Demographic and household characteristics

Race and ethnicity

As of 2022, approximately 66 percent of residents in the Denver region identify as white. The second largest share of the population, at 22 percent, identifies as Hispanic. Black residents make up the next largest share at about 4 percent of the total regional population. The Denver region's demographic profile has shifted over the past decade with increasing diversity, with increases in Black, Hispanic, and Asian populations, along with those who identify as multiple races, shown in Exhibit 4.

Exhibit 4: Race and ethnicity, 2009–2022, Denver region

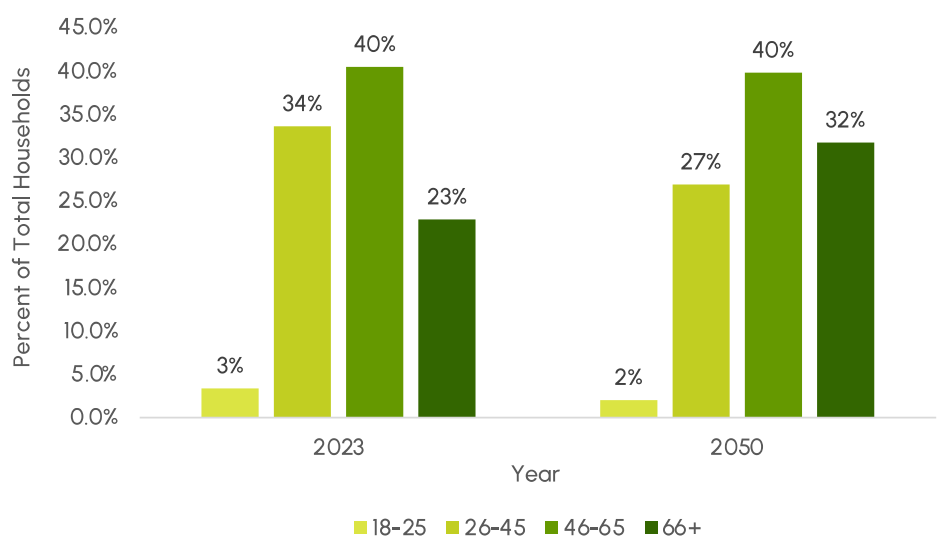


Source: State Demography Office

Age trends

Exhibit 5 shows that the Denver region's population is expected to shift toward a higher share of older households by 2050. Currently, households headed by those over age 65 are 23 percent of the total population. As the millennial generation ages, the share of households over 65 is projected to reach 32 percent of the total population. Meanwhile, the share of households headed by 26 to 45 year-olds will decrease from 34 percent to 27 percent of the total.

Exhibit 5: Change in Age, 2023 & 2050, Denver Region



Source: State Demography Office 2022 Household Forecast

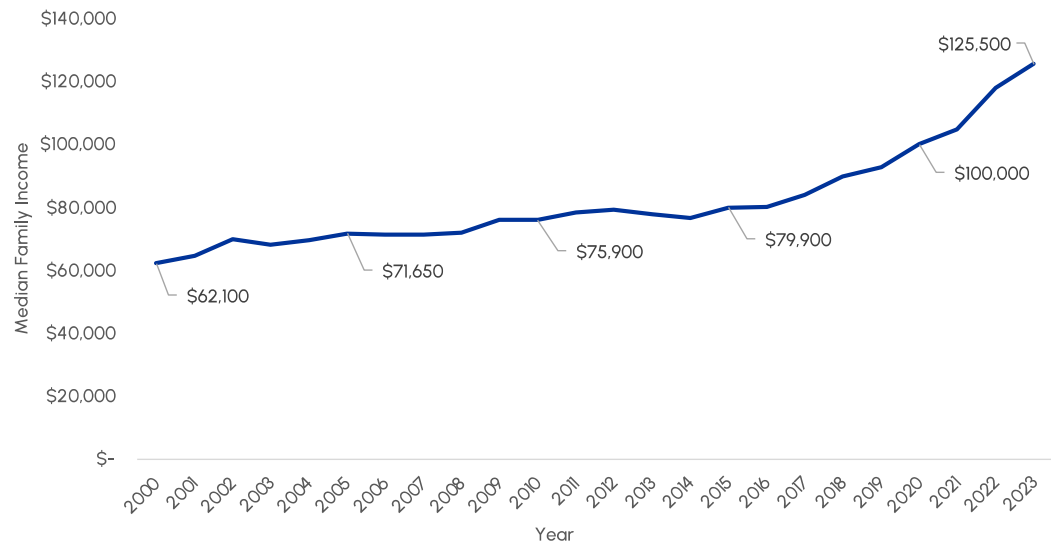


This gradual shift towards an older population has implications for the types of housing, transportation, healthcare, and community services needed to provide age-friendly, livable neighborhoods for older adults across the Denver region.

Income growth

Median family income (MFI) in the Denver region grew steadily from 2000 to 2015 but began to grow substantially after 2015, as shown in Exhibit 6. Between 2015 and 2023, MFI rose by 57 percent, corresponding with accelerating population growth and an influx of high-income earning jobs in fields like technology and healthcare.

Exhibit 6: Median family income, 2000–2023, Denver region

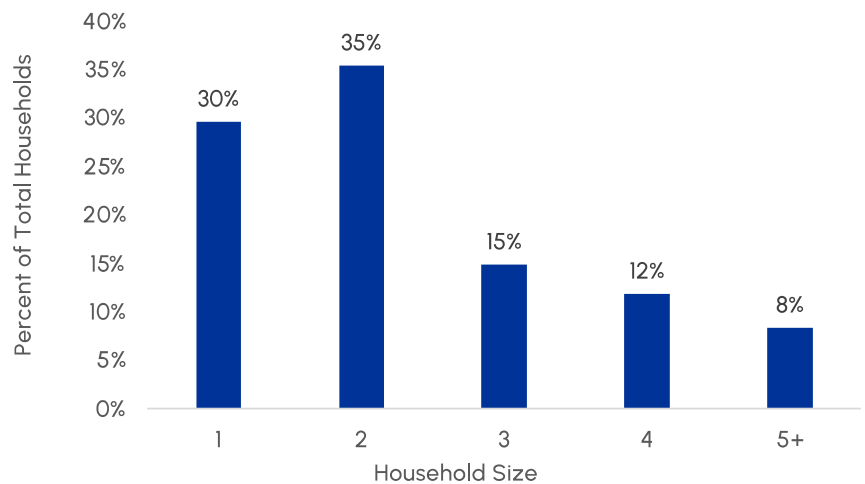


Source: U.S. HUD

Household composition

Households sizes have gotten smaller in the Denver region over the past two decades. In 2000, the average household size was about 2.5 persons per household, decreasing to about 2.4 individuals per household by 2022. Exhibit 7 shows the current spread of household sizes in the region. Currently, 65 percent of the region’s households consist of 1 to 2 residents, while approximately 27 percent contain 3 to 4 people. A decline in household size reflects national trends of delayed marriage and childbearing, increased single-person living, and aging baby boomers residing alone or with a partner. With smaller households

Exhibit 7: Household composition, 2022, Denver region



Source: Census 2000, Census 2010, 2022 ACS 1-year, 2022 ACS 5-year



predominant across two-thirds of the regional population, demand has likely risen for smaller housing units. However, it's important to consider the range of household types that exist and how their housing needs will differ over time.

HOUSEHOLD COMPOSITION

People of Color households tend to have larger than average household size than the white household averages. Nationally, Asian, Black, and Latine people are more likely to live in multigenerational households compared to white people.

- » **Larger households and multigenerational households may need larger homes or specific housing types that accommodate the greater number of household members. These households may experience difficulty finding units of an appropriate size and design for their household needs.**

As the Denver region's demographic and household composition continue to evolve in the coming decades, the region will need to collectively consider how these changes shape housing demand across the socioeconomic spectrum. With an aging population, smaller households, rising incomes yet risk of displacement, and growing racial and ethnic diversity it is critical that housing policy interventions are made proactively to addresses the specific needs of a changing population.

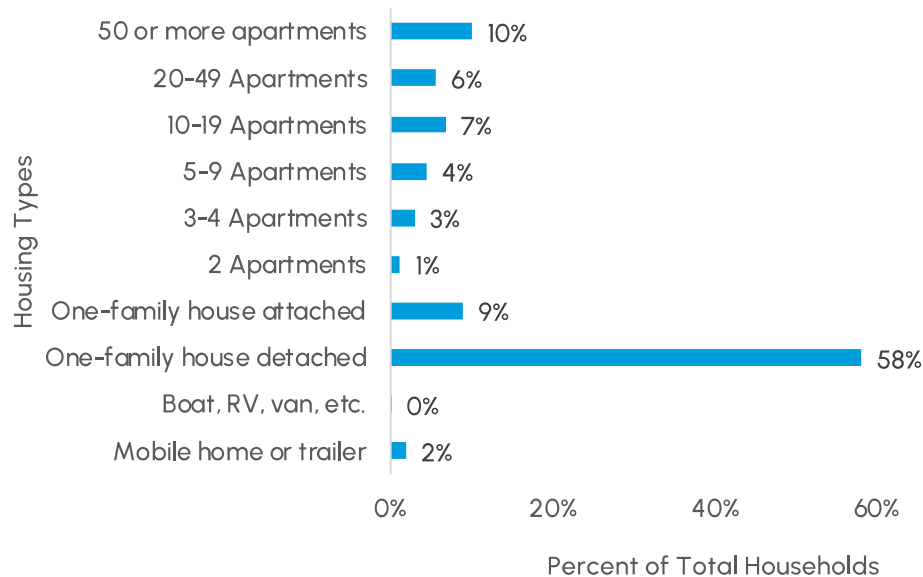


Housing characteristics and market trends

Housing trends

Exhibit 8 shows that the region’s existing housing profile is predominantly single-family detached units, which account for 58 percent of the region’s housing stock. The next largest share (16 percent) is larger apartment buildings (20+ units). However, a key component of the inventory is smaller apartment buildings in the range of 2–19 units per building, which represents about 21 percent of the total housing stock and tends to offer more affordable rents than larger new construction.

Exhibit 8: Housing types, 2022, Denver region



Source: 2022 PUMS 1-year

Preserving the stock of these smaller apartment buildings will be an important component in developing a regional housing strategy. With many households unable to afford current home sale prices and the inventory of affordable rentals limited and at risk of redevelopment pressures, maintaining existing apartment supply can help create more stability and inclusivity across the region’s neighborhoods.



Tenure

Housing needs and preferences often differ between homeowners and renters. Exhibit 9 shows the number of bedrooms by housing tenure for the Denver region. Among ownership households, most units contain 3 or 4 bedrooms. Renter households typically live in smaller units with just 1 or 2 bedrooms. However, this distribution by tenure can also reflect missing unit types and sizes by tenure across the market.

Exhibit 9: Bedrooms by housing tenure, 2022, Denver region



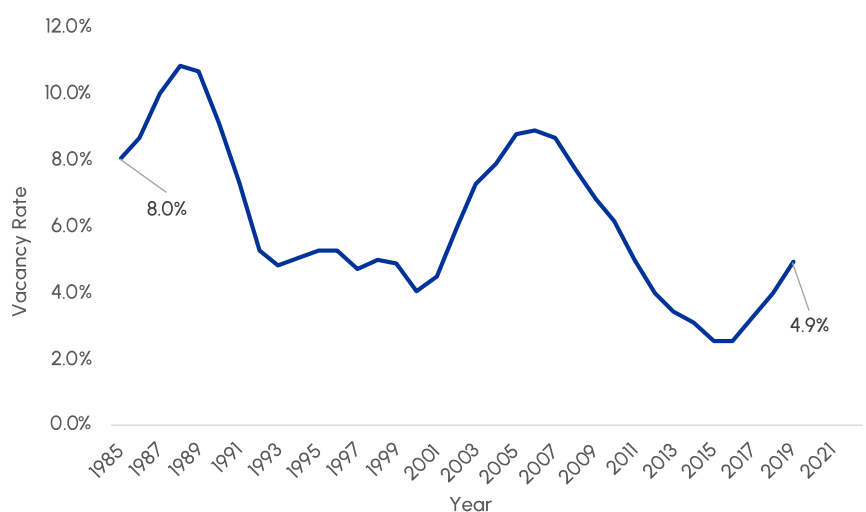
Source: 2022 PUMS 1-year

With many households priced out of the ownership market in the region, ensuring the rental stock can provide more options for larger households should be considered. Additionally, providing smaller and less expensive ownership options for increasing smaller household sizes is also important to serving an unmet need in the region.

Vacancy

Exhibit 10 shows vacancy trends for the Denver region from 1985–2020. Low vacancy rates indicate a limited supply of available housing units that often corresponds with more sharply increasing housing prices. Vacancy rates reached their highest point, since the late 1980s and early 1990s, around the time of the 2008 recession. Once the market began to recover, vacancy rates began to fall significantly. However, as housing production picked up while the market recovered, a substantial number of new units were added to the overall supply around 2015.

Exhibit 10: Vacancy rates, 1985–2020, Denver region,



Source: State Demography Office

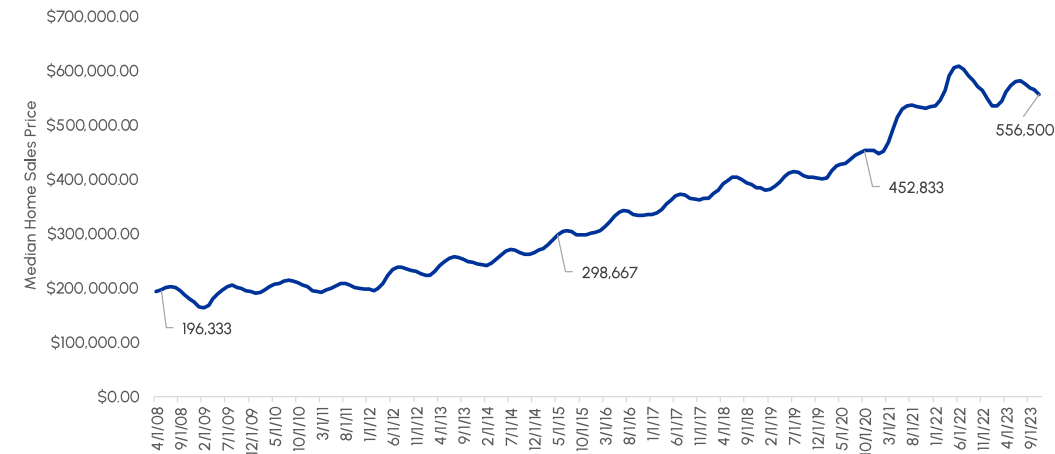


After 2015, vacancy rates started to rise again, but remained relatively low. As of 2020, the vacancy rate was about 4.9 percent.

Home sale prices

The regional housing market experienced stable home prices between 2008 and 2012, as shown in Exhibit 11. However, as the economy recovered from the 2008 recession and housing demand returned, home values began escalating at historic levels starting around 2012. Fueled by population and job growth and lagging construction, sale prices soared by over 180 percent between 2012 and 2022. Within the past five years alone, home sale prices increased by 52 percent.

Exhibit 11: Home sale prices, 2008–2022, Denver region



Source: Zillow

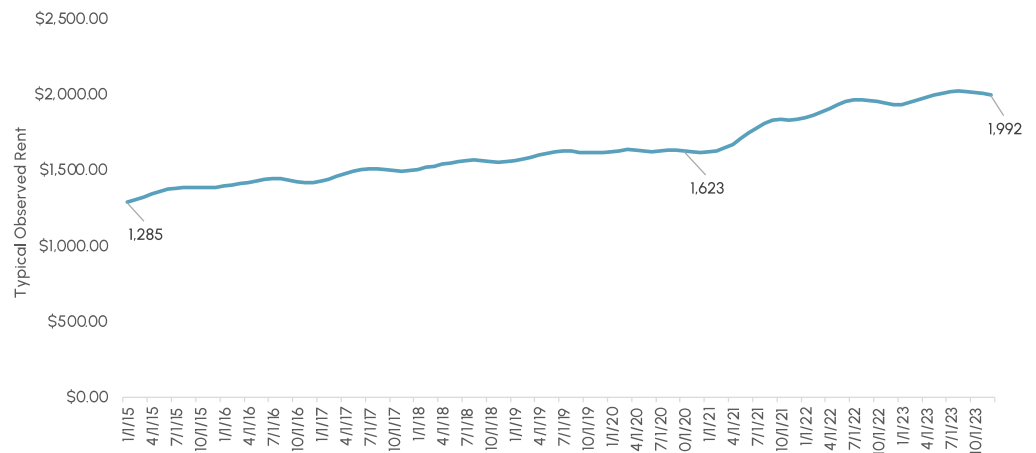
Household incomes however have not kept pace with rising homeownership prices despite experiencing substantial growth over the same time period. The region now faces an extreme mismatch between incomes and for-sale housing stock that locks many households out of homeownership.



Rent prices

Exhibit 12 shows that rents in the Denver region have increased slower than home sale prices, but still rose by about 32 percent over the last five years. Even though rents have not increased at the same rates as home sale prices, rising housing costs have still put substantial financial pressure on many renters in the region.

Exhibit 12: Median rent, 2015–2023, Denver region



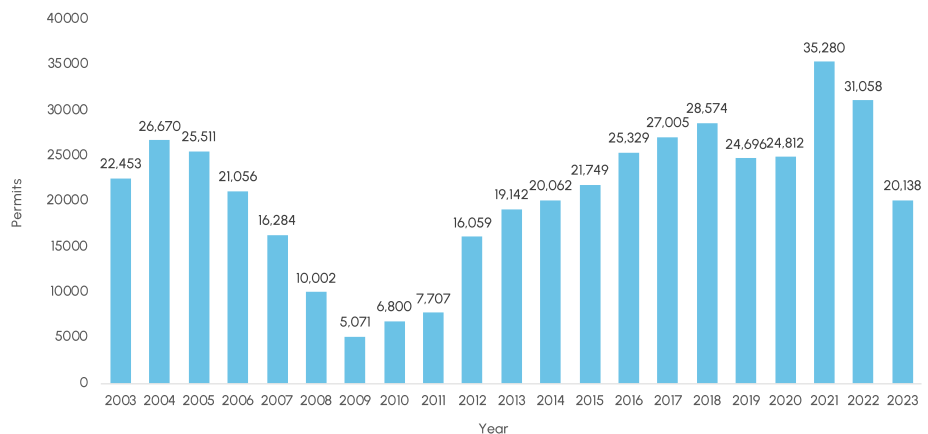
Source: Zillow

With vacancy rates decreasing amid a growing and changing population, the demand for housing continues to place upward pressure on rents.

Housing production

Exhibit 13 shows housing production trends across the Denver Region from the last 20 years. The region was producing a substantial amount of housing prior to the 2008 recession, (also suggested by rising vacancy rates in Exhibit 10). However, the housing market was slow to recover after 2008 and did not recover to pre-recession rates until around 2015. In 2021 and 2022, the region saw record levels of housing production, and while 2023 saw a slow-down, production levels are still strong.

Exhibit 13: Housing production, 2003–2023, Denver region,



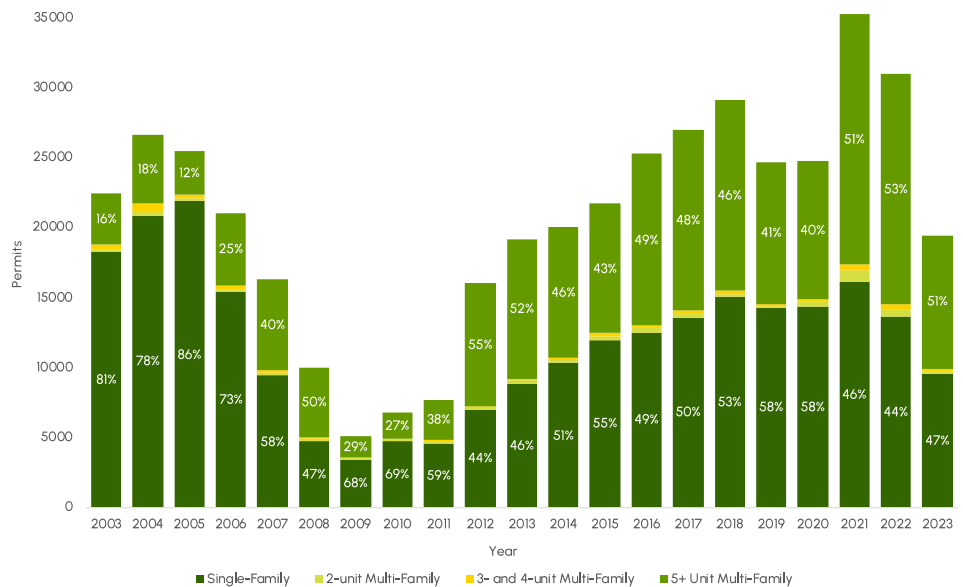
Source: U.S. HUD State of the Cities Data Systems

While collective housing production in the Denver region over the last few years has been adequately responsive to overall population growth, the supply is still struggling to recover from the several years where production slowed dramatically, but the population was still growing. Moving forward, it will also be important to focus on how production may or may not be meeting the needs of the diverse households across different income categories in the region.



Exhibit 14 breaks down housing production by building scale to provide an understanding of housing different development types have been delivered over time. Through 2006, the majority of housing produced across the region was single-family detached housing. However, beginning in 2007, multi-family development has become a larger share of annual housing development, reaching its highest levels between 2021–2023 when over 50 percent of all housing built in the region was in developments with 5 or more units.

Exhibit 14: Housing production by scale, 2003–2023, Denver region,



Source: U.S. HUD State of the Cities Data Systems

With housing costs outpacing income growth throughout the region, preservation of existing affordable housing, both naturally occurring and subsidized, as well supporting range of housing types that are both market-rate and income-restricted affordable housing development will be key in helping the region meet housing needs.

Cost-burdened households

Current high and rising rates of cost-burdened households across the region indicates that the current housing supply, both in type and volume, is not sufficient to meet the region's needs. A household is considered to be cost-burdened if it spends more than 30 percent of its income on

RENTERS AND COST-BURDENING

Renters are more likely to be cost-burdened than homeowners for a few reasons:

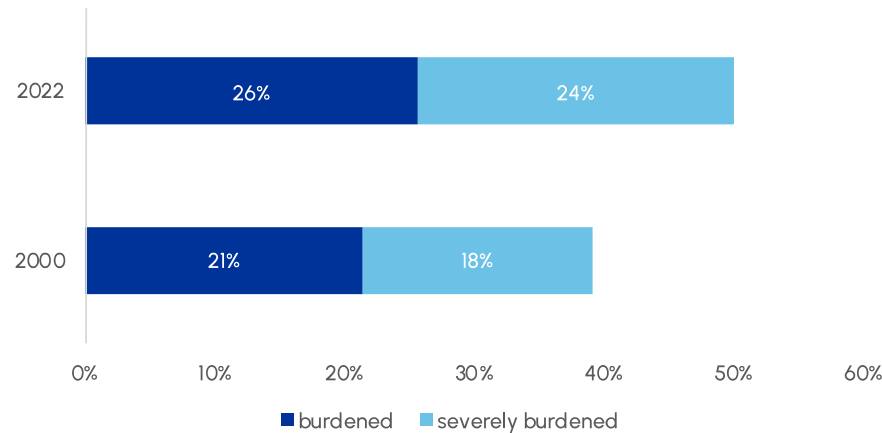
- » Renters typically have lower incomes than homeowners.
- » Rents adjust more frequently compared to mortgages, which are usually fixed-rate and stable over several decades. Renter households are more vulnerable to price increases.
- » Stricter income and asset qualifying rules associated with mortgages compared to rental applications generally make it less likely for homeowners to overspend on housing costs.



housing costs, and a household is considered to be severely cost-burdened if it spends more 50 percent on housing costs.

Exhibit 15 shows the number and share of renter households across the region that are cost-burdened and severely cost-burdened. As of 2022, approximately 51 percent of renters in the Denver region were cost-burdened, with 25 percent of them being severely cost-burdened. This represents an increase of about 12 percent in the total share of cost-burdened renters since 2000, when the percent of cost-burdened renters in the region was about 39 percent.

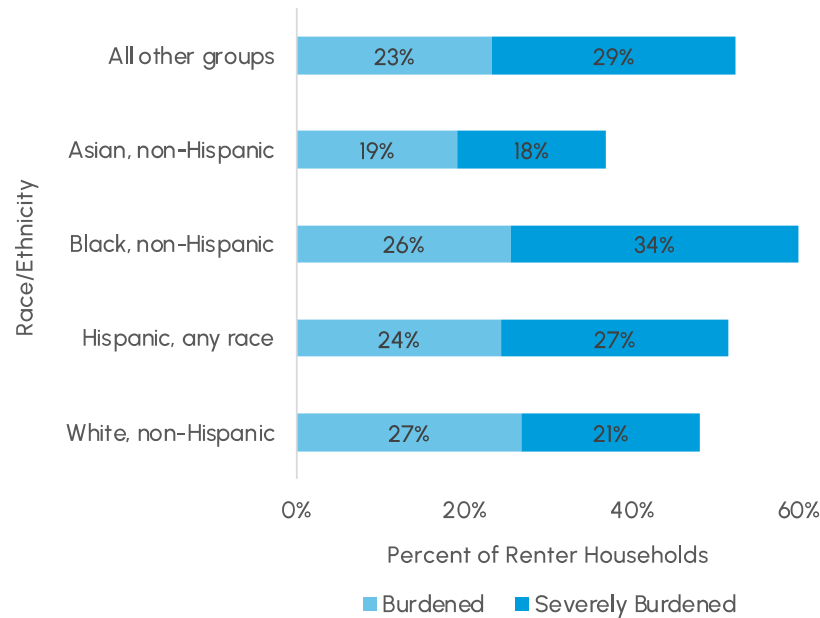
Exhibit 15: Cost-burdened renter households, 2000 and 2022



Source: 2000 Decennial Census, 2022 ACS 5-year Estimate

Exhibit 16 shows the share of cost-burdened renters disaggregated by race and ethnicity for the Denver region. Black renter households experience the highest rate of cost-burdening at about 60 percent, including 34 percent who are severely cost-burdened – the highest share of renter households that are classified as severely cost-burdened across all demographics. Hispanic and "All other groups" also disproportionately cost-burdened, when compared to White and Asian renters that experience the lowest rate of cost-burdening across the region.

Exhibit 16: Cost-burdened households by race and ethnicity

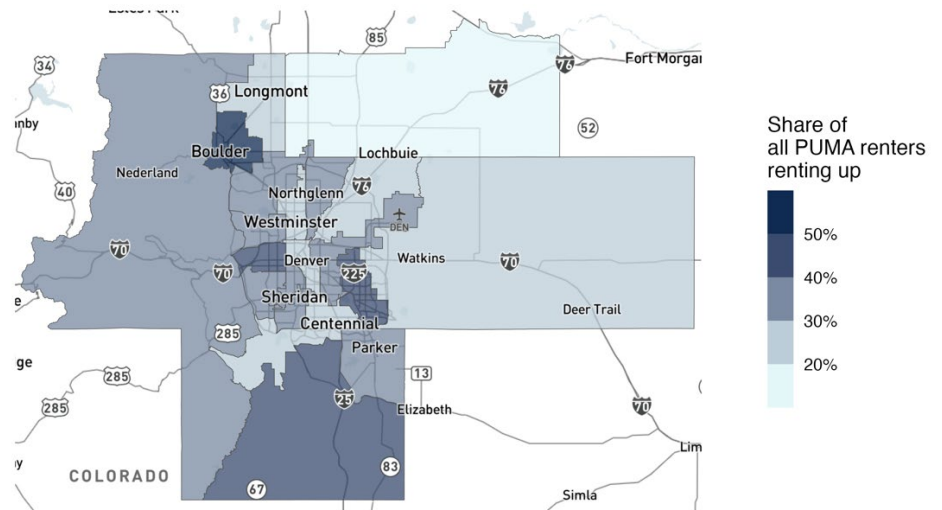


Source: 2000 Decennial Census, 2022 ACS 5-year Estimate



Exhibit 17 shows the spatial distribution of renter households "renting up" across the region—meaning the household is renting a unit that costs more than what their income can reasonably afford. While an imperfect measure of cost-burdening, it can help illustrate where renters in the region are spending more for rental housing.

Exhibit 17: Share of renters renting “pp”

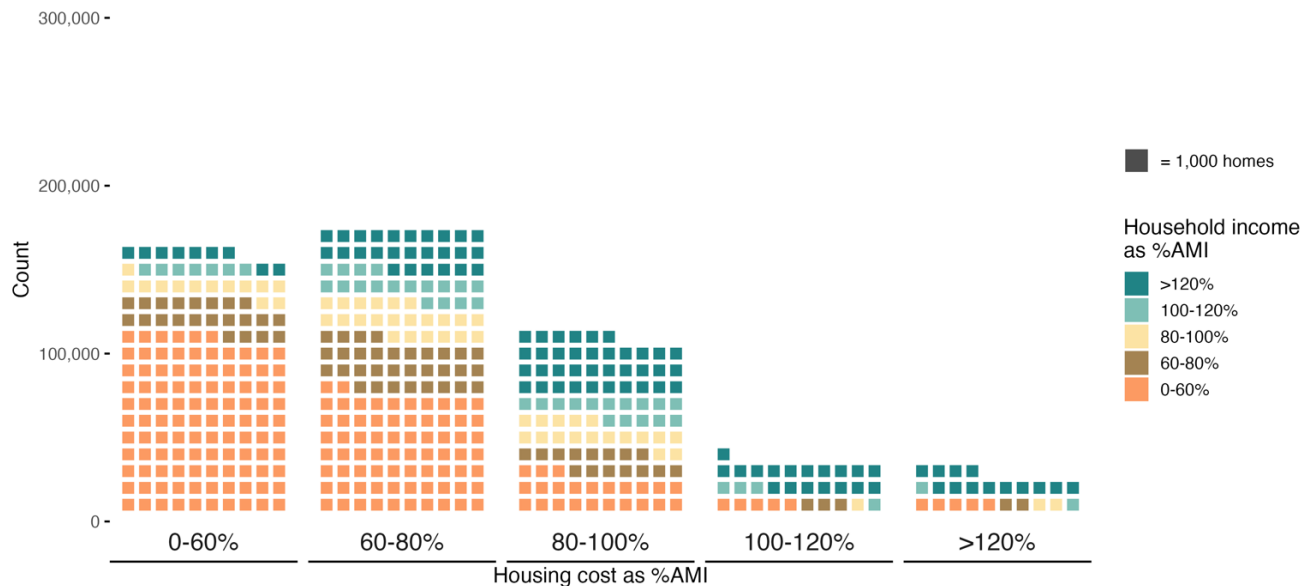


Source: 2022, PUMS 1-year

The Boulder area shows the highest rates of renters renting up, partly due to its large student population but more broadly due to its constrained and unaffordable housing market. Areas just north and southeast of Denver also show high shares of renters renting up. These areas are more suburban in nature and likely lack a more diverse housing supply where there are more renters in higher cost single-family rentals. Conversely, in areas where the housing stock offers greater diversity of prices and unit types, cost-burdening among renters appears lower.

Exhibit 18 shows the range of housing costs measured by percent of Annual Median Income (AMI), meaning housing that is affordable to those income brackets. In every housing price category, there are households with different incomes occupying those units, some units are “matched” to a household’s income, and some are not. The analysis shows the greatest mismatch occurring in units suitable for incomes between 60–100 percent AMI. This mismatch indicates there is not enough housing supply available in other affordable price ranges. As a result, some households are forced to overspend to secure housing, while others opt for lower-priced units that don’t match their income level. These mismatches highlight gaps in the housing stock at certain price points for specific income groups.

Exhibit 18: Mismatch between income and housing costs



Source: ACS PUMS 1-year 2022

The level of cost-burdening across the region points to an undersupply of affordable housing options, especially for lower-income residents. While there has been a sharp uptick in new development in the last few years which has brought much needed market rate housing to the market, low- and moderate-income households are increasingly finding it difficult to find attainable housing. In addition to increasing the diverse housing options across the region, more inclusive and equitable housing growth focused on affordability would help alleviate cost pressures facing many of the region’s households. Tackling the mismatch between housing supply and demand across submarkets and income levels is key to meeting a broader spectrum of housing needs.

HOUSING MISMATCH

How to read the chart

- » Each square represents 1,000 homes.
- » For example: 22,000 of the rental homes in the region that are affordable to 0–60 percent AMI are rented by 60–80 percent AMI income households, so they are “renting down,” meaning their income suggests they could afford a unit at a higher cost than they are currently occupying.



Homelessness

Metro Denver Homelessness Initiative is the designated Continuum of Care for the Denver Metro Area and is responsible for managing the Homeless Management Information System (HMIS) that complies with HUD's data collection, management, and reporting standards. The HMIS system collects client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

Exhibit 19 shows annual PIT count for the Denver Metro between 2008–2022. In 2022, the Denver Metro reached its highest count of unsheltered people included in the PIT count since 2008. In 2023, the region reached its highest number people located in emergency shelters and reached it's the lowest year of people located in transitional housing in the last 14 years.

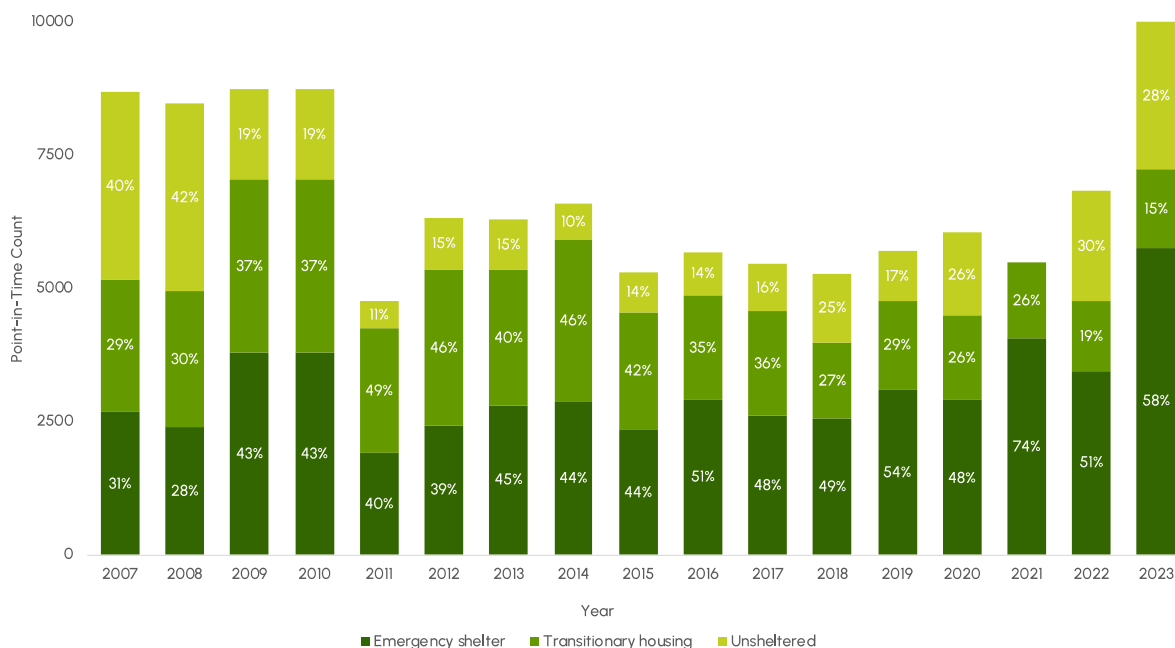
ANNUAL POINT-IN-TIME COUNT

Metro Denver Homelessness Initiative

According to MDHI's 2023 State of Homelessness report, between July 1, 2021 and June 30, 2022, approximately 27,860 people accessed MDHI services or housing related to homelessness across the region's HMIS Partner Agencies. A total of 6,884 people were included in the annual Point-In-Time Count (PIT) conducted in January 2023. Of those included in the PIT count on that evening:

- » 51% of those were in an emergency shelter
- » 19% were in transitional housing
- » 30% were unsheltered

Exhibit 19: Annual Point-in-Time Count, Denver Metro, 2008–2023



Source: Metro Denver Homeless Initiative



Comprehensive data on those experiencing homelessness is notoriously challenging to obtain due to the transient nature of the population and lack of coordination between the variety of agencies, non-profit, and service providers that work in the homelessness space. PIT counts severely undercount those experiencing homeless and can only offer a snapshot of what homelessness might look like on an individual night. However, using the HMIS data likely overcounts, as it includes all people that sought housing-related services through MDHI or one of its partner agencies, though not all of those people necessarily need housing.



Appendix C. Regional Housing Needs Assessment Technical Methodology

Introduction

The Denver Regional Council of Governments (DRCOG) seeks to develop a methodology for a regional housing needs assessment to understand baseline needs and improve regional coordination on housing planning and production. Colorado does not currently mandate a specific methodology for assessing housing need at any jurisdictional level, though many local governments do undertake such analyses on an ad hoc basis. This project serves as a foundation both for regional level-setting and future analysis and methodological refinement. As such, the project team's methodology is as important to document and explore as its findings.

This memo is technical in nature. It is written for an audience familiar with demographic forecasting, housing market function, and the data that are generally used to understand and project housing need. The final report summarizes the results for decision-makers and other interested parties, and incorporates the results of stakeholder engagement that were conducted concurrently with this assessment.

Measuring regional need

A regional housing needs assessment estimates the number of households in each income category across the Denver region that will need dwelling units that are affordable to them, now and through 2050. This memo summarizes the project team's methodology for accomplishing this goal, with a focus on the primary methodological decisions and key assumptions used.

The methodology describes the source data, components of the assessment, and the analytical steps to calculate housing need.

Data sources

The choice of datasets is fundamental to the methodology's ability to achieve its guiding principles. ECONorthwest and DRCOG evaluated available data sources, including national, state, and regional sources, and built on past experience with regional housing needs assessments. We determined that the most appropriate primary data source is 1-year Public Use Microdata Sample from Census (PUMS), as it provides annually updated data that is more accurate and reliable than other options available at the regional level. PUMS provides more current data than other sources we considered, such as the Comprehensive Housing Affordability Strategy (CHAS) or the 5-year sample of the American Community Survey (ACS). The Census Bureau produces the PUMS files so that data users can create custom tables that are not available through pre-tabulated (or summary) ACS data tables. PUMS are available for geographies of about 100,000 people, called Public Use Microdata Areas (PUMAs). The Denver region has 25 PUMAs.



ECONorthwest supplemented PUMS data with several other sources:

- ◆ **Colorado State Demography Office**—a division of the Department of Local Affairs (DOLA)—population (2022), household (2022), and employment (2020) forecasts.
 - DRCOG provided the project team with a modified version of the 2022 household forecast. The initial total number of households by age group and household size is derived from a synthetic population generated from the 2013 5-year PUMS estimates. Growth rates by age group and household size from the State Demography Office’s forecast are used to calculate household counts through 2050. DRCOG then adjusted the county-level distribution of households based on housing development data from Zonda and CoStar in 2022 to 2024 to shift household growth to higher unit growth counties. Finally, DRCOG makes a small adjustment to the regional household count in each year to account for differences in persons per household between the State Demography Office forecast and DRCOG’s synthetic population.
- ◆ **DRCOG** small-area forecast for households and employment from 2020. The household and employment totals in the forecast are based on the forecasts from the State Demography Office. The household incomes in the small-area forecast are based on 2013 5-year PUMS data.
- ◆ **Metro Denver Homeless Initiative (MDHI)** State of Homelessness Report, 2022–2023 provided data about the number of people experiencing homelessness in the region.
- ◆ U.S. Census Bureau’s **Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LODES)** from 2020 helped identify regional submarket geographies.
- ◆ Rental market data from **CoStar** informed assumptions about the price filtering of multifamily housing over time.
- ◆ U.S. Census Bureau’s Building Permit Survey and DOLA’s Municipal Housing Estimates, 2010–2020 informed assumptions about the rate of residential building demolition.

Key metrics

In addition to demographic and housing stock data, the methodology uses measures of housing market function, such as vacancy and affordability, throughout the process. The details of these metrics are described below.

Vacancy measures

This analysis uses different measures of vacancy throughout the process, depending on context and intended comparison.

- ◆ **Historic rate:** The observed *historic rate* of vacancy—4.7 percent—is the 75th percentile of national vacancy between 1980 and 2010 (using decennial Census and ACS 1-year



data at the Metropolitan Statistical Area level). ECONorthwest used this rate to measure underproduction in order to compare the current supply to the amount of housing that would have kept pace with national vacancy trends.

- ◆ **Observed rate:** The current *observed rate* of vacancy of 6.5 percent is reported in ACS 1-year data, with second and vacation homes removed. ECONorthwest used this rate to compare submarket vacancy rates with current national trends to identify areas with housing markets that are more constrained than average.
- ◆ **Target ratio:** The *target ratio* of 1.072 housing units per household—or roughly 7 percent vacancy—comes from scholarly literature about adequate vacancy to support a more flexible housing market, with greater affordability. ECONorthwest used this ratio when calculating future housing demand so as not to project a currently constrained housing market into the future.

Housing affordability

Matching households to available housing units based on income requires a crosswalk from household income to reported prices for both owned and rented housing.

- ◆ **Owned units:** The affordability of owned units is calculated using a price-to-income ratio of 3.36, where the income needed to afford a home is 3.36 or more of the home's reported value. U.S. HUD uses this ratio to measure housing affordability in its Comprehensive Housing Affordability Strategy (CHAS) data, and is based on underwriting requirements for the Federal Housing Administration's loan insurance programs.¹
- ◆ **Rented units:** We use U.S. HUD's standard of rental affordability, where housing costs cannot exceed 30 percent of a household's gross income.²
- ◆ **Adjusting for unit size:** By default, AMI measures assume a four-person household. To better match units to households by income, ECONorthwest adjusts the affordability of a unit based on the number of bedrooms using U.S. HUD's adjustment factors, summarized in Exhibit 1. This adjustment prevents an overestimation, for example, of one-bedroom units affordable to a four-person household that could not comfortably occupy that unit. ECONorthwest applies these adjustment factors to each housing unit observation in the PUMS data to determine the income needed to afford that unit. For a one-bedroom unit, the household income that could afford the unit is 75 percent of the income needed to afford the nominal rent, assuming U.S. HUD's affordability standard of 30 percent of gross income.

¹ Paul Joice, "[CHAS Affordability Analysis](#)." U.S. HUD, working paper, May 20, 2013.

² U.S. HUD programs include utility costs in total housing costs. Our analysis considers only reported rental prices.



Exhibit 1. HUD multipliers to adjust housing affordability

Number of Bedrooms	0	1	2	3	4	5
Adjustment Factor	0.70	0.75	0.90	1.04	1.16	1.28

Source: U.S. HUD

Components of housing need

The estimation of total regional need derives from three component parts: future need, underproduction, and units to address homelessness. The details of these components are described below.

Future need

In this analysis we calculate the total units that will be needed to accommodate the population in 2050. Population forecasts provided by the State Demography Office account for natural population changes from birth rates (fertility) and death rates (mortality) and migration-related population changes from people moving in and out of a region. The study of demographics is complex and factors in macroeconomic statistics like fertility rates, health and longevity rates, the racial and ethnic makeup of the region, and other factors.

We compare the estimate of the total households that will need housing in 2050 to the current supply of housing. We assume that the current supply will carry forward, with some loss due to demolitions as buildings age out of their useful life. This approach does not assume a rate of housing production or number of units that will be built over the planning horizon based on past trends. Because the Regional Housing Needs Assessment is intended to support housing planning and policy, understanding current and future need in total is crucial. Assuming a rate of production results in discounting or underestimating that future need in ways that can perpetuate underproduction and an overall shortage of housing.

Future need is calculated using the following steps:

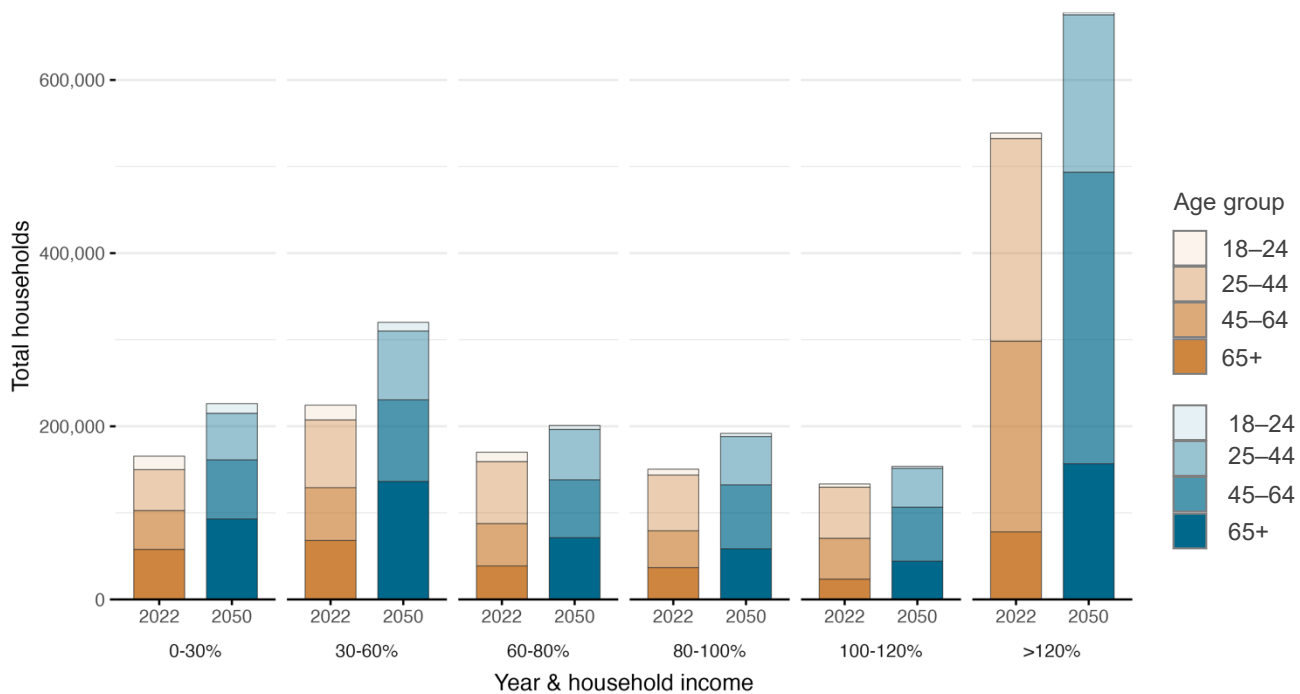
- ◆ **Future households.** The project team used data from the State Demography Office, provided and modified by DRCOG, for projected household growth through 2050. DRCOG adheres to the official regional projections of the Colorado State Demography Office for all modeling associated with the DRCOG small-area forecasts, making only minimal adjustments.
- ◆ **Future housing gap.** We project the current supply of housing into 2050, with adjustments to account for units that cannot be occupied and those that will be lost over time to demolitions. The assessment of occupiable units—or the current housing supply—removes homes designated in Census data as second or vacation homes and homes lacking complete plumbing and kitchens, since those units are not available for long-term occupancy. The project team assumed that 0.1 percent of units will be lost each year to demolitions due to the age and diminished value of the structure. This is roughly equivalent to the national rate of demolition. Because units more likely to be demolished are older or in disrepair, and thus likely to be more affordable, all



demolished units are taken out of the supply distributed to the lowest income segments in the next step. EConorthwest then multiplied future households by a target ratio of households to housing units of 1.072 (or roughly 7 percent vacancy) to arrive at the target supply of housing units. The difference between the target supply and the projected future supply is the total future housing need.

- ◆ **Unit income distribution.** DRCOG’s small-area forecasts include nominal household income, which allowed the project team to model the future distribution of incomes across the Denver region. DOLA’s control total household forecasts are cross-tabulated by householder age and household size, as are DRCOG’s small-area forecasts. Using this connection, EConorthwest applied the income distributions by household size and age (converted to percent-of-AMI using 2013 data on regional AMI) from the small-area forecasts to the regional DOLA household forecast. Exhibit 2 illustrates this shift in the income distribution by age between 2022 and 2050 using household estimates for which householder age and income data is available, from PUMS and DRCOG small-area forecasts.

Exhibit 2. Householder Age Distribution by Income, 2022 and 2050



Source: 2022 distribution based on U.S. Census Bureau, ACS 1-year 2022 PUMS. 2050 distribution based on DRCOG Small-Area Forecast (2020), and DRCOG synthesis of State Demography Office 2022 Household Forecast.

EConorthwest also adjusted the affordability of units to account for market filtering over time. Based on an internal analysis of regional housing stock using CoStar rent and building data, EConorthwest assumed that rental housing units reduce in price by 0.4 percent of AMI per year (e.g., a unit affordable at 50 percent AMI today will be affordable



at 46 percent AMI in 10 years). A separate analysis of ownership housing units using regional assessor's data indicated no region-wide price filtering of owned housing units.

Underproduction

Underproduction, or the lack of enough units to meet demand, is a key reason that housing markets experience rising prices. Accounting for current underproduction is a key feature of the Regional Housing Needs Assessment methodology. This component accounts for the number of housing units that are not available, but should be if the region had produced enough units each year to match the historic national vacancy rate of 4.7 percent. If the region has not met this threshold, housing is likely too scarce and prices will rise. Households with the lowest incomes will struggle most to find scarce units, cost burdening will increase, and rates of homelessness may also increase. In other words, underproduction leads to cost burdening.

There are a few approaches to identifying a housing shortage. One way that is commonly used because it can be completed at the city-level given available data sources, is to identify all households that are cost burdened in each geography, with an assumption that each cost-burdened household needs a unit that is affordable to them. Yet simply summing the number of cost-burdened households and calling that a "housing shortage" projects an oversupply of housing in the market, because cost-burdened households do have existing units, even if they are not sorted into those units by income in ways that they can afford. This is the reason that the Regional Housing Needs Assessment does not use this method to identify the shortage of housing. The cost-burden method is a useful way to understand the shortage of affordable units in a market and adds helpful information to inform housing production policies. It is not, however, a satisfactory way to understand the number of units that are needed in an entire housing market.

ECONorthwest's methodology takes a different approach to the shortage analysis: it identifies the number of units that would be needed to achieve a sufficient balance of units to current residents—including households that have not formed due to limited housing options—and then categorizes those units across the current distribution of household income. This approach recognizes that underproduction in a housing market results in greater cost burdening for lower-income households. The analysis of underproduction and housing for people experiencing homelessness serves the purpose of estimating housing needed to meet immediate housing needs, primarily for the lowest-income residents.

Current underproduction is calculated using the following steps:

- ♦ **Current households.** The current number of households is calculated using ACS 1-year 2022 PUMS data and an analysis of missing households. Missing households represent residents who are currently sharing housing—for example, young adults living with parents or adults living with roommates—who would otherwise occupy their own units if there were additional housing supply that they could afford. ECONorthwest calculated the number of missing households for age cohorts using a baseline measure of headship rates in 2000. These 2000-era householder rates are calculated for each 10-year age cohort using decennial Census data. The rates are then applied to the 2022 PUMS-derived population of the same age cohorts to calculate the estimated number of



households the region *would* have today under pre-recession economic conditions. This hypothetical estimate is then compared against the actual total number of households by age cohort. Where the actual number of households is less than the hypothetical target, the difference is the number of missing households.

- ◆ **Target supply.** The region's current number of households, combined with missing households, is multiplied by a historic national vacancy rate of 4.7 percent to arrive at the target supply of housing units. Underproduction occurs when the total number of occupiable units in a region is less than the target supply. Units that represent current underproduction are subtracted from the total future need calculated for the future need component.
- ◆ **Unit income distribution.** Because underproduction leads to cost burdening in the market, the effects of underproduction are most acutely felt by those with lower incomes who need access to affordable housing now, in today's market. In this analysis, underproduced units are distributed into percent-of-AMI income bins proportionate to the income distribution of cost-burdened renter households in the region, as reported in PUMS data.

Homelessness need

The second component of regional need is the calculation of units needed for the population currently experiencing homelessness. This is a key feature of the recommended methodology. Populations experiencing homelessness are generally not captured in foundational datasets derived from the Census because the Decennial Census and the American Community Survey rely on counting and sampling people with addresses, which those struggling with homelessness may not have. These people are also not accounted for in estimates of underproduction that rely either on a target vacancy rate or a national ratio of housing units to households—nationally, many communities struggle with homelessness despite having an average vacancy rate or an overall ratio of 1.072 housing units for every household.

Determining unit need for homeless residents required particular attention, because available datasets have many limitations, most importantly undercounting populations. We relied heavily on the limited research that is available on this topic, and discussion with DRCOG staff and stakeholders with expertise in research and providing services for those experiencing homelessness in the Denver region.

Housing to address homelessness is calculated using the following steps:

- ◆ **Total homeless households.** We used data from the Metro Denver Homeless Initiative (MDHI) State of Homelessness Report, 2022–2023 to estimate the number of households experiencing homelessness. MDHI data is calculated from a combination of Point-in-Time count data as well as tracking the number of people accessing services from providers across the region. MDHI's State of Homelessness Report tabulated total individuals seeking services and individuals in families as a subtotal. ECONorthwest converted the individuals-in-families subgroup to households using the regional persons per household (as observed in PUMS data), and assumed the remainder are single-person households.



- DRCOG staff have indicated that they intend to continue discussions with MDHI to learn more about what information MDHI and its partners collect for their operational and strategic planning purposes. In addition to ways additional discussion might inform future housing strategy development, DRCOG staff may also identify opportunities to use the information collected across MDHI's Continuum of Care to refine the above process for future assessments of housing need.
- ◆ **Unit income distribution.** There is no existing, quality dataset with information about the incomes of people who are experiencing homelessness, but we know that many households that are experiencing homelessness have incomes and still cannot find an available home that is affordable to them. Based on the literature and ECONorthwest's experience assessing housing needs in other regions, the project team distributed all units needed to address homelessness to the lowest income segment of 0–30 percent of AMI.

Additional considerations

In addition to the principal components discussed above, the project team considered other demographic trends and housing supply factors as part of the Regional Housing Needs Assessment methodology. These factors were not incorporated into the methodology at this time, for reasons explained below. As DRCOG continues to refine its approach to the Regional Housing Needs Assessment, update data sources, respond to changing conditions, and incorporate new or additional policy priorities, there may be a place for these and other factors in future assessments.

- ◆ **Demand for second and vacation homes:** When planning for future housing need, any loss of units to second and vacation homes effectively requires building more units to keep up with household formation. Units lost to second and vacation homes can occur through conversions of existing housing stock but could also include some purpose built second and vacation homes. The project team evaluated the trends in the stock of second and vacation homes in the Denver region to determine whether to include demand for these units into the model. Currently, second and vacation homes are a very small share (generally less than 2 percent) of homes across the Denver region, with a slightly larger share in mountain communities in the west (approximately 7 percent). Across the region, the share of second and vacation homes has been declining over time. Given these figures, the project team did not include loss of future units to second and vacation homes as a variable in the model for future need. Second and vacation homes are removed from the current stock of available housing for the purposes of estimating current needed units compared to households (i.e., underproduction).
- ◆ **Induced or reduced in-migration:** If jurisdictions in the Denver region build housing and make progress toward increasing supply, the region may become more affordable and competitive relative to other metro areas. A more affordable housing market may spur more migration to the region than is accounted for in the State Demography Office's population growth projections, including from nearby counties from which people already commute to the region for work. Given that this modeling relies on the performance of other metro area housing markets relative to the Denver region's, the



project team did not undertake the extensive modeling necessary to account for this potential effect. Additionally, the converse could occur if the Denver region sees immigration levels below what the State Demography Office forecasts for the region to maintain a labor force sufficient to help make up for residents projected to age out of their prime working years, which could occur if progress is not made toward increasing supply. Because the Regional Housing Needs Assessment will continue to be updated with new data and evolve over time, future assessments will incorporate growth trends captured in the state's population growth methodology, including changes in migration.

- ♦ **Land capacity:** The Regional Housing Needs Assessment estimates the need for housing based on current and future population trends and distributes that need across the region based on demographic factors, features of the housing market, and regional transportation resources. The project team also adjusted the distribution of needed housing to accommodate varying shares of water and protected open space across the region. The Regional Housing Needs Assessment does not include more granular information about developable land. The project team recognizes that cities in the region face varied on-the-ground conditions, such as the supply of land, infrastructure, access to water, and other considerations. Many of these issues relate to policy choices about how to use land to meet community needs. The Regional Housing Needs Assessment provides information to support DRCOG and its member jurisdictions to address these varied challenges to help meet the regional need for more housing.

Results

The following Exhibits present the results of the Regional Housing Needs Assessment for a time horizon of 2023–2050 and a 10-year scaled estimate.

Exhibit 3. Summary of Housing Need by Component, 2023–2050

FUTURE NEED	UNDERPRODUCTION	HOMELESSNESS NEED	TOTAL UNITS
458,896	26,330	26,394	511,620
90%	5%	5%	100%

Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.

Exhibit 4. Housing need components by income, 2023–2050

COMPONENT OF NEED	0–30%	30–60%	60–80%	80–100%	100–120%	>120%	TOTAL
Future need	138,435	118,798	16,527	72,542	24,820	87,774	458,896
Underproduction	9,377	10,176	4,704	1,340	732	–	26,330
Homelessness need	26,394	–	–	–	–	–	26,394
Total	174,206	128,974	21,231	73,882	25,552	87,774	511,620



Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.

Exhibit 5. 10-Year scaled estimate of housing need

FUTURE NEED	UNDERPRODUCTION	HOMELESSNESS NEED	TOTAL UNITS
163,891	26,330	26,394	216,615
76%	12%	12%	100%

Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.

Exhibit 6. 10-Year scaled estimate of housing need components by income

COMPONENT OF NEED	0–30%	30–60%	60–80%	80–100%	100–120%	>120%	TOTAL
Future need	49,441	42,428	5,902	25,908	8,864	31,348	163,891
Underproduction	9,377	10,176	4,704	1,340	732	–	26,330
Homelessness need	26,394	–	–	–	–	–	26,394
Total	85,212	52,604	10,606	27,248	9,596	31,348	216,615

Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.

Note: Components of need do not sum to total because of rounded unit counts.

Exhibit 7. 2023 Supply of housing units and future demand by income, 2050 and 10-year scaled estimate

TIME HORIZON	0–30%	30–60%	60–80%	80–100%	100–120%	>120%	TOTAL
2023 Supply	104,069	224,311	199,039	133,118	140,029	612,485	1,413,051
2050 Demand	278,275	353,285	220,270	207,000	165,581	700,259	1,924,670
10-Year scaled estimate demand	189,281	276,915	209,645	160,366	149,625	643,833	1,629,665

Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.

Submarket share of regional need

While the Regional Housing Needs Assessment produces an aggregate estimate of current and future housing needs for the entire Denver region, effective planning and policy to achieve that housing will happen within more localized geographies. To understand how total need could be distributed across the region to align with growth trends, local needs, and DRCOG’s Metro Vision,



the project team distributed total need among five regional submarkets. The result is an estimate of the number of needed housing units by income for five submarkets within DRCOG's service area (which this report refers to as the submarket *share* of housing need).

Submarket geographies

Once the project team identified PUMS as the best available data source for the Regional Housing Needs Assessment, defining submarkets using PUMAs offered the best option to move between the regional and submarket levels with consistent data sources and boundaries.

Key methodological decisions

The project team considered two approaches to defining submarkets: 1) creating contiguous areas or 2) defining non-contiguous submarkets by demographic or planning conditions, such as grouping urban centers (as defined in Metro Vision) together. The project team decided to define submarkets as contiguous areas to better reflect how regional housing submarkets function and support potential future collaboration between neighboring and nearby jurisdictions to address shared housing needs.

ECONorthwest conducted a cluster analysis using multiple statistical methods to create draft maps of contiguous market areas. The project team determined that five clusters captured meaningful differences across the region while not overcomplicating the analysis (and future development of targeted strategies). Specifically, the project team used two primary methods to identify potential PUMA-based submarkets: 1) a SKATER algorithm to identify similar areas based on demographic data, and 2) the Walktrap network clustering analysis informed by commute patterns using origin-destination data from LODS (2020). The SKATER analysis used the following inputs all pulled from PUMS 2022 1-year data:

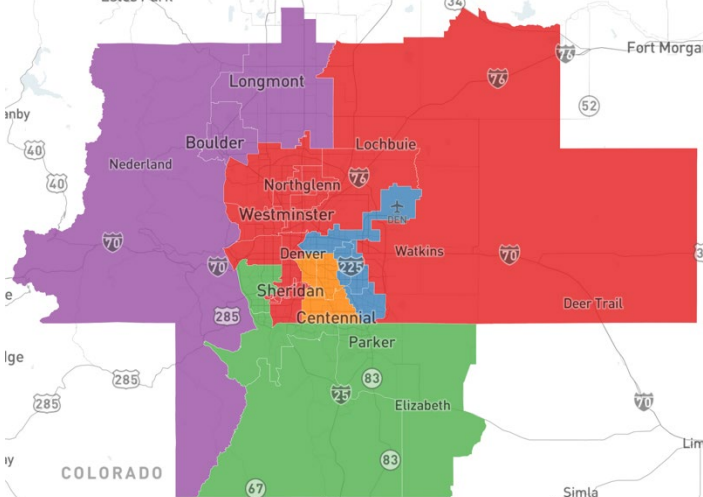
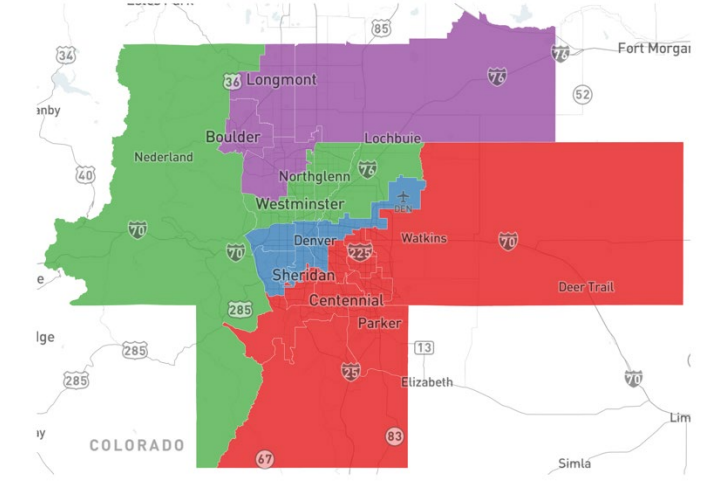
- ◆ Share of population earning below 80 percent of Area Median Income (AMI)
- ◆ Share of renters and share of cost-burdened renters (paying more than 30 percent of total income in housing costs)
- ◆ Average household size
- ◆ Share of households with children
- ◆ Share of households older than 64
- ◆ Share of multifamily housing
- ◆ Average home value
- ◆ Average gross rent
- ◆ Share of renter households

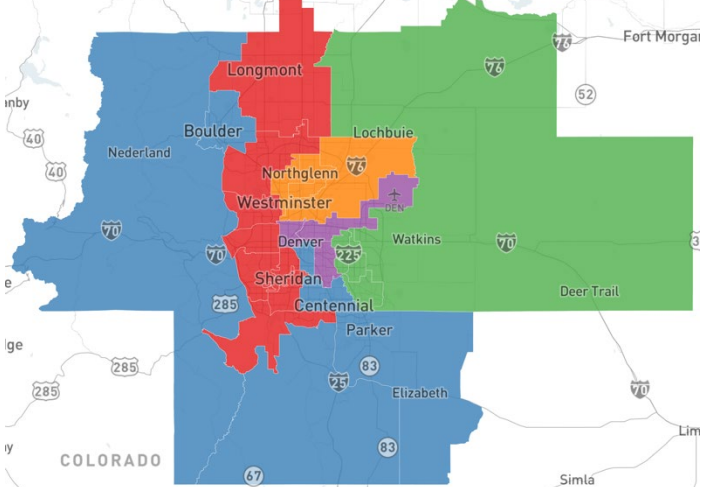
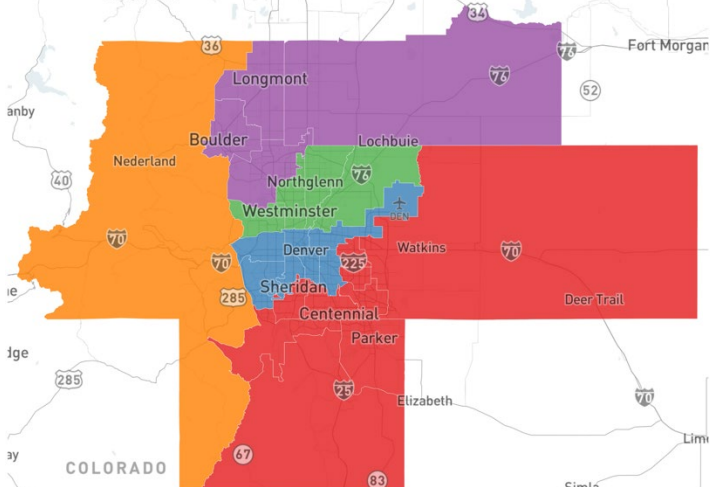
The draft maps produced through these analyses are shown in Exhibit 8. After conducting independent SKATER and Origin-Destination analyses, the project team decided to use clusters informed by commute patterns. This version of submarket geographies was then manually adjusted by the project team to reassign two PUMAs into a fifth submarket to separate the rural



mountain areas in the west as a distinct submarket. The project team also made a manual adjustment to avoid splitting two large jurisdictions into separate submarkets.

Exhibit 8. Submarkets considered in the analysis

SUBMARKETS CONSIDERED	METHOD AND CONSIDERATIONS
	SKATER (Spatial ‘K’luster Analysis by Tree Edge Removal) This version of K-means analysis seeks to reduce the total variation of all demographic variables within the specified number of submarkets, with the requirement that clusters are spatially contiguous.
	Origin-Destination Clustering This analysis used origin-destination information from LODS to implement the Walktrap network clustering algorithm that uses the flow to jobs as weights. Like SKATER, this network analysis was designed to find statistically-significant clusters.

SUBMARKETS CONSIDERED	METHOD AND CONSIDERATIONS
	Origin-Destination informed SKATER This analysis attempted to synthesize the two algorithmic methods by including the number of commutes from each PUMA to each Origin-Destination cluster identified in the Walktrap method as an additional input to the SKATER model, alongside the demographic variable inputs used in the original SKATER clustering model.
	Revised Origin-Destination Clustering—final map for the Regional Housing Needs Assessment This revised map reassigned 2 PUMAs in the Origin-Destination clustering map to create a fifth submarket. This map preserves Denver within a single submarket and creates a distinct submarket for the mountain areas in the west.

Source: ECONorthwest; ACS 1-year 2022 PUMS data; LODES 2020.

Distributing regional need among submarkets

In consultation with DRCOG staff and the advisory group, ECONorthwest created a model for distributing the 10-year scaled estimate of the Regional Housing Needs Assessment results among the five submarkets based on criteria that reflect both current conditions and needs and forecasted future conditions and needs. The criteria include factors that shape the demand for housing and align with regional planning goals for greater affordability across the region and matching growth with multimodal transportation systems. At a high level, the categories and rationale behind the criteria are as follows:

- ♦ **Population:** Housing need corresponds directly to population size.
- ♦ **Regional jobs:** Employment is a driver of housing demand. Better matching of job and housing locations creates more options for housing, shortens commute times and distances, and eases congestion and vehicle travel on the region's transportation systems.



- ♦ **Multimodal accessibility:** Metro Vision outlines a plan for more compact urban development and a greater use of transit, walking, and biking for daily activities.
- ♦ **Housing availability:** Low rental vacancy rates help illuminate places where housing is particularly in high demand and short supply, relative to the region as a whole.
- ♦ **Housing affordability:** Every community in the Denver region has a role to play in planning for housing affordable to a range of incomes. Areas with a smaller supply of affordable housing contribute to regional inequities in access to opportunity and suboptimal transportation outcomes.

Exhibit 9 summarizes the criteria included in the model, the method of calculating and applying each criterion, and the data source for each input.

Exhibit 9. Summary of Distribution Criteria for Submarket Share of Total Housing Need

CRITERION	METHOD	DATA SOURCE
Current conditions		
Share of regional population, 2022	Positive weight	DRCOG Small-Area Forecast (2020)
Share of regional jobs, 2022	Positive weight	DRCOG Small-Area Forecast (2020)
Share of pedestrian/transit-accessible jobs and households (< 0.5 miles)	Calculate travel distance of each census block to nearest transit amenity in RTD data; positive weight	DRCOG Pedestrian Focus Areas
Share of housing units needed to meet national vacancy rate	Calculate gap between submarket vacancy and the observed national rate of 6.5 percent; inverse weight	ACS 1-year 2022 PUMS
Share of region's affordable units (0–60% AMI)	Inverse weight	ACS 1-year 2022 PUMS
Future conditions		
Share of regional population, 2033	Positive weight	DRCOG Small-Area Forecast (2020)
Share of regional jobs, 2033	Positive weight	DRCOG Small-Area Forecast (2020)
Share of developable land proximate to planned Rapid Transit System network	Calculate share of land within 0.5 miles of the RTS network and Pedestrian Focus Areas, removing protected open space and water; positive weight	DRCOG RTP 2050 Network
Share of "short" commutes	Share of commutes under 30 minutes; positive weight	ACS 1-year 2022 PUMS

Broadly, the inputs that reflect current conditions distribute the units of the Regional Housing Needs Assessment that represent current needs—those for underproduction and homelessness.



Inputs that reflect future conditions distribute the future needs component of the results. The model weights each of the current and future conditions inputs equal relative to one another and distributes units to submarkets based on each submarket's share of each input.

The example below illustrates the steps in this method using the future condition input related to future transit access:

1. The share of developable land proximate to planned Rapid Transit System determines 25 percent of future need (100 percent divided equally among four inputs).
2. The Central submarket has 37 percent of the land proximate to the planned Rapid Transit System network.
3. The Central submarket will receive 37 percent of 25 percent of the total regional future need from this input.

Results

Exhibit 10. Summary of submarket share of regional need by phase, 10-year scaled estimate

SUBMARKET	HOMELESSNESS NEED	UNDERPRODUCTION	FUTURE NEED	TOTAL UNITS
Central	7,110	7,093	56,047	70,250
North	4,219	4,209	28,710	37,138
North Central	3,509	3,500	27,167	34,176
Southeast	10,653	10,628	48,250	69,531
West	902	900	3,717	5,520

Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.

Exhibit 11. Submarket share of regional need by income, 10-year scaled estimate

SUBMARKET	0–30%	30–60%	60–80%	80–100%	100–120%	>120%	TOTAL
Central	26,544	17,251	3,286	9,221	3,229	10,720	70,250
North	14,379	9,059	1,786	4,753	1,670	5,491	37,138
North Central	12,951	8,386	1,604	4,473	1,567	5,196	34,176
Southeast	28,994	16,598	3,636	8,168	2,905	9,229	69,531
West	2,344	1,310	295	633	226	711	5,520
Total	85,212	52,604	10,606	27,248	9,597	31,348	216,615

Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.

Note: Components of need do not sum to total because of rounded unit counts.



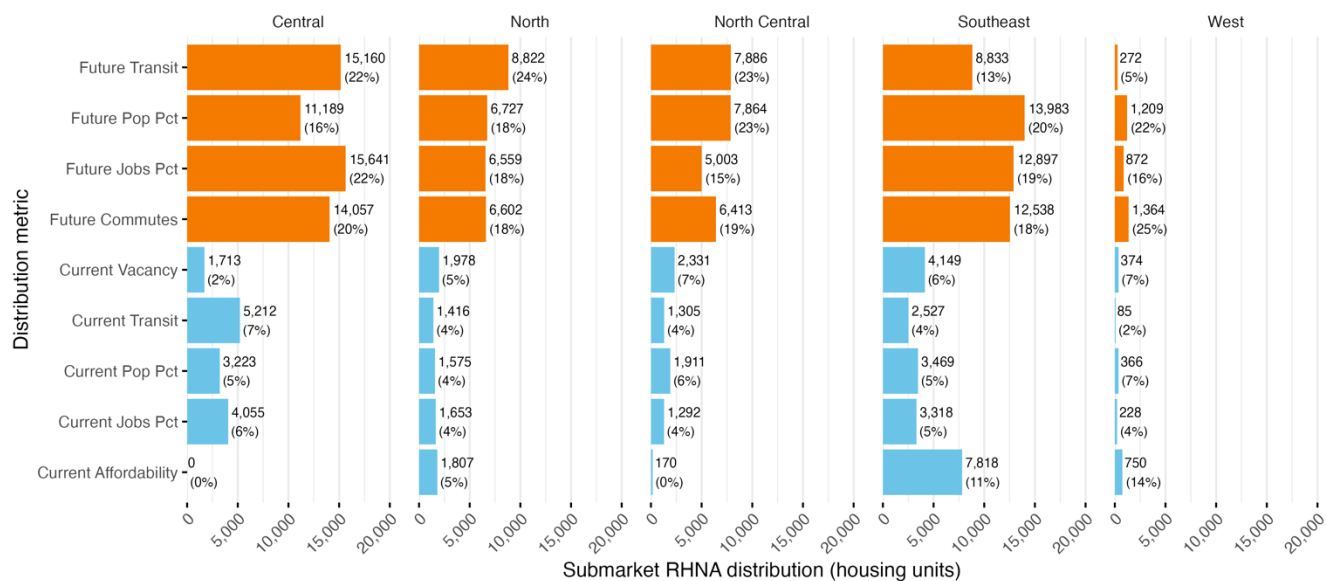
Exhibit 12. Submarket share of regional need by income and phase (current/future), 10-year scaled estimate

PHASE	0–30%	30–60%	60–80%	80–100%	100–120%	>120%	TOTAL
Central							
Current	9,636	2,741	1,267	361	197	–	14,203
Future	16,908	14,509	2,018	8,860	3,032	10,720	56,047
North							
Current	5,718	1,627	752	214	117	–	8,428
Future	8,661	7,432	1,034	4,538	1,553	5,491	28,710
North Central							
Current	4,755	1,353	625	178	97	–	7,009
Future	8,195	7,033	978	4,294	1,469	5,196	27,167
Southeast							
Current	14,438	4,107	1,899	541	296	–	21,281
Future	14,556	12,491	1,738	7,627	2,610	9,229	48,250
West							
Current	1,223	348	161	46	25	–	1,803
Future	1,121	962	234	588	201	711	3,717
Total	85,212	52,604	10,606	27,248	9,597	31,348	216,615

Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), State Demography Office Employment (2020) Forecast, DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.

Note: Components of need may not sum to totals above because of rounded unit counts

Exhibit 13. Submarket share of total need by distribution model criteria



Source: ECONorthwest analysis; DRCOG Small-Area Forecast (2020), State Demography Office Employment (2020) Forecast, DRCOG synthesis of State Demography Office 2022 Household Forecast, U.S. Census Bureau, ACS 1-year 2022 PUMS estimates; MDHI 2022–2023 State of Homelessness Report.



Appendix D: Barriers to Housing Production

Purpose

The Denver Regional Council of Governments (DRCOG) has conducted a Regional Housing Needs Assessment to establish an objective, data-driven understanding of the baseline housing need for both the current and future population of the Denver region. The results of this Regional Housing Needs Assessment show that the region needs to build 511,000 units by 2050 to meet current and future housing needs.

Two key challenges in meeting this goal include building housing that supports the diversity of housing needs across all income levels and household types and ensuring that diverse housing options exist across the region's submarkets. Across the region, the production of market-rate housing has kept better pace with the demand from higher income households. This level of production needs to be sustained to continue meeting projected needs. At the same time, the region will need to significantly increase the production of affordable housing, especially for the lowest income households to meet the scale of existing and future needs.

Given the scale of current and projected need estimated in the Regional Housing Needs Assessment, this memo focuses on the barriers specific to producing more housing than currently exists. Identifying these barriers to production is a crucial next step for the region to develop policies and actions that are responsive to regional and local contexts.

Barriers to housing production

The barriers to housing production are varied, operate at multiple levels, and interact in complex ways. These obstacles are not uniform across the region; they vary significantly depending on the unique characteristics of each geographic location and evolve over time in response to changing circumstances. Typically, it is the combination and intersection of these barriers that hinders housing projects—especially those affordable at low and moderate incomes—either by preventing them from moving forward altogether or by resulting in the development of fewer units than what might be allowed or desired under current conditions.



The interplay between factors such as market conditions, the regulatory environment, infrastructure availability, political context, and financial resources can lead to unexpected outcomes. Examples of those development outcomes might include:

- ◆ Places with more restrictive zoning but strong market demand are likely to see some development despite the zoning limitations, but the housing might only serve high-income households and may not align with community goals.
- ◆ In cities with less restrictive zoning and cohesive community goals, along with strong market demand, developers may build a broader range of housing types, including apartments, townhouses, and single-family homes.
- ◆ A city with less restrictive zoning but weak market demand and infrastructure constraints might experience limited housing development. In this case, developers may be hesitant to invest in new projects due to the lower rents and expected returns.
- ◆ Suburban areas with more restrictive zoning, moderate market demand, and adequate infrastructure might see the development of primarily single-family homes on large lots.

To help build a strategic framework that addresses both the broad issues and the on-the-ground experiences in the region, this memo categorizes the barriers into key groups, acknowledging the nuanced and multifaceted nature of the challenges faced in developing housing to meet a wide range of needs.

Land use and zoning

Land use refers to the way in which land is utilized and managed, including how land should be allocated for various purposes, such as residential, commercial, industrial, agricultural, recreational, or conservation areas. Land use planning provides a vision for future development within neighborhoods, districts, towns, cities, counties, regions or other defined planning areas. Local jurisdictions play a crucial role in determining the balance of land uses within their boundaries through comprehensive plans, zoning ordinances, and development standards. They aim to ensure that the allocation of land aligns with the community's vision, goals, and priorities while considering factors such as economic development, environmental sustainability, and quality of life.

Zoning regulates local land use by establishing guidelines and restrictions used to control and guide property development in various areas within cities, towns, and counties. Communities are divided into districts or zones, each with specific regulations governing allowed uses, building size, density, parking, open space and other development standards.



Barrier	Results on the ground	Relates to
Restrictive zoning	Development regulations vary widely by submarket and at the local level—some jurisdictions have made big changes in adapting their codes while others haven’t been substantially updated in decades, even as demographic shifts have changed the demand for housing. ⇒ In many communities, much of the land is zoned only for detached single-family (one unit per lot). ⇒ Standards for the size and shape of buildings, paired with site requirements such as on-site parking and open space may prevent projects from achieving the number of housing units allowed in a zone. ⇒ Where allowed, multifamily and middle housing types are often subject to more rigorous design standards, lengthy review processes, and public hearings compared to single-family developments. ⇒ Mandatory inclusionary policies in some communities may reduce feasibility and thus constrain development of both affordable and market rate housing.	• Development costs and market factors • Political will and collective action
Discretionary review processes	Permitting processes that require special review for use or design slow down the process, increasing risk and costs for new housing projects. ⇒ Conditional review for higher density or specific uses (e.g., affordable housing) are common. ⇒ Discretionary standards for size, scale, building materials and other design elements make the approval process unpredictable and highly variable across communities. ⇒ Public hearings create opportunity for opposition which can disproportionately affect multifamily or affordable housing, thereby reinforcing historic exclusionary patterns.	• Funding and finance • Political will and collective action
Jurisdictional capacity	Many cities and towns—especially smaller ones—do not have enough staff or capacity to process permit applications at the scale and speed necessary to meet need.	• Infrastructure • Funding and finance



	⇒ Capacity challenges increase when there are discretionary reviews involved, or if applications require zoning changes to address restrictive rules. ⇒ Limited capacity and staff turnover can make it difficult to provide consistent and clear guidance to applicants, requiring multiple rounds of revisions. ⇒ Staff are less able to research and implement new policy or program opportunities that might support housing development, including grants.	
State tax policy	Colorado tax structure affects local decisions about allocating more land for residential uses. ⇒ Commercial property tax rates are about four times higher than residential rates and retail sites can generate municipal sales tax, so local governments prioritize commercial zoning set asides for local revenue. ⇒ Additional housing can create challenges for school capacity and the Taxpayers Bill of Rights (TABOR) makes it difficult for school districts to respond to increasing enrollment resulting from housing development as additional local funding requires voter approval.	• Political will and collective action
Incentives not matched to needed housing types	Many local governments offer zoning incentives—such as increased site coverage, reduced parking, greater density, or waived infrastructure fees—to encourage specific building types ⇒ Incentives are not always well matched with the kinds of housing needed in a community. ⇒ Incentives might be paired with additional requirements that reduce or eliminate the additional value created through the incentives. ⇒ Incentives may not be aligned with market conditions to make desired housing feasible.	• Infrastructure • Development cost and market factors • Funding and finance • Political will and collective action

When neighboring towns, cities and counties have vastly different approaches to governing land use and zoning it creates an uneven patchwork of housing availability and affordability across the region, where residents must compete for a limited supply of housing in more affordable markets. Ultimately, the lack of a cohesive, regional approach to land use and zoning can undermine efforts to create diverse, affordable, and well-connected communities for all residents.



Infrastructure

Infrastructure refers to the fundamental facilities and services that support a community's development and operation. In the context of housing, key infrastructure includes transportation networks such as roads, public transit, sidewalks, and bikeways; water and sewer systems; stormwater management systems for collecting and treating runoff; energy sources such as electricity and natural gas; and community facilities such as schools and parks. The costs and construction of new infrastructure are often shared between the private and public sectors where private developers install infrastructure related to their projects and public sector agencies provide and maintain larger, off-site infrastructure systems, funded through taxes, user fees, and impact fees charged to developers. However, over time, the roles of the private and public sectors in providing and funding infrastructure projects have become more blurred due to funding challenges. Increasingly, private developers are required to contribute more to off-site infrastructure improvements, while public agencies need to explore innovative partnerships and financing mechanisms to deliver and maintain necessary facilities and services.

Barrier	Results on the ground	Relates to
Limited funding for infrastructure	Costs to expand infrastructure are exacerbated by inflation, labor, and supply chain issues, and local sources do not often meet the full costs of meeting infrastructure needs. ⇒ TABOR provisions encourage reliance on increasing user fees to fund infrastructure projects that support new development, which can burden existing residents. ○ Utility fees are capped for income-restricted residents, so higher user fees can create a financial gap for affordable housing. ⇒ Perception that funding and financing mechanisms such as impact fees and metro districts can increase costs for new homebuyers through higher sales prices or property taxes. ⇒ Jurisdictions risk taking on extensive bond obligations that can strain budgets and limit flexibility to respond to changing needs or economic conditions. ⇒ Jurisdictions and utility providers try to balance new capital investments with financial obligations to the maintenance and operations of existing infrastructure systems.	• Development cost and market factors • Funding and finance



	⇒ Utility providers may be willing to reduce or waive fees, but do not always have a plan to backfill lost revenue.	
Grant writing capacity	Some local governments have entire teams dedicated to applying for and managing grants, but other communities might lack staff capacity and technical expertise to take on this work. ⇒ Matching requirements are more challenging for smaller communities to meet.	• Funding and finance
Limited existing capacity	Infrastructure systems might have limited existing capacity. ⇒ Utility companies are not always able to take on or support system expansions, limiting the capacity for new development in areas that are otherwise suitable for growth. ⇒ Communities may use infrastructure limitations as a reason to limit or deny new housing development, citing concerns about traffic congestion, water shortages, or overburdened public services to constrain growth. ⇒ Non-housing uses also compete for capacity on existing systems, such as state and local goals related to building and vehicle electrification.	• Funding and finance • Development costs and market factors
Multiple service providers	Many jurisdictions have several service providers, creating challenges for local and regional coordination on aligning housing and infrastructure development. ⇒ Local governments may initiate local efforts to reduce the cost of housing development through reducing or waiving development fees, but utility districts may not have the same internal motivation to participate.	• Political will and collective action
Access to opportunity	Robust regional transportation planning has designated areas of opportunity for housing, but these areas can be difficult to develop or preserve affordable housing options. ⇒ Areas that are destination-rich, compact, walkable and/or well served by existing transit have higher land costs. ⇒ Many regional transportation investments are in the planning stages; developers may be reluctant to invest in those areas until the infrastructure is closer to completion which can create challenges for meeting current and future housing needs.	• Development costs and market factors



	⇒ Communities along historically underinvested corridors have concerns about the loss of more affordable housing options when the real estate market responds to regional transit improvements.	
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When infrastructure is inadequate or lacking, developers may be required to fund improvements themselves, such as building new roads, extending utility lines, or upgrading larger facilities to increase capacity. These added costs can make housing projects less financially feasible, especially for affordable housing. This can disproportionately impact low-income or historically disadvantaged communities where infrastructure needs are often the greatest, perpetuating the lack of investment and limiting housing opportunities in these areas.

Development costs and market factors

The most important factor determining whether and what kind of housing gets built in our communities is financial feasibility. Both for-profit and nonprofit developers need the expected revenues of a finished project to at least cover the cost of repaying loans, providing a return on any investor equity, and covering their staffing and operational expenses. Local policies contribute to total project costs—regulations governing the size, unit density, materials and other design factors all affect a project budget. At the same time, broader market conditions influence the basic costs of development in ways that can make housing more expensive or less likely to be built.

Barrier	Results on the ground	Relates to
Interest rates and insurance costs	Higher interest rates on commercial lending and rising insurance rates for construction can make market rate and affordable housing projects infeasible. ⇒ Increased costs slow down development activity for all types of housing. ⇒ Affordable housing projects need more funding to close the gap between development costs and limited rental revenue.	Funding and finance
Land and water prices	When the region experienced rapid population growth, the demand for land and water in the region increased, putting upward pressure on prices. ⇒ Public agencies with land holdings may be hesitant to sell land at reduced costs or donate land for housing development due to lack of new revenue options. ⇒ Securing and demonstrating adequate water supply can add costs beyond the infrastructure to deliver water.	- Infrastructure - Funding and finance
Shortage of construction labor	Construction industry employment has not recovered from the decline during the Great Recession.	



	⇒ Challenge in both urban and rural areas across the region. ⇒ Attracting and retaining employment in the industry is further challenged by high housing costs and the boom/bust cycle of development in Colorado. ⇒ In addition to an overall shortage, there can be a mismatch between the local construction workforce and the skills needed for different scales and types of projects.	
Construction defect liability law	Colorado's construction defect liability law for condominiums allows claims to be filed 6–8 years after construction is completed. The chance of litigation increases risk for developers, which drives up the rates charged by insurers, and ultimately increases the per unit costs. Some developers also opt to build condo projects with more expensive materials like concrete and steel to reduce some of the risks of construction defects compared to wood frame buildings, which also makes condos more expensive. ⇒ Fewer developers build dense housing for ownership ⇒ Condos are more expensive per square foot and generally not affordable to households earning below median incomes	• Funding and finance • Political will and collective action

While some market factors affect the entire region (or country), others—such as land prices—vary across the Denver region's different communities. The interaction of macroeconomic and regional submarket and local conditions will shape the kind of housing that is feasible across different jurisdictions, which may not align with communities' priority housing needs or desired outcomes. Understanding how these factors affect development and acknowledging how they shift over time can help jurisdictions create a suite of approaches to get the housing needed to serve local and regional needs.

Funding and finance

The terms "funding" and "financing" are often used interchangeably, but there is an important difference between the two. Funding describes the ultimate sources of money to pay for development costs and generally comes from private developers (for-profit or nonprofit) and investors or public sector partners (whether from local revenue sources, state funds, or federal funds). For affordable housing especially, the limited amount of funding available from all sources is the primary challenge to ramping up construction and preserving the affordable housing that already exists.



Financing describes mechanisms to distribute funding, such as loans, grants, and equity investments (among others). The features and requirements of different financing tools have implications for development costs, and some tools are better suited—or restricted, as in the case tax credits—to certain kinds of development. Even jurisdictions that have limited sources of funding may be able to adjust how they finance development in order to better leverage funds to meet housing production needs.

Barrier	Results on the ground	Relates to
Over-reliance on limited tax credits	Federal Low Income Housing Tax Credits (LIHTC) are the largest source of funding/financing for affordable housing. Annual allocations to states are set by a formula based on population. ⇒ In Colorado (like most states) annual applications for LIHTC exceed the amount of available credits. ⇒ Increased competition for limited tax credits and the larger subsidies needed as costs increase limits production.	• Development cost and market factors
No dedicated regional source of gap funding	Gap funding is usually critical to make affordable housing feasible, after debt and equity (tax credit) sources are secured. Gathering sources for gap funding from state, local, or philanthropic sources takes effort and time that can delay or kill a project. ⇒ Some local communities have started their own funding programs to support affordable housing development, but this plays out in varied and inconsistent ways across the region. ⇒ Current gap funding providers often prefer to be the last source added to a project, but having a source of funding that can be guaranteed earlier in the process can help secure other funding more quickly.	• Political will and collective action
Existing programs favor larger projects	The state's largest funding sources are competitive and the scoring criteria favors larger-scale projects with experienced developers and operators of affordable housing. ⇒ Small communities where affordable projects might have fewer units are at a disadvantage. ⇒ Supportive service providers or community-based organizations who want to expand into affordable housing face barriers to entry due to experience and limited pool of regional development partners.	



Lack of resources for affordable ownership	The bulk of federal and state resources are directed toward rental housing to meet the significant need for affordable housing for very low-income households. ⇒ Other approaches to developing affordable, stable housing such as deed-restricted for-sale homes or shared equity ownership connected to a community land trust, have fewer funding sources.	
State lending landscape	Colorado has few Community Development Financial Institutions (CDFIs) that specialize in lending to affordable housing and other innovative projects that meet local needs. ⇒ CDFIs offer financing and technical assistance better aligned with the needs of affordable housing development compared to commercial banks.	• Development cost and market factors
Lack of viable incentive programs	Local incentive programs are not always able to achieve increased affordable housing production. ⇒ In many communities, zoning, or financial incentives such as density bonuses or impact fee waivers are not calibrated to local market conditions to make affordable and middle-income housing production feasible.	• Land use and zoning • Development and market factors • Political will and collective action
Lack of funding streams to operate supportive housing models long-term	Housing that offers support services for seniors or those transitioning out of homelessness face long-term operating challenges related to rising costs and lack of funding resources to maintain supportive and specialty services. ⇒ Operational challenges strain the capacity of affordable housing developers to take on new projects. ⇒ Without ongoing funding for operations, this housing is at risk of being lost to closure or eventual repositioning as market-rate housing.	• Development costs and market factors

More expensive financing reduces both affordable and market-rate housing development. A significant challenge for affordable housing is the limited pool of resources—especially financing other than loans—available to meet the scale of need. In this situation, gap funding can play a crucial role in producing new homes. Some jurisdictions have created local revenue sources to help support affordable housing, but not all communities have taken this step and they vary in their capacity to generate local funds, leading to uneven distribution of housing that is needed throughout the region.



Political will and collective action

Beyond official rules, processes, and market factors, political will and collective action play crucial roles in shaping the local and regional housing landscape. Political will, or the commitment of key stakeholders and elected officials, is essential for enacting policies and allocating resources that support housing development. A lack of political will can derail even well-intended efforts to meet housing needs. Similarly, collective action by community members and advocacy groups can either push housing initiatives forward or oppose development due to concerns related to growth and change.

Barrier	Results on the ground	Relates to
Local resistance to new housing and diverse housing types	Many projects encounter local opposition to development proposals, especially for housing that is affordable to households with lower incomes. ⇒ Discretionary (and contentious) review processes that extend the development timeline are financially damaging to new projects also affected by other barriers. ⇒ Opposition campaigns and drawn-out review processes can further tax the capacity of local planning staff, especially in smaller jurisdictions. ⇒ Lack of support from local government staff and elected officials can also prevent needed housing from being built.	• Land use and zoning • Development cost and market factors
Lack of local data to understand need	There is no consistent approach to calculating housing need in Colorado and many communities lack the technical or financial capacity to undertake this analysis on their own. ⇒ Limited and infrequent grant opportunities for Housing Needs Assessments to do the necessary technical work. ⇒ Varied approaches make it difficult to compare across jurisdictions or even compare across time and monitor progress toward meeting needs.	
State tax policy	Colorado's Taxpayer Bill of Rights (TABOR) inhibits the ability of government revenue to keep pace with a growing and changing population, and requires voter approval for all tax increases. ⇒ The political appetite for tax increases varies by jurisdiction and has different implications for households based on the local tax base. ⇒ TABOR also limits the ability for jurisdictions to have emergency reserve funds in excess of 3 percent of annual budgets, which makes it difficult for local governments to fund programs—including housing production—consistently during economic downturns.	• Development cost and market factors • Funding and financing



The Denver region lacks a shared understanding of housing need—both in terms of scale and the types of housing needed to provide affordable and attainable housing across the entire income spectrum. Coordination across communities and among development partners, service providers, and other stakeholders to build a common base of knowledge is an important step toward building greater consensus and political will to address regional housing needs. This kind of collective action is critical for the region to achieve Metro Vision outcomes for livable, inclusive, connected, and sustainable communities.

Building a strategy framework

Land use and zoning, availability of infrastructure, funding and finance, development costs and market factors, and the political will and collective action of communities all individually and collectively play significant roles in shaping the housing landscape across the Denver region. For market-rate housing, the interplay between zoning restrictions, market demand, and development costs seems to be the most critical, while affordable housing projects are more heavily influenced by political will and the availability of funding. How these barriers show up and interreact within the region's different housing markets will ultimately shape development outcomes.

Understanding how these barriers affect experiences and outcomes for various actors in the housing development process is crucial for developing effective strategies to increase overall housing production. Another suite of strategies will be needed to preserve existing housing and promote housing stability in order to make real progress toward closing the overall gaps between supply and demand. A comprehensive regional housing strategy will help foster a more robust and resilient housing development ecosystem that can better weather shifts in the economic environment to meet the needs of the region's residents.



An Act

SENATE BILL 24-174

BY SENATOR(S) Kirkmeyer and Zenzinger, Bridges, Baisley, Gardner, Ginal, Liston, Lundeen, Pelton B., Pelton R., Rich, Simpson, Smallwood, Will, Buckner, Coleman, Exum, Gonzales, Hansen, Marchman, Michaelson Jenet, Mullica, Priola, Roberts;
also REPRESENTATIVE(S) Bird and Pugliese, Armagost, Bradfield, Evans, Frizell, Lynch, Taggart, Weinberg, Wilson, Winter T., Amabile, Bacon, Boesenecker, Brown, Clifford, Daugherty, Duran, English, Jodeh, Joseph, Lindsay, Lukens, Martinez, Marvin, Mauro, McCormick, McLachlan, Sirota, Snyder, Story, Titone, Valdez, Velasco, Weissman, Willford, Young, McCluskie.

CONCERNING STATE SUPPORT FOR SUSTAINABLE AFFORDABLE HOUSING,
AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** part 37 to article 32 of title 24 as follows:

PART 37 HOUSING NEEDS PLANNING

24-32-3701. Definitions. AS USED IN THIS PART 37, UNLESS THE

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

CONTEXT OTHERWISE REQUIRES:

(1) "ACCESSIBLE HOUSING" OR "ACCESSIBLE UNIT" MEANS HOUSING THAT SATISFIES THE REQUIREMENTS OF THE FEDERAL "FAIR HOUSING ACT", 42 U.S.C. SEC. 3601 ET SEQ., AS AMENDED, AND INCORPORATES UNIVERSAL DESIGN.

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

(3) "DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS.

(4) "DISPLACEMENT" MEANS:

(a) THE INVOLUNTARY RELOCATION OF RESIDENTS, PARTICULARLY LOW-INCOME RESIDENTS, OR LOCALLY OWNED COMMUNITY SERVING BUSINESSES AND INSTITUTIONS DUE TO:

(I) INCREASED REAL ESTATE PRICES OR RENTS, PROPERTY REHABILITATION, REDEVELOPMENT, DEMOLITION, OR OTHER ECONOMIC FACTORS;

(II) PHYSICAL CONDITIONS RESULTING FROM NEGLECT AND UNDERINVESTMENT THAT RENDER A RESIDENCE UNINHABITABLE; OR

(III) PHYSICAL DISPLACEMENT WHEREIN EXISTING HOUSING UNITS AND COMMERCIAL SPACES ARE LOST DUE TO PROPERTY REHABILITATION, REDEVELOPMENT, OR DEMOLITION; OR

(b) INDIRECT DISPLACEMENT RESULTING FROM CHANGES IN NEIGHBORHOOD POPULATION, IF, WHEN LOW-INCOME HOUSEHOLDS MOVE OUT OF HOUSING UNITS, THOSE SAME HOUSING UNITS DO NOT REMAIN AFFORDABLE TO OTHER LOW-INCOME HOUSEHOLDS IN THE NEIGHBORHOOD, OR DEMOGRAPHIC CHANGES THAT REFLECT THE RELOCATION OF EXISTING RESIDENTS FOLLOWING WIDESPREAD RELOCATION OF THEIR COMMUNITY AND COMMUNITY SERVING ENTITIES.

(5) "DIVISION OF LOCAL GOVERNMENT" MEANS THE DIVISION OF LOCAL GOVERNMENT IN THE DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION 24-32-103.

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(6) "DWELLING UNIT" MEANS A SINGLE UNIT PROVIDING COMPLETE INDEPENDENT LIVING FACILITIES FOR ONE OR MORE INDIVIDUALS, INCLUDING PERMANENT PROVISIONS FOR COOKING, EATING, LIVING, SANITATION, AND SLEEPING.

(7) "LOCAL GOVERNMENT" MEANS A HOME RULE, TERRITORIAL, OR STATUTORY COUNTY, CITY AND COUNTY, CITY, OR TOWN.

(8) "MAJOR TRANSIT STOP" MEANS A STATION FOR BOARDING AND EXITING GENERAL PUBLIC PASSENGER RAIL, INCLUDING COMMUTER RAIL AND LIGHT RAIL, OR A STOP ON A BUS ROUTE WITH A SERVICE FREQUENCY OF FIFTEEN MINUTES OR LESS FOR EIGHT HOURS OR MORE ON WEEKDAYS, EXCLUDING SEASONAL SERVICE.

(9) "MULTIFAMILY RESIDENTIAL HOUSING" MEANS A BUILDING OR GROUP OF BUILDINGS ON A LOT WITH FIVE OR MORE SEPARATE DWELLING UNITS.

(10) "NEIGHBORHOOD CENTER" MEANS AN AREA THAT MEETS THE FOLLOWING CRITERIA:

(a) ALLOWS A REASONABLE NET HOUSING DENSITY WITHIN ZONING THAT SUPPORTS MIXED-USE PEDESTRIAN-ORIENTED NEIGHBORHOODS, THE DEVELOPMENT OF REGULATED AFFORDABLE HOUSING, AND INCREASED PUBLIC TRANSIT RIDERSHIP, AS APPLICABLE;

(b) USES AN EFFICIENT DEVELOPMENT REVIEW PROCESS FOR MULTIFAMILY RESIDENTIAL DEVELOPMENT ON PARCELS IN THE AREA THAT ARE NO LARGER THAN A SIZE DETERMINED BY THE DEPARTMENT; AND

(c) INCLUDES ASPECTS OF MIXED-USE PEDESTRIAN-ORIENTED NEIGHBORHOODS, AS DETERMINED BY CRITERIA ESTABLISHED BY THE DEPARTMENT.

(11) "PUBLIC FACILITIES" MEANS PUBLIC STREETS, ROADS, HIGHWAYS, SIDEWALKS, STREET- AND ROAD-LIGHTING SYSTEMS, TRAFFIC SIGNALS, DOMESTIC WATER SYSTEMS, STORM AND SANITARY SEWER SYSTEMS, PARKS AND RECREATIONAL FACILITIES, BUILDINGS USED IN THE PROVISION OF PUBLIC SERVICES, AND SCHOOLS.

(12) "PUBLIC SERVICES" MEANS FIRE PROTECTION AND SUPPRESSION, LAW ENFORCEMENT, PUBLIC HEALTH, EDUCATION, RECREATION, ENVIRONMENTAL PROTECTION, STORMWATER MANAGEMENT, WASTEWATER MANAGEMENT, PUBLIC TRANSPORTATION, PUBLIC INFRASTRUCTURE MAINTENANCE, WATER, SOCIAL SERVICES, AND OTHER SERVICES TRADITIONALLY PROVIDED BY GOVERNMENT.

(13) "REGION" OR "REGIONAL" MEANS A DEFINED GEOGRAPHIC AREA CONSISTING OF TERRITORY FROM MORE THAN ONE LOCAL GOVERNMENT WITH A SUBSTANTIAL INTERCONNECTION IN COMMUTING PATTERNS, ECONOMY, WORKFORCE, TRANSPORTATION AND TRANSIT SYSTEMS, PUBLIC SERVICES, COMMUNITIES OF INTEREST, OR OTHER FACTORS RELATED TO POPULATION AND HOUSING.

(14) "REGIONAL ENTITY" MEANS A COUNCIL OF GOVERNMENTS, A PUBLIC ENTITY FORMED BY THE VOLUNTARY AGREEMENT OF LOCAL GOVERNMENTS IN THE REGION, OR A REGIONAL PLANNING COMMISSION.

(15) "REGULATED AFFORDABLE HOUSING" MEANS AFFORDABLE HOUSING THAT:

(a) HAS RECEIVED LOANS, GRANTS, EQUITY, BONDS, OR TAX CREDITS FROM ANY SOURCE TO SUPPORT THE CREATION, PRESERVATION, OR REHABILITATION OF AFFORDABLE HOUSING THAT, AS A CONDITION OF FUNDING, ENCUMBERS THE PROPERTY WITH A RESTRICTED USE COVENANT OR SIMILAR RECORDED AGREEMENT TO ENSURE AFFORDABILITY, OR HAS BEEN INCOME-RESTRICTED UNDER A LOCAL INCLUSIONARY ZONING ORDINANCE OR OTHER REGULATION OR PROGRAM;

(b) RESTRICTS OR LIMITS MAXIMUM RENTAL OR SALE PRICE FOR HOUSEHOLDS OF A GIVEN SIZE AT A GIVEN AREA MEDIAN INCOME, AS ESTABLISHED ANNUALLY BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND

(c) ENSURES OCCUPANCY BY LOW- TO MODERATE-INCOME HOUSEHOLDS FOR A SPECIFIED PERIOD DETAILED IN A RESTRICTIVE USE COVENANT OR SIMILAR RECORDED AGREEMENT.

(16) "SINGLE-UNIT DETACHED DWELLING" MEANS A DETACHED BUILDING WITH A SINGLE DWELLING UNIT LOCATED ON A SINGLE LOT.

(17) "SUPPORTIVE HOUSING" OR "SUPPORTIVE UNIT" MEANS A COMBINATION OF HOUSING AND SERVICES INTENDED AS A COST-EFFECTIVE WAY TO HELP PEOPLE LIVE MORE STABLE, PRODUCTIVE LIVES, AND TYPICALLY COMBINES AFFORDABLE HOUSING WITH INTENSIVE COORDINATED SERVICES TO HELP PEOPLE MAINTAIN STABLE HOUSING AND RECEIVE APPROPRIATE HEALTH CARE.

(18) "UNIVERSAL DESIGN" MEANS ANY DWELLING UNIT DESIGNED AND CONSTRUCTED TO BE SAFE AND ACCESSIBLE FOR ANY INDIVIDUAL REGARDLESS OF AGE OR ABILITIES.

(19) "VISITABLE HOUSING" OR "VISITABLE UNIT" MEANS A DWELLING UNIT THAT A PERSON WITH A DISABILITY CAN ENTER, MOVE AROUND THE PRIMARY ENTRANCE FLOOR OF, AND USE THE BATHROOM IN.

24-32-3702. Housing needs assessment methodology - statewide housing needs assessment - displacement risk guidance. (1) (a) NO LATER THAN DECEMBER 31, 2024, THE DIRECTOR SHALL DEVELOP REASONABLE METHODOLOGIES FOR CONDUCTING STATEWIDE, REGIONAL, AND LOCAL HOUSING NEEDS ASSESSMENTS. THE METHODOLOGIES DESCRIBED IN THIS SUBSECTION (1)(a) MUST ESTABLISH BASELINE STANDARDS THAT SEEK TO PRODUCE ACCURATE DATA FOR INTERNAL STATE AGENCY PLANNING AND GRANT PROGRAMS AND EFFICIENTLY PROCURE DATA FOR USE BY REGIONS AND LOCAL GOVERNMENTS FOR PLANNING PURPOSES, BUT MUST ALSO BE DESIGNED TO MINIMIZE THE FISCAL BURDEN ON LOCAL GOVERNMENTS AND REGIONAL ENTITIES CONDUCTING HOUSING NEEDS ASSESSMENTS. IN DEVELOPING THE METHODOLOGIES AND GUIDANCE DESCRIBED IN THIS SECTION, THE DIRECTOR SHALL CONSULT WITH LOCAL GOVERNMENTS AND EXPERTS IN PLANNING AND ZONING, AFFORDABLE HOUSING, DISABILITY RIGHTS, HOMELESSNESS RESOLUTION AND PREVENTION, TENANTS' RIGHTS, EXPERTS WITH DEMONSTRATED EXPERIENCE IN CONDUCTING HIGH-QUALITY HOUSING NEEDS ASSESSMENTS AND ENGAGEMENT OF UNDERREPRESENTED COMMUNITIES, AND OTHER FIELDS FOCUSED ON HOUSING NEEDS PLANNING. PRIOR TO FINALIZING THE ASSESSMENT METHODOLOGY AND DISPLACEMENT RISK MITIGATION STRATEGIES DIRECTORY CREATED PURSUANT TO SECTION 24-32-3706 (4), THE DIVISION OF LOCAL GOVERNMENT SHALL ENGAGE IN TARGETED OUTREACH WITH FOCUS GROUPS FOR HISTORICALLY UNDERCONSULTED AND DISPROPORTIONATELY IMPACTED STAKEHOLDERS, RESIDENTS, AND BUSINESSES TO IDENTIFY THE PRIMARY REASONS FOR DISPLACEMENT

INCLUDED AMONG THOSE IDENTIFIED IN SECTION 24-32-3701 (4).

(b) NO LATER THAN NOVEMBER 30, 2027, AND EVERY SIX YEARS THEREAFTER, THE DIRECTOR SHALL CONDUCT A STATEWIDE HOUSING NEEDS ASSESSMENT THAT ANALYZES EXISTING AND FUTURE STATEWIDE HOUSING NEEDS. THE DIRECTOR SHALL PUBLISH A REPORT BASED ON THE STATEWIDE HOUSING NEEDS ASSESSMENT AND REGIONAL AND LOCAL HOUSING NEEDS ASSESSMENTS ACCEPTED BY THE DEPARTMENT PURSUANT TO SECTION 24-32-3703 (3) OR 24-32-3704 (3) THAT IDENTIFIES CURRENT HOUSING STOCK AND ESTIMATES THE NUMBER AND TYPE OF DWELLING UNITS NEEDED TO ACCOMMODATE FUTURE HOUSING NEEDS OF THE STATE BASED ON POPULATION CHANGE PROJECTIONS. THE REPORT SHALL CATEGORIZE STATEWIDE HOUSING NEEDS BY HOUSEHOLD SIZE; HOUSEHOLD TYPE, INCLUDING ACCESSIBLE, VISITABLE, SUPPORTIVE, FOR-SALE, AND RENTAL HOUSING; AND INCOME LEVELS, INCLUDING EXTREMELY LOW-, VERY LOW-, LOW-, MODERATE-, AND MIDDLE-INCOME HOUSEHOLDS AS DESIGNATED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(c) THE METHODOLOGY FOR CONDUCTING A REGIONAL HOUSING NEEDS ASSESSMENT MUST INCLUDE METHODS FOR A REGIONAL ENTITY TO:

(I) ESTIMATE EXISTING HOUSING STOCK IN THE REGION AND IN EACH LOCAL JURISDICTION THAT FORMS THE REGION;

(II) ESTIMATE HOUSING NEEDS IN THE REGION AND EACH LOCAL GOVERNMENT'S JURISDICTION THAT FORMS THE REGION, SORTED BY INCOME LEVEL AND DWELLING TYPE, INCLUDING ACCESSIBLE UNITS, SUPPORTIVE UNITS, FOR-SALE UNITS, AND RENTAL UNITS;

(III) ESTIMATE THE NUMBER OF HOUSEHOLDS IN THE REGION AND EACH LOCAL GOVERNMENT'S JURISDICTION THAT FORMS THE REGION;

(IV) ESTIMATE THE NUMBER OF JOBS IN THE REGION AND EACH LOCAL GOVERNMENT'S JURISDICTION THAT FORMS THE REGION, SORTED BY ANNUAL SALARY AND WAGE;

(V) ESTIMATE AN ALLOCATION OF HOUSING NEEDS IDENTIFIED IN SUBSECTION (1)(c)(II) OF THIS SECTION TO EACH LOCAL GOVERNMENT IN THE REGION OR CONTRIBUTING TO HOUSING NEEDS IN THE REGION BASED ON THE NUMBER OF JOBS AND EACH LOCAL GOVERNMENT'S DEPENDENCE ON

JOBS IN THE REGION, AMONG OTHER FACTORS, TO PROMOTE A BALANCE OF JOBS AT ALL SALARY LEVELS AND HOMES AFFORDABLE TO PERSONS IN THE REGION HOLDING JOBS AT ALL INCOME LEVELS IN THE REGION;

(VI) IDENTIFY AREAS AT ELEVATED RISK OF DISPLACEMENT IN THE REGION AND EACH LOCAL GOVERNMENT'S JURISDICTION THAT FORMS THE REGION;

(VII) ESTIMATE THE WATER SUPPLY NEEDS FOR THE DWELLING UNITS IDENTIFIED IN SUBSECTIONS (1)(c)(I) AND (1)(c)(II) OF THIS SECTION USING PER CAPITA WATER USE RATES IDENTIFIED IN CONSULTATION WITH THE DEPARTMENT OF NATURAL RESOURCES; AND

(VIII) ASSESS MARKET LIMITATIONS ON THE DEVELOPMENT OF FOR-SALE MULTIFAMILY RESIDENTIAL HOUSING IN THE REGION.

(d) THE METHODOLOGY FOR CONDUCTING A LOCAL HOUSING NEEDS ASSESSMENT MUST INCLUDE METHODS AND ACCEPTABLE PUBLICLY AVAILABLE DATA SOURCES FOR A LOCAL GOVERNMENT TO:

(I) ESTIMATE EXISTING HOUSING STOCK IN THE LOCAL GOVERNMENT'S JURISDICTION;

(II) ESTIMATE HOUSING NEEDS WITHIN THE LOCAL GOVERNMENT'S JURISDICTION, SORTED BY INCOME LEVEL AND DWELLING TYPE, INCLUDING ACCESSIBLE UNITS, VISITABLE UNITS, SUPPORTIVE UNITS, FOR-SALE UNITS, AND RENTAL UNITS;

(III) ESTIMATE THE NUMBER OF HOUSEHOLDS IN THE LOCAL GOVERNMENT'S JURISDICTION;

(IV) ESTIMATE THE NUMBER OF JOBS IN THE LOCAL GOVERNMENT'S JURISDICTION SORTED BY ANNUAL SALARY AND WAGE;

(V) INCORPORATE A PORTION OF HOUSING NEEDS IDENTIFIED IN ANY APPLICABLE STATE AND REGIONAL HOUSING NEEDS ASSESSMENT FOR THE LOCAL GOVERNMENT, AS APPROPRIATE, BASED ON THE NUMBER OF JOBS AND EACH LOCAL GOVERNMENT'S DEPENDENCE ON JOBS IN THE REGION, AMONG OTHER FACTORS, TO PROMOTE A BALANCE OF JOBS AT ALL SALARY LEVELS AND HOMES AFFORDABLE TO PERSONS IN THE REGION HOLDING JOBS AT ALL

INCOME LEVELS;

(VI) IDENTIFY AREAS AT ELEVATED RISK OF DISPLACEMENT IN THE LOCAL GOVERNMENT'S JURISDICTION;

(VII) ESTIMATE WATER SUPPLY NEEDS FOR THE DWELLING UNITS IDENTIFIED IN SUBSECTIONS (1)(d)(I) AND (1)(d)(II) OF THIS SECTION USING PER CAPITA WATER USE RATES IDENTIFIED IN CONSULTATION WITH THE DEPARTMENT OF NATURAL RESOURCES; AND

(VIII) ASSESS MARKET LIMITATIONS ON THE DEVELOPMENT OF HOUSING IN THE LOCAL GOVERNMENT'S JURISDICTION.

(e) THE METHODOLOGIES FOR REGIONAL AND LOCAL HOUSING NEEDS ASSESSMENTS MUST INCLUDE THE FOLLOWING:

(I) A REQUIREMENT THAT HOUSING NEEDS ASSESSMENTS INCLUDE RECOMMENDED POLICY AND PROGRAMMATIC RESPONSES TO THE FINDINGS OF THE HOUSING NEEDS ASSESSMENT, INCLUDING THE ASSESSMENT OF DISPLACEMENT RISK; AND

(II) GUIDANCE REGARDING HOUSING ACTION PLANS CREATED PURSUANT TO SECTION 24-32-3705, INCLUDING THE INCLUSION OF RECOMMENDATIONS FOR HOUSING ACTION PLANS IN HOUSING NEEDS ASSESSMENTS AND THE SEQUENCING OF HOUSING NEEDS ASSESSMENTS AND HOUSING ACTION PLANS.

(2) THE METHODOLOGIES FOR ESTIMATING HOUSING NEEDS IN HOUSING NEEDS ASSESSMENTS MUST BE BASED ON THE FOLLOWING BASELINE COMPONENTS FOR EACH REGION AND LOCAL GOVERNMENT:

(a) EXISTING AND PROJECTED HOUSING SHORTAGES AND SURPLUSES FOR DIFFERENT HOUSEHOLD TYPES AND INCOME LEVELS, INCLUDING EXTREMELY LOW-, VERY LOW-, LOW-, MODERATE-, AND MIDDLE-INCOME HOUSEHOLDS AS DESIGNATED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT;

(b) EXISTING HOUSING DIVERSITY AND STOCK;

(c) CURRENT JOBS BY INCOME LEVEL;

(d) CURRENT MEDIAN INCOME;

(e) POPULATION CHANGE PROJECTIONS, JOB GROWTH PROJECTIONS, AND DEMOGRAPHIC TRENDS FORECASTED BY THE STATE DEMOGRAPHY OFFICE;

(f) POPULATION AND DEMOGRAPHICS;

(g) MEASURES OF LOCAL RESOURCES DEDICATED TO THE DEVELOPMENT OF AFFORDABLE HOUSING;

(h) VACANCY RATES;

(i) MEASURES OF HOMELESSNESS AND HOUSING INSTABILITY; AND

(j) THE JOB-HOUSING BALANCE, INCLUDING THE AVAILABILITY OF HOUSING FOR LOW-INCOME WORKERS.

(3) NO LATER THAN DECEMBER 31, 2024, THE DIRECTOR SHALL DEVELOP GUIDANCE FOR REGIONS AND LOCAL GOVERNMENTS TO CONDUCT A DISPLACEMENT RISK ASSESSMENT. IN DEVELOPING THE GUIDANCE, THE DEPARTMENT SHALL INCLUDE METHODS, WITH VARIATIONS FOR DIFFERENT LOCAL CONTEXTS INCLUDING THE SIZE AND RESOURCE LEVELS OF LOCAL GOVERNMENTS, FOR LOCAL GOVERNMENTS TO USE TO:

(a) GATHER FEEDBACK THROUGH COMMUNITY ENGAGEMENT;

(b) IDENTIFY INFORMATION FROM NEIGHBORHOOD-LEVEL EARLY DISPLACEMENT WARNING AND RESPONSE SYSTEMS OR, IF THOSE SYSTEMS ARE UNAVAILABLE, IDENTIFY THE BEST AVAILABLE LOCAL, REGIONAL, STATE, OR FEDERAL DATA THAT CAN BE ANALYZED TO IDENTIFY RESIDENTS AT ELEVATED DISPLACEMENT RISK, WHICH MAY INCLUDE:

(I) THE PERCENTAGE OF HOUSEHOLDS THAT ARE EXTREMELY LOW-, VERY LOW-, AND LOW-INCOME, AS DESIGNATED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT;

(II) THE PERCENTAGE OF RESIDENTS WHO ARE RENTERS;

(III) THE PERCENTAGE OF COST-BURDENED HOUSEHOLDS, DEFINED

AS HOUSEHOLDS THAT SPEND MORE THAN THIRTY PERCENT OF THE HOUSEHOLD'S INCOME ON HOUSING NEEDS;

(IV) THE NUMBER OF ADULTS WHO ARE TWENTY-FIVE YEARS OF AGE OR OLDER AND HAVE NOT EARNED AT LEAST A HIGH SCHOOL DIPLOMA;

(V) THE PERCENTAGE OF HOUSEHOLDS IN WHICH ENGLISH IS NOT THE PRIMARY SPOKEN LANGUAGE;

(VI) THE NUMBER OF SINGLE HEADS OF HOUSEHOLD WITH CHILDREN UNDER EIGHTEEN YEARS OF AGE;

(VII) DATA REGARDING RENTS OR HOME VALUES THAT ARE INCREASING AT A SUBSTANTIALLY HIGHER RATE THAN ADJACENT NEIGHBORHOODS IN THE REGION OR LOCAL GOVERNMENT'S JURISDICTION;

(VIII) DATA REGARDING NEIGHBORHOODS WITH HIGH VOLUME OF SALES OF OWNER-OCCUPIED OR INVESTOR-OWNED HOUSING;

(IX) DATA REGARDING INCREASED SALES AND USE TAXES GENERATED FROM COMMERCIAL AND RETAIL ACTIVITY;

(X) DATA REGARDING BUSINESS CLOSURES; AND

(XI) THE PERCENTAGE OF HOUSING STOCK BUILT PRIOR TO 1970;

(c) IDENTIFY THE LOCATION OF MANUFACTURED HOME PARKS;

(d) IDENTIFY AREAS THAT QUALIFY AS DISADVANTAGED AS DETERMINED WITH THE CLIMATE AND ECONOMIC JUSTICE SCREENING TOOL DEVELOPED BY THE COUNCIL ON ENVIRONMENTAL QUALITY IN THE OFFICE OF THE PRESIDENT OF THE UNITED STATES; AND

(e) IDENTIFY AREAS THAT WILL EXPERIENCE INCREASED ZONING CAPACITY ON OR AFTER JANUARY 1, 2025.

(4) ANY METHODOLOGY OR GUIDANCE DEVELOPED BY THE DIRECTOR PURSUANT TO THIS SECTION MUST PERMIT THE SUBSTITUTION OF AN ASSESSMENT OF HOUSING NEEDS OR DISPLACEMENT RISK CONDUCTED PURSUANT TO THE REQUIREMENTS OF ANY OTHER FEDERAL OR STATE LAW

OR REGULATION.

24-32-3703. Local housing needs assessments - procedure - exempt local governments. (1) (a) NO LATER THAN DECEMBER 31, 2026, EACH LOCAL GOVERNMENT SHALL CONDUCT AND PUBLISH A LOCAL HOUSING NEEDS ASSESSMENT THAT CONFORMS TO THE METHODOLOGY FOR CONDUCTING LOCAL HOUSING NEEDS ASSESSMENTS DEVELOPED BY THE DIRECTOR PURSUANT TO SECTION 24-32-3702 (1)(d) FOR THE TERRITORY COVERED BY THE LOCAL GOVERNMENT'S MASTER PLAN.

(b) A HOUSING NEEDS ASSESSMENT CONDUCTED BY OR ON BEHALF OF A LOCAL GOVERNMENT AFTER JANUARY 1, 2022, QUALIFIES AS HAVING SATISFIED THE REQUIREMENT OF SUBSECTION (1)(a) OF THIS SECTION, IF THE LOCAL GOVERNMENT SUBMITS THE ASSESSMENT TO THE DEPARTMENT NO LATER THAN DECEMBER 31, 2024, AND THE DEPARTMENT DETERMINES THAT THE MOST RECENT VERSION OF THE ASSESSMENT CONFORMS TO THE METHODOLOGY FOR CONDUCTING A REGIONAL HOUSING NEEDS ASSESSMENT OR LOCAL HOUSING NEEDS ASSESSMENT PURSUANT TO SECTION 24-32-3702. THE DEPARTMENT SHALL REVIEW A HOUSING NEEDS ASSESSMENT AND MAKE SUCH A DETERMINATION WITHIN NINETY DAYS OF A LOCAL GOVERNMENT SUBMITTING THE HOUSING NEEDS ASSESSMENT TO THE DEPARTMENT.

(2) BEGINNING ON DECEMBER 31, 2026, A LOCAL GOVERNMENT SHALL COMPLETE A HOUSING NEEDS ASSESSMENT NO LESS OFTEN THAN EVERY SIX YEARS, EXCEPT AS PROVIDED IN THIS SECTION.

(3) UPON CONDUCTING A LOCAL GOVERNMENT HOUSING NEEDS ASSESSMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION, A LOCAL GOVERNMENT'S GOVERNING BODY SHALL CONSIDER THE LOCAL HOUSING NEEDS ASSESSMENT AT A PUBLIC MEETING. WITHIN SIXTY DAYS OF CONSIDERING THE LOCAL HOUSING NEEDS ASSESSMENT AT A PUBLIC MEETING, THE LOCAL GOVERNMENT SHALL SUBMIT THE HOUSING NEEDS ASSESSMENT ALONG WITH ANY COMMENTS OF THE LOCAL GOVERNMENT'S GOVERNING BODY TO THE DEPARTMENT. THE DEPARTMENT SHALL NOT ACCEPT A HOUSING NEEDS ASSESSMENT FROM A LOCAL GOVERNMENT THAT DOES NOT INCLUDE THE ELEMENTS LISTED IN SECTION 24-32-3702 (1)(d)(I) THROUGH (VI) AND DEMONSTRATE CONSIDERATION OF THE BASELINE COMPONENTS LISTED IN SECTION 24-32-3702 (2). THE DEPARTMENT SHALL NOTIFY A LOCAL GOVERNMENT IF IT DOES NOT ACCEPT AN ASSESSMENT. THE DEPARTMENT SHALL POST THE HOUSING NEEDS ASSESSMENT ON ITS WEBSITE

AFTER ACCEPTING THE ASSESSMENT.

(4) A LOCAL GOVERNMENT IS EXEMPT FROM THE REQUIREMENTS OF THIS SECTION IF:

(a) THE LOCAL GOVERNMENT PARTICIPATES IN THE CREATION OF A REGIONAL HOUSING NEEDS ASSESSMENT PURSUANT TO SECTION 24-32-3704 THAT IS UPDATED NO LESS OFTEN THAN EVERY SIX YEARS, PROVIDED THAT, TO BE EXEMPT FROM THE REQUIREMENT TO CONDUCT AND PUBLISH A LOCAL HOUSING NEEDS ASSESSMENT BY DECEMBER 31, 2026, THE REGIONAL HOUSING NEEDS ASSESSMENT MUST BE COMPLETED BY DECEMBER 31, 2026; OR

(b) THE LOCAL GOVERNMENT HAS A POPULATION OF LESS THAN ONE THOUSAND, OR HAS EXPERIENCED A NEGATIVE POPULATION CHANGE OF AT LEAST ONE PERCENT IN THE MOST RECENT DECENNIAL CENSUS, UNLESS THE LOCAL GOVERNMENT RECEIVES FUNDING TO CONDUCT A LOCAL HOUSING NEEDS ASSESSMENT FROM THE DEPARTMENT PURSUANT TO SECTION 24-32-3710.

(5) (a) POPULATION AND OTHER DATA BY WHICH A LOCAL GOVERNMENT IS DETERMINED TO BE SUBJECT TO THE PROVISIONS OF THIS SECTION MUST BE DETERMINED TWO YEARS PRIOR TO THE DATE THAT THE LOCAL GOVERNMENT IS REQUIRED TO COMPLETE A HOUSING NEEDS ASSESSMENT PURSUANT TO THIS SECTION.

(b) FOR THE PURPOSES OF BOTH THIS SECTION AND SECTION 24-32-3705, A COUNTY'S POPULATION INCLUDES ONLY THE POPULATION WITHIN A COUNTY'S UNINCORPORATED TERRITORY.

24-32-3704. Regional housing needs assessments. (1) A REGIONAL ENTITY MAY CONDUCT AND PUBLISH A REGIONAL HOUSING NEEDS ASSESSMENT THAT CONFORMS TO THE METHODOLOGY FOR CONDUCTING REGIONAL HOUSING NEEDS ASSESSMENTS DEVELOPED BY THE DIRECTOR PURSUANT TO SECTION 24-32-3702 (1)(c) FOR THE TERRITORY COVERED BY THE MASTER PLAN OF ANY LOCAL GOVERNMENT IN THE REGION.

(2) UPON CONDUCTING A REGIONAL HOUSING NEEDS ASSESSMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION, A REGIONAL ENTITY SHALL PROVIDE THE REGIONAL HOUSING NEEDS ASSESSMENT TO EACH LOCAL

GOVERNMENT INCLUDED IN THE REGION. WITHIN SIXTY DAYS OF RECEIVING THE REGIONAL HOUSING NEEDS ASSESSMENT, A LOCAL GOVERNMENT'S GOVERNING BODY SHALL REVIEW THE ASSESSMENT AT A PUBLIC MEETING AND SHALL SUBMIT COMMENTS TO THE REGIONAL ENTITY.

(3) WITHIN SIXTY DAYS OF RECEIVING THE LOCAL GOVERNMENTS' COMMENTS ON THE REGIONAL HOUSING NEEDS ASSESSMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION, A REGIONAL ENTITY SHALL SUBMIT THE HOUSING NEEDS ASSESSMENT ALONG WITH THE COMMENTS OF EACH LOCAL GOVERNMENT TO THE DEPARTMENT. THE DEPARTMENT SHALL NOT ACCEPT A HOUSING NEEDS ASSESSMENT FROM A REGIONAL ENTITY THAT DOES NOT INCLUDE THE ELEMENTS LISTED IN SECTION 24-32-3702 (1)(c)(I) THROUGH (VI) AND DEMONSTRATE CONSIDERATION OF THE BASELINE COMPONENTS LISTED IN SECTION 24-32-3702 (2). THE DEPARTMENT SHALL NOTIFY A REGIONAL ENTITY IF IT DOES NOT ACCEPT AN ASSESSMENT. THE DEPARTMENT SHALL POST THE HOUSING NEEDS ASSESSMENT ON ITS WEBSITE AFTER ACCEPTING THE ASSESSMENT.

24-32-3705. Housing action plan. (1) (a) BY JANUARY 1, 2028, AND NO LESS THAN EVERY SIX YEARS THEREAFTER, A LOCAL GOVERNMENT SHALL MAKE A HOUSING ACTION PLAN, WHICH PLAN IS SUBJECT TO APPROVAL BY THE GOVERNING BODY FOLLOWING A PUBLIC HEARING. A HOUSING ACTION PLAN MUST BE RESPONSIVE TO AN ACCEPTED HOUSING NEEDS ASSESSMENT AND DEMONSTRATE THE LOCAL GOVERNMENT'S COMMITMENT TO ADDRESS DEMONSTRATED HOUSING NEEDS AND GUIDES THE LOCAL GOVERNMENT IN DEVELOPING LEGISLATIVE ACTIONS, PROMOTING REGIONAL COORDINATION, AND INFORMING THE PUBLIC OF THE LOCAL GOVERNMENT'S EFFORTS TO ADDRESS HOUSING NEEDS IN THE LOCAL GOVERNMENT'S JURISDICTION.

(b) THE REQUIREMENTS OF THIS SECTION ONLY APPLY TO A LOCAL GOVERNMENT THAT HAS A POPULATION OF:

(I) FIVE THOUSAND OR MORE; OR

(II) ONE THOUSAND OR MORE AND EITHER PARTICIPATED IN A REGIONAL HOUSING NEEDS ASSESSMENT OR WOULD HAVE BEEN DEEMED, AS OF JANUARY 1, 2024, TO BE A RURAL RESORT COMMUNITY AS DEFINED IN SECTION 29-32-101 (10).

(c) THE REQUIREMENTS OF THIS SECTION DO NOT APPLY TO A LOCAL GOVERNMENT THAT HAS EXPERIENCED A NEGATIVE POPULATION CHANGE OF AT LEAST ONE PERCENT IN THE MOST RECENT DECENNIAL CENSUS.

(2) A LOCAL GOVERNMENT SHALL MAKE A HOUSING ACTION PLAN THROUGH AN INCLUSIVE PROCESS WITH PUBLIC OUTREACH AND ENGAGEMENT THROUGHOUT THE PROCESS, INCLUDING OUTREACH TO AND ENGAGEMENT OF COMMUNITIES AT RISK OF DISPLACEMENT AND CONSIDERATION FOR PARTICIPATION BY PERSONS UNABLE TO ATTEND MEETINGS IN PERSON OR AT THE LOCAL GOVERNMENT'S REGULAR MEETING TIMES. A HOUSING ACTION PLAN MUST CONSIDER ANY APPLICABLE HOUSING NEEDS ASSESSMENTS, APPLICABLE REGIONAL AND LOCAL PLANS, AND ANY AVAILABLE ASSESSMENTS OF THE ADEQUACY OF PUBLIC SERVICES AND PUBLIC FACILITIES IN THE LOCAL GOVERNMENT'S JURISDICTION. A PROPOSED HOUSING ACTION PLAN MUST BE POSTED PUBLICLY ON A LOCAL GOVERNMENT'S WEBSITE AT LEAST THIRTY DAYS BEFORE THE PUBLIC HEARING ON THE PLAN.

(3) A HOUSING ACTION PLAN MUST INCLUDE THE FOLLOWING BASELINE COMPONENTS:

(a) A SUMMARY REPORT OF THE LOCAL GOVERNMENT'S PROGRESS TOWARDS ADDRESSING THE FINDINGS OF THE APPLICABLE HOUSING NEEDS ASSESSMENT WITHIN THE LOCAL GOVERNMENT'S JURISDICTION. THE SUMMARY REPORT MUST INCLUDE THE NUMBER OF DWELLING UNITS CONSTRUCTED OR PERMITTED IN THE LOCAL GOVERNMENT'S JURISDICTION DURING THE PRECEDING SIX YEARS, IF SUCH INFORMATION IS AVAILABLE.

(b) A DESCRIPTION OF HOW THE LOCAL GOVERNMENT'S HOUSING ACTION PLAN ADDRESSES THE ALLOCATION OF REGIONAL HOUSING NEEDS TO THE LOCAL GOVERNMENT IN ANY APPLICABLE REGIONAL HOUSING NEEDS ASSESSMENT;

(c) AN ASSESSMENT OF THE EFFECT OF EXISTING ZONING AND DENSITY PERMITTED IN THE LOCAL GOVERNMENT'S JURISDICTION ON THE DEVELOPMENT OF THE NUMBER AND TYPES OF DWELLING UNITS IDENTIFIED IN THE APPLICABLE HOUSING NEEDS ASSESSMENT;

(d) A PLAN TO PROMOTE THE EQUITABLE AND EFFICIENT DEVELOPMENT OF THE NUMBER AND TYPES OF DWELLING UNITS IDENTIFIED

THROUGH ANY APPLICABLE HOUSING NEEDS ASSESSMENT AS NECESSARY TO SATISFY HOUSING NEEDS IN THE LOCAL GOVERNMENT'S JURISDICTION AT DIFFERENT INCOME LEVELS, INCLUDING EXTREMELY LOW-, VERY LOW-, MODERATE-, AND MIDDLE-INCOME HOUSEHOLDS AS DESIGNATED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, SUBJECT TO THE AVAILABILITY OF ADEQUATE PUBLIC FACILITIES, PUBLIC SERVICES, AND WATER SUPPLY;

(e) LOCALLY-APPROPRIATE GOALS, STRATEGIES, AND ACTIONS FOR PROMOTING THE PRODUCTION AND PRESERVATION OF AFFORDABLE HOUSING DEVELOPMENT AND REGULATED AFFORDABLE HOUSING, INCLUDING AT LEAST TWO STRATEGIES INCLUDED IN THE STANDARD AFFORDABILITY STRATEGIES DIRECTORY DESCRIBED IN SECTION 24-32-3706 (1) AND ONE STRATEGY INCLUDED IN THE LONG-TERM AFFORDABILITY STRATEGIES DIRECTORY DESCRIBED IN SECTION 24-32-3706 (2) THAT ARE SELECTED TO ADDRESS THE DEMONSTRATED HOUSING NEEDS IN THE LOCAL GOVERNMENT'S JURISDICTION AND ARE SUITABLE FOR THE JURISDICTION OR, IF THE LOCAL GOVERNMENT PARTICIPATED IN A REGIONAL HOUSING NEEDS ASSESSMENT, THE DEMONSTRATED HOUSING NEEDS OF THE APPLICABLE REGION AND ANY REGIONAL HOUSING NEEDS ALLOCATED TO THE LOCAL GOVERNMENT;

(f) A NARRATIVE ANALYSIS OF ANY AREA OR COMMUNITY THAT THE LOCAL GOVERNMENT HAS IDENTIFIED AS BEING AT ELEVATED RISK OF DISPLACEMENT AND A PLAN TO MITIGATE DISPLACEMENT IN THAT AREA OR COMMUNITY, INCLUDING THE IDENTIFICATION OF AT LEAST ONE DISPLACEMENT MITIGATION STRATEGY INCLUDED IN THE DISPLACEMENT RISK MITIGATION STRATEGIES DIRECTORY DESCRIBED IN SECTION 24-32-3706 (4) THAT THE LOCAL GOVERNMENT SELECTS TO ADDRESS THE FINDINGS OF THE LOCAL GOVERNMENT'S NARRATIVE ANALYSIS AND IS SUITABLE FOR THE JURISDICTION;

(g) A PLAN FOR THE LEGISLATIVE CONSIDERATION FOR ADOPTION OF THE STRATEGIES IDENTIFIED IN SUBSECTIONS (3)(e) AND (3)(f) OF THIS SECTION;

(h) ANY RECOMMENDED CHANGES TO LOCAL LAWS AFFECTING ZONING AND DENSITY IN THE LOCAL GOVERNMENT'S JURISDICTION BEFORE THE LOCAL GOVERNMENT CONDUCTS THE NEXT HOUSING ACTION PLAN;

(i) AN ANALYSIS OF OPPORTUNITIES TO ACHIEVE THE DEVELOPMENT OF HIGHER-DENSITY AND REGULATED AFFORDABLE HOUSING WITHIN A REASONABLE DISTANCE OF MAJOR TRANSIT STOPS IN THE JURISDICTION;

(j) A NARRATIVE DESCRIPTION OF THE PUBLIC OUTREACH AND ENGAGEMENT PROCESS FOR THE HOUSING ACTION PLAN; AND

(k) A DESCRIPTION OF OPPORTUNITIES FOR INTERGOVERNMENTAL COORDINATION TO ADDRESS LOCAL AND REGIONAL HOUSING NEEDS AND ANY SUCH INTERGOVERNMENTAL COORDINATION EFFORTS UNDERTAKEN BY THE LOCAL GOVERNMENT.

(4) WITHIN SIXTY DAYS OF APPROVAL BY THE GOVERNING BODY, THE LOCAL GOVERNMENT SHALL SUBMIT THE HOUSING ACTION PLAN DEVELOPED PURSUANT TO SUBSECTION (3) OF THIS SECTION TO THE DEPARTMENT AND, IF APPLICABLE, TO THE REGIONAL ENTITY THAT CONDUCTED A REGIONAL HOUSING NEEDS ASSESSMENT THAT APPLIES TO THE LOCAL GOVERNMENT. THE DEPARTMENT SHALL NOT ACCEPT A HOUSING ACTION PLAN THAT DOES NOT INCLUDE THE COMPONENTS REQUIRED BY SECTION 24-32-3705 (3). THE DEPARTMENT SHALL NOTIFY A LOCAL GOVERNMENT IF IT DOES NOT ACCEPT A HOUSING ACTION PLAN. THE DEPARTMENT SHALL POST THE HOUSING ACTION PLAN ON THE DEPARTMENT'S WEBSITE AFTER ACCEPTING THE PLAN.

(5) A LOCAL GOVERNMENT THAT ADOPTED A PLAN THAT SUBSTANTIALLY MEETS THE REQUIREMENTS OF SUBSECTION (3) OF THIS SECTION AND WAS THE SUBJECT OF A PUBLIC HEARING HELD NO EARLIER THAN JANUARY 1, 2024, AND NO LATER THAN JULY 1, 2024, IS NOT REQUIRED TO CONDUCT A HOUSING ACTION PLAN UNTIL FIVE YEARS AFTER THE DATE OF THE ADOPTION OF THE PLAN THAT SUBSTANTIALLY MEETS THE REQUIREMENTS OF SUBSECTION (3) OF THIS SECTION, NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION.

(6) THREE YEARS AFTER ADOPTING A HOUSING ACTION PLAN, A LOCAL GOVERNMENT SHALL REPORT PROGRESS TO THE DEPARTMENT REGARDING THE ADOPTION OF ANY STRATEGIES OR CHANGES TO LOCAL LAWS IDENTIFIED IN THE HOUSING ACTION PLAN OR THE MOST RECENT UPDATED HOUSING ACTION PLAN. THE DEPARTMENT SHALL NOT ACCEPT SUCH A PROGRESS REPORT, IF THE REPORT DOES NOT DEMONSTRATE THAT THE LOCAL GOVERNMENT ADOPTED THE STRATEGIES AND CHANGES TO LOCAL LAWS IDENTIFIED IN THE HOUSING ACTION PLAN OR THE MOST RECENT

UPDATED HOUSING ACTION PLAN, UNLESS THE DEPARTMENT DETERMINES THAT THE LOCAL GOVERNMENT HAS BOTH MADE A GOOD FAITH EFFORT TO ADOPT THESE STRATEGIES OR CHANGES TO LOCAL LAW AND HAS PROVIDED THE DEPARTMENT WITH A PLAN FOR THE ADOPTION OF ALTERNATIVE STRATEGIES OR CHANGES TO LOCAL LAWS IN ACCORDANCE WITH THIS SECTION.

(7) A LOCAL GOVERNMENT MAY UPDATE A HOUSING ACTION PLAN AT ANY TIME BY FOLLOWING THE PROCESS IN SUBSECTION (2) OF THIS SECTION. A LOCAL GOVERNMENT SHALL SUBMIT ANY UPDATE TO A HOUSING ACTION PLAN TO THE DEPARTMENT AND, IF APPLICABLE, A REGIONAL ENTITY AS PROVIDED IN SUBSECTION (4) OF THIS SECTION. THE DEPARTMENT SHALL NOT ACCEPT ANY UPDATE THAT WOULD RESULT IN A HOUSING ACTION PLAN THAT DOES NOT INCLUDE THE COMPONENTS REQUIRED BY SECTION 24-32-3705 (3). THE DEPARTMENT SHALL NOTIFY THE LOCAL GOVERNMENT IF IT DOES NOT ACCEPT AN UPDATE. THE DEPARTMENT SHALL POST THE UPDATE ON ITS WEBSITE, AFTER ACCEPTING THE UPDATE.

(8) POPULATION BY WHICH A LOCAL GOVERNMENT IS DETERMINED TO BE SUBJECT TO THE PROVISIONS OF THIS SECTION MUST BE DETERMINED TWO YEARS PRIOR TO THE DATE THAT THE LOCAL GOVERNMENT IS REQUIRED TO COMPLETE A HOUSING ACTION PLAN PURSUANT TO THIS SECTION.

24-32-3706. Directories of housing and land use strategies - development of housing and increasing housing affordability - displacement impact mitigation. (1) NO LATER THAN JUNE 30, 2025, THE DEPARTMENT SHALL DEVELOP A STANDARD AFFORDABILITY STRATEGIES DIRECTORY THAT INCLUDES THE FOLLOWING STRATEGIES:

(a) IMPLEMENTING A LOCAL INCLUSIONARY ZONING ORDINANCE THAT CONSIDERS LOCAL HOUSING MARKET CONDITIONS THAT IS CRAFTED TO SUBSTANTIALLY INCREASE AFFORDABLE HOUSING INCLUDING REGULATED AFFORDABLE HOUSING PRODUCTION AND COMPLIES WITH THE REQUIREMENTS OF SECTION 29-20-104 (1)(e.5) AND (1)(e.7);

(b) ADOPTING A LOCAL LAW OR PLAN TO LEVERAGE PUBLICLY OWNED, SOLD, OR MANAGED LAND FOR REGULATED AFFORDABLE HOUSING DEVELOPMENT;

(c) CREATING OR EXPANDING A PROGRAM TO SUBSIDIZE OR

OTHERWISE REDUCE IMPACT FEES OR OTHER SIMILAR DEVELOPMENT CHARGES FOR REGULATED AFFORDABLE HOUSING DEVELOPMENT;

(d) ESTABLISHING A DENSITY BONUS PROGRAM THAT GRANTS INCREASED FLOOR AREA RATIO, DENSITY, OR HEIGHT OF REGULATED AFFORDABLE HOUSING UNITS;

(e) CREATING A PROGRAM TO PRIORITIZE AND EXPEDITE DEVELOPMENT APPROVALS FOR REGULATED AFFORDABLE HOUSING DEVELOPMENT, EXCEPT THAT IF THE LOCAL GOVERNMENT HAS DONE SO PURSUANT TO SECTION 29-32-105 (2), THIS STRATEGY DOES NOT COUNT AS AN ELIGIBLE STANDARD AFFORDABILITY STRATEGY FOR PURPOSES OF SECTION 29-32-3705 (3)(e);

(f) CREATING OR EXPANDING A PROGRAM TO SUBSIDIZE OR OTHERWISE REDUCE PERMIT FEES OTHER THAN IMPACT FEES OR SIMILAR DEVELOPMENT CHARGES FOR REGULATED AFFORDABLE HOUSING;

(g) ENACTING LOCAL LAWS THAT INCENTIVIZE THE CONSTRUCTION AND PRESERVATION OF AFFORDABLE HOUSING UNITS DESIGNED TO SERVE RESIDENTS FACING PARTICULAR CHALLENGES SECURING AFFORDABLE HOUSING, INCLUDING ACCESSIBLE AND VISITABLE UNITS AND MULTI-BEDROOM UNITS; AND

(h) ANY OTHER STRATEGY DESIGNATED BY THE DEPARTMENT THAT OFFERS A COMPARABLE IMPACT ON LOCAL HOUSING AFFORDABILITY.

(2) ON OR BEFORE JUNE 30, 2025, THE DEPARTMENT SHALL DEVELOP A LONG-TERM AFFORDABILITY STRATEGIES DIRECTORY THAT INCLUDES THE FOLLOWING STRATEGIES:

(a) ESTABLISHING A DEDICATED LOCAL REVENUE SOURCE FOR REGULATED AFFORDABLE HOUSING DEVELOPMENT, SUCH AS INSTITUTING A LINKAGE FEE ON MARKET RATE HOUSING DEVELOPMENT TO SUPPORT NEW, REGULATED AFFORDABLE HOUSING DEVELOPMENTS;

(b) REGULATING SHORT-TERM RENTALS, SECOND HOMES, OR OTHER UNDERUTILIZED OR VACANT UNITS IN A WAY, SUCH AS VACANCY FEES FOR UNDERUTILIZED UNITS, THAT PROMOTES A SUBSTANTIAL INCREASE IN THE USE OF LOCAL HOUSING STOCK FOR LOCAL HOUSING NEEDS;

(c) MAKING A COMMITMENT TO AND REMAINING ELIGIBLE TO RECEIVE FUNDING PURSUANT TO ARTICLE 32 OF THIS TITLE 29;

(d) AMENDING ZONING ORDINANCES THAT ALLOW THE CONSTRUCTION OF SINGLE-UNIT DETACHED DWELLINGS TO ALLOW EITHER ACCESSORY DWELLING UNITS OR DUPLEXES, TRIPLEXES, QUADPLEXES, AND TOWNHOMES IN A SUBSTANTIAL PORTION OF THE JURISDICTION;

(e) AMENDING LOCAL LAWS TO ESTABLISH THE USE OF ADMINISTRATIVE PROCESSES FOR THE REVIEW AND APPROVAL OF HOUSING DEVELOPMENT THAT DO NOT INCLUDE A REQUIREMENT OF A PUBLIC HEARING;

(f) INCENTIVIZING OR CREATING A DEDICATED LOCAL PROGRAM THAT FACILITATES INVESTMENT IN LAND BANKING OR COMMUNITY LAND TRUSTS;

(g) ESTABLISHING AN AFFORDABLE HOMEOWNERSHIP STRATEGY SUCH AS:

(I) ESTABLISHING A RIGHT OF FIRST REFUSAL PROGRAM OR PROGRAMS THAT TRANSITION EXISTING HOUSING STOCK TO REGULATED AFFORDABLE HOUSING;

(II) INCENTIVIZING AFFORDABLE CONDOMINIUM DEVELOPMENTS;

(III) ACQUIRING OR PRESERVING DEED RESTRICTIONS ON CURRENT HOUSING UNITS;

(IV) ESTABLISHING AN INCENTIVE PROGRAM TO ENCOURAGE REALTORS TO WORK WITH LOW-INCOME AND MINORITY PROSPECTIVE HOME BUYERS; OR

(V) ESTABLISHING AN AFFORDABLE RENT-TO-OWN PROGRAM; AND

(h) ANY OTHER STRATEGY DESIGNATED BY THE DEPARTMENT THAT OFFERS A COMPARABLE IMPACT ON LOCAL HOUSING AFFORDABILITY.

(3) A LOCAL GOVERNMENT MAY SUBMIT AN EXISTING OR PROPOSED LOCAL LAW OR PROGRAM, IN A FORM AND MANNER DETERMINED BY THE

DEPARTMENT, TO THE DEPARTMENT, AND THE DEPARTMENT MAY DETERMINE THAT THE ADOPTION OF THAT LOCAL LAW OR PROGRAM QUALIFIES AS AN AFFORDABILITY STRATEGY FOR PURPOSES OF THIS SECTION, SO LONG AS THE LOCAL LAW OR PROGRAM SUPPORTS EQUAL OR GREATER HOUSING AFFORDABILITY AND ACCESSIBILITY AS THE STRATEGIES DESCRIBED IN SUBSECTIONS (1) AND (2) OF THIS SECTION.

(4) NO LATER THAN JUNE 30, 2025, THE DEPARTMENT SHALL DEVELOP A DISPLACEMENT RISK MITIGATION STRATEGIES DIRECTORY. THE DIRECTORY MUST INCLUDE THE FOLLOWING STRATEGIES:

(a) CREATING A LOCALLY FUNDED AND ADMINISTERED RENTAL AND MORTGAGE ASSISTANCE PROGRAM;

(b) CREATING AN EVICTION AND FORECLOSURE NO-COST LEGAL REPRESENTATION PROGRAM;

(c) ESTABLISHING A HOUSING COUNSELING AND NAVIGATION PROGRAM OR FUNDING A COMMUNITY-BASED HOUSING COUNSELING AND NAVIGATION PROGRAM;

(d) CREATING A PROPERTY TAX AND DOWN PAYMENT ASSISTANCE PROGRAM;

(e) DEVELOPING A PROGRAM TO OFFER TECHNICAL ASSISTANCE AND FINANCIAL SUPPORT FOR COMMUNITY ORGANIZATIONS TO DEVELOP INDEPENDENT COMMUNITY LAND TRUSTS;

(f) PRIORITIZING LOCAL MONEY TOWARD REGULATED AFFORDABLE HOUSING UNIT PRESERVATION OR IMPLEMENTING OR CONTINUING DEED RESTRICTIONS FOR AFFORDABLE HOUSING UNITS;

(g) REQUIRING MULTIFAMILY DEVELOPERS BUILDING IN AREAS IDENTIFIED AS BEING AT RISK OF DISPLACEMENT TO CREATE A COMMUNITY BENEFITS AGREEMENT WITH AFFECTED POPULATIONS WITHIN ONE-QUARTER MILE OF THE DEVELOPMENT THAT THE MULTIFAMILY DEVELOPER IS BUILDING;

(h) PROVIDING A PRIORITIZATION POLICY FOR CURRENT RESIDENTS IN THIRTY PERCENT OF ANY NEW MULTIFAMILY DEVELOPMENT; AND

(i) OTHER STRATEGIES IDENTIFIED BY THE DEPARTMENT THAT PROVIDE DISPLACEMENT MITIGATION THAT IS EQUIVALENT TO THE OTHER STRATEGIES DESCRIBED IN THIS SUBSECTION (4).

(5) A LOCAL GOVERNMENT MAY SUBMIT AN EXISTING OR PROPOSED LOCAL LAW OR PROGRAM, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, TO THE DEPARTMENT, AND THE DEPARTMENT MAY DETERMINE THAT THE ADOPTION OF THE LOCAL LAW OR PROGRAM QUALIFIES AS A DISPLACEMENT RISK MITIGATION STRATEGY FOR PURPOSES OF THIS SECTION, SO LONG AS THE LOCAL LAW OR PROGRAM SUPPORTS EQUAL OR GREATER MITIGATION OF DISPLACEMENT RISK AS THE STRATEGIES DESCRIBED IN SUBSECTION (4) OF THIS SECTION.

(6) NOTWITHSTANDING THE ABSENCE OF SPECIFIC AUTHORIZATION IN ANY OTHER LAW, A LOCAL GOVERNMENT HAS THE AUTHORITY TO ENACT ORDINANCES OR RESOLUTIONS TO ADOPT AND IMPLEMENT THE STRATEGIES IDENTIFIED IN THIS SECTION.

24-32-3707. Statewide strategic growth report. (1) NO LATER THAN OCTOBER 31, 2025, THE DIRECTOR SHALL SUBMIT TO THE GENERAL ASSEMBLY A STATEWIDE STRATEGIC GROWTH REPORT. THE REPORT MUST SUPPLEMENT THE STATEWIDE CLIMATE PREPAREDNESS STRATEGIC PLAN AND ROADMAP PUBLISHED PURSUANT TO SECTION 24-38.8-103 AND ANY OTHER CURRENT REPORT OF A STATE AGENCY OR TASK FORCE ADDRESSING THE MATTERS COVERED IN THIS SECTION.

(2) THE STRATEGIC GROWTH REPORT DESCRIBED IN SUBSECTION (1) OF THIS SECTION MUST:

(a) INCLUDE AN ANALYSIS OF POLICY-DRIVEN LAND USE SCENARIOS, INCLUDING A STRATEGIC GROWTH SCENARIO, AND EXAMINE THE IMPACTS OF THESE SCENARIOS ON THE COST AND AVAILABILITY OF HOUSING, INFRASTRUCTURE, CLIMATE AND AIR QUALITY, WATER SUPPLY, TRANSPORTATION AND TRANSIT, PARKS AND OPEN SPACE, RESOURCE LANDS, WILDFIRE RISK, AND CRITICAL AREAS;

(b) INCLUDE AN ANALYSIS OF THE IMPACT OF EXISTING STATE POLICIES AND PROGRAMS ON LAND USE DEVELOPMENT PATTERNS AND THE ENCOURAGEMENT OF SPRAWL;

(c) CONSIDER THE CONTEXT OF DIFFERENT REGIONS AND COMMUNITIES ACROSS THE STATE, EMPOWER AND PROMOTE LOCAL INITIATIVES AND IDEAS THAT LEAD TO STRATEGIC GROWTH, AND RECOGNIZE THAT ALL COMMUNITIES HAVE UNIQUE NEEDS THAT OFTEN CALL FOR ADDITIONAL FLEXIBILITY WHEN APPLYING STRATEGIC GROWTH GOALS, ESPECIALLY COMMUNITIES OUTSIDE OF METROPOLITAN AREAS AND COMMUNITIES VULNERABLE TO DISPLACEMENT; AND

(d) INCLUDE RECOMMENDATIONS FOR STATE LEGISLATION AND LOCAL LAWS, TO ENCOURAGE ENVIRONMENTALLY AND FISCALLY SUSTAINABLE GROWTH, INCLUDING BUT NOT LIMITED TO ECONOMIC INCENTIVES, FINANCING TOOLS, ACCESS CHARGES, URBAN GROWTH AREAS, THREE MILE PLANS, TRANSFER OF DEVELOPMENT RIGHTS, ANNEXATION, AND SPECIAL DISTRICTS.

(3) IN DEVELOPING THE STRATEGIC GROWTH REPORT DESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE DIRECTOR SHALL CONSULT WITH STATE AGENCIES AND LOCAL GOVERNMENTS WITH FUNCTIONS OR JURISDICTION REGARDING THE MATTERS COVERED IN THIS SECTION AND LOCAL GOVERNMENTS, REGIONAL PLANNING AGENCIES, WATER PROVIDERS, UTILITY PROVIDERS, ECONOMIC DEVELOPMENT ENTITIES, AND EXPERTS IN FIELDS RELATED TO STRATEGIC GROWTH.

24-32-3708. Natural land and agricultural interjurisdictional opportunities report. (1) NO LATER THAN DECEMBER 31, 2025, THE DIRECTOR, IN CONSULTATION WITH RELEVANT STATE AGENCIES INCLUDING THE DEPARTMENT OF AGRICULTURE, THE DIVISION OF PARKS AND WILDLIFE IN THE DEPARTMENT OF NATURAL RESOURCES, THE OUTDOOR RECREATION INDUSTRY OFFICE IN THE OFFICE OF ECONOMIC DEVELOPMENT, AND THE COLORADO TOURISM OFFICE, SHALL DEVELOP AND PUBLISH A NATURAL LAND AND AGRICULTURAL INTERJURISDICTIONAL OPPORTUNITIES REPORT THAT MUST INCLUDE:

(a) OPPORTUNITIES FOR LOCAL GOVERNMENTS AND METROPOLITAN PLANNING ORGANIZATIONS TO ACHIEVE CONNECTIVITY TO OPEN SPACE, WILDLIFE HABITAT, AND OTHER PRIORITY LANDSCAPES;

(b) OPPORTUNITIES FOR LOCAL GOVERNMENTS AND METROPOLITAN PLANNING ORGANIZATIONS TO ACHIEVE THE PRESERVATION OF AGRICULTURAL LAND, HISTORIC AND CULTURAL RESOURCES, URBAN PARKS

AND GREEN SPACES, EXURBAN OPEN SPACES, RECREATIONAL RESOURCES, WILDLIFE HABITATS, AND ECOSYSTEMS WITH THE GREATEST NEED FOR CONSERVATION AND MITIGATION OF HAZARDS; AND

(c) BEST PRACTICES, TOOLS, AND RESOURCES RELATED TO SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION.

(2) THE NATURAL LAND AND AGRICULTURAL INTERJURISDICTIONAL OPPORTUNITIES REPORT MUST INTEGRATE AND INCLUDE INFORMATION FROM RELEVANT STATE, REGIONAL, AND LOCAL PLANS THAT ADDRESS THE SUBJECT MATTERS IDENTIFIED IN SUBSECTION (1) OF THIS SECTION.

24-32-3709. Technical assistance. (1) THE DIVISION OF LOCAL GOVERNMENT SHALL PROVIDE TECHNICAL ASSISTANCE, MATERIALS, BRIEFINGS, CONSULTING SERVICES, TEMPLATES, TOOLS, TRAININGS, WEBINARS, OR OTHER GUIDANCE TO ASSIST LOCAL GOVERNMENTS IN:

(a) ESTABLISHING REGIONAL ENTITIES THAT PROMOTE STATEWIDE COVERAGE OF LOCAL GOVERNMENTS BY HOUSING NEEDS ASSESSMENTS WITHOUT UNNECESSARY DUPLICATION FOR THE PURPOSE OF CONDUCTING REGIONAL HOUSING NEEDS ASSESSMENTS AND DISPLACEMENT RISK ASSESSMENTS;

(b) CREATING HOUSING NEEDS ASSESSMENTS PURSUANT TO SECTIONS 24-32-3703 AND 24-32-3704;

(c) CONDUCTING A DISPLACEMENT RISK ANALYSIS WITH A STATE-CREATED TOOL;

(d) IDENTIFYING AND IMPLEMENTING STRATEGIES, INCLUDING IN THE DIRECTORIES DESCRIBED IN SECTION 24-32-3706;

(e) MAKING AND ADOPTING A HOUSING ACTION PLAN IN ACCORDANCE WITH SECTION 24-32-3705;

(f) ENACTING LAWS AND POLICIES PURSUANT TO ACCEPTED HOUSING NEEDS ASSESSMENTS AND ACCEPTED HOUSING ACTION PLANS THAT ENCOURAGE THE DEVELOPMENT OF A RANGE OF HOUSING TYPES, INCLUDING REGULATED AFFORDABLE HOUSING, OR MITIGATE THE IMPACT OF DISPLACEMENT IN ACCORDANCE WITH SECTION 24-32-3706; AND

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(g) CREATING STRATEGIC GROWTH ELEMENTS IN MASTER PLANS AS DESCRIBED IN SECTION 30-28-106 (3)(a.5)(III) OR SECTION 31-23-206 (1.5)(d).

(2) IN DETERMINING TO WHOM IT WILL PROVIDE ASSISTANCE PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE DIVISION OF LOCAL GOVERNMENT SHALL PRIORITIZE REQUESTS FOR TECHNICAL ASSISTANCE RELATED TO:

(a) CONDUCTING REGIONAL HOUSING NEEDS ASSESSMENTS, IF THE DEPARTMENT DETERMINES THAT THE REGIONAL ENTITY MEETS THE REQUIREMENTS OF THIS SECTION AND THE ASSESSMENT WOULD PROMOTE STATEWIDE COVERAGE OF LOCAL GOVERNMENTS BY HOUSING NEEDS ASSESSMENTS WITHOUT UNNECESSARY DUPLICATION;

(b) CONDUCTING HOUSING NEEDS ASSESSMENTS AND CREATING HOUSING ACTION PLANS CONTEMPORANEOUSLY; AND

(c) ENACTING LAWS AND POLICIES TO PRESERVE OR CREATE REGULATED AFFORDABLE HOUSING, MITIGATE DISPLACEMENT, OR INCREASE OPPORTUNITIES FOR MULTIFAMILY RESIDENTIAL HOUSING NEAR MAJOR TRANSIT STOPS.

(3) (a) IN ASSISTING LOCAL GOVERNMENTS PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE DIVISION OF LOCAL GOVERNMENT SHALL PROVIDE FUNDING THROUGH EITHER A GRANT PROGRAM, THE PROVISION OF CONSULTANT SERVICES, OR BOTH DIRECTLY TO LOCAL GOVERNMENTS OR THROUGH A REGIONAL ENTITY AND SHALL PRIORITIZE FUNDING AND GRANT PROGRAMS ADMINISTERED BY THE DEPARTMENT FOR THE PURPOSES OF THIS SECTION, SO LONG AS DOING SO IS NOT INCONSISTENT WITH FEDERAL OR STATE LAW.

(b) ANY CONSULTANT RETAINED BY THE DEPARTMENT TO PROVIDE TECHNICAL ASSISTANCE PURSUANT TO THIS SECTION RELATING TO HOUSING NEEDS ASSESSMENTS AND HOUSING ACTION PLANS SHALL HAVE DEMONSTRATED EXPERIENCE CONDUCTING HIGH-QUALITY HOUSING NEEDS ASSESSMENTS AND STRATEGIC HOUSING PLANS AND ENGAGING UNDERREPRESENTED COMMUNITIES, RESIDENTS, AND WORKERS WITH DISPROPORTIONATE HOUSING NEEDS AND CHALLENGES.

(c) THE DEPARTMENT SHALL REQUIRE, AS A CONDITION OF ANY FUNDING AWARDED TO A LOCAL GOVERNMENT TO CONDUCT HOUSING NEEDS ASSESSMENTS OR CREATE HOUSING ACTION PLANS PURSUANT TO THIS SECTION, THAT:

(I) UNLESS NO SUCH PERSON IS AVAILABLE, ANY PERSON PROVIDING SERVICES TO THE LOCAL GOVERNMENT THAT WILL BE FUNDED BY THE AWARD MEETS THE REQUIREMENTS OF SUBSECTION (3)(b) OF THIS SECTION; AND

(II) THE LOCAL GOVERNMENT USE A PORTION OF THE FUNDS AWARDED BY THE DEPARTMENT TO CONDUCT HOUSING NEEDS ASSESSMENTS OR CREATING HOUSING ACTION PLANS PURSUANT TO THIS SECTION TO ENGAGE UNDERREPRESENTED AND UNDERRECOGNIZED COMMUNITIES.

(4) BEGINNING JANUARY 1, 2025, AND EVERY YEAR THEREAFTER, THE DIVISION OF LOCAL GOVERNMENT SHALL PROVIDE A REPORT ON THE ASSISTANCE REQUESTED BY LOCAL GOVERNMENTS PURSUANT TO THIS SECTION, WHETHER OR NOT ADEQUATE STATE FUNDING IS AVAILABLE TO PROVIDE THE ASSISTANCE REQUESTED BY LOCAL GOVERNMENTS, AND ANY ADDITIONAL RESOURCES THAT THE DIVISION OF LOCAL GOVERNMENT OR LOCAL GOVERNMENTS HAVE IDENTIFIED THAT WOULD ASSIST LOCAL GOVERNMENTS IN IDENTIFYING AND IMPLEMENTING LAWS AND POLICIES THAT WOULD INCREASE THE AVAILABILITY OF HOUSING IN COLORADO.

(5) (a) THE DIVISION OF LOCAL GOVERNMENT SHALL SERVE AS A CLEARINGHOUSE, FOR THE BENEFIT OF LOCAL GOVERNMENTS AND REGIONAL ENTITIES, OF INFORMATION RELATING TO THIS PART 37 AND SHALL REFER LOCAL GOVERNMENTS TO STATE AND FEDERAL RESOURCES AND APPROPRIATE DEPARTMENTS OR AGENCIES OF THE STATE OR FEDERAL GOVERNMENT FOR ADVICE, ASSISTANCE, OR AVAILABLE SERVICES RELATING TO THIS PART 37.

(b) THE DIVISION OF LOCAL GOVERNMENT SHALL IDENTIFY OPPORTUNITIES FOR, ENCOURAGE, AND, WHEN SO REQUESTED, ASSIST COOPERATIVE EFFORTS AMONG LOCAL GOVERNMENTS IN SOLVING COMMON PROBLEMS RELATED TO POPULATION CHANGE AND THE IMPLEMENTATION OF THIS PART 37.

(c) THE DEPARTMENT MAY ATTEMPT TO MEDIATE DISPUTES BETWEEN

LOCAL GOVERNMENTS REGARDING THE ENACTMENT OF LOCAL LAWS OR POLICIES RELATED TO THE CREATION OF HOUSING NEEDS ASSESSMENTS AND HOUSING ACTION PLANS PURSUANT TO THIS PART 37, INTERJURISDICTIONAL COORDINATION OR DISPUTES REGARDING THE DEVELOPMENT OF LAND FOR RESIDENTIAL USES, INCLUDING REGULATED AFFORDABLE HOUSING USES AND THE PROVISION OF WATER AND SEWER SERVICES, AND ANYTHING ELSE COVERED BY THIS PART 37 OR REFER LOCAL GOVERNMENTS TO THE LIST OF MEDIATORS MAINTAINED PURSUANT TO SECTION 24-32-3209 TO ASSIST IN THE RESOLUTION OF SUCH DISPUTES.

(6)(a) THE HOUSING NEEDS PLANNING TECHNICAL ASSISTANCE FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF GIFTS, GRANTS, AND DONATIONS CREDITED TO THE FUND AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE HOUSING NEEDS PLANNING TECHNICAL ASSISTANCE FUND TO THE FUND.

(b) MONEY IN THE HOUSING NEEDS PLANNING TECHNICAL ASSISTANCE FUND IS CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT FOR THE PURPOSES OF PROVIDING TECHNICAL ASSISTANCE AND IMPLEMENTING A GRANT PROGRAM PURSUANT TO THIS SECTION.

(c)(I) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER TO THE HOUSING NEEDS PLANNING TECHNICAL ASSISTANCE FUND:

(A) NOTWITHSTANDING THE ALLOCATION OF FUNDS DESCRIBED IN SECTION 39-29-110, OR ANY OTHER LAW TO THE CONTRARY, TEN MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE LOCAL GOVERNMENT SEVERANCE TAX FUND CREATED IN SECTION 39-29-110; AND

(B) NOTWITHSTANDING THE ALLOCATION OF FUNDS DESCRIBED IN SECTION 34-63-102, OR ANY OTHER LAW TO THE CONTRARY, FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE LOCAL GOVERNMENT MINERAL IMPACT FUND CREATED IN SECTION 34-63-102 (5).

(II) THIS SUBSECTION (6)(c) IS REPEALED, EFFECTIVE JULY 1, 2025.

24-32-3710. Prioritization for conformity with planning expectations. (1) ON OR AFTER DECEMBER 1, 2027, ANY GRANT PROGRAM

ADMINISTERED BY THE DEPARTMENT, THE COLORADO ENERGY OFFICE, THE OFFICE OF ECONOMIC DEVELOPMENT, THE DEPARTMENT OF TRANSPORTATION, THE DEPARTMENT OF NATURAL RESOURCES, THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, OR THE DEPARTMENT OF PERSONNEL AND ADMINISTRATION THAT AWARDS GRANTS TO COUNTIES AND MUNICIPALITIES FOR THE PRIMARY PURPOSE OF SUPPORTING LAND USE PLANNING OR HOUSING, EXCLUDING LAND USE PLANNING OR HOUSING PURSUANT TO ARTICLE 32 OF TITLE 29, MUST, SO LONG AS DOING SO IS NOT INCONSISTENT WITH FEDERAL LAW OR THE STATE CONSTITUTION, INCLUDE PRIORITIZATION CRITERIA THAT CONSIDER WHETHER:

(a) A CURRENT LOCAL OR REGIONAL HOUSING NEEDS ASSESSMENT HAS BEEN COMPLETED FOR THE LOCAL GOVERNMENT AND HAS BEEN ACCEPTED BY THE DEPARTMENT PURSUANT TO SECTION 24-32-3703 OR 24-32-3704;

(b) A HOUSING ACTION PLAN HAS BEEN ADOPTED BY THE LOCAL GOVERNMENT AND ACCEPTED BY THE DEPARTMENT PURSUANT TO SECTION 24-32-3705;

(c) A REPORT HAS BEEN SUBMITTED BY THE LOCAL GOVERNMENT AND ACCEPTED BY THE DEPARTMENT PURSUANT TO SECTION 24-32-3705 (6); AND

(d) THE MASTER PLAN FOR THE LOCAL GOVERNMENT INCLUDES A WATER SUPPLY ELEMENT AND STRATEGIC GROWTH ELEMENT AS DESCRIBED IN SECTIONS 30-28-106 (3)(a.5) AND 31-23-206 (1.5).

(2) IN CONSIDERING AWARDING A GRANT TO A LOCAL GOVERNMENT THAT IS NOT SUBJECT TO ANY OF THE PROVISIONS IDENTIFIED IN THE PRIORITIZATION CRITERIA DESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE DEPARTMENT SHALL TREAT THE LOCAL GOVERNMENT AS IF IT HAS SATISFIED THE PRIORITIZATION CRITERIA IN SUBSECTION (1) OF THIS SECTION.

24-32-3711. Neighborhood centers - grant program prioritization. (1) ON OR BEFORE JUNE 30, 2025, THE DEPARTMENT SHALL ADOPT REASONABLE CRITERIA FOR THE DESIGNATION OF NEIGHBORHOOD CENTERS IN ACCORDANCE WITH SECTION 24-32-3701 (10), INCLUDING CRITERIA FOR VARYING REGIONAL CONTEXTS. THE DEPARTMENT SHALL

DESIGN THE CRITERIA ADOPTED PURSUANT TO THIS SUBSECTION (1) TO MINIMIZE THE FISCAL BURDEN ON LOCAL GOVERNMENTS. THE CRITERIA ADOPTED BY THE DEPARTMENT PURSUANT TO THIS SUBSECTION (1) MUST NOT:

(a) LIMIT OR RESTRICT THE AUTHORITY OF A LOCAL GOVERNMENT, INCLUDING AUTHORITY RELATING TO ZONING, REGULATION OF THE USE OF LAND, AND THE IMPOSITION OF FEES, CHARGES, AND TAXES, NOTWITHSTANDING THE EXERCISE OF THAT AUTHORITY TO ESTABLISH A NEIGHBORHOOD CENTER; OR

(b) REQUIRE THE MODIFICATION OF A CHARTER ADOPTED PURSUANT TO ARTICLE XX OF THE STATE CONSTITUTION.

(2) A LOCAL GOVERNMENT MAY DESIGNATE A NEIGHBORHOOD CENTER PURSUANT TO THIS SECTION AND SUBMIT A REPORT TO THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT. THE DEPARTMENT SHALL NOT ACCEPT A REPORT DESIGNATING A NEIGHBORHOOD CENTER THAT DOES NOT COMPLY WITH THE CRITERIA ADOPTED BY THE DEPARTMENT. THE DEPARTMENT SHALL NOTIFY A LOCAL GOVERNMENT IF IT DOES NOT ACCEPT THE LOCAL GOVERNMENT'S REPORT.

(3) AS OF DECEMBER 31, 2026, EXCLUDING GRANT PROGRAMS GOVERNED BY ARTICLE 32 OF TITLE 29, THE DEPARTMENTS, OFFICES, AND AGENCIES IDENTIFIED IN SECTION 24-32-3710 SHALL UPDATE GRANT AWARD CRITERIA TO INCLUDE CONSIDERATION AND PRIORITIZATION OF, TO THE EXTENT CONSISTENT WITH THE PURPOSE OF THE GRANT PROGRAM AND ANY APPLICABLE PROVISION OF FEDERAL LAW OR THE STATE CONSTITUTION, PROJECTS THAT MEET ONE OF THE FOLLOWING CRITERIA:

(a) THE PROJECT IS IN OR SUPPORTS A NEIGHBORHOOD CENTER DESIGNATED IN A REPORT ACCEPTED BY THE DEPARTMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION; OR

(b) THE PROJECT CONCERNS AN AREA THAT WOULD NOT MEET THE CRITERIA FOR DESIGNATION AS A NEIGHBORHOOD CENTER.

SECTION 2. In Colorado Revised Statutes, 30-28-106, **amend** (1); **repeal and reenact, with amendments**, (3)(a); and **add** (3)(a.3), (3)(a.5), (3)(a.7), (3)(a.9), and (8) as follows:

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30-28-106. Master plan - definition. (1) It is the duty of a county planning commission to make and adopt a master plan for the physical development of the unincorporated territory of the county, SUBJECT TO THE APPROVAL OF THE COUNTY COMMISSION HAVING JURISDICTION THEREOF. When a county planning commission decides to adopt a master plan, the commission shall conduct public hearings, after notice of such public hearings has been published in a newspaper of general circulation in the county in a manner sufficient to notify the public of the time, place, and nature of the public hearing, prior to final adoption of a master plan in order to encourage public participation in and awareness of the development of such plan and shall accept and consider oral and written public comments throughout the process of developing the plan.

(3) (a) THE MASTER PLAN OF A COUNTY OR REGION, WITH THE ACCOMPANYING MAPS, PLATS, CHARTS, AND DESCRIPTIVE AND EXPLANATORY MATTER, MUST SHOW THE COUNTY OR REGIONAL PLANNING COMMISSION'S RECOMMENDATIONS FOR THE DEVELOPMENT OF THE TERRITORY COVERED BY THE MASTER PLAN. THE MASTER PLAN OF A COUNTY OR REGION IS AN ADVISORY DOCUMENT TO GUIDE LAND DEVELOPMENT DECISIONS; HOWEVER, THE MASTER PLAN OR ANY PART THEREOF MAY BE MADE BINDING BY INCLUSION IN THE COUNTY'S OR REGION'S ADOPTED SUBDIVISION, ZONING, PLATTING, PLANNED UNIT DEVELOPMENT, OR OTHER SIMILAR LAND DEVELOPMENT REGULATIONS AFTER SATISFYING NOTICE, DUE PROCESS, AND HEARING REQUIREMENTS FOR LEGISLATIVE OR QUASI-JUDICIAL PROCESSES AS APPROPRIATE.

(a.3) (I) THE COUNTY OR REGIONAL PLANNING COMMISSION SHALL FOLLOW THE PROCEDURES IN SECTION 24-32-3209. FOR PURPOSES OF THIS SECTION, ANY SPECIAL DISTRICT THAT SUPPLIES WATER TO THE AREA COVERED BY THE MASTER PLAN IS A NEIGHBORING JURISDICTION AS DEFINED IN SECTION 24-32-3209 (1)(h).

(II) IN ADOPTING OR AMENDING A MASTER PLAN, THE COUNTY OR REGIONAL PLANNING COMMISSION SHALL CONSIDER THE FOLLOWING, WHERE APPLICABLE OR APPROPRIATE, AND ANY OTHER INFORMATION DEEMED RELEVANT BY THE COUNTY OR REGIONAL PLANNING COMMISSION:

(A) THE APPLICABLE HOUSING NEEDS ASSESSMENTS PUBLISHED PURSUANT TO SECTIONS 24-32-3702 (1)(b), 24-32-3703, AND 24-32-3704;

(B) THE STATEWIDE STRATEGIC GROWTH REPORT CREATED PURSUANT TO SECTION 24-32-3707;

(C) THE NATURAL LAND AND AGRICULTURAL OPPORTUNITIES REPORT PUBLISHED PURSUANT TO SECTION 24-32-3708; AND

(D) THE COLORADO WATER PLAN ADOPTED PURSUANT TO SECTION 37-60-106.3.

(a.5) THE MASTER PLAN MUST INCLUDE:

(I) A NARRATIVE DESCRIPTION OF THE PROCEDURE USED FOR THE DEVELOPMENT AND ADOPTION OF THE MASTER PLAN, INCLUDING A SUMMARY OF ANY OBJECTIONS TO THE MASTER PLAN MADE BY NEIGHBORING JURISDICTIONS AS DEFINED IN SECTION 24-32-3209 (1)(h) AND A DESCRIPTION OF THE RESOLUTION OR OUTCOME OF THE OBJECTIONS;

(II) (A) A WATER SUPPLY ELEMENT DEVELOPED IN CONSULTATION WITH ENTITIES THAT SUPPLY WATER FOR USE WITHIN THE COUNTY OR REGION TO ENSURE COORDINATION ON WATER SUPPLY AND FACILITY PLANNING. NOTHING IN THIS SECTION REQUIRES THE PUBLIC DISCLOSURE OF CONFIDENTIAL INFORMATION RELATED TO WATER SUPPLY OR FACILITIES.

(B) THE WATER SUPPLY ELEMENT MUST ESTIMATE A RANGE OF WATER SUPPLIES AND FACILITIES NEEDED TO SUPPORT THE POTENTIAL PUBLIC AND PRIVATE DEVELOPMENT DESCRIBED IN THE MASTER PLAN, AND INCLUDE WATER CONSERVATION POLICIES, TO BE DETERMINED BY THE COUNTY OR LOCAL GOVERNMENTS WITHIN A REGION, WHICH MAY INCLUDE GOALS SPECIFIED IN THE COLORADO WATER PLAN ADOPTED PURSUANT TO SECTION 37-60-106.3 AND POLICIES TO IMPLEMENT WATER CONSERVATION AND OTHER COLORADO WATER PLAN GOALS AS A CONDITION OF DEVELOPMENT APPROVAL, FOR SUBDIVISIONS, PLANNED UNIT DEVELOPMENTS, SPECIAL USE PERMITS, AND ZONING CHANGES.

(C) A COUNTY OR REGION WITH A MASTER PLAN THAT INCLUDES A WATER SUPPLY ELEMENT SHALL ENSURE THAT ITS MASTER PLAN INCLUDES WATER CONSERVATION POLICIES AT THE FIRST AMENDING OF THE MASTER PLAN, BUT NOT LATER THAN JULY 1, 2025.

(D) NOTHING IN THIS SUBSECTION (3)(a.5)(II) SUPERSEDES,

ABROGATES, OR OTHERWISE IMPAIRS THE ALLOCATION OF WATER PURSUANT TO THE STATE CONSTITUTION OR ANY OTHER PROVISION OF LAW, THE RIGHT TO BENEFICIALLY USE WATER PURSUANT TO DECREES, CONTRACTS, OR OTHER WATER USE AGREEMENTS, OR THE OPERATION, MAINTENANCE, REPAIR, REPLACEMENT, OR USE OF ANY WATER FACILITY.

(E) THE DEPARTMENT OF LOCAL AFFAIRS MAY HIRE AND EMPLOY ONE FULL-TIME EMPLOYEE TO PROVIDE EDUCATIONAL RESOURCES AND ASSISTANCE TO A COUNTY OR REGION THAT INCLUDES WATER CONSERVATION POLICIES IN THE WATER SUPPLY ELEMENTS OF MASTER PLANS AS REQUIRED BY THIS SUBSECTION (3)(a.5)(II).

(III) A STRATEGIC GROWTH ELEMENT THAT INTEGRATES ELEMENTS OF THE MASTER PLAN TO DISCOURAGE SPRAWL AND PROMOTE THE DEVELOPMENT OR REDEVELOPMENT OF VACANT AND UNDERUTILIZED PARCELS IN URBAN AREAS TO ADDRESS THE DEMONSTRATED HOUSING NEEDS OF THE COUNTY OR REGION AND MITIGATE THE NEED FOR EXTENSION OF INFRASTRUCTURE AND PUBLIC SERVICES TO DEVELOP NATURAL AND AGRICULTURAL LANDS FOR RESIDENTIAL USES. THE STRATEGIC GROWTH ELEMENT MUST INCLUDE:

(A) A DESCRIPTION OF EXISTING AND POTENTIAL POLICIES AND TOOLS TO PROMOTE STRATEGIC GROWTH AND PREVENT SPRAWL;

(B) AN ANALYSIS OF VACANT AND UNDERUTILIZED SITES THAT IDENTIFIES VACANT, PARTIALLY VACANT, AND UNDERUTILIZED LAND NEAR EXISTING OR PLANNED TRANSIT OR JOB CENTERS THAT COULD BE USED FOR INFILL DEVELOPMENT, REDEVELOPMENT, AND NEW DEVELOPMENT OF HOUSING; ASSESSES THE GENERAL FEASIBILITY OF THE DEVELOPMENT OR REDEVELOPMENT OF SUCH SITES FOR RESIDENTIAL USE BASED ON EXISTING AND NEEDED INFRASTRUCTURE, TRANSPORTATION CAPACITY, ACCESS TO PUBLIC TRANSIT, AND PUBLIC FACILITIES AND SERVICES TO SERVE SUCH SITES; DESCRIBES THE PUBLIC BENEFITS OF THE DEVELOPMENT OR REDEVELOPMENT OF SUCH SITES TO THE COUNTY OR REGION AS AN ALTERNATIVE TO THE DEVELOPMENT OF PREVIOUSLY UNDEVELOPED NATURAL OR AGRICULTURAL LAND; AND IN A MANNER THAT IS CONSISTENT WITH THE MASTER PLAN, DESIGNATES SUCH SITES FOR WHICH DEVELOPMENT OR REDEVELOPMENT IS DEEMED TO BE GENERALLY FEASIBLE FOR FUTURE USES THAT INCLUDE RESIDENTIAL USES IN A MANNER THAT ADDRESSES THE DEMONSTRATED HOUSING NEEDS OF THE COUNTY OR REGION AT ALL INCOME

LEVELS; AND

(C) AN ANALYSIS OF UNDEVELOPED SITES THAT IDENTIFIES PREVIOUSLY UNDEVELOPED PARCELS THAT ARE NOT ADJACENT TO DEVELOPED LAND, INCLUDING EXISTING NATURAL AND AGRICULTURAL LAND, UNDER CONSIDERATION FOR FUTURE DEVELOPMENT, AND, FOR A COUNTY OR REGION IN A METROPOLITAN PLANNING ORGANIZATION ESTABLISHED UNDER THE "FEDERAL TRANSIT ACT OF 1998," 49 U.S.C. SEC. 5301 ET SEQ., AS AMENDED, LAND OUTSIDE OF CENSUS URBAN AREAS AS DEFINED BY THE UNITED STATES BUREAU OF THE CENSUS; ASSESSES THE GENERAL FEASIBILITY OF THE DEVELOPMENT OF SUCH SITES FOR RESIDENTIAL USE BASED ON EXISTING AND NEEDED INFRASTRUCTURE, TRANSPORTATION CAPACITY, ACCESS TO PUBLIC TRANSIT, AND PUBLIC FACILITIES AND SERVICES TO SERVE SUCH SITES; AND DESCRIBES THE LONG-TERM FISCAL IMPACT TO THE COUNTY OR REGION OF THE CONSTRUCTION, OWNERSHIP, MAINTENANCE, AND REPLACEMENT OF INFRASTRUCTURE AND PUBLIC FACILITIES AND THE PROVISION OF PUBLIC SERVICES TO SERVE DEVELOPMENT OF SUCH SITES;

(IV) THE MOST RECENT HOUSING ACTION PLAN OR PLANS ADOPTED BY THE COUNTY OR MUNICIPALITIES WITHIN THE REGION PURSUANT TO SECTION 24-32-3705; AND

(V) FOR A MASTER PLAN BY A REGIONAL PLANNING COMMISSION, THE MOST RECENT VERSION OF THE MASTER PLAN REQUIRED BY SECTION 31-12-105 (1)(e) BY EACH MUNICIPALITY THAT IS PART OF THE REGIONAL PLANNING COMMISSION AND A DESCRIPTION OF HOW EACH JURISDICTION WILL INTEGRATE THAT PLAN INTO THE MASTER PLAN.

(a.7) (I) A COUNTY OR REGION WITH A MASTER PLAN SHALL ENSURE THAT ITS MASTER PLAN INCLUDES A WATER SUPPLY ELEMENT AND A STRATEGIC GROWTH ELEMENT AS REQUIRED BY SUBSECTION (3)(a.5) OF THIS SECTION AT THE FIRST AMENDING OF THE MASTER PLAN THAT OCCURS ON OR AFTER JANUARY 1, 2026, BUT NOT LATER THAN DECEMBER 31, 2026. THE MASTER PLAN OF A COUNTY OR REGION ADOPTED OR AMENDED AFTER DECEMBER 31, 2026, MUST INCLUDE A WATER SUPPLY ELEMENT AND STRATEGIC GROWTH ELEMENT AS REQUIRED BY SUBSECTION (3)(a.5) OF THIS SECTION. THE COUNTY OR REGION MUST UPDATE THE WATER SUPPLY ELEMENT AND STRATEGIC GROWTH ELEMENT NO LESS FREQUENTLY THAN EVERY FIVE YEARS.

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(II) A COUNTY OR REGION WITH A MASTER PLAN IS NOT REQUIRED TO INCLUDE A STRATEGIC GROWTH ELEMENT, IF THE COUNTY OR REGION HAS NOT RECEIVED FUNDING TO INCLUDE THE STRATEGIC GROWTH ELEMENT PURSUANT TO SECTION 24-32-3710 AND EITHER:

(A) HAS A POPULATION OF TWENTY THOUSAND OR LESS IN THE COUNTY'S UNINCORPORATED TERRITORY AND HAS EXPERIENCED NEGATIVE POPULATION CHANGE IN THE MOST RECENT DECENNIAL CENSUS; OR

(B) HAS A POPULATION OF FIVE THOUSAND OR LESS IN THE COUNTY'S UNINCORPORATED TERRITORY.

(a.9) THE MASTER PLAN MAY INCLUDE, WHERE APPLICABLE OR APPROPRIATE:

(I) THE GENERAL LOCATION, CHARACTER, AND EXTENT OF EXISTING, PROPOSED, OR PROJECTED STREETS OR ROADS, RIGHTS-OF-WAY, VIADUCTS, BRIDGES, WATERWAYS, WATERFRONTS, PARKWAYS, HIGHWAYS, MASS TRANSIT ROUTES AND CORRIDORS, AND ANY TRANSPORTATION PLAN PREPARED BY ANY METROPOLITAN PLANNING ORGANIZATION THAT COVERS ALL OR A PORTION OF THE COUNTY OR REGION AND THAT THE COUNTY OR REGION HAS RECEIVED NOTIFICATION OF OR, IF THE COUNTY OR REGION IS NOT LOCATED IN AN AREA COVERED BY A METROPOLITAN PLANNING ORGANIZATION, ANY TRANSPORTATION PLAN PREPARED BY THE DEPARTMENT OF TRANSPORTATION THAT THE COUNTY OR REGION HAS RECEIVED NOTIFICATION OF AND THAT APPLIES TO THE COUNTY OR REGION;

(II) THE GENERAL LOCATION OF PUBLIC PLACES OR FACILITIES, INCLUDING PUBLIC SCHOOLS; CULTURALLY, HISTORICALLY, OR ARCHAEOLOGICALLY SIGNIFICANT BUILDINGS, SITES, AND OBJECTS; PLAYGROUNDS, FORESTS, RESERVATIONS, SQUARES, PARKS, AIRPORTS, AVIATION FIELDS, MILITARY INSTALLATIONS; AND OTHER PUBLIC WAYS, GROUNDS, OPEN SPACES, TRAILS, AND DESIGNATED FEDERAL, STATE, AND LOCAL WILDLIFE AREAS. FOR PURPOSES OF THIS SECTION, "MILITARY INSTALLATION" HAS THE SAME MEANING AS SPECIFIED IN SECTION 29-20-105.6 (2)(b).

(III) THE GENERAL LOCATION AND EXTENT OF PUBLIC UTILITIES, TERMINALS, CAPITAL FACILITIES, AND TRANSFER FACILITIES, WHETHER PUBLICLY OR PRIVATELY OWNED, FOR WATER, LIGHT, POWER, SANITATION,

TRANSPORTATION, COMMUNICATION, HEAT, AND OTHER PURPOSES AND ANY PROPOSED OR PROJECTED NEEDS FOR CAPITAL FACILITIES AND UTILITIES, INCLUDING THE PRIORITIES, ANTICIPATED COSTS, AND FUNDING PROPOSALS FOR SUCH FACILITIES AND UTILITIES;

(IV) THE ACCEPTANCE, WIDENING, REMOVAL, EXTENSION, RELOCATION, NARROWING, VACATION, ABANDONMENT, MODIFICATION, OR CHANGE OF USE OF ANY OF THE PUBLIC WAYS, RIGHTS-OF-WAY, INCLUDING THE COORDINATION OF SUCH RIGHTS-OF-WAY WITH THE RIGHTS-OF-WAY OF OTHER COUNTIES, REGIONS, OR MUNICIPALITIES, GROUNDS, OPEN SPACES, BUILDINGS, PROPERTIES, UTILITIES, OR TERMINALS REFERRED TO IN SUBSECTIONS (3)(a.5)(II)(C), (3)(a.9)(I), (3)(a.9)(II), AND (3)(a.9)(III) OF THIS SECTION;

(V) METHODS FOR ASSURING ACCESS TO APPROPRIATE CONDITIONS FOR SOLAR, WIND, OR OTHER ALTERNATIVE ENERGY SOURCES, INCLUDING GEOTHERMAL ENERGY USED FOR WATER HEATING OR SPACE HEATING OR COOLING IN A SINGLE BUILDING, FOR SPACE HEATING FOR MORE THAN ONE BUILDING THROUGH A PIPELINE NETWORK, OR FOR ELECTRICITY GENERATION;

(VI) THE GENERAL CHARACTER, LOCATION, AND EXTENT OF COMMUNITY CENTERS, TOWNSITES, HOUSING DEVELOPMENTS, WHETHER PUBLIC OR PRIVATE; THE EXISTING, PROPOSED, OR PROJECTED LOCATION OF RESIDENTIAL NEIGHBORHOODS AND SUFFICIENT LAND FOR FUTURE HOUSING DEVELOPMENT FOR THE EXISTING AND PROJECTED ECONOMIC AND OTHER NEEDS OF ALL CURRENT AND ANTICIPATED RESIDENTS OF THE COUNTY OR REGION; AND URBAN CONSERVATION OR REDEVELOPMENT AREAS. IF A COUNTY OR REGION HAS ENTERED INTO A REGIONAL PLANNING AGREEMENT, THE AGREEMENT MAY BE INCORPORATED BY REFERENCE INTO THE MASTER PLAN.

(VII) THE GENERAL LOCATION AND EXTENT OF FORESTS, AGRICULTURAL AREAS, FLOOD CONTROL AREAS, AND OPEN DEVELOPMENT AREAS FOR PURPOSES OF CONSERVATION, FOOD AND WATER SUPPLY, SANITARY AND DRAINAGE FACILITIES, FLOOD CONTROL, OR THE PROTECTION OF URBAN DEVELOPMENT;

(VIII) A LAND CLASSIFICATION AND UTILIZATION PROGRAM;

(IX) PROJECTIONS OF POPULATION CHANGE AND HOUSING NEEDS TO ACCOMMODATE THE PROJECTED POPULATION FOR SPECIFIED INCREMENTS OF TIME. THE COUNTY OR REGION MAY BASE THESE PROJECTIONS UPON DATA FROM THE DEPARTMENT OF LOCAL AFFAIRS AND UPON THE COUNTY'S OR REGION'S LOCAL OBJECTIVES.

(X) THE LOCATION OF AREAS CONTAINING STEEP SLOPES, GEOLOGICAL HAZARDS, ENDANGERED OR THREATENED SPECIES, WETLANDS, FLOODPLAINS, FLOODWAYS, AND FLOOD RISK ZONES, HIGHLY ERODIBLE LAND OR UNSTABLE SOILS, AND WILDFIRE HAZARDS. FOR PURPOSES OF DETERMINING THE LOCATION OF SUCH AREAS, THE PLANNING COMMISSION SHOULD CONSIDER THE FOLLOWING SOURCES FOR GUIDANCE:

(A) THE COLORADO GEOLOGICAL SURVEY FOR DEFINING AND MAPPING GEOLOGICAL HAZARDS;

(B) THE UNITED STATES FISH AND WILDLIFE SERVICE OF THE UNITED STATES DEPARTMENT OF THE INTERIOR AND THE PARKS AND WILDLIFE COMMISSION CREATED IN SECTION 33-9-101 FOR LOCATING AREAS INHABITED BY ENDANGERED OR THREATENED SPECIES;

(C) THE UNITED STATES ARMY CORPS OF ENGINEERS AND THE UNITED STATES FISH AND WILDLIFE SERVICE NATIONAL WETLANDS INVENTORY FOR DEFINING AND MAPPING WETLANDS;

(D) THE FEDERAL EMERGENCY MANAGEMENT AGENCY FOR DEFINING AND MAPPING FLOODPLAINS, FLOODWAYS, AND FLOOD RISK ZONES;

(E) THE NATURAL RESOURCES CONSERVATION SERVICE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE FOR DEFINING AND MAPPING UNSTABLE SOILS AND HIGHLY ERODIBLE LAND; AND

(F) THE COLORADO STATE FOREST SERVICE FOR LOCATING WILDFIRE HAZARD AREAS.

(8) A COUNTY OR REGIONAL PLANNING COMMISSION SHALL SUBMIT THE MASTER PLAN AND ANY SEPARATELY APPROVED WATER SUPPLY ELEMENT AND STRATEGIC GROWTH ELEMENT TO THE DIVISION OF LOCAL GOVERNMENT IN THE DEPARTMENT OF LOCAL AFFAIRS. THE DIVISION OF LOCAL GOVERNMENT SHALL REVIEW MASTER PLANS AND MAY PROVIDE

COMMENTS TO THE COMMISSION.

SECTION 3. In Colorado Revised Statutes, 31-23-206, **repeal and reenact, with amendments, (1); and add (1.3), (1.5), (1.7), (1.9), and (8)** as follows:

31-23-206. Master plan. (1) IT IS THE DUTY OF THE COMMISSION TO MAKE AND ADOPT A MASTER PLAN FOR THE PHYSICAL DEVELOPMENT OF THE MUNICIPALITY, INCLUDING ANY AREAS OUTSIDE ITS BOUNDARIES, SUBJECT TO THE APPROVAL OF THE GOVERNMENTAL BODY HAVING JURISDICTION THEREOF, THAT IN THE COMMISSION'S JUDGMENT BEAR RELATION TO THE PLANNING OF THE MUNICIPALITY. THE MASTER PLAN OF A MUNICIPALITY IS AN ADVISORY DOCUMENT TO GUIDE LAND DEVELOPMENT DECISIONS; HOWEVER, THE MASTER PLAN OR ANY PART THEREOF MAY BE MADE BINDING BY INCLUSION IN THE MUNICIPALITY'S ADOPTED SUBDIVISION, ZONING, PLATTING, PLANNED UNIT DEVELOPMENT, OR OTHER SIMILAR LAND DEVELOPMENT REGULATIONS AFTER SATISFYING NOTICE, DUE PROCESS, AND HEARING REQUIREMENTS FOR LEGISLATIVE OR QUASI-JUDICIAL PROCESSES AS APPROPRIATE. THE MASTER PLAN, WITH THE ACCOMPANYING MAPS, PLATS, CHARTS, AND DESCRIPTIVE MATTER, MUST SHOW THE COMMISSION'S RECOMMENDATIONS FOR THE DEVELOPMENT OF THE MUNICIPALITY AND OUTLYING AREAS.

(1.3) (a) WHEN A COMMISSION DECIDES TO ADOPT A MASTER PLAN, THE COMMISSION SHALL CONDUCT PUBLIC HEARINGS, AFTER NOTICE OF SUCH PUBLIC HEARINGS HAS BEEN PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN THE MUNICIPALITY IN A MANNER SUFFICIENT TO NOTIFY THE PUBLIC OF THE TIME, PLACE, AND NATURE OF THE PUBLIC HEARING, PRIOR TO FINAL ADOPTION OF A MASTER PLAN IN ORDER TO ENCOURAGE PUBLIC PARTICIPATION IN AND AWARENESS OF THE DEVELOPMENT OF THE MASTER PLAN AND SHALL ACCEPT AND CONSIDER ORAL AND WRITTEN PUBLIC COMMENTS THROUGHOUT THE PROCESS OF DEVELOPING THE MASTER PLAN.

(b) THE COMMISSION SHALL FOLLOW THE PROCEDURES IN SECTION 24-32-3209. FOR PURPOSES OF THIS SECTION, ANY SPECIAL DISTRICT THAT SUPPLIES WATER TO THE AREA COVERED BY THE MASTER PLAN IS A NEIGHBORING JURISDICTION AS DEFINED IN SECTION 24-32-3209 (1)(h).

(c) FOR ANY MASTER PLAN ADOPTED AFTER JANUARY 1, 2026, THE COMMISSION SHALL CONSIDER THE FOLLOWING, WHERE APPLICABLE OR

APPROPRIATE, AND ANY OTHER INFORMATION DEEMED RELEVANT BY THE COMMISSION:

(I) THE APPLICABLE HOUSING NEEDS ASSESSMENTS PUBLISHED PURSUANT TO SECTION 24-32-3702 (1)(b), 24-32-3703, OR 24-32-3704;

(II) THE STATEWIDE STRATEGIC GROWTH REPORT CREATED PURSUANT TO SECTION 24-32-3707;

(III) THE NATURAL LAND AND AGRICULTURAL OPPORTUNITIES REPORT PUBLISHED PURSUANT TO SECTION 24-32-3708; AND

(IV) THE COLORADO WATER PLAN ADOPTED PURSUANT TO SECTION 37-60-106.3.

(1.5) THE MASTER PLAN MUST INCLUDE:

(a) A NARRATIVE DESCRIPTION OF THE PROCEDURE USED FOR THE DEVELOPMENT AND ADOPTION OF THE MASTER PLAN, INCLUDING A SUMMARY OF ANY OBJECTIONS TO THE MASTER PLAN MADE BY NEIGHBORING JURISDICTIONS PURSUANT TO SECTION 24-32-3209 AND A DESCRIPTION OF THE RESOLUTION OR OUTCOME OF THE OBJECTIONS;

(b) THE MOST RECENT VERSION OF THE MASTER PLAN REQUIRED BY SECTION 31-12-105 (1)(e) OR A SIMILAR MASTER PLAN FOR AREAS OF POTENTIAL GROWTH WITHIN THREE MILES OF THE MUNICIPALITY'S EXISTING BOUNDARIES AND A DESCRIPTION OF HOW THE MUNICIPALITY INTENDS TO INTEGRATE THAT PLAN INTO THE MASTER PLAN;

(c) (I) A WATER SUPPLY ELEMENT DEVELOPED IN CONSULTATION WITH ENTITIES THAT SUPPLY WATER FOR USE WITHIN THE MUNICIPALITY TO ENSURE COORDINATION ON WATER SUPPLY AND FACILITY PLANNING. NOTHING IN THIS SECTION REQUIRES THE PUBLIC DISCLOSURE OF CONFIDENTIAL INFORMATION RELATED TO WATER SUPPLY OR FACILITIES.

(II) THE WATER SUPPLY ELEMENT MUST:

(A) ESTIMATE A RANGE OF WATER SUPPLIES AND FACILITIES NEEDED TO SUPPORT THE POTENTIAL PUBLIC AND PRIVATE DEVELOPMENT DESCRIBED IN THE MASTER PLAN; AND

(B) INCLUDE WATER CONSERVATION POLICIES, TO BE DETERMINED BY THE MUNICIPALITY, WHICH MAY INCLUDE GOALS SPECIFIED IN THE COLORADO WATER PLAN ADOPTED PURSUANT TO SECTION 37-60-106.3 AND POLICIES TO IMPLEMENT WATER CONSERVATION AND OTHER COLORADO WATER PLAN GOALS AS A CONDITION OF DEVELOPMENT APPROVAL, INCLUDING SUBDIVISIONS, PLANNED UNIT DEVELOPMENTS, SPECIAL USE PERMITS, AND ZONING CHANGES.

(III) A MUNICIPALITY WITH A MASTER PLAN THAT INCLUDES A WATER SUPPLY ELEMENT SHALL ENSURE THAT ITS MASTER PLAN INCLUDES WATER CONSERVATION POLICIES AT THE FIRST AMENDING OF THE MASTER PLAN, BUT NOT LATER THAN JULY 1, 2025;

(IV) NOTHING IN THIS SUBSECTION (1.5)(c) SUPERSEDES, ABROGATES, OR OTHERWISE IMPAIRS THE ALLOCATION OF WATER PURSUANT TO THE STATE CONSTITUTION OR ANY OTHER PROVISION OF LAW, THE RIGHT TO BENEFICIALLY USE WATER PURSUANT TO DECREES, CONTRACTS, OR OTHER WATER USE AGREEMENTS, OR THE OPERATION, MAINTENANCE, REPAIR, REPLACEMENT, OR USE OF ANY WATER FACILITY; AND

(V) THE DEPARTMENT OF LOCAL AFFAIRS MAY HIRE AND EMPLOY ONE FULL-TIME EMPLOYEE TO PROVIDE EDUCATIONAL RESOURCES AND ASSISTANCE TO MUNICIPALITIES THAT INCLUDE WATER CONSERVATION POLICIES IN THE WATER SUPPLY ELEMENTS OF MASTER PLANS AS REQUIRED BY THIS SUBSECTION (1.5)(c).

(d) A STRATEGIC GROWTH ELEMENT THAT INTEGRATES ELEMENTS OF THE MASTER PLAN TO DISCOURAGE SPRAWL AND PROMOTE THE DEVELOPMENT OR REDEVELOPMENT OF VACANT AND UNDERUTILIZED PARCELS IN URBAN AREAS TO ADDRESS THE MUNICIPALITY'S DEMONSTRATED HOUSING NEEDS AND MITIGATE THE NEED FOR EXTENSION OF INFRASTRUCTURE AND PUBLIC SERVICES TO DEVELOP NATURAL AND AGRICULTURAL LANDS FOR RESIDENTIAL USES. THE STRATEGIC GROWTH ELEMENT MUST INCLUDE:

(I) A DESCRIPTION OF EXISTING AND POTENTIAL POLICIES AND TOOLS TO PROMOTE STRATEGIC GROWTH AND PREVENT SPRAWL;

(II) AN ANALYSIS OF VACANT AND UNDERUTILIZED SITES THAT:

(A) IDENTIFIES VACANT, PARTIALLY VACANT, AND UNDERUTILIZED LAND NEAR EXISTING OR PLANNED TRANSIT OR JOB CENTERS THAT COULD BE USED FOR INFILL DEVELOPMENT, REDEVELOPMENT, AND NEW DEVELOPMENT OF HOUSING;

(B) ASSESSES THE GENERAL FEASIBILITY OF THE DEVELOPMENT OR REDEVELOPMENT OF SUCH SITES FOR RESIDENTIAL USE BASED ON EXISTING AND NEEDED INFRASTRUCTURE, TRANSPORTATION CAPACITY, ACCESS TO PUBLIC TRANSIT, AND PUBLIC FACILITIES AND SERVICES TO SERVE SUCH SITES;

(C) DESCRIBES THE PUBLIC BENEFITS OF THE DEVELOPMENT OR REDEVELOPMENT OF SUCH SITES TO THE MUNICIPALITY AS AN ALTERNATIVE TO THE DEVELOPMENT OF PREVIOUSLY UNDEVELOPED NATURAL OR AGRICULTURAL LAND; AND

(D) IN A MANNER THAT IS CONSISTENT WITH THE MASTER PLAN, DESIGNATES SUCH SITES FOR WHICH DEVELOPMENT OR REDEVELOPMENT IS DEEMED TO BE GENERALLY FEASIBLE FOR FUTURE USES THAT INCLUDE RESIDENTIAL USES IN A MANNER THAT ADDRESSES THE MUNICIPALITY'S DEMONSTRATED HOUSING NEEDS AT ALL INCOME LEVELS; AND

(III) AN ANALYSIS OF UNDEVELOPED SITES THAT:

(A) IDENTIFIES PREVIOUSLY UNDEVELOPED PARCELS THAT ARE NOT ADJACENT TO DEVELOPED LAND, INCLUDING EXISTING NATURAL AND AGRICULTURAL LAND, UNDER CONSIDERATION FOR FUTURE DEVELOPMENT, AND, FOR A MUNICIPALITY IN A METROPOLITAN PLANNING ORGANIZATION ESTABLISHED UNDER THE "FEDERAL TRANSIT ACT OF 1998," 49 U.S.C. SEC. 5301 ET SEQ., AS AMENDED, LAND OUTSIDE OF CENSUS URBAN AREAS AS DEFINED BY THE UNITED STATES BUREAU OF THE CENSUS;

(B) ASSESSES THE GENERAL FEASIBILITY OF THE DEVELOPMENT OF SUCH SITES FOR RESIDENTIAL USE BASED ON EXISTING AND NEEDED INFRASTRUCTURE, TRANSPORTATION CAPACITY, ACCESS TO PUBLIC TRANSIT, AND PUBLIC FACILITIES AND SERVICES TO SERVE SUCH SITES; AND

(C) DESCRIBES THE LONG-TERM FISCAL IMPACT TO THE MUNICIPALITY OF THE CONSTRUCTION, OWNERSHIP, MAINTENANCE, AND REPLACEMENT OF INFRASTRUCTURE AND PUBLIC FACILITIES AND THE

PROVISION OF PUBLIC SERVICES TO SERVE DEVELOPMENT OF SUCH SITES; AND

(e) THE MOST RECENT HOUSING ACTION PLAN ADOPTED BY THE MUNICIPALITY PURSUANT TO SECTION 24-32-3705.

(1.7)(a) A MUNICIPALITY WITH A MASTER PLAN SHALL ENSURE THAT ITS MASTER PLAN INCLUDES A WATER SUPPLY ELEMENT AND STRATEGIC GROWTH ELEMENT AS REQUIRED BY SUBSECTION (1.5) OF THIS SECTION AT THE FIRST AMENDING OF THE MASTER PLAN THAT OCCURS ON OR AFTER JANUARY 1, 2026, BUT NOT LATER THAN DECEMBER 31, 2026. THE MASTER PLAN OF A MUNICIPALITY ADOPTED OR AMENDED AFTER DECEMBER 31, 2026, MUST INCLUDE A WATER SUPPLY ELEMENT AND STRATEGIC GROWTH ELEMENT AS REQUIRED BY SUBSECTION (1.5) OF THIS SECTION. A MUNICIPALITY SHALL UPDATE THE WATER SUPPLY ELEMENT AND STRATEGIC GROWTH ELEMENT AS REQUIRED BY SUBSECTION (1.5) OF THIS SECTION NO LESS FREQUENTLY THAN EVERY FIVE YEARS.

(b) A MUNICIPALITY WITH A MASTER PLAN IS NOT REQUIRED TO INCLUDE A STRATEGIC GROWTH ELEMENT IF THE MUNICIPALITY HAS NOT RECEIVED FUNDING TO INCLUDE THE STRATEGIC GROWTH ELEMENT PURSUANT TO SECTION 24-32-3710 AND EITHER:

(I) HAS A POPULATION OF TWENTY THOUSAND OR LESS AND HAS EXPERIENCED NEGATIVE POPULATION CHANGE IN THE MOST RECENT DECENNIAL CENSUS; OR

(II) HAS A POPULATION OF TWO THOUSAND OR LESS.

(1.9) THE MASTER PLAN MAY INCLUDE, WHERE APPLICABLE OR APPROPRIATE:

(a) THE GENERAL LOCATION, CHARACTER, AND EXTENT OF EXISTING, PROPOSED, OR PROJECTED STREETS, ROADS, RIGHTS-OF-WAY, BRIDGES, WATERWAYS, WATERFRONTS, PARKWAYS, HIGHWAYS, MASS TRANSIT ROUTES AND CORRIDORS, AND ANY TRANSPORTATION PLAN PREPARED BY ANY METROPOLITAN PLANNING ORGANIZATION THAT COVERS ALL OR A PORTION OF THE MUNICIPALITY AND THAT THE MUNICIPALITY HAS RECEIVED NOTIFICATION OF OR, IF THE MUNICIPALITY IS NOT LOCATED IN AN AREA COVERED BY A METROPOLITAN PLANNING ORGANIZATION, ANY TRANSPORTATION PLAN PREPARED BY THE DEPARTMENT OF

TRANSPORTATION THAT THE MUNICIPALITY HAS RECEIVED NOTIFICATION OF AND THAT COVERS ALL OR A PORTION OF THE MUNICIPALITY;

(b) THE GENERAL LOCATION OF PUBLIC PLACES OR FACILITIES, INCLUDING PUBLIC SCHOOLS, CULTURALLY, HISTORICALLY, OR ARCHAEOLOGICALLY SIGNIFICANT BUILDINGS, SITES, AND OBJECTS, PLAYGROUNDS, SQUARES, PARKS, AIRPORTS, AVIATION FIELDS, MILITARY INSTALLATIONS, AND OTHER PUBLIC WAYS, GROUNDS, OPEN SPACES, TRAILS, AND DESIGNATED FEDERAL, STATE, AND LOCAL WILDLIFE AREAS. FOR PURPOSES OF THIS SECTION, "MILITARY INSTALLATION" HAS THE SAME MEANING AS SPECIFIED IN SECTION 29-20-105.6 (2)(b).

(c) THE GENERAL LOCATION AND EXTENT OF PUBLIC UTILITIES TERMINALS, CAPITAL FACILITIES, AND TRANSFER FACILITIES, WHETHER PUBLICLY OR PRIVATELY OWNED OR OPERATED, FOR WATER, LIGHT, SANITATION, TRANSPORTATION, COMMUNICATION, POWER, AND OTHER PURPOSES AND ANY PROPOSED OR PROJECTED NEEDS FOR CAPITAL FACILITIES AND UTILITIES, INCLUDING THE PRIORITIES, ANTICIPATED COSTS, AND FUNDING PROPOSALS FOR SUCH FACILITIES AND UTILITIES;

(d) THE ACCEPTANCE, REMOVAL, RELOCATION, WIDENING, NARROWING, VACATING, ABANDONMENT, MODIFICATION, CHANGE OF USE, OR EXTENSION OF ANY OF THE PUBLIC WAYS, RIGHTS-OF-WAY, INCLUDING THE COORDINATION OF SUCH RIGHTS-OF-WAY WITH THE RIGHTS-OF-WAY OF OTHER MUNICIPALITIES, COUNTIES, OR REGIONS, GROUNDS, OPEN SPACES, BUILDINGS, PROPERTY, UTILITY, OR TERMINALS REFERRED TO IN SUBSECTIONS (1.5)(c), (1.7)(a), AND (1.7)(b) OF THIS SECTION;

(e) A ZONING PLAN FOR THE CONTROL OF THE HEIGHT, AREA, BULK, LOCATION, AND USE OF BUILDINGS AND PREMISES. SUCH A ZONING PLAN MAY PROTECT AND ASSURE ACCESS TO APPROPRIATE CONDITIONS FOR SOLAR, WIND, OR OTHER ALTERNATIVE ENERGY SOURCES, INCLUDING GEOTHERMAL ENERGY USED FOR WATER HEATING OR SPACE HEATING OR COOLING IN A SINGLE BUILDING, FOR SPACE HEATING FOR MORE THAN ONE BUILDING THROUGH A PIPELINE NETWORK, OR FOR ELECTRICITY GENERATION; HOWEVER, REGULATIONS AND RESTRICTIONS OF THE HEIGHT, NUMBER OF STORIES, SIZE OF BUILDINGS AND OTHER STRUCTURES, AND THE HEIGHT AND LOCATION OF TREES AND OTHER VEGETATION SHALL NOT APPLY TO EXISTING BUILDINGS, STRUCTURES, TREES, OR VEGETATION EXCEPT FOR NEW GROWTH ON SUCH VEGETATION;

(f) THE GENERAL CHARACTER, LOCATION, AND EXTENT OF COMMUNITY CENTERS, HOUSING DEVELOPMENTS, WHETHER PUBLIC OR PRIVATE; THE EXISTING, PROPOSED, OR PROJECTED LOCATION OF RESIDENTIAL NEIGHBORHOODS AND SUFFICIENT LAND FOR FUTURE HOUSING DEVELOPMENT FOR THE EXISTING AND PROJECTED ECONOMIC AND OTHER NEEDS OF ALL CURRENT AND ANTICIPATED RESIDENTS OF THE MUNICIPALITY; AND REDEVELOPMENT AREAS. IF A MUNICIPALITY HAS ENTERED INTO A REGIONAL PLANNING AGREEMENT, THE AGREEMENT MAY BE INCORPORATED BY REFERENCE INTO THE MASTER PLAN.

(g) A PLAN FOR THE EXTRACTION OF COMMERCIAL MINERAL DEPOSITS PURSUANT TO SECTION 34-1-304;

(h) A PLAN FOR THE LOCATION AND PLACEMENT OF PUBLIC UTILITIES THAT FACILITATES THE PROVISION OF SUCH UTILITIES TO ALL EXISTING, PROPOSED, OR PROJECTED DEVELOPMENTS IN THE MUNICIPALITY;

(i) PROJECTIONS OF POPULATION CHANGE AND HOUSING NEEDS TO ACCOMMODATE THE PROJECTED POPULATION FOR SPECIFIED INCREMENTS OF TIME. THE MUNICIPALITY MAY BASE THESE PROJECTIONS UPON DATA FROM THE DEPARTMENT OF LOCAL AFFAIRS AND UPON THE MUNICIPALITY'S LOCAL OBJECTIVES;

(j) THE AREAS CONTAINING STEEP SLOPES, GEOLOGICAL HAZARDS, ENDANGERED OR THREATENED SPECIES, WETLANDS, FLOODPLAINS, FLOODWAYS, AND FLOOD RISK ZONES, HIGHLY ERODIBLE LAND OR UNSTABLE SOILS, AND WILDFIRE HAZARDS. FOR PURPOSES OF DETERMINING THE LOCATION OF SUCH AREAS, THE PLANNING COMMISSION SHOULD CONSIDER THE FOLLOWING SOURCES FOR GUIDANCE:

(I) THE COLORADO GEOLOGICAL SURVEY FOR DEFINING AND MAPPING GEOLOGICAL HAZARDS;

(II) THE UNITED STATES FISH AND WILDLIFE SERVICE OF THE UNITED STATES DEPARTMENT OF THE INTERIOR AND THE PARKS AND WILDLIFE COMMISSION CREATED IN SECTION 33-9-101 FOR LOCATING AREAS INHABITED BY ENDANGERED OR THREATENED SPECIES;

(III) THE UNITED STATES ARMY CORPS OF ENGINEERS AND THE UNITED STATES FISH AND WILDLIFE SERVICE NATIONAL WETLANDS

INVENTORY FOR DEFINING AND MAPPING WETLANDS;

(IV) THE FEDERAL EMERGENCY MANAGEMENT AGENCY FOR DEFINING AND MAPPING FLOODPLAINS, FLOODWAYS, AND FLOOD RISK ZONES;

(V) THE NATURAL RESOURCES CONSERVATION SERVICE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE FOR DEFINING AND MAPPING UNSTABLE SOILS AND HIGHLY ERODIBLE LAND; AND

(VI) THE COLORADO STATE FOREST SERVICE FOR LOCATING WILDFIRE HAZARD AREAS.

(8) THE COMMISSION SHALL SUBMIT THE MASTER PLAN AND ANY SEPARATELY APPROVED WATER SUPPLY ELEMENT AND STRATEGIC GROWTH ELEMENT TO THE DIVISION OF LOCAL GOVERNMENT IN THE DEPARTMENT OF LOCAL AFFAIRS. THE DIVISION OF LOCAL GOVERNMENT SHALL REVIEW MASTER PLANS AND MAY PROVIDE COMMENTS TO THE COMMISSION.

SECTION 4. In Colorado Revised Statutes, 38-33.3-106.5, **add** (6) as follows:

38-33.3-106.5. Prohibitions contrary to public policy - patriotic, political, or religious expression - public rights-of-way - fire prevention - renewable energy generation devices - affordable housing - drought prevention measures - child care - definitions. (6) (a) AN ASSOCIATION SHALL NOT PROHIBIT OR RESTRICT THE CONSTRUCTION OF ACCESSORY DWELLING UNITS OR MIDDLE HOUSING IF THE ZONING LAWS OF THE LOCAL JURISDICTION WOULD OTHERWISE ALLOW SUCH USES ON A PROPERTY. THIS SUBSECTION (6)(a) APPLIES ONLY TO ANY DECLARATION RECORDED ON OR AFTER JULY 1, 2024, OR IN ANY BYLAWS OR RULES AND REGULATIONS OF THE ASSOCIATION ADOPTED OR AMENDED ON OR AFTER JULY 1, 2024, UNLESS THE DECLARATION, BYLAWS, OR RULES AND REGULATIONS CONTAINED SUCH A RESTRICTION AS OF THE EFFECTIVE DATE OF THIS SUBSECTION (6)(a).

(b) AS USED IN THIS SUBSECTION (6), UNLESS THE CONTEXT OTHERWISE REQUIRES:

(I) "ACCESSORY DWELLING UNIT" MEANS AN INTERNAL, ATTACHED, OR DETACHED DWELLING UNIT THAT IS LOCATED ON THE SAME LOT AS A

PROPOSED OR EXISTING PRIMARY RESIDENCE.

(II) "MIDDLE HOUSING" MEANS A RESIDENTIAL STRUCTURE OR STRUCTURES THAT INCLUDE BETWEEN TWO AND FOUR SEPARATE DWELLING UNITS IN A STRUCTURE, A TOWNHOME BUILDING, OR A COTTAGE CLUSTER OF UP TO FOUR UNITS.

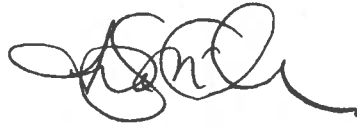
SECTION 5. Appropriation. For the 2024-25 state fiscal year, \$583,864 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from reappropriated funds received from the department of local affairs from the housing needs planning technical assistance fund created in section 24-32-3709 (6)(a), C.R.S. To implement this act, the office may use this appropriation to provide information technology services for the department of local affairs.

SECTION 6. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.



Steve Fenberg
PRESIDENT OF
THE SENATE



Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

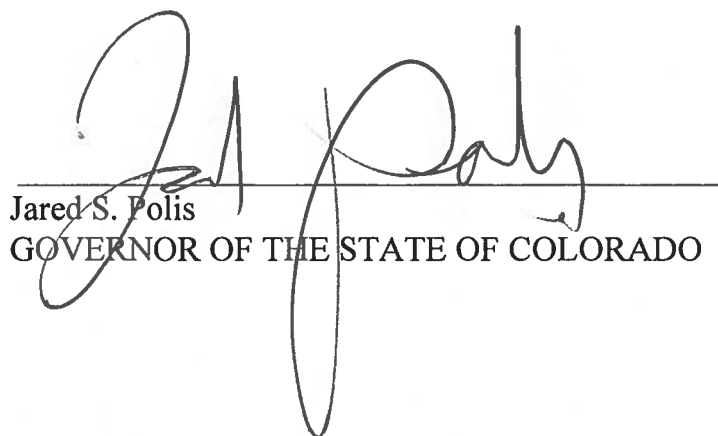


Cindi L. Markwell
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THE SENATE



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APPROVED Thursday May 30th 2024 at 11:20 am
(Date and Time)



Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO

Housing Needs Assessment Guide for Colorado Communities

December 2024

Legislative Requirements per SB24-174



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How to Use This Guide

This document provides guidance on how to conduct a housing needs assessment (HNA), with a focus on state HNA requirements established by Senate Bill 24-174. It is organized into the following primary chapters:

- Chapter 1: Introduction to Housing Needs Assessments. Defines the purpose and recommended use of HNAs and general steps for designing a study.
- Chapter 2: Understanding HNA Requirements. An overview of HNA requirements under Senate Bill 24-174, as well as other state and federal programs to consider.
- Chapter 3: Defining the Scope of Your HNA. Includes considerations for identifying the purpose of your study, data sources and research that will be needed, the geographic scope of your study, and extent of community engagement to achieve desired results.
- Chapter 4: Housing Needs Assessment Framework. A recommended (but not required) framework for organizing an HNA, incorporating state requirements and recommended best practices to tailor analyses for your community and effectively analyze housing needs.
- Chapter 5: Definitions and Terminology. Defines common housing terms that are not specifically defined in the state legislation, but that are necessary to understand when developing an HNA pursuant to this guidance.
- Chapter 6: Data Sources. A list of data sources referenced within this document and commonly used for HNA research, including a table identifying the geographies for which each data source is available and considerations when applying the data.
- Appendix A: HNA Requirements – Quick Reference Guide. A short reference guide highlighting only the required outputs pursuant to Senate Bill 24-174. This can be used as a checklist reference to review HNAs for submission to DOLA.

This guide caters to a diverse audience, ranging from first-time HNA drafters through skilled specialists, including:

- Local and regional government staff and officials;
- Housing agencies and authorities;
- Consultants specializing in housing needs assessments;
- Community organizations and non-profits invested in housing issues; and
- Residents interested in understanding and supporting local housing initiatives.

Chapter 1: Introduction to Housing Needs Assessments

What is a Housing Needs Assessment (HNA)

A Housing Needs Assessment (HNA) identifies the type and amount of housing needed in a community or region to ensure current and future resident and employee households at all income levels have access to quality housing that they can afford. As a result, an HNA does more than estimate the number of housing units needed to accommodate projected population or job growth. An HNA evaluates demographic trends, economic characteristics, housing unit inventory, housing market conditions, development opportunities and constraints, and existing housing programs and services, combined with input from stakeholders and residents, to identify where the market is providing suitable housing and where it is not. The HNA uses this information to estimate how much additional housing is needed to address current housing shortfalls and keep up with future growth. The objective is to estimate the housing needed to ensure quality housing is available and affordable for resident and employee households at all income levels and at different life stages to sustain community and economic health and vibrancy.

It is important to understand that an HNA is an informational tool. While the state of Colorado requires each local government to complete an HNA, the state does not require jurisdictions to build a certain number of housing units or produce a certain type of affordable housing. Rather, completed HNAs are to be used for state agency planning, select grant programs, and regions and local governments to develop housing action plans tailored to the unique constraints, resources, and capacity of a community or region. Senate Bill 24-174 requirements are further described in Chapter 2.

How to Use an HNA

By identifying the current housing challenges and future housing needs in a community, an HNA serves many purposes, such as:

- **Informing Housing Policy and Programs:** An HNA guides local governments, housing service organizations, and other partners in crafting policies, programs, and partnerships to address housing shortages and affordability challenges.

- **Planning for Change:** HNAs help communities plan for evolving demographic and economic conditions by estimating how many housing units will be needed as households, housing markets, and employment levels change.
- **Accessing Funding:** HNAs can be used to inform applications for state or federal housing grants and financing. This includes Colorado's State Affordable Housing Fund (or Proposition 123), which requires detailed data on the demonstrated average housing needs for [rural resort jurisdictions filing a petition](#).
- **Increasing Affordability and Housing Stability:** By identifying the housing needs of households at different income levels, local governments can create programs to improve the availability of housing that is secure and affordable for residents.
- **Sustaining Community and Economic Vibrancy:** HNAs identify the housing needs of resident and employee households at all life stages, helping jurisdictions develop housing strategies that support local businesses, economic development, and a generally diverse and thriving community.
- **Educating and Building Support:** HNAs can be used to educate community members and leaders on housing problems, telling the data-driven "housing story" and providing robust information for decision-making, which is necessary to build program support within communities and address housing needs.



Informing Housing Policy

Help craft policies that align with housing needs



Increasing Affordability & Stability

For households at all income levels and life stages



Planning for Change

Housing needs evolve with the community



Community & Economic Vibrancy

Support community and economic health and diversity



Accessing Funding

Inform state & federal housing funding applications



Education and Support

Build support for housing programs through data storytelling

What an HNA is Not

In addition to the benefits of an HNA, it is also important to understand its limitations. For example:

- **An HNA is Not a Market Study:** An HNA provides a high-level view of housing needs for various income levels to aid in broad-scale planning. Specific details, such as the type of unit, bedroom mix, and types of households served will be affected by the location of a development, neighborhood characteristics, other housing construction, and market conditions at the time of development, among other factors. While an HNA may be the catalyst for a project to be proposed, a market study is best suited to define the specifics of who the project should serve (e.g., families or singles), bedroom mix, unit sizes, and amenities based on market dynamics at the time of development.
- **An HNA Will Not Build Housing by Itself:** The assessment provides data to inform housing strategies. An HNA will not build housing by itself, but will provide information to educate the community and leaders, grow support for addressing local housing needs, and help communities plan for needed housing programs and development.
- **An HNA is Not for Specialized Needs:** Targeting the housing needs of households with unique needs, such as seniors, people with disabilities, and the chronically homeless, requires tailored studies beyond the scope of a general housing needs assessment. Housing products, such as assisted living facilities, senior-only developments, and supportive housing, have unique characteristics, requiring more in-depth study to pinpoint needs.



NOT a Market Study

Project-specific details come from market studies.



WON'T Build Housing

Provides data but doesn't construct housing.



NOT for Specialized Needs

Unique populations require tailored studies.

Steps to Develop an HNA

This guide provides a comprehensive overview of the HNA process, incorporating the requirements of Colorado Senate Bill 24-174. It presents a structured framework, guidance on data sources and methodologies, and best practices for conducting an effective HNA.

The HNA process involves a systematic approach with the following key steps:

1. **Understand HNA Requirements:** Review Chapter 2 to understand and align your HNA with the legislative requirements and definitions in Senate Bill 24-174, as well as considerations for other programs that may use the HNA.
2. **Define Your Study:** Determine the scope of your assessment, whether it's regional or local, how you want to use the study, and what questions you want to answer, as described in Chapter 3. Consider factors such as housing market dynamics, regional relationships, community sentiment and concerns, and data availability.
3. **Understand the HNA Framework:** Familiarize yourself with the HNA framework in Chapter 4, which includes key analysis topics such as demographic trends, economic conditions, housing market and inventory, and housing problems.
4. **Collect and Analyze Data:** Utilize the data sources and methodologies detailed in Chapter 4 and Chapter 6 to gather and analyze relevant data for your study area. Primary research, such as stakeholder interviews, community surveys, or other outreach, is recommended to supplement information from secondary data sources.
5. **Engage the Community:** Involve residents, employers, and stakeholders throughout the HNA process to ensure a comprehensive and inclusive assessment. Actively incorporate diverse perspectives and local knowledge to supplement and help interpret data trends, refine strategies, and build support for outcomes.
6. **Develop Recommendations:** Based on your HNA analysis, formulate custom recommendations for addressing housing needs and gaps in the study area.

Chapter 2: Understanding HNA Requirements

State Requirements: Senate Bill 24-174

Senate Bill 24-174 requires each local government, with some exceptions, to conduct and publish an HNA no later than December 31, 2026, and to update the HNA **at least every six years** thereafter. The bill's objective is to promote comprehensive planning for housing needs throughout Colorado, by providing accurate data for statewide, regional, and local government planning, while minimizing the fiscal impact on jurisdictions completing HNAs. Therefore, jurisdictions are not required to build a certain number of housing units or produce a certain type of affordable housing. Rather, completed HNAs are to be used as an informational tool to develop housing action plans that are tailored to the unique constraints, resources, and capacity of a community or region (see Section 24-32-3705).

Each local government must conduct and publish an HNA that adheres to the requirements established by SB 24-174, unless exempt under Section 24-32-3703(4). HNAs submitted to the Department for approval must include information outlined in Section 24-32-3702(1)(c)(I) through (VI) for a regional assessment and Section 24-32-3702(1)(d)(I) through (VI) for a local assessment. In producing these outputs, HNAs must demonstrate consideration of the baseline data specified in Section 24-32-3702(2). Requirements and timelines for completing, publishing, and submitting HNAs for review by the Department of Local Affairs ("Department") are detailed in Section 24-32-3703 for local HNAs and Section 24-32-3704 for regional HNAs.

The full bill text may be accessed at:

https://leg.colorado.gov/sites/default/files/2024a_174_signed.pdf

Required HNA Content

The state requires that HNAs submitted to the Department for approval produce certain common outputs, while allowing flexibility in how those outputs are derived. Required outputs and baseline data components that should be considered, as specified by SB 24-174, are listed below.

Required Outputs. At a minimum, housing needs assessments must include the information specified below for regional and local studies (see Sections 24-32-3702(1)(c)&(d)). Local and regional study requirements are the same for each item, except as noted in parts (II) and (V), below:

- I. **Housing Stock**
Estimate existing housing stock in the region and in each local jurisdiction that forms the region.
- II. **Estimate Housing Needs**
Estimate housing needs in the region and each local government's jurisdiction, sorted by income level and dwelling type, including accessible units, visitable units (local HNAs only), supportive units, for-sale units, and rental units.
- III. **Number of Households**
Estimate the number of households in the region and each local government's jurisdiction that forms the region.
- IV. **Jobs by Salary**
Estimate the number of jobs in the region and each local government's jurisdiction that forms the region, sorted by annual salary and wage.
- V. **Allocate Housing Needs**
Distribute housing needs across jurisdictions based on job availability and local economic dependencies, among other factors. For regional HNAs, this includes promoting a balance of jobs and housing options that accommodate all income levels. Local HNAs must report the relevant portion of housing needs identified in any applicable state or regional HNA for the local government within its HNA.
- VI. **Displacement Risk**
Identify areas with elevated risks of displacement in the region and each local government jurisdiction.

Housing needs assessments must also include “recommended policy and programmatic responses to the findings of the housing needs assessment, including the assessment of displacement risk.” (Section 24-32-3702(1)(e)(I)). Recommendations will help guide housing action plan discussions. Pursuant to Section 24-32-3705, housing action plans must be created prior to January 1, 2028, and no less than every 6 years thereafter. Please reference the Housing Action Plan guidance for more information.

Recommended Outputs. While the following HNA outputs are not explicitly required under Sections 24-32-3703 and 3704, including them in local and regional HNAs is highly recommended (see Sections 24-32-3702(1)(c)&(d)):

VII. Water Supply Needs

Estimate water supply needs for existing dwelling units and estimated housing needs (reported in I and II, above), using per capita usage rates identified in consultation with the Department of Natural Resources.

VIII. Market Limitations

Assess market limitations on the development of for-sale multifamily housing (regional HNAs) or all types of housing (local HNAs).

Baseline Data Components (Must Consider). Section 24-32-3702(2) defines baseline data components that must be considered when estimating the required HNA outputs for each local and regional study:

- (a) Existing and projected housing shortages and surpluses for different household types and income levels, including extremely low-, very low-, low, moderate-, and middle-income households as designated by the United States Department of Housing and Urban Development (HUD).
- (b) Existing housing diversity and stock, capturing the range and types of available housing.
- (c) Current jobs by income level to understand economic conditions and employee housing needs.
- (d) Median income, providing a basis for housing affordability analysis.
- (e) Population change projections, job growth projections, and demographic trends forecasted by the State Demography Office.
- (f) Population and demographics, understanding age, household characteristics, and income, which affect housing needs and affordability.
- (g) Measures of local resources dedicated to affordable housing development.
- (h) Vacancy rates to assess housing availability and utilization.
- (i) Homelessness and housing instability, indicating areas of critical need.
- (j) Job-housing balance, including the availability of housing for low-income workers.

Chapter 4 provides guidance on meeting these requirements, including how the baseline data can be used to produce required outputs, recommended data sources, questions the analysis should answer, and additional information and research that may be necessary to ensure results reflect the housing needs of households and employees in the study area.

Other HNA Planning Requirements

Depending upon your community, requirements of other housing planning and financing programs should be considered when designing your HNA. Two programs are noted below: Colorado's State Affordable Housing Fund (Proposition 123) and HUD Consolidated Plans.

Colorado's State Affordable Housing Fund (Proposition 123). Communities that anticipate submitting an HNA to support a rural resort petition under Proposition 123 should reference the requirements of that program. Colorado recognizes that rural resort communities face unique housing needs. Under Proposition 123, rural resort communities may petition for funding to assist projects at higher area median income (AMI) levels if supported by the demonstrated average needs within the community identified in an HNA, taking into consideration regional workforce commuting trends.

Specifically, rural resort petitions may be required to show more AMI income categories than required by SB24-174, the weighted average of housing needs by AMI should be shown, and detailed commuting information (potentially requiring primary research to fill gaps in available secondary data) may be needed. Proposition 123 also requires housing needs to be identified pursuant to jurisdictional boundaries for submitting jurisdictions.

HUD Consolidated Plans. Several funding programs are available to support affordable housing through HUD, such as the HOME Investment Partnership, Community Development Block Grants, Housing Opportunities for Persons with AIDS, among others. Local governments that adopt a Consolidated Plan are eligible for these funds. Consolidated Plans are required to cover specific topics, many of which, but not all, will overlap with state-accepted HNAs. Consolidated Plans may need to use data provided by HUD for some information, which is often several years out of date and may not be the best source of information for many HNAs. HNAs can, however, be used to satisfy many elements of the Consolidated Plan, including the Market Analysis (MA) and portions of the Needs Assessment (NA) sections and community engagement. It may be efficient to conduct an HNA in advance of a Consolidated Plan.

Chapter 3: Defining the Scope of Your HNA

At its core, an HNA provides a holistic view of the community, economy, and housing market to determine local resident and employee housing needs across the entire income spectrum. The depth and scope of this analysis, however, varies widely across regions and jurisdictions. Knowing your community, the questions that need to be answered, and how the HNA will be used and by whom will impact the type of information needed, how the information should be presented, what geography should be included, and the scope of data sources and public involvement that will be needed.

Identify the Purpose of Your Study

Identifying the purpose of your study and what you need to understand is the first step to figuring out the scope of analysis, data collection, and appropriate geography for your study. For example:

- Is your community new to addressing housing needs and just wants to know where to start, or do you have a robust housing program that needs specific information to expand its reach? Secondary data sources may suffice to help get communities going; more expensive studies utilizing primary research may be needed to explore how well current programs are serving residents and where more can be done.
- Will you be using the information to apply for funding, or do you have funding and want to know how it should be allocated, or are you hoping to build support for local funding initiatives (e.g., sales tax, etc.)? Answers will affect the data presentation, information to include, partners to involve, and scope of public outreach.
- Are there unique characteristics of your community that will affect analysis needs and outcomes? Communities with a prevalence of second homes, seasonal or migrant workers, a large retiree community, a high rate of commuting, a concentration of jobs in one or two sectors, or other factors may require careful analysis of secondary data, plus supplemental data collection, to understand housing impacts and needs.
- Does your community support local programs and government involvement in helping to address housing concerns, or is more education needed to increase support and grow coalitions? Use the study to collect information that will resonate with the community, show how housing concerns impact the community and economy, and engage the public to help craft outcomes.
- Are there opportunities to build partnerships to help address housing needs either within the jurisdiction or between jurisdictions that an HNA could help facilitate? Involving interested and necessary partners and jurisdictions in the

HNA process helps build ownership and support of study results, as well as collaboration upon taking action.

The scope of work should also ensure that the HNA will provide the information necessary to develop a housing action plan (see Section 24-32-3705 and related Housing Action Plan guidance).

Define Your Study Area (Regional or Local)

While Senate Bill 24-174 permits HNAs to be developed either at the regional or local level, the bill also recognizes that housing and job markets do not start and stop at jurisdictional boundaries. A goal of the bill is to promote a balance of jobs and housing available for employees filling those jobs at all income levels across integrated jobs-housing market areas. As a result, regional housing needs studies are encouraged over studies that evaluate only single jurisdictions. The bill also recognizes, however, that housing needs are shaped by unique characteristics in each area, meaning that local HNAs may produce better results for some jurisdictions.

When defining the study area, multiple factors should be considered. These may include, but are not limited to:

- Market factors, such as where people live, where jobs are located, commuting patterns, transit connections, public services, and where housing is available;
- Existing regional entities, such as Council of Governments, regional planning commissions, or entities formed by inter-jurisdictional agreements;
- Relational factors, such as current housing partnerships, available resources, and beneficial coordinating partners; and
- Data availability and aligning study area boundaries with the primary data sources that will be needed to meet study goals.

This chapter provides guidance on some of the typical differences between local and regional studies as related to project scope, data sources, and data presentation, which should be considered before selecting a study area.

Regional Study Areas

Regional HNAs are generally intended to offer a broad, comprehensive view, addressing housing needs and trends across multiple jurisdictions. Regional studies typically highlight regional relationships, potential partnerships, and cross-jurisdictional planning opportunities.

- **Scope:** Regional studies may encompass multiple counties or broader Council of Government (COG) areas. Identifying trends that affect the entire region, such as migration patterns, inter-jurisdictional commuting, and housing pressures from neighboring areas are important. In some communities, this may encompass a “valley” area or other regions that are different from governmental boundaries.
- **Data Sources:** Due to the high-level scope, regional HNAs may utilize datasets that capture broad economic and demographic trends, such as data from the State Demography Office (SDO), Public Use Microdata Sample (PUMS), and other resources available to larger population areas. Local data sources and primary research may also be used, but can be very expensive for large study areas.
- **Data Presentation:** To meet state HNA requirements, regional studies must show data at the region-wide level and for every governmental jurisdiction in the region. Any assumptions needed or data source limitations, especially for smaller jurisdictions, should be noted.

Local Study Areas

Local HNAs are designed to address housing needs within individual jurisdictions, such as a single city, town, or county. These studies emphasize the specific housing, demographic, and economic characteristics of the area under analysis, taking into consideration regional influences on housing and job markets.

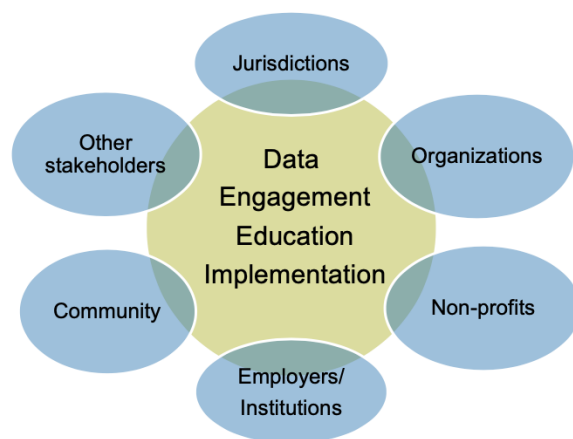
- **Scope:** Local HNAs should identify trends within a single jurisdiction, such as a city or county, and relate those to the larger region, such as the county, neighboring jurisdictions, or a job-housing market area. These assessments are typically more targeted for local planning purposes, aiming to understand the specific housing needs of the community.
- **Data Sources:** Local studies should prioritize datasets that provide reliable information for the scale of the community. For many jurisdictions, state and federal data sources will need to be supplemented with local data, such as county assessor data, building permit records, current rental rates, and property sales data. For small jurisdictions, primary research (e.g., surveys, stakeholder interviews) may be necessary to supplement secondary data sources and help interpret data trends from secondary sources.

- **Data Presentation:** To meet state HNA requirements, local studies must show the housing needs reported in a regional study that included the jurisdiction, along with any estimate of housing needs from the local study. Any differences in the results, and reasons why, should be noted.

Engage the Community

Senate Bill 24-174 requires completed HNAs to be presented at a public meeting for input prior to submitting the study to the Department. For a regional study, each local jurisdiction must receive the study and review the study at a public meeting. The regional or local HNA, along with any comments received, shall then be submitted to the Department for acceptance.

It is also recommended to involve residents, employers, and community stakeholders in the HNA process prior to completion, especially if a goal of the study is to increase community support for housing programs. For smaller jurisdictions, such involvement may be necessary to collect the information needed to effectively understand housing needs. Involving community stakeholders and residents in the process helps define and explain the housing problem and refine recommendations to be more responsive to the community. Broad public participation also increases the likelihood that involved community members will support new housing strategies or developments to address housing needs.



Chapter 4: Housing Needs Assessment Framework

This section provides a framework for organizing state required outputs and recommended information into a cohesive HNA. While the legislation does not require that this exact structure be followed, using this framework will simplify the review process by the Department.

The purpose of the framework is to help regional entities, local governments, and other agencies responsible for developing HNAs understand how to organize and use data to analyze housing needs for different household types, various income levels, and households with unique needs. It also offers guidance on best practices for conducting HNAs that reflect the unique characteristics of each jurisdiction and region. This includes how data sources and analyses may differ based on local conditions and market factors, and how the information can be used to inform housing planning and policies.

The recommended framework includes the following report sections, which are commonly found in HNAs. The data and analysis from each section feeds into the next, helping to develop the data-driven housing story of the study area. This includes:

- **Demographic Trends**, which establishes the foundation for understanding changes in population, household characteristics, and income, which drive housing demand and needs.
- **Economic Trends**, which analyzes the interplay between jobs, wages, and housing to understand if the current housing supply meets the needs of employees.
- **Housing Inventory**, which evaluates the condition, diversity, and supply of housing units to identify where there may be gaps based on demographic and economic needs.
- **Housing Market Trends and Availability**, which assesses how housing market factors like rental rates, sales trends, and available supply impact housing affordability and availability for different income groups and household types.
- **Housing Problems**, which evaluates challenges such as cost burden, overcrowding, homelessness, and housing instability, providing insight into the need for targeted housing programs and unique needs.
- **Housing Resources**, which identifies available financial, institutional, and community resources that can support housing programs and the development, maintenance, and preservation of affordable housing opportunities.

- **Housing Development Challenges and Opportunities**, which examines obstacles to the development of housing, such as regulatory, cost, and community factors, as well as land and partnership opportunities to produce housing.
- **Current and Projected Housing Needs**, which ties together data from all other sections to estimate current and future housing needs across all income levels.
- **Policy and Program Recommendations**, which provides initial strategies to address identified housing needs to improve housing affordability, accessibility, and stability, and guide the development of a future housing action plan.

Each section is defined in more detail below, including their purpose, key questions to consider, and their relationship to meeting state requirements. The analyses presented in each section are more comprehensive than state requirements and are meant to help guide the production of thorough assessments that reflect each community's unique needs. When working through these sections, the following considerations should be kept in mind:

- **Data Availability.** Recommended data sources and analyses focus on the use of publicly-available data in response to the bill's objective that the use of accurate data be balanced with minimizing the fiscal impact on communities completing HNAs. Primary research in the form of surveys, focus groups, and individual interviews is expensive. Local data collection from jurisdictions or community organizations, while valuable, can also be difficult and add significant expense to larger regional studies.
Where secondary data sources are incomplete, options for data assumptions using publicly available data are suggested within the framework. If no data is available on a topic, jurisdictions should note that in the study. HNA recommendations should recognize data gaps and encourage communities or regions to track the information for use in future HNA updates. Communities may decide to pay more for primary research to fill data gaps as part of the HNA, but this is not required by the state.
- **Alternative Data Sources.** HNA analysts are not required to use the data sources presented in the framework. Where research indicates that secondary sources of current or projected data do not represent local conditions, substitute data sources and calculations may be used. Clearly identify data sources, assumptions, and calculation methods used in the HNA. Document any data limitations to ensure proper interpretation and use of results.

- **Importance of Tenure (own/rent).** When analyzing demographic trends, housing unit trends, housing problems, and housing needs, information on tenure (rental or ownership) should be included where available. The nature of housing problems vary by tenure, as does the availability of programs or resources to address them. This will be particularly valuable when shaping housing action plans.
- **Recommended Community Comparisons.** For local analyses, comparisons to surrounding jurisdictions and areas within the same job-housing market area are beneficial; for regional assessments, intra-jurisdictional and state-level comparisons help highlight unique needs within the area. Commute patterns within and between communities are also telling and an important component of housing demand in many communities. Best practices include such comparisons to illustrate the study area's place within the region and highlight where and for whom local housing markets may be performing comparatively well or falling behind.

A. Demographic Trends

Purpose. Demographic Trends sets the foundation for understanding the study area's population and household characteristics, household income, and changes over time. These factors directly influence the demand for housing and the types and prices of housing needed in a community. Comparisons to countywide or regional totals and to surrounding jurisdictions are recommended to understand relative differences in some of the drivers behind housing needs.

Legislative requirements. Colorado Revised Statutes Section 24-32-3702 requires the following outputs and consideration of the following baseline data when analyzing Demographic Trends. Required outputs are marked with an asterisk (*).

Required Outputs*	Baseline Data (Must Consider)
(III) Estimate the number of households in the region and each local government's jurisdiction that forms the region	(d) Current median income
	(e) Population change projections and demographic trends forecasted by the State Demography Office
	(f) Population and demographic trends

Unique Community Dynamics to Consider

Population and household dynamics may point to different challenges based on community characteristics. For example:

- The aging population may be the dominant driver of housing needs in some areas. Impacts on housing may include the need for additional smaller, lower maintenance homes to accommodate empty-nester households, programs providing technical assistance and resources to remodel homes to accommodate decreased mobility, and housing with increased care options, such as assisted living and nursing facilities. An increase in retirees can also result in lower median incomes, meaning that it is important to differentiate senior household incomes from the incomes of employed households, especially among lower income groups.
- A high proportion of renters may signal barriers to homeownership; a low proportion of renters may signal that few rental options exist in the community.
- Different household types and sizes require various housing solutions, such as affordable homes for first-time homebuyers to purchase, single-occupancy units for one-person households, or larger ownership or rental units for families.
- In high-cost communities, low population growth or declines may be related to a lack of housing supply that is affordable for residents. For example, workers may be forced to live elsewhere due to a lack of housing options near their jobs or young families may be leaving the community to find housing that they can afford to purchase.

Analysis Structure

This section provides guidance on analyzing Demographic Trends, suggesting data sources and questions to answer for each topic. State-required outputs are marked with an asterisk (*). Other topics should be considered in the analysis, but how and what information is reported may vary depending upon study area dynamics.

1. *Population (Baseline Data (e) and (f))*

- Population Size
 - What is the current population, how fast is it growing, and how does it vary in the region and across jurisdictions?
 - **Source:**
 - Population and past trend (past 10 years at least) - SDO County and Municipal timeseries.
- Age
 - What is the age distribution of the population?

- How has the age distribution been changing over time? How does this vary within the region or among jurisdictions?
- **Source:**
 - Age groups and past trends (past 10 years at least) - SDO (county only), ACS.
- Population Forecast
 - How is the population and age distribution expected to change over time?
 - What impact do projected changes have on potential housing needs?
 - **Source:**
 - 10-year forecast of total population and by age group at the county level (SDO).

2. Households (Required Output (III) and Baseline Data (f))

- **Households*** (Legislative Method (III) required)
 - What is the current total number of households in the region and its jurisdictions?
 - How has the number of households changed over at least the past 10 years?
 - **Source:**
 - Number of households and past trend (past 10 years or more recommended) - SDO (county only), ACS.
 - **Output 1* (required):** Provide the number of households in the below format:

Total Households		
	Region Total (for Regional HNA) or Local total (for a Local HNA)	Total for each government's jurisdiction in the region
Total Households		

- Tenure of Households (Owner and Renter)
 - What is the mix of units occupied by owners and renters?
 - Is the proportion of renters rising or declining?
 - Is there variation among jurisdictions in the region?
 - **Source:**
 - Tenure and past trends (past 10 years at least) - ACS
 - Local surveys for current estimate
- Household Size
 - What is the average household size? How has household size changed over time?
 - What is the size of owner and renter households and how does this impact housing needs? For example: Are more small rental units needed for one- or two-person households or are larger rental units needed? Are homeowners more likely than renters to be larger households, needing homes with multiple bedrooms?
 - **Source:**
 - Household Size by Tenure - ACS, local surveys.
- Household Types
 - What types of households are present (e.g., families with children, single-person households), and how does this vary across the region?
 - Have some household types been growing or declining more than others over time?
 - **Source:**
 - Households by type and past trends (past 10 years at least) - ACS, SDO (county only), local surveys (current only).
- Household Forecast
 - What is the expected number of households in the next 10 years?
 - How is the composition of households projected to change?
 - **Source:**
 - 10-year Household Forecast total and by type by county - State Demography Office (SDO).

3. Household Income Distribution (Baseline Data (d))

- Income Levels
 - What percentage of households are low-, middle-, or higher income?
 - How does income vary by tenure?

- **Source:**
 - HUD Income Limit Table (most current fiscal year) – HUD or CHFA (income limits by household size at various AMI levels).
 - Household Income Distribution by Tenure and AMI - HUD AMI combined with ACS data, published by DOLA; or CHAS.
 - Median Household and Family Income by Tenure - ACS, local surveys.
- **Output 2 (recommended):** Provide the household distribution by Area Median Income (AMI) in the below format:

Households by AMI

AMI Category (see Area Median Income in Definitions)	Total Households	Owner Households	Renter Households
Extremely Low Income ($\leq$ 30% AMI)			
Very Low Income (31-50% AMI)			
Low Income (51-80% AMI)			
Moderate Income (81-120% AMI)			
Middle Income (120% AMI to locally-defined market rate)			
Upper Income (above “Middle Income,” if needed)			
Total Households			

NOTE: This table is not required, but will be useful for creating required outputs in other sections of the HNA

Options for a Deeper Dive

The following variables are optional but can be helpful for communities as they draft housing action plans.

Income:

- Median income by household size or other demographics. Sources: ACS, Local surveys.
- Average income. Sources: ACS, Local surveys.
- Income distribution by tenure (current and trends). Sources: ACS, HUD CHAS.
- Income levels for working compared to retired households. Sources: Local surveys.
- Personal and employment income by major component. Source: Bureau of Economic Analysis (BEA)

Population and Demographic Trends:

- Population distribution by race/ethnicity. Sources: ACS. SDO (county)

- Poverty rates and by race/ethnicity and age. Sources: ACS.
- Households headed by a person age 65+. Sources: ACS, SDO (county), local surveys.
- Components of change—natural change (births minus deaths) and net migration. Sources: SDO (county only).

B. Economic Trends

Purpose: Current and projected economic conditions are essential drivers of housing needs. Jobs, employees, housing, and businesses are tied together. Businesses need employees to fill jobs and employees need housing in which to live.

This HNA section includes information on the current and projected total number of jobs, jobs and wages by sector, seasonal changes in employment, unemployment, and commuting patterns. The purpose is to illustrate the relationship between the local economy and housing needs, including whether the housing supply is keeping pace with the housing needs of employees filling jobs, whether housing affordability for employees is improving or worsening, and how future economic changes might influence housing needs.

Legislative requirements. Colorado Revised Statutes Section 24-32-3702 requires the following outputs and consideration of the following baseline data when analyzing Economic Trends. Required outputs are marked with an asterisk (*).

Required Outputs*	Baseline Data (Must Consider)
<i>(IV) Estimate the number of jobs in the region and each local government's jurisdiction that forms the region, sorted by annual salary and wage</i>	<i>(c) Current jobs by income level</i>
	<i>(e) Job growth projections forecasted by the State Demography Office</i>

Unique Community Dynamics to Consider

Economic trends may point to different challenges based on community characteristics. For example:

- The mix of jobs available in an area impacts the types of housing needed and may point to unique housing needs. Lower-wage employees may need affordable rentals; higher-wage jobs may attract employees seeking homeownership. Tourism-heavy areas may need housing for seasonal workers; agricultural regions may need migrant farmworker housing. In areas where university jobs predominate, students and employees need housing.

- Whether jobs are growing or declining will impact housing needs and potential solutions. Areas where job growth has been faster than the growth in housing units may lead to a housing shortage; during recessionary periods, low employment may affect foreclosures or evictions or the need for more rental assistance programs.
- Wage trends influence housing affordability. In areas where housing prices are increasing at faster rates than wages and household incomes, housing will become more unaffordable, leading to rising problems with housing cost-burden, overcrowding, and displacement.
- Areas in which a large share of jobs are filled by employees commuting in from homes outside the area may indicate a need for more housing near job centers that employees can afford. Communities in which many residents commute out for work may struggle to house their own employees due to the competition for housing. Employers located in jurisdictions with expensive housing may pay higher wages for the same type of job than in lower-cost jurisdictions.

Analysis Structure

This section provides guidance on analyzing Economic Trends, suggesting data sources and questions to answer for each topic. State-required outputs are marked with an asterisk (*). Other topics should be considered in the analysis, but how and what information is reported may vary depending upon study area dynamics.

1. Job Trends and Projections (Required Output (IV) and Baseline Data (c), (e))

- **Jobs and Wages by Sector*** (*Required Output (IV)*)
 - What are the primary industries/dominant employers in the region? Are seasonal employees in demand?
 - How do the number and type of jobs vary in the region and across jurisdictions?
 - How many average annual wages does it take to afford average rents? To purchase the average priced home?
 - **Source:**
 - Jobs by sector (some sectors may be missing due to data suppression rules) and average annual wage at the county level – SDO and CDLE
 - Jobs by sector by quarter/month (for seasonality analysis) at the county level - CDLE
 - Wage and salary jobs estimates below county level - LEHD
 - **Output 1* (required):** Provide jobs by average annual wage in the following table format.

Jobs by Sector by Average Annual Wage*

Job Sector (Report at least the top 10 job sectors in your study area, plus total jobs)	Number of jobs (show region total and total for each county in the region)	Average annual wage (show for each county in the region)	Number of jobs for each city/town jurisdiction
Agriculture, Forestry, Fishing, and Hunting			
Mining			
Construction			
Manufacturing			
Wholesale Trade			
Retail Trade			
Transportation and Warehousing			
Utilities			
Information			
Finance and Insurance			
Real Estate and Rental and Leasing			
Professional, Scientific and Technical Services			
Management of Companies and Enterprises			
Administrative and Waste Services			
Educational Services			
Health Care and Social Assistance			
Arts, Entertainment, and recreation			
Accommodation and Food Services			
Other Services (Except Public Administration)			
Public Administration			
Total			

Jurisdictional breakouts below county level (suggested options)

For local government jurisdictions below the county level, public data options are limited. To create this output, (1) assumptions utilizing public sources will be needed or (2) data may be purchased and/or primary research may be conducted.

1. **Example assumption:** Use LEHD data to estimate the proportion of county jobs that are in each jurisdiction. Use CDLE county-level wages by sector to represent jurisdictional wages. Other assumptions, based on community dynamics, may also be appropriate.
2. **Purchase data options:** ESRI, QCEW micro data, JobsEQ

Primary research: Employer interviews/surveys

Note: Given the limitations of QCEW, LEHD, and other data sources, jurisdictions should validate the data for reasonability. For example, compare estimates with local insights, such as input from local employers, economic development agencies, or chamber of commerce reports and identify sectors or areas where data mismatches are likely.

- **Job and Wage Trends**

- Is the area experiencing growth, stagnation, or decline in jobs? Do changes vary by sector?
- Are wages keeping pace with the cost of housing, or is there a growing affordability gap?
- **Source:**
 - Jobs by sector and average annual wage at the county level – SDO and CDLE

- **Job Projections**

- How will projected job growth or declines in key sectors affect future housing needs?
- Are there anticipated developments (e.g., new businesses, transportation improvements) that will affect the type and location of housing needed?
- **Source:**
 - 10-year jobs forecast (total jobs) by county – SDO.
 - 10-year jobs forecast by sector – SDO (some counties, see Data Sources section (data table)).
 - Pending/approved development, business relocation – local planning/building departments, business organizations (primary research).

2. *Commuting Patterns*

- **Questions to Consider:**

- What are regional commute patterns – where are job centers and where are employees living?
- How do home prices or availability relate to commute patterns or access to labor?
- How do jobs and housing locations interact, and what is the impact on housing markets?

- **Source:**

- Where workers live and where residents work (commute patterns) – LEHD, local employer and household surveys.
- It is recommended to cross-check LEHD commute patterns with local research, particularly in communities with seasonal employment.

Options for a Deeper Dive

The following analyses are optional but can be helpful for some communities as they draft housing action plans.

- Seasonal employee estimates. Source: Bureau of Labor Statistics Local Area Unemployment Statistics (BLS LAUS), Industry data, local surveys.
- Unfilled jobs and offered wages on such jobs at the local level. Source: interviews, local surveys.
- Average multiple job holding rate, defined as the number of jobs divided by the number of employees holding jobs. Sources: SDO (county level), ACS, local surveys.
- Average number of workers per household, defined as the number of employed adults in a household. Sources: ACS, local surveys.
- Labor force and unemployment (adjusted for seasonality if appropriate). Sources: BLS, CDLE.
- Unfilled jobs. Sources: BLS (statewide), employer surveys, local research
- Employer surveys. Can explore challenges employers face in filling jobs through interviews or surveys. Can highlight how housing availability impacts business operations, including hiring and retaining employees. Surveys may help answer: Do employers struggle to fill jobs, and which ones – low-paying entry-level positions, higher-paying professional jobs or seasonal positions? Is employee turnover or understaffing affecting business operations? Are filling positions from retiring employees a concern? How many and what type of jobs are unfilled? To what extent does a lack of available and affordable housing opportunities near jobs contribute to these problems?

C. Housing Inventory

This analysis provides insight into the existing housing supply, including the diversity of available housing unit types, age and condition of homes, and past and planned rates of production. This section helps answer key questions about the diversity and quality of housing available to meet the needs of residents in a community. Comparing the housing inventory across regions or jurisdictions highlights important differences in the diversity and quality of the housing stock, indicating how programs and new development might be tailored to improve housing opportunities throughout the region.

Legislative requirements. Colorado Revised Statutes Section 24-32-3702 requires the following outputs and consideration of the following baseline data when analyzing the Housing Inventory. Required outputs are marked with an asterisk (*).

Required Outputs*	Baseline Data (Must Consider)
<i>(l) Estimate existing housing stock in the region and in each local jurisdiction that forms the region</i>	<i>(b) Existing housing diversity and stock</i>
	<i>(h) Vacancy rates</i>

Unique Community Dynamics to Consider

The unique characteristics of a community's housing inventory and development patterns influence community demographics and potential housing needs and challenges. For example:

- Communities with a variety of housing types (e.g., single-family homes, apartments, townhomes, mobile homes, and condominiums) provide a wider range of housing opportunities for households, supporting residents and employees at different life stages. Communities with mostly single family homes may benefit from more multi-family units that provide rentals for employees filling jobs and affordable homebuyer opportunities for young families. Communities with few families may benefit from increasing their supply of larger homes.
- The age of the housing stock provides insight into the potential quality of housing available. Older housing may require rehabilitation or redevelopment to ensure that it remains safe, habitable, and energy-efficient. Poor housing conditions might indicate a need for programs to help households with necessary repairs.
- A large share of housing used as second homes or vacation rentals means less housing inventory is available for permanent residents. Resident households

must compete with higher-income second homeowners and cash buyers for existing inventory; demand for vacation rentals from visitors may affect the availability of long-term rentals.

- Monitoring development helps track whether current housing strategies are meeting a community's needs and where adjustments may be necessary. For example, if recent developments are all high-priced or second-home properties, more effort may be needed to help increase the production of housing affordable for resident and employee households.

Analysis Structure

This section provides guidance on analyzing Housing Inventory, suggesting data sources and questions to answer for each topic. State-required outputs are marked with an asterisk (*). Other topics should be considered in the analysis, but how and what information is reported may vary depending upon study area dynamics.

1. Housing Units (Required Output (I) and Baseline Data (b))

- **Total Housing Units*** (Required Output (I))
 - How many housing units are in the community or region?
 - At what rate has the number of units been changing over time?
 - **Source:**
 - Total housing units* and housing unit trends (10 years or more recommended) - SDO, can substitute/complement with CoStar data for multifamily rentals (available for purchase) and assessor data.
 - **Output 1* (required):** Provide the number of housing units in the below format:

Total Housing Units*		
	Region Total (for Regional HNA) or Local total (for a Local HNA)	Total for each government's jurisdiction in the region
Total Housing Units		

- **Housing Types**
 - What types of housing units exist, and do they provide options for a diversity of households (e.g., singles, couples, families, etc.)?
 - How has the mix of housing types changed over time?
 - **Source:**

- Count and distribution of units by units in structure (e.g. one unit detached, one unit attached, multi-unit, mobile home units) - ACS, CoStar data for multifamily rentals (available for purchase), assessor data, Comprehensive Plan maps (if available).
- Mobile home stock in mobile home parks (where relevant) - ACS data (units in structure, mobile homes), Colorado state database of mobile home parks.
- **Housing Condition and Age**
 - What is the age and overall condition of the housing stock?
 - How much of the housing requires significant repairs or upgrades? Are there substandard housing units that may pose health or safety risks?
 - **Sources:**
 - Housing units by year built; housing condition - ACS, local surveys, local building inspection records.
- **Regulated Affordable Housing Inventory (if applicable)**
 - How many regulated affordable housing units are available, such as Housing Choice Vouchers (formerly Section 8), LIHTC properties, deed-restricted units, and units provided by employers for employees?
 - Do they span a range of needs, including for various AMI levels, ownership and rental, larger family units, or accessible units for seniors and residents with disabilities?
 - Do units have waitlists?
 - **Sources:**
 - Local housing authority/organizations, assessor, employer interviews/surveys, CHFA, National Housing Preservation Database.

2. *Housing Vacancy and Occupancy (Baseline Data (h))*

- **Vacancy**

- How do housing vacancies vary within the region?
- Are high vacancies related to second home/vacation use or other uses?
Has the share of units that are vacant for second home/vacation use been changing over time?
- **Source:**
 - Vacant units by type of vacancy and trends – ACS Vacancy by Use, SDO, Decennial Census.
 - Note that data reflects date of collection and not current vacancy rates.

- **Occupancy**

- How much of the housing stock is currently occupied by residents, and how does this vary by housing type and area?
- Have the share or number of occupied units for rent or ownership been changing over time?
- **Source:**
 - Occupancy status - ACS, local property data, SDO.

3. *Development and Building Trends (Baseline Data (h))*

- **Historical building permits**

- What patterns of development have been occurring over time?
- What types of housing developments have been built, and do they align with resident and employee housing needs?
- **Source:**
 - Trends in building permits by unit type over at least the past 10 years. Census Building Permit Survey (can be accessed on SDO's website), local planning department records.

- **Development in the pipeline**

- What types of housing are permitted for development in the community?
- What development is proposed, approved, permitted, and under construction?
- Will pending commercial projects increase the need for more housing?
- Will new developments help address housing needs identified in the HNA? Do proposed regulated affordable developments involve properties that are contingent upon changes to income limits?

- **Source:**
 - Proposed and approved housing developments, permits, construction trends - planning department records, ACS.

Options for a Deeper Dive

The following variables are optional but can be helpful for communities as they draft housing action plans.

Housing Diversity and Stock:

- Housing units by number of bedrooms. Sources: ACS, local surveys, local planning departments, and industry data.

Housing Vacancy Rates:

- Short-term rentals inventory and trends. Sources: Local surveys, local governments, industry data.

D. Housing Market Trends

Purpose. Analyzing housing market trends provides insights into how well the housing market is meeting the needs of residents and area workers by examining factors like home values, rental rates, and sales trends. This information helps to assess how well housing supply is meeting demand, identify affordability challenges, and understand the impact of market conditions on different income groups. For local studies, comparing housing costs to neighboring areas highlights comparative affordability, while for regional studies, comparisons with state or national trends offer broader context.

Legislative requirements. Colorado Revised Statutes Section 24-32-3702 requires the following outputs and consideration of the following baseline data when analyzing Housing Market Trends. Required outputs are marked with an asterisk (*). In this case, Housing Market data is needed to calculate estimated housing needs pursuant to the required output (II), but the calculation itself is performed and presented in the Current and Projected Housing Needs section.

Required Outputs*	Baseline Data (Must Consider)
(II) Estimate housing needs sorted by income level and dwelling type, including accessible units, supportive units, visitable units (local HNA only), for-sale units, and rental units	(h) Vacancy rates: Understand how vacancy rates reflect current market demand or availability issues.
	(j) Job-housing balance: Assess the relationship between local employment and housing options to ensure alignment.

Unique Community Dynamics to Consider

- Rental vacancy rates and for-sale inventory may vary across different price points. For example, restricted affordable rentals may have waitlists, market rentals affordable to employees may have 1% vacancy, and high-priced rentals may have 7% vacancy. These differences are important to understand - a high overall vacancy rate may not mean that units are available for resident and employee households at all income levels.
- Areas with high demand from out-of-area buyers and investors have unique challenges. Resident and employee households making their living locally must compete with higher-income buyers; investors may convert properties into short-term rentals, reducing both the for-sale and long-term rental supply; and strong demand for a limited housing supply inflates prices. Seasonal fluctuations in availability may occur in resort areas, where many units are listed as vacation rentals.
- Comparing changes in rental rates and home prices to changes in local wages and incomes over time are important indicators of relative housing affordability. When housing costs outpace changes in wages and incomes, communities become less affordable for residents and employees making their living locally.
- Understanding how development activity aligns with market trends and housing conditions can provide key insights. For example, in communities with limited new rental development, the quality of existing rental units may be poor, but rents can still be high since there is no competition to incentivize landlords/property owners to invest in the units.

Analysis Structure

This section provides guidance on analyzing Housing Market Trends, suggesting data sources and questions to answer for each topic. State-required outputs are marked with an asterisk (*). Other topics should be considered in the analysis, but how and what information is reported may vary depending upon study area dynamics.

1. *Ownership Market (Baseline Data (j))*

- **Housing Prices**
 - What is the median home sale price? How does that vary by home type, size, location, or other factors?
 - How have home prices changed over time?
 - Are housing prices increasing faster than wages? To what extent are rising prices related to supply or demand issues (e.g., strong outside-buyer interest from investors and second homeowners (demand), stagnant development (supply))?
 - What AMI level does a household need to earn to afford to purchase the median priced single family or multi-family home?

- **Source:**
 - Zillow, Redfin, American Community Survey (ACS), County Assessor, Multiple Listing Service (MLS).
- **Inventory of For-Sale Housing**
 - What is the available inventory of for-sale housing, and is it adequate for full-time residents, first-time buyers, and middle-income households?
 - How does availability vary by housing type or price point?
 - How much of the available inventory is affordable to residents and employees making their living in the region or community?
 - **Source:**
 - Multiple Listing Service (MLS), Zillow, Redfin.

2. *Rental Market (Baseline Data (h))*

- **Rental Rates and Market Trends**
 - How are rental rates changing across different housing types?
 - Are rents increasing faster than wages?
 - How many average or median wages are needed to afford a rental unit? What AMI level does a household need to earn to afford the average or median rent?
 - **Sources:**
 - ACS (rents at time of data collection, does not represent current market rents), Zillow, Local rental market surveys/interviews, Statewide Apartment Survey (Colorado Housing and Finance Authority), CoStar (for purchase).
 - Current market rents can be collected through local property managers, searching rental listings, or online searches for rent information, which may be necessary in some areas.
- **Rental Vacancy Rates**
 - What are the current rental vacancy rates, and how have they changed over time? How do they vary by rent rate/affordability level?
 - In seasonal and rural communities in particular: are vacancies influenced by seasonal factors or due to conversion to short-term rentals? Are vacancies related to housing conditions (e.g., uninhabitable units) or usage (e.g., non-local ownership)?
 - **Sources:**
 - ACS (reports vacancies at time of data collection, does not represent current vacancy rates), Statewide Multifamily Survey (Colorado Housing and Finance Authority), local data, State Demography Office (SDO), CoStar, Local surveys.
 - Gathering current and comprehensive vacancy data is challenging, particularly in smaller or rural communities, where accurate data is

lacking. A combination of existing public data, purchased private data, and local primary research may be necessary.

- Vacancy rates may be best estimated by speaking with local property managers, searching rental listings, or online searches for rent information in many areas.

Options for a Deeper Dive

The following variables are optional but can be helpful for communities as they draft housing action plans:

Housing Vacancy Rates:

- Rental Turnover Rate. Sources: Local surveys.
- Months of Inventory. Sources: MLS, Local surveys, industry data.
- Short-Term Rentals. Sources: Local surveys, local governments, industry data.

Ownership Market Additional Considerations:

- Home Buyer Trends
 - What trends exist among homebuyers, including residents, local workers, investors, and second-home buyers? Is homeownership becoming less accessible, particularly for first-time buyers or lower-income households? Are investor activity and second homeownership contributing to reduced inventory for local buyers? What are the barriers to homeownership, such as high prices, limited financing, or lack of inventory?
 - **Sources:**
 - MLS, ACS, local surveys.
- Sale of Regulated Affordable Housing
 - How many regulated affordable housing units have been sold in recent years, and what are the trends? Are resale prices aligned with affordability guidelines at each AMI level? What methods are used for selecting buyers, and how transparent are these processes? Who manages the resales, and are affordability covenants enforced? What are the buyer demographics, and are these units reaching the intended populations?
 - **Sources:**
 - Local housing authorities, deed registries, MLS.

Rental Market Additional Considerations:

- Regulated Rental Units
 - How many regulated affordable rental units are available in the community, and what are the trends in occupancy? Are there waitlists for these units, and how long are they? Are the rental rates aligned with affordability standards at each Area Median Income (AMI) level? How effective are the managing organizations in maintaining affordability and

ensuring compliance with regulations? Are units reaching the intended populations?

- **Sources:**
 - Local housing authorities, property management companies, subsidized housing databases (e.g., HUD, LIHTC), ACS.

E. Housing Problems

Purpose. An analysis of housing problems—including cost burden, overcrowding, housing instability, and homelessness—provides a deeper understanding of the challenges that households face in accessing safe, stable, and affordable housing. This analysis helps to identify where housing programs are needed to improve outcomes for low- and moderate-income residents, particularly vulnerable populations. For local studies, this section can highlight immediate needs for assistance programs, while regional studies provide a broader view of challenges across multiple jurisdictions.

Legislative requirements. Colorado Revised Statutes Section 24-32-3702 requires the following outputs and consideration of the following baseline data when analyzing Housing Problems. Required outputs are marked with an asterisk (*).

Required Outputs*	Baseline Data (Must Consider)
<i>(II) Estimate housing needs in the region and each local government's jurisdiction that forms the region... including accessible units, visitable units (local HNA only), supportive units...</i>	<i>(i) Measures of homelessness and housing instability</i>
<i>(VI) Identify areas at elevated risk of displacement in the region and each local government's jurisdiction that forms the region</i>	

Unique Community Dynamics to Consider

Housing problems manifest differently based on unique community characteristics. For example:

- Cost-burden is an important indicator of the relative affordability of housing in a community for its residents. Understanding the reasons behind cost-burden provides valuable context. Higher-income households may be cost-burdened by choice, opting for larger homes or more desirable neighborhoods, whereas a lack of affordable housing options for lower-income households forces them to be cost-burdened by their housing payment. Cost-burdened lower-income households must often forego other necessary expenditures (e.g. food, medical, etc.) to pay for housing.
- Overcrowding may result from limited housing availability and high housing costs, be related to changes in employment conditions, or other factors. Overcrowding may disproportionately affect certain demographics and may be a precursor to homelessness for some.
- Homelessness can take many forms, and can impact individuals or families, employed or not, who are unable to find or afford available housing. This may include, for example, those unsheltered, experiencing chronic or temporary instability due to unemployment or mental health issues, and those living in unstable or makeshift conditions, couch surfing, or camping.
- Home quality issues may present different problems among communities. In very cold climates, the quality of the home significantly affects heating costs, making insulation and adequate heating systems essential to household affordability, stability, and health. In rural or remote areas, limited access to resources may make it challenging to address substandard housing conditions.

Analysis Structure

This section provides guidance on analyzing Housing Problems, suggesting data sources and questions to answer for each topic. State-required outputs are marked with an asterisk (*). Other topics should be considered in the analysis, but how and what information is reported may vary depending upon study area dynamics.

1. Cost Burden by Tenure (own/rent) (Baseline Data (i))

- What percentage of households are spending more than 30% or 50% of their income on housing?
- Does cost burden affect some households more than others based on income level, household type, tenure, or other demographic?
- **Sources:**

- Housing cost burden by tenure and trends (including severe cost burden) – ACS, CHAS, local surveys.

2. *Overcrowding by Tenure (own/rent) (Baseline Data (i))*

- How many households are living in overcrowded conditions?
- Which populations are most affected by overcrowding?
- **Sources:**
 - Overcrowded by tenure - ACS, CHAS, local surveys (see overcrowded in the Definitions for more information).

3. *Homelessness and Unstable Households* (Required Output (II) and Baseline Data (i))*

- How many individuals and families are experiencing homelessness
- What are the main causes (e.g., lack of affordable housing, unemployment, mental health issues, substance abuse)?
- **Sources:**
 - Homeless count and trends (if available) - PIT counts, HMIS data, local service organizations.
 - Homeless student count and trends (if available) - Colorado Department of Education McKinney Vento counts.
- **If data is not available:** Public data may not be available for many counties and jurisdictions. If no data is available:
 - Note the lack of information in the HNA and add a recommendation for the study area to start tracking this information.
 - **Optional:** Conduct primary research as part of the HNA: Local service organizations (if any), surveys, interviews, community outreach.

4. *Accessible and Visitable Unit Estimates* (Required Output (II))*

- Data on existing visitable and accessible units does not exist, unless governments specifically track this information.
- **Example Estimate.** Utilize data from the Census ACS or HUD's CHAS data on households occupied by person(s) with disabilities for the geography, county or region to estimate the percentage of future housing needs that should be visitable/accessible.
- **Optional.** Local surveys of households can be used to estimate visitable/accessible unit needs, as well as the percentage of existing residents that could use assistance renovating current homes to be visitable/accessible.

5. Displacement Risk* (Required Output (VI))

- Which populations are most vulnerable to severe housing challenges, such as cost burden, overcrowding, or instability? Are racial and ethnic disparities present?
- Are displacement risks, such as those presented in the displacement risk guidance (Section 24-32-3702(3)), affecting some populations more than others? What interventions may be needed to support vulnerable populations?
- **Source:**
 - See Displacement Risk Guidance per Section 24-32-3702(3)

Options for a Deeper Dive

The following variables are optional but can be helpful for communities as they draft housing action plans.

- Cost burden by income and other household characteristics. Sources: ACS, CHAS, Local surveys.
- Foreclosures and evictions. Sources: Colorado Judicial Branch, local sources.
- Condition of home. Sources: ACS, Local Surveys.

F. Housing Resources

Purpose. This section identifies and evaluates resources available to support the development, maintenance, and accessibility of housing that is affordable for resident and employee households. Assessing housing resources includes understanding the financial, institutional, and community assets that can help address the housing needs identified in the HNA. This information will help inform housing action planning and strategy development.

Legislative Requirements. Colorado Revised Statutes Section 24-32-3702 recommends the following outputs and consideration of the following baseline data when analyzing Housing Resources. Outputs from this section are recommended, but not required.

Recommended Outputs	Baseline Data (Must Consider)
<i>Section 24-32-3702(1)(e)(I) A requirement that housing needs assessments include recommended policy and programmatic responses to the findings of the housing needs assessment, including the assessment of displacement risk</i>	<i>(g) Measures of local resources dedicated to the development of affordable housing</i>

Unique Community Dynamics to Consider

Understanding community dynamics is essential for evaluating current programs and identifying gaps to address unmet needs effectively. For example:

- In communities nearing buildout, where developable land is scarce and expensive, publicly-owned land may provide opportunities for expanding affordable housing. Infill, redevelopment, and repurposing existing structures, among other options, should also be explored.
- Partnerships with school districts, hospitals, and other institutional landowners may provide housing development options. Engaging these institutions in housing solutions can benefit both the organization and the broader community.
- Housing assistance should align with the income distribution of households and needs of each community. By understanding the scope of available resources, local governments and housing organizations can identify gaps in services, allocate funding more effectively, and develop targeted policies to ensure that all residents have access to safe and affordable housing.

Analysis Structure

This section provides guidance on analyzing Housing Resources, suggesting data sources and questions to answer for each topic. State-required outputs are marked with an asterisk (*). Other topics should be considered in the analysis, but how and what information is reported may vary depending upon study area dynamics.

1. Housing Assistance Programs (Baseline Data (g))

- What types of rental assistance, homebuyer support, and homeowner assistance programs are available?
- How many households benefit from these programs, and are funding sources (federal, state, or local) sufficient to meet demand?
- Are there enough income-restricted or subsidized units (e.g., vouchers, public housing) to serve low- and moderate-income residents?
- How effective are these programs in serving and reaching households?
- **Sources:**
 - Local and regional housing authorities, HUD LIHTC database, CHFA, local planning and housing departments.

2. Affordable Housing Management, Development, and Service Organizations (Baseline Data (g))

- Which organizations are involved in managing, developing, and servicing affordable housing in the community (e.g., housing authorities, CHDOs, homeless service organizations, land trusts)?

- What roles do these organizations play in developing new units, managing existing affordable housing, or providing support services like housing counseling or homeless outreach?
- Are there gaps in organizational capacity, collaboration, or resources?
- **Sources:**
 - Local planning departments, housing service organizations, housing authorities, CHDOs, community land trusts.

3. Local Funding Resources (Baseline Data (g))

- What local funds are available to help produce, purchase, or assist with affordable housing development and programs?
- How have local funds been used and how much has been spent? Have they effectively leveraged additional housing investments (e.g., local matching for grants, financing, programs, etc.)?
- **Sources:**
 - Local government, housing service organizations.

4. Resources for Homelessness Prevention (Baseline Data (g))

- Are there enough emergency shelters, transitional housing, and permanent supportive housing units to serve homeless individuals and families?
- How effective are current homeless prevention programs (e.g., rapid rehousing, outreach programs) and what gaps exist in helping individuals transition to stable housing?
- Are there specialized resources available for chronically homeless individuals, families with children, and those dealing with mental health or substance abuse issues?
- **Sources:**
 - Local service organizations, Continuum of Care programs, PIT counts, HMIS data, Colorado Department of Human Services.

5. Public and Institutionally Owned Land (for Development) (Baseline Data (g))

- What public or institutionally owned land is available for housing development, and which entities own these parcels (e.g., local governments, universities, hospitals)?
- How suitable are these parcels for residential use, considering zoning, location, and infrastructure access?
- Are there opportunities for partnerships to leverage this land?
- **Sources:**
 - Local planning and building departments, County assessor records, state land records, institutional landowners (e.g., school districts, universities, hospitals, etc.), zoning and infrastructure maps.

Options for a Deeper Dive

The following variables are optional but can be helpful for communities as they draft housing action plans.

- Employer-assisted housing. Sources: Local sources.

G. Housing Development Challenges and Opportunities

Purpose. Understanding market limitations on housing development helps identify challenges and opportunities for expanding housing options within a community. In addition to a review of local zoning and subdivision regulations, planning processes, and infrastructure limitations, this section may also include information on the cost of development, construction labor and materials supply challenges, and other factors affecting affordable housing production. Due to data limitations and the expertise required for a detailed analysis of this topic, this component of an HNA is typically qualitative in nature.

Legislative requirements. Colorado Revised Statutes Section 24-32-3702 recommends the following outputs and consideration of the following baseline data when analyzing Housing Development Challenges and Opportunities. While the information in this section will be useful for housing action planning, the state does not require information from this section to be included in HNAs.

Recommended Outputs	Baseline Data (Must Consider)
<i>(VIII) Assess market limitations on the development of for-sale multifamily residential housing (regional HNA) or the development of housing (local HNA)</i>	<i>(None specified)</i>

Unique Community Dynamics to Consider

- In communities where there is resistance to higher-density housing or affordable units, successful engagement and education efforts can help address concerns and build support for diverse housing options.
- In regions with harsh climates or short building seasons, the feasibility of housing development can be constrained. Short construction windows due to extreme temperatures or weather events may require additional measures, such as prefabrication of structures or other approaches to reduce on-site building time.
- Access to skilled labor may be a significant barrier to development. Addressing this challenge may involve partnerships with local training programs or incentives to attract construction workers to the area.
- Limited transportation infrastructure may affect development feasibility or practicality in some areas.
- Access to water and sewer taps can be a significant barrier to housing development, particularly in areas where existing infrastructure is limited or nearing capacity.

Analysis Structure

This section provides guidance on analyzing Housing Development Challenges and Opportunities, suggesting data sources and questions to answer for each topic. State-recommended outputs are identified, but are not required. Other topics should be considered in the analysis, but how and what information is reported may vary depending upon study area dynamics.

1. *Development Costs*

- How much does it cost to develop housing, including materials, labor, infrastructure, and land prices?
- What is the gap between the cost to build and what residents can afford to pay to rent or buy homes?
- Are incentives, land, or subsidies available to help build affordable housing?
- **Sources:**
 - Construction industry reports, local developers, planning and building departments, economic development departments.

2. *Regulatory Environment*

- How do zoning regulations, subdivision rules, or permitting processes impact housing development?
- Are there opportunities to streamline the development process?

- Do statewide requirements affect housing construction (e.g., construction defects requirements, etc.)?
- **Sources:**
 - Zoning and planning departments, state and municipal regulations, comprehensive plans, building permit records.

3. Infrastructure

- How do the availability and condition of infrastructure such as roads, water, and sewer systems impact housing construction?
- Are investments in infrastructure planned or needed to support housing?
- **Sources:**
 - Utility providers, municipal infrastructure reports, local planning departments.

4. Community Sentiment

- Does the community support or resist new affordable housing development and programs?
- What opportunities exist to engage and educate the community to increase support?
- **Sources:**
 - Community feedback, public meeting records, surveys.

H. Current and Projected Housing Needs

Purpose. This section utilizes information from the other sections of the HNA to estimate what types of housing (e.g., rental vs. ownership, affordable vs. market-rate) are most needed to address housing deficiencies for current residents and support future economic and community vibrancy. Estimates illustrate the relative need across the full spectrum of housing for various household types, ranging from extremely low-income and vulnerable populations through middle- and upper-income households. Estimates will be utilized during housing action plan formation to help regions and jurisdictions understand priority needs that are not being met by the current housing market, communicate those needs to the public, and better plan for appropriate resources, programs, and policies to address identified needs.

It is important to note that communities typically do not address 100% of identified needs. By understanding the different components of need, however, each region and jurisdiction can set informed goals and priorities and target available resources. How much housing is addressed within the region and each jurisdiction ultimately depends upon regional and local capacity, resources, partnerships, and policy.

Legislative requirements. Colorado Revised Statutes Section 24-32-3702 requires the following outputs and consideration of the following baseline data when analyzing Housing Needs. Required outputs are marked with an asterisk (*).

Requirements related to rural resort petitions and funding requests through Colorado’s Proposition 123 should also be considered when crafting this section. Specifically, additional AMI categories, assessing “average AMI” of need, and detailed commuting information (potentially requiring local research to fill gaps in available public data) may be needed. Proposition 123 also requires housing needs to be identified pursuant to jurisdictional boundaries for submitting jurisdictions.

Required Outputs*	Baseline Data (Must Consider)
<i>(II) Estimate housing needs in the region and each local government's jurisdiction that forms the region, sorted by income level and dwelling type, including accessible units, visitable units (local HNA only), supportive units, for-sale units, and rental units</i>	<i>(a) Existing and projected housing shortages and surpluses for different household types and income levels, including extremely low-, very low-, low, moderate-, and middle-income households as designated by the United States Department of Housing and Urban Development</i>
<i>(V) Estimate an allocation of housing needs to each local government in the region or contributing to housing needs in the region based on the number of jobs and each local government's dependence on jobs in the region, among other factors, to promote a balance of jobs at all salary levels and homes affordable to persons in the region holding jobs at all income levels in the region</i>	<i>(e) Population change projections, job growth projections, and demographic trends forecasted by the State Demography Office</i> <i>(i) Measures of homelessness and housing instability</i>
Recommended Output	
<i>(VII) Estimate water supply needs for the dwelling units identified in subsections (1)(c)(I) and (1)(c)(II) of this section using per capita water use rates identified in consultation with the department of natural resources</i>	<i>(j) Job-housing balance, including the availability of housing for low-income workers</i>

Analysis Structure

This section provides guidance on how to use data from other sections of the HNA to estimate current and future housing needs for residents and employees, pursuant to state requirements. This includes guidance to:

- Estimate existing housing shortages by tenure and AMI categories;
- Estimate projected housing needs by tenure and AMI categories;
- Allocate estimated needs within regions in relation to where jobs are located;

- Estimate at which AMI levels the market will help fill needs, and at which levels subsidies or programs are necessary;
- Estimate supportive, accessible, and visitable unit needs; and
- Estimate water supply needs for dwelling units.

1. Existing Housing Shortage* (“catch up” housing needs)

Existing housing shortages estimates the number of new dwelling units, by tenure and income level, that are needed to improve housing availability, stability, and affordability for existing households. The housing shortage calculation includes variables for which new units are needed to address current deficiencies (e.g. overcrowding, low vacancy rates), as opposed to measures that generally reflect the magnitude of the housing problem and/or those that can be mitigated through housing programs or assistance (e.g. cost burden).

At a minimum, existing housing shortages should include alleviating overcrowding, plus ensuring a functional vacancy rate, as specified below. Other considerations may also be included and may replace the measures below if they adequately cover needs defined by overcrowding and vacancy rate adjustments.

- Overcrowded units (Housing Problems section). This includes estimates of dwelling units needed to alleviate current overcrowding of units. Overcrowded units are indicators of unhealthy housing conditions and high housing costs relative to incomes, and may be a precursor to homelessness for some households.

Calculation: Additional housing units are needed to help alleviate overcrowding at a rate of one (1) new housing unit for every two (2) overcrowded units.

- Vacancy rate adjustments (Housing Market section). A healthy vacancy rate ensures that housing choices are available for existing and new households and helps retain affordability. Adjustments are needed in localities where long-term rental vacancy rates (i.e., excluding short-term and vacation rentals) are below 5% and the owner vacancy rate for units affordable for resident households (e.g., excluding second homes, vacation homes, investment homes, etc.) is below 2% or, alternatively, the for-sale inventory at prices affordable for resident households is below 6-months.

Calculation: Where relevant:

- Add more rental units to increase current long-term rental vacancy rates to 5%.

- Add more ownership units to increase current vacancy rates to 2% (exclusive of homes for vacant/seasonal use), or for-sale availability to 6-months.
- Other adjustments (Various sections – optional). Where information is available, and as necessitated by the study area, additional housing needs for current resident and employee households may be identified. If overcrowding and vacancy rate adjustments are also applied, care should be taken to ensure additional needs estimates are not duplicative. Examples may include, but are not limited to:
 - Recent loss of units due to natural disasters (e.g., fire, flood) or other reasons, if units have not yet been replaced (Housing Inventory section, requires local research);
 - Households with employees who commute in for jobs, but would prefer to live in the jurisdiction in which they work, particularly in communities seeking to reduce commuting (Employment Trends or Housing Problems section, requires local research);
 - Additional housing that is needed to help address high rates of unfilled jobs in jurisdictions with severe housing shortages (Employment Trends section, requires local research);
 - Populations in temporary living arrangements, like couch-surfing (Housing Inventory section or Housing Problems section, requires local research); and
 - Other considerations, as relevant to the community.
- **Allocating catch-up needs by tenure.**
 - Allocate overcrowded units based on the proportion of overcrowded households that consist of homeowners and renters, as reported by the ACS or CHAS.
 - Allocate vacancy rate adjustments based on the relevant rental and ownership vacancy adjustments calculated above.
 - **Allocating catch-up needs by AMI.** Allocating needs by AMI requires assumption(s) about that need. These may include:
 - **Example assumption.** New housing units needed based on overcrowding and vacancy rate adjustments may be allocated within the region (or jurisdiction for a Local HNA) based on the existing distribution of resident households by AMI. Source: Demographic Trends section.
 - Alternative assumptions may be used as applicable and relevant to the jurisdiction and available data. For example:
 - Allocate units needed to address overcrowding by AMI based on the percentage of households within each AMI category that is experiencing overcrowding. Source: CHAS, local surveys.

- Allocate units needed to address ownership and rental vacancy rate adjustments among below-market AMI categories only based on the distribution of current households within below-market AMI categories.
- **Output 1* (required).** Provide the sum of existing housing needs estimates in the below format.

Existing Housing Needs*

AMI Category (see Area Median Income in Definitions)	Total Units Needed¹	Owner Units Needed	Renter Units Needed
Extremely Low Income ($\leq$ 30% AMI)			
Very Low Income (31-50% AMI)			
Low Income (51-80% AMI)			
Moderate Income (81-120% AMI)			
Middle Income (120% AMI to locally defined market rate)			
Upper Income (above "Middle Income," if needed)			
Total Catch-Up Units Needed			

¹Total units needed should be reported for the regional study area (for a regional study) or the local study area (for a local study).

2. Projected Housing Need* ("keep up" housing needs)

Projected housing needs estimates the number of dwelling units by income level that are needed to ensure housing availability, stability, and affordability for future resident and employee households. Projections must be reported for a 10-year timeframe. HNA reports may also include projections on shorter (e.g., 5-year) or longer (e.g., 20-year or more) timeframes, depending upon the needs of the study area.

At a minimum, projected housing needs should include the number of new units needed to meet projected household growth or to house employees filling projected jobs, plus a vacancy allowance to permit movement within the housing market.

- 10-year projected new households (Demographic or Economic Trends). Typically derived from SDO job projections converted to households or SDO household projections. Where research indicates future household changes may differ from SDO projections (e.g., new large employer moving into the area, etc.), comparisons to SDO projections should be shown and deviations should be documented.
- Vacancy allowance. Estimated future resident and employee housing needs are adjusted upward by 5% for rentals and 2% for ownership to ensure a

healthy vacancy rate, support price stability, and promote household mobility and choice.

- **Other adjustments.** Additional adjustments may be included as necessitated by region or study specifics. Care should be taken to ensure additional needs estimates are not duplicative of units required to meet projected growth. Examples may include, but are not limited to:
 - Replacing units anticipated to be lost due their age, condition, expiring affordability covenants, or redevelopment (Housing Inventory section). Sources: HUD national estimates, assessor data, planning and building departments, modeling.
 - Replacing units anticipated to be lost due to conversion to vacation or second home use in areas with high second homeowner and visitor demand (Housing Inventory section). Sources: assessor data, local government vacation rental permitting/data records, AirDNA, modeling.
 - Housing units needed to accommodate employees filling jobs that are vacated by retirees. Employers filling existing jobs that are vacated by retirees do not result in net job growth. If retirees stay in their homes, or their homes are sold at prices higher than what local employee households can afford, employees filling retiree jobs will need housing (Economic Trends section). Sources: estimate from SDO age projections, ACS age trends, employer surveys, household/employee surveys.
 - Adjusting housing units needed to accommodate job growth by region and jurisdiction based on commuting patterns and housing preferences. Because not every employee working in a community will want to reside within that community and, conversely, not every commuter wants to live outside the community in which they work, adjustments that reflect housing location preferences may be incorporated. Sources: LEHD (commuting patterns), employer surveys, household surveys.
 - Other considerations, as relevant.
- **Allocating projected needs by tenure.** There is no firm formula or definitive data for determining how projected units should be allocated by tenure; assumptions are required.
- **Example assumption.** Distribute projected needs based on the existing ratio of owner and rental units in the region or jurisdiction (Demographic Trends section).
- Alternative assumptions may be used. When determining the appropriate mix for a region or jurisdiction, current housing conditions, drivers of projected needs, current housing opportunities, and local policies are important considerations. For example:

- Rentals are needed to help recruit new workers and residents to the region. Jurisdictions in which projected needs are mostly driven by local job growth and communities that currently have a small supply of multi-family rental housing opportunities would benefit from increasing the share of rental housing.
- Ownership housing is needed to retain year-round residents and support community stability. Jurisdictions in which families are leaving to purchase homes elsewhere, renters are unable to find homes to purchase, or seniors need smaller, lower maintenance homes, for example, would benefit from providing affordable units for ownership.
- **Allocating projected needs by AMI.**
- **Example assumption.** Projected housing needs may be allocated based on the existing distribution of resident households by AMI within the study region (or jurisdiction for a local study). Source: Demographic Trends section.

NOTE: This assumption recognizes that the mix of households by AMI in the study area resulted from the interaction of demographic characteristics; housing market prices, availability, and choices; economic conditions, including the mix of jobs and wages; infrastructure and services availability; climate and topography; among other factors. Using the current mix of households by AMI assumes that, absent a significant (and typically unpredictable) change in area housing markets, job conditions, demographics or other factors (e.g., recession, etc.), these relationships, and the relative AMI distribution, will show little change over the projection period.

- Alternative assumptions may be used, and should be considered, where indicated by market and demographic trends in the jurisdiction and available data. For example:
 - Allocate projected housing needs based on the existing distribution of resident households by AMI within the primary commute shed for the region or jurisdiction. For a jurisdiction as part of a local HNA, this may mean having to calculate the distribution of households by AMI within a multi-county region, for example, to apply to projected needs.
 - Allocate projected housing needs based on the existing income distribution of employee households by AMI that are filling local jobs. Assumptions from public data sources are required, which may also need to be supplemented with local research. Example sources: PUMS data (PUMA boundaries for population areas >100,000, PUMS data allow users to create custom tables not available through the ACS); local surveys.
- **Output 2* (required).** Provide projected housing needs estimates in the below format.

10-Year Projected Housing Needs*

AMI Category (see Area Median Income in Definitions)	Total Units Needed ¹	Owner Units Needed	Renter Units Needed
Extremely Low Income ($\leq 30\%$ AMI)			
Very Low Income (31-50% AMI)			
Low Income (51-80% AMI)			
Moderate Income (81-120% AMI)			
Middle Income (120% AMI to locally defined market rate)			
Upper Income (above "Middle Income," if needed)			
Total Keep-Up Units Needed (10 years)			

¹Total units needed should be reported for the regional study area (for a regional study) or the local study area (for a local study).

3. Allocating Needs Within Regions*

Regional and Local HNAs are required to allocate estimated future housing needs in relation to the number of jobs in each government jurisdiction (see Sections 24-32-3702 (1)(c)(V) & (d)(V)). While the required allocation method illustrates the relative extent to which jobs within each jurisdiction contribute to future housing needs within a region, the method does not necessarily represent where new housing development to meet future needs can practically or feasibly occur.

Alternative calculations of need distributions may also be provided within the report that better reflect where development addressing projected housing needs can practically and feasibly occur, taking into consideration, for example, land and development capacity, available infrastructure and resources, existing and potential partnerships, regional relationships, and housing market dynamics.

Having comparative calculations will be useful for Housing Action Planning. The required distribution based on job locations will illustrate how much each job center contributes to future housing needs in the region. Secondary distributions that consider on-the-ground and functional job and housing market realities will help facilitate regional shared resource and partnership discussions centered on practical outcomes.

- Required Method to Allocate Needs by Jurisdiction*

Pursuant to Sections 24-32-3702 (1)(c)(V) & (d)(V), allocations of need should be estimated for jurisdictions within regions to promote a balance of jobs and housing affordable to persons holding jobs at all income levels.

- **Allocating existing housing shortages (catch up).** Distribute existing housing shortages calculated in Output Table 1 based on the needs identified for each government's jurisdiction as indicated by the data sources utilized (e.g. share of overcrowding, vacancy adjustment).
- **Allocating projected housing needs (keep up).** Distribute projected housing needs calculated in Output Table 2 based on the share of regional study jobs that are estimated to be in each government's jurisdiction, as applicable to the study scope, or identified primary job market area within the study region. Because most housing and job markets do not start and end at jurisdictional boundaries, defining broader job market areas often better reflect the job and housing pressures felt within jurisdictional boundaries. Source: Economic Trends section.
- **Output 3* (required).** Show the allocation of housing needs estimates identified in the Output 1 and Output 2 tables, above, by region and applicable jurisdiction in the following format.

Allocation of Existing and 10-Year Projected Housing Needs*

	Regional Study Total¹			Regional HNA: Repeat for each County and each government jurisdiction in the region, as applicable. Local HNA: Show estimated needs for the local study area.		
AMI Category (see Area Median Income in Definitions)	Existing housing needs	Projected housing needs	Total Units Needed	Existing housing needs	Projected housing needs	Total Units Needed
Rentals						
Extremely Low Income ($\leq$ 30% AMI)						
Very Low Income (31-50% AMI)						
Low Income (51-80% AMI)						
Moderate Income (81-120% AMI)						
Middle Income (120% AMI to locally defined market rate)						
Upper Income (above "Middle Income," if needed)						
Total Rental Units needed						
Ownership						
Extremely Low Income ($\leq$ 30% AMI)						
Very Low Income (31-50% AMI)						
Low Income (51-80% AMI)						
Moderate Income (81-120% AMI)						
Middle Income (120% AMI to locally defined market rate)						
Upper Income (above "Middle Income," if needed)						
Total Ownership Units needed						

¹Regional study total refers to the estimated housing needs for the regional study area that is applicable to the current regional study being conducted, or, for a Local HNA, the estimated housing needs that was allocated to the jurisdiction in a completed Regional HNA that included the Local HNA study area (see Section 24-32-3702(1)(d)(V)).

- **Secondary Allocation of Needs (optional).** Allocate projected housing needs among governmental jurisdictions or primary job market areas that consider multiple local and regional factors.
 - **Allocating existing housing shortages.** Distribute existing housing needs calculated in Output Table 1 based on the needs identified for each government’s jurisdiction as indicated by the data sources utilized.
 - **Allocating projected housing needs.** Distribute projected housing needs calculated in Output Table 2 among governmental jurisdictions or identified job market areas, considering a broad range of factors. Factors in addition to job location may include, but are not limited to:
 - Land and development capacity
 - Available or pending infrastructure and resources
 - Existing and potential partnerships
 - Current housing programs, organizations and regional relationships
 - Housing market dynamics, including employee housing location preferences (e.g., not all employees want to live in the community in which they work)
 - Other factors

4. Estimating Market and Below-Market Needs*

The purpose of this step is to identify the AMI levels for which the private market is supplying units for rent and for purchase and the below-market price points at which financial subsidies, land, incentives or other actions are necessary to produce units. This step will help identify how and where the housing market will help meet identified housing needs and, therefore, where housing resources should be prioritized to address below-market needs.

This step is also required for jurisdictions submitting rural resort petitions and funding requests through Colorado’s Proposition 123.

- **Analysis approach.** Compare the AMI distribution of ownership units and rental units needed in Output Table 3 by region and applicable jurisdiction or job market area to relevant data from the Housing Market analysis and Development Challenges and Opportunities, including:
 - The AMI level needed to afford the median market-rate multi-family and single-family home sold in the past year (Housing Market – ownership).
 - The AMI level needed to afford the median market-rate multi-family and single-family home currently listed on the MLS (Housing Market – ownership).
 - The distribution of homes sold by type or homes listed for sale by type by AMI affordability to illustrate the relative availability or scarcity of homes on the market to each AMI affordability category (Housing Market – ownership).

- The AMI level needed to afford the average or median market-rate long-term rental (Housing Market – rental).
- The distribution of rentals available by AMI affordability to illustrate the relative availability or scarcity of rentals on the market to each AMI affordability category (Housing Market – rental).
- The cost to build attached for-sale and rental units compared to affordable purchase prices and rents at various AMI levels (as data allows) (Development Challenges and Opportunities).

5. Estimate Supportive, Accessible and Visitable Unit Needs*

Sections 24-32-3702 (1)(c)(II) & (d)(II) additionally require that housing needs be sorted by income level and dwelling type, including accessible, visitable, and supportive units.

Supportive units (Housing Problems section). The existing shortage of supportive units can be roughly estimated from data on persons and families experiencing homelessness. This data is not available in sufficient detail for many counties and jurisdictions.

Supportive unit estimates should be calculated and provided separately from the existing and total housing need calculated above, given the uniqueness of this type of housing product and funding sources. Given the broad scope of most HNAs, supportive housing needs will be ballpark estimates – a specialized study is recommended to target specific needs.

Visitable and accessible units (Housing Problems section). Data on existing visitable and accessible units does not exist, unless local governments specifically track this information.

- **Example assumption.** Apply the percentage of households with persons with disabilities for the geography as reported by ACS or CHAS data to the projected housing needs reported in Output Table 2 (see Housing Problems section).
- More specific data that is collected through local resources (governments, non-profits, etc.) or local surveys, may be used to estimate future visitable and accessible unit needs. Local research may also provide insight on existing resident households that could use assistance renovating current homes to be visitable and accessible.

- **Output 4* (required).** Show the allocation of supportive, accessible and visitable unit needs in the following format.

Estimated Current Supportive Housing Needs*

	Supportive Units
Total Estimated Units Needed ¹	

¹Supportive units are in addition to current needs presented in Output 3

Estimated Accessible and VISIBLE Housing Needs*

	Accessible and VISIBLE Units
Total Estimated Units Needed ¹	

¹Accessible and visitable units are a subset of housing needs presented in Output 3

6. Estimate Water Supply Needs for Dwelling Units

- **Option 1: Calculation.** For the purposes of HNAs, local and regional governments may use a simple formula for calculating residential water supply needs: gallons per capita per day (GPCD) multiplied by population. This method is only a first step, however, in assessing the magnitude and range of potential water supply needs related to housing.

$$\text{Residential Water Demand} = (\text{residential population}) \times (\text{residential GPCD})$$

It is recommended that local governments and regional entities use this calculation to estimate housing water supply needs but also acknowledge that local governments and regional entities will need to consider a range of water supply needs to fully evaluate their total water needs/demands (e.g. commercial, industrial, and institutional water demands). To understand a range of future needs, local governments and regional entities need to consider their baseline conditions, what they expect to change, and expected success rate of water conservation efforts in reducing demands. Additionally:

- **This initial HNA calculation should not be relied on for determining the feasibility of providing water for housing.** Nor should it be the sole basis for considering water supply options, nor the rationale for determining the adequacy of water supply for a given development. Such analysis should be done in the context of a comprehensive plan, water supply master plan, and a local water supply adequacy policy, respectively. These plans, in addition to information from local water provider metering/billing data and applicable water efficiency plan(s), are resources and data sources to consider related to water supply needs of existing and needed dwelling units.

Following the generalized analysis in the HNA, we strongly recommend a more rigorous analysis as part of the comprehensive plan's water supply element that takes into account the "range of water supplies and facilities needed to support the potential public and private development described in the master plan" and the impact of including "water conservation policies" as required in C.R.S. 30-28-106(3)(a.5)(II) and 31-23-206(1.5)(c). In addition, comprehensive planning allows the community to analyze the relative share of household water use in comparison to other municipal and industrial (M&I) water demands, as well as the water use from services that support people who live in the community (e.g., schools, parks, etc.).

Furthermore, there may be factors that would lead to water stress and contribute to water supply challenges in specific local communities or regions that need to be considered via comprehensive planning. By considering the Colorado Water Plan scenarios, local governments and regional entities can also incorporate drivers such as economic growth/non-growth and climate change considerations that get to a system wide approach versus a sole focus on residential housing when considering overall water demand.

While many documents exist that can guide development of a robust water supply element in a comprehensive plan, DOLA will provide a new guidance document designed to support the new requirements in C.R.S. 30-28-106(3)(a.5) and 31-23-206(1.5). Local and regional governments may also contact DOLA's Land Use and Water Planner for direct technical assistance.

- **Impacts of Water Conservation.** To estimate the impacts of water conservation on reducing overall water demand from new and existing housing, consider the following steps:
 - 1) Define a baseline, understand average outdoor irrigation, average parcel size and average indoor use.
 - 2) Then make estimates based on efficiencies your community can achieve from either reduced lot size/increased density, outdoor efficiencies or indoor efficiencies. To do so, consider:
 - As of 2016, new housing will have higher indoor water efficiency due to requirements to include EPA WaterSense plumbing fixtures (SB14-103).
 - Efficiencies tied to landscape/irrigation standards, building codes and plumbing codes.
 - Whether adoption of more stringent standards might improve water conservation outcomes compared to existing standards
 - 3) Vary scenarios based on 25%, 50%, 100% success in implementing these efficiencies

- When determining potential success rates, consider whether or not the local government a) incentivizes or b) mandates these efficiencies in new housing and whether these incentives are monitored and mandates enforced.
- **Option 2: Alternative Local or Regional Methodology.** As an alternative to the Standard HNA Water Supply Needs Methodology above, a local or regional entity may provide its own community-specific water supply needs calculations. Alternative methodologies must include a range of water supply needs that consider impacts of water conservation. The State of Colorado may request additional information from the local or regional entity to evaluate the results of the alternative local or regional water supply needs methodology.
- **Option 3: Alternative to a Calculation.** Local governments can cite their water efficiency plan (within the last 7 years, per C.R.S 37-60-126(4)(d)) and/or their water supply plan (within the last 10 years, per C.R.S. 29-20-304(3)) in lieu of the formula provided above.

Suggested Data Sources:

- **Comprehensive and Water Supply Master Plans:** Provide context for determining water supply adequacy and planning for future housing growth.
- **Polaris Tool.** The One Water Solutions Institute (OWSI) at Colorado State University develops and supports the Polaris tool which characterizes the relationship between land use and water consumption to enable water demand management and supply scenario planning. This tool can help communities with water smart land use planning. OWSI provides technical support services including training workshops for using Polaris in communities across Colorado.
- **DOLA.** [Water and Land Use Integration for Local Governments.](#) [Land Use and Water Planning Primer.](#)
- **Colorado Water Conservation Board.** [CWCB](#) supports the following tools that may be helpful in determining water supply needs related to a housing action plan:
 - Water Efficiency Plan
 - Drought Plans
 - 1051 Reporting for larger municipal retail water providers
 - Colorado Water Loss Initiative
 - Growing Water Smart
 - Water Plan Grants

CDPHE Resources

- CDPHE grants, including small communities water and wastewater grants

- Water reuse rules/regulations, including reclaimed water (reuse), direct potable reuse and graywater
- **Additional Water Supply Resource Considerations.** [AWWA](#), EPA [WaterSense](#), [Water Research Foundation](#), Other Trade Organizations like [IAPMO](#); [Irrigation Association](#), etc.), [IAPMO Water Demand Calculator](#), Other Green Building Codes & Organizations (e.g. LEED; WELL, etc.)

Options for a Deeper Dive

The following analyses are optional, but can be helpful for some communities as they draft housing action plans. The below assumes that the HNA has provided the necessary analysis and data in other sections of the report to permit more in depth analysis on the following topics.

Seasonal housing unit estimates. HNA Sections: Economic Trends, Housing Inventory.

- Seasonal employment (e.g., migratory farmworkers, resort/tourism industries, etc.) comes with unique housing challenges. The private housing market cannot afford to provide seasonal housing that is occupied only part of the year; often employers of seasonal workers need to help provide this product. In resort destinations, visitor housing demand for vacation rentals competes with seasonal and year-round employee housing needs.

Senior housing estimates, insights, or projected changes. HNA Sections: Demographic Trends, Housing Inventory, Housing Resources.

- Seniors and related housing needs are a growing segment in most jurisdictions. Specialized housing studies are recommended to thoroughly analyze the existing and future housing needs of seniors, ranging from smaller, lower maintenance homes to rent or purchase through full-service assisted living and skilled nursing care. The HNA can, however, provide general observations regarding the status and unmet needs of seniors that are important to consider during Housing Action Planning.

Households with unique needs and vulnerable populations insights, unmet needs, or projected changes. HNA Sections: Demographic Trends, Housing Inventory, Housing Resources.

- While specialized housing studies may be needed to understand the depth of needs from vulnerable populations, the HNA can provide general observations regarding the status and unmet needs of vulnerable populations given the dynamics of the study area. This may include the comparative housing health of Hispanic/Latino headed households, migrant workers, single parent households, low-income families, homeless/near homeless, and others that are important to consider as the region develops housing action plans.

Housing program needs. HNA Sections: Demographic Trends, Housing Market, Housing Problems.

- Many housing problems experienced by households may be best addressed through housing programs and assistance rather than building new units. For example, many cost-burdened households reside in satisfactory housing, but rent assistance programs to lower housing costs could improve their housing stability. Seniors living in homes that do not meet their accessibility needs may benefit from renovation programs. First-time homebuyer programs can help renters move into more stable housing through homeownership, freeing up their current rental for another household that needs it. This will benefit the housing action plan process by calling attention to housing programs that could help address some housing issues within the region and its jurisdictions.

I. Policy Programs and Recommendations

Policy and program recommendations responding to the findings of the housing needs assessment, including the assessment of displacement risk, are a recommended outcome of the HNA. This section provides a foundation for shaping a housing action plan for the region or jurisdiction to address identified housing needs. While recommendations will not be as detailed as those that come out of the housing action plan process, this section can highlight potential strategies for each regional entity and local government to consider as they work to improve housing affordability, accessibility, and stability within the community or region.

Recommended Outputs	Baseline Data (Must Consider)
<i>Section 24-32-3702(1)(e)(I)</i> <i>A requirement that housing needs assessments include recommended policy and programmatic responses to the findings of the housing needs assessment, including the assessment of displacement risk</i>	<i>(None specified)</i>

Unique Community Dynamics to Consider

- The availability of local funds can significantly influence which housing strategies are feasible. Communities with limited funding may need to prioritize lower cost options, such as policy reforms or partnerships, while others may leverage local resources for direct program assistance and development incentives.
- Land availability, particularly in communities with severely constrained developable land, may drive the need to focus on creative approaches, such as adaptive reuse of buildings to create more affordable housing opportunities within their community, and regional partnerships to more broadly address needs.
- The success of policies and programs often depends upon political will and community support. In areas with strong resistance to change, efforts should include education, community engagement, and the alignment of policy recommendations with local values and goals to build support.

Analysis Structure

1. *Financing and Incentives*

- Are financing options (e.g., local subsidies, tax credits) needed to support affordable housing development?
- Are feasible incentives needed to encourage the development of regulated affordable housing, such as density bonuses, fee waivers, or expedited permitting?

2. *Preservation and Management*

- Are programs to preserve existing affordable housing needed, such as purchasing deed restrictions or rehabilitation assistance?
- Are rental assistance or foreclosure prevention programs needed to support at-risk households?
- How will regulated affordable housing that is produced be managed, including qualifying occupants, regulating rentals and sales, and maintaining units?

3. *Land Use and Zoning Incentives, Mandates, Reforms*

- Does zoning support a variety of housing and mixed use developments or are changes needed?
- Are there opportunities to use public land for regulated affordable housing development or increase opportunities through rezoning land?
- Would mandates or incentives help diversify housing development?

4. *Partnerships and Collaboration*

- What opportunities exist for fostering public, private, and non-profit partnerships to develop workforce and affordable housing?
- How can local employers be encouraged to participate in employer-assisted housing initiatives?

5. *Housing Programs*

- Should supportive housing programs for homeless and other vulnerable populations be expanded or improved?
- Are displacement protection programs needed, such as tenant rights education or legal assistance?
- Would housing programs (e.g., rehabilitation/renovation, first-time homebuyer assistance, rental assistance) benefit the community?

Suggested Data Sources

All recommendations are derived directly from the data and findings presented in the housing needs assessment. No additional data sources are required.

Chapter 5: Definitions and Terminology

Section 24-32-3701 of Senate Bill 24-174 contains several definitions applicable to terms used in this guidance document. The following section defines additional common housing terms that are not specifically defined in the legislation, but that are necessary to understand when developing an HNA pursuant to this guidance. The definitions are consistent with those utilized by the US Department of Housing and Urban Development (HUD), US Census, and other state or national sources, as referenced.

Affordable Housing

Affordable housing is generally defined by the US Department of Housing and Urban Development (HUD) as housing for which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.

Area Median Income Limits (AMIs)

A term that generally refers to the median income limits published annually for counties by the US Department of Housing and Urban Development (HUD). HUD calculates median family income, adjusted for inflation, for annual updates. AMI varies by household size and is used to set income and rent limits for affordable housing programs statutorily linked to HUD income limits (e.g. low-income housing tax credit rentals). Section 24-32-3702(2)(a) requires that housing shortages and surpluses be identified by extremely low-, very low-, low-, moderate- and middle-income households as designated by HUD. HUD definitions used for moderate- and middle-income may vary and sometimes may be used interchangeably. For purposes of SB24-174, income levels are defined based on AMI limits, as follows:

- Extremely low income: $\leq 30\%$ AMI
- Very low income: 31-50% AMI
- Low income: 51-80% AMI
- Moderate Income: 81-120% AMI (HUD varies)
- Middle Income: 121% to the lower of market rate or 200% AMI (see below).
- Upper Income: All incomes above the “Middle Income” range (if applicable).

HUD does not clearly define Middle Income. High-cost jurisdictions may have housing needs up to 150-200% AMI or more. Middle income should, therefore, range above 120% to the lower of 200% AMI or the income level at which housing units are undersupplied and where the market needs help to provide units. For example:

- For jurisdictions in which the market is sufficiently providing housing for households earning over 120% AMI, Middle Income may be “ $>120\%$ AMI.” In this case, “Upper Income” will not be needed.

- For jurisdictions in which the market is not producing sufficient housing for households earning up to 150% AMI, Middle Income should be “121% - 150% AMI.” Upper Income will then be “>150% AMI.”
- For jurisdictions in which the market is not producing sufficient housing for households earning up to 250% AMI, Middle Income will be “121% - 200% AMI” and Upper Income will be “>200% AMI.”

Chapter 4, part H (4) (pp. 51-52) provides additional information for understanding the AMI level at which the market is and is not sufficiently supplying housing.

Cost Burden

Households are considered cost-burdened when they spend more than 30% of their income on rent, mortgage payments, and other housing costs, according to HUD. Households spending more than 50% of their income on housing costs are considered severely cost-burdened.

Disability

Disability data from the American Community Survey (ACS), the Survey of Income and Program Participation (SIPP), and the Current Population Survey (CPS) ask about six disability types: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty. Respondents who report anyone of the six disability types are considered to have a disability. Persons with any disability may need to make modifications or special adjustments to their home to accommodate their disability.

Dwelling Type

Pursuant to SB 24-174, Sections 24-32-3702(1)(c)(2) and (d)(2), dwelling type refers to accessible units, supportive units, visitable units, for-sale units and rental units. See the legislation for definitions of these specific dwelling types.

Dwelling Unit

See definition in SB 24-174, Section 24-32-3701(6).

Household

A household consists of all the people who occupy a housing unit (US Census Bureau). A household is equivalent to an occupied housing unit.

Household Type

Household type refers to the differentiation of households on whether they are a family household or non-family household, as defined by the US Census. The Colorado State Demography Office (SDO) provides projections at the county

level for the following household types broken into four age cohorts: one adult with no children, one adult with children, more than one adult with no children, more than one adult with children. SDO household type projections are part of the demographic and housing needs analysis in the HNA methodology.

Housing Instability

Housing instability is variably defined as having difficulty paying rent, living in poor or overcrowded conditions, moving frequently, or spending the majority of household income on housing costs.

Housing Market Study

A housing market study reviews the feasibility and design of a specific housing project on a specific site. It assesses the demand for a certain type of housing product at a specified price and location, and helps target project design. An HNA may be the catalyst for a project to be proposed, but the market study determines the specifics of who the project should serve (e.g., families or singles; ownership or rental) on the specified location, bedroom mix, unit sizes, and amenities.

Housing Needs Assessment

A study that identifies how much and generally what type (ownership or rental) of housing is needed in a region or community to ensure current and future households at all income levels have access to quality housing that they can afford. An HNA provides a comprehensive view of housing needs and conditions in a community. An HNA is less specific than a housing market study (defined above).

While an HNA is required to be conducted by the state of Colorado for each local government, the state does not require that jurisdictions build a certain number of housing units or produce a certain type of affordable housing as a result of conducting an HNA.

Housing Unit

A housing unit, as defined by the US Census, is a house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied, or, if vacant, is intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.

A housing unit as represented in US Census data sources is defined more broadly than a dwelling unit in SB 24-174. Identifying the inventory of existing housing units that may not be suitable as a dwelling unit pursuant to SB 24-174 is part of the HNA analysis.

Income

All earnings received by an individual or household, including wages, salaries, bonuses, rental income, investment income, and other sources. Household income is the combined gross income before taxes of all related and unrelated members of a household.

Job-Housing Balance

A ratio that is used to understand the relative distribution of households to jobs in a region. The objective is to understand areas where the number of housing opportunities for employees match the job opportunities, where housing opportunities far exceed job opportunities, and where housing opportunities are in short supply compared to the number of jobs.

Job-housing balance is calculated as a ratio between the total job count in an area and the total household count (i.e., occupied housing units) in the same area. See Baseline Component (j) for more information.

Occupied Housing Unit

A housing unit is occupied if a person or group of persons is living in it at the time of the Census or if the occupants are only temporarily absent (for example, on vacation). The persons living in the unit must consider it their usual place of residence or have no usual place of residence elsewhere.

The number of occupied housing units is the same as the number of households. Occupied housing units/household estimates are used to represent the number of households that are full-time residents of the study area.

Overcrowded Unit

The U.S. Census defines an overcrowded unit as one that is occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded. Occupants per room by tenure can be found in ACS table “B25014 Tenure by Occupants per Room.”

Salary (or Wage)

Compensation received by an employee for their labor, usually calculated on an hourly basis or as a fixed salary.

Supportive Units

This type of housing combines housing and services in a cost-effective way to help people live more stable and productive lives. Typically, it pairs affordable

housing with intensive, coordinated services to assist people in maintaining stable housing and receiving appropriate health care.

This means that supportive units are specifically designed to provide both housing and the services required by individuals who may need assistance in staying stably housed, including support for health or other personal needs.

Units in Structure

Data are available through the US Census and American Community Survey. Refers to the number of housing units (occupied + vacant) in the various structures by type and size. A structure is a separate building which either has open space on all four sides or is separated from other structures by dividing walls that extend from ground to roof. The data set presents data for structures that range from single family units (1-unit, detached) through multi-family buildings with 50-or-more units, mobile homes, and boat, RV, van, etc. (if used as a residence).

Vacant Housing Unit

The US Census defines a vacant housing unit as one that no one was living in at time of the Census. The Census classifies vacant units as vacant for rent, vacant for sale, vacant units rented or sold by not yet occupied, new units not yet occupied, and units for occasional use and occupied by persons with a usual residence elsewhere (e.g., second home).

NOTE: in communities with high second homeownership rates, vacant housing counts (regardless of how the Census classifies them) are functionally second home counts and need to be interpreted differently than in other communities.

Vacancy Rate (Rental)

The percentage of rental housing that is vacant for rent. This is a standard measure used to understand whether rentals are over- or under-supplied in a study area. Rental vacancy rates should focus on the vacancy rate for rentals that are available for residents to occupy and exclude properties that are rented for seasonal, recreational or occasional use (e.g., short-term/vacation rentals).

Vacancy Rate (Owner)

The percentage of for sale, owner-occupied housing that is vacant (for-sale only).

Wage (or Salary)

Compensation received by an employee for their labor, usually calculated on an hourly basis or as a fixed salary.

Chapter 6: Data Sources

American Water Works Association — Provides resources on water industry standards. <https://www.awwa.org/>

Assessor — Managed at the county level. The county assessors are responsible for managing and operating the assessor's office. Their goal is to produce a tax warrant with fair and equalized property values. An assessor's major duties can be discovering, listing, classifying, and valuing all taxable real and personal property and all property granted exemption by the Division of Property Taxation located within the county on the assessment date.

Colorado Department of Education — The McKinney-Vento Homeless Assistance Act is the primary piece of legislation related to the education of children and youth experiencing homelessness. Every school district has a designated McKinney-Vento Homeless Education Liaison responsible for identifying MKV students and providing resources to help these students. https://www.cde.state.co.us/student-support/homeless_index

Colorado Department of Labor and Employment, Labor Market Information — The Office of Labor Market Information (LMI) collects and analyzes information about labor market trends throughout Colorado. <https://cdle.colorado.gov/dlss/labor-market-information-lmi>

Colorado Department of Local Affairs (water resources) — Water and Land Use Integration for Local Governments provides resources and tools to assist local governments in aligning water planning with land use decisions, including fact sheets, self-assessment guides, and best practice examples. <https://dlg.colorado.gov/water-and-land-use-integration>

Land Use and Water Primer provides resources designed to assist local governments in integrating water and land use. planning <https://dlg.colorado.gov/land-use-and-water-primer>

Colorado Department of Public Health and Environment — Provides information on water reuse rules/regulations, including reclaimed water (reuse), direct potable reuse and graywater. <https://cdphe.colorado.gov/>

Colorado Homeless Management Information System (HMIS) — The Colorado Homeless Management Information System (COHMIS) is a statewide database used to collect client-level data related to the provision of housing and services to persons experiencing homelessness and persons at risk of experiencing homelessness. <https://www.cohmis.org/>

Colorado Housing and Finance Authority — Provides information on programs and resources on investments in affordable housing and community

development. CHFA also provides AMI income limits but these may differ slightly from HUD, as well as the Colorado Statewide Apartment Survey.

Colorado Judicial Branch — Each fiscal year, the Colorado Judicial Branch Annual Statistical Report is issued to provide information about Colorado state courts. The reports contain statistics of foreclosures and evictions by court county location. <https://www.coloradojudicial.gov/court-services/research-and-data>

Colorado State Database of mobile home parks — The Division of Housing's Mobile Home Oversight Program conducts outreach and education on mobile home park laws and provides an annual park registration system. The program also receives and investigates complaints, facilitates dispute resolution, and takes enforcement actions. <https://doh.colorado.gov/mobile-home-parks>

Colorado State Demography Office (SDO) — The State Demography Office provides population, household, and job estimates and forecasts for Colorado's regions and counties; and population estimates and guidelines for municipal forecasts developed by the State Demography Office. <https://demography.dola.colorado.gov/>

Colorado Water Conservation Board — Provides comprehensive information on the state's water management initiatives, including the Colorado Water Plan, funding opportunities, and resources for water supply planning, ecosystem health, and hazard mitigation. <https://cwcb.colorado.gov/>

Comprehensive and Water Supply Master Plans — Local plans that outline long-term plans for managing a community's water resources.

Home Mortgage Disclosure Act Data (HMDA) — Mortgage lending data reported in accordance with the Home Mortgage Disclosure Act (HMDA), commonly called "HMDA data," is the largest source of publicly available data on mortgage lending in the United States, available from the Consumer Financial Protection Bureau. <https://ffiec.cfpb.gov/>

International Association of Plumbing and Mechanical Officials (IAPMO) — Provides information on their development of plumbing and mechanical codes, product testing and certification services, training programs, and industry research aimed at ensuring public health and safety. <https://www.iapmo.org/>

Water demand calculation tool provided by IAPMO that estimates peak water demand in residential buildings, aiding in the accurate sizing of plumbing systems to enhance efficiency and safety. <https://www.iapmo.org/we-stand/water-demand-calculator/>

Irrigation Association — Provides resources on efficient irrigation technologies, certification programs, educational materials, industry events, and advocacy

initiatives aimed at promoting effective water management practices.

<https://www.irrigation.org/>

Polaris Tool —The One Water Solutions Institute (OWSI) at Colorado State University develops and supports the Polaris tool which characterizes the relationship between land use and water consumption to enable water demand management and water supply scenario planning. This tool can help communities across the state with water smart land use planning. OWSI provides technical support services including training workshops for using Polaris in communities across Colorado. <https://erams.com/catena/tools/urban-planning/polaris/>

U.S. Bureau of Labor Statistics Local Area Unemployment Statistics (BLS LAUS)

— The Local Area Unemployment Statistics (LAUS) program produces monthly and annual employment, unemployment, and labor force data for Census regions and divisions, States, counties, metropolitan areas, and many cities, by place of residence. <https://www.bls.gov/lau/>

U.S. Census Bureau American Community Survey (ACS) —The American Community Survey (ACS) releases new data every year on detailed population and housing estimates. ACS 1-year estimates are data that have been collected over a 12-month period and are available for geographic areas with at least 65,000 people. The Census Bureau combines 5 consecutive years of ACS data to produce multiyear estimates for geographic areas with fewer than 65,000 residents. These 5-year estimates represent data collected over a period of 60 months. <https://www.census.gov/programs-surveys/acs/data.html>

U.S. Census Bureau Census Building Permit Survey (BPS) —The Building Permits Survey (BPS) provides national, state, and local statistics on new privately-owned residential construction. <https://www.census.gov/construction/bps/index.html>

U.S. Census Bureau Decennial Census — Includes basic demographic information. <https://data.census.gov/>

U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) — LEHD Origin-Destination Employment Statistics (LODES) provides annual employment statistics linking home and work locations at the census block level. <https://lehd.ces.census.gov/>

U.S. Department of Housing and Urban Development Area Median Income (HUD AMI) —The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs including the Public Housing, Section 8 project-based, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs. HUD develops income limits based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan

area, parts of some metropolitan areas, and each non-metropolitan county.

<https://www.huduser.gov/portal/datasets/il.html>

U.S. Department of Housing and Urban Development Comprehensive Housing Affordability Data (HUD CHAS) — The U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low-income households. Local governments use the CHAS data to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds.

<https://www.huduser.gov/portal/datasets/cp.html>

U.S. Department of Housing and Urban Development Point in Time Homeless Counts — The Point-in-Time (PIT) Count is a count of sheltered and unsheltered people experiencing homelessness on a single night in January. HUD requires that Continuum of Cares (CoCs) conduct an annual count of people experiencing homelessness who are sheltered in emergency shelter, transitional housing, and Safe Havens on a single night. <https://www.hudexchange.info/programs/coc/>

U.S. Environmental Protection Agency Water Sense — Provides information on water-saving products, homes, and services, and offers resources to help consumers and businesses conserve water. <https://www.epa.gov/watersense>

Water Research Foundation — Provides comprehensive resources on water research. <https://www.waterrf.org/>

Industry data, local surveys, and primary research can be used to supplement or substitute the previous public data sources when coverage and/or reliability are insufficient to produce a useful metric.

AirDNA — Tracks the performance data of Airbnb & VRBO vacation rentals. This data source is available for purchase. <https://www.airdna.co/>

ATTOM — Real estate data provider. Data include property tax, deed, mortgage, foreclosure. <https://www.attomdata.com/>

CHMURA (JobsEQ) — Chmura's JobsEQ labor market research software platform provides data for standard and custom regions (including sub-county level data), industry groups, occupation groups, and forecasts. <https://www.chmura.com/>

CoreLogic — Platform providing property data insights, reports, and more. <https://www.corelogic.com/>

CoStar — Platform of commercial real estate information, analytics and data-driven news across office, industrial, retail, multifamily, hospitality and land sectors. This data source is available for purchase. <https://www.costar.com/>

Esri — Geographic information system (GIS) software, location intelligence, and mapping. This data source is available for purchase. <https://www.esri.com/en-us/>

Multiple Listing Service (MLS) — Databases that real estate agents and brokers use to share information about properties for sale.

National Housing Preservation Database (NHPD) — Compiles data on the publicly supported housing property inventory. The database is available for purchase; the NHPD mapping tool can be used to display publicly supported properties without payment. <https://preservationdatabase.org/>

Redfin — Housing market data from Redfin includes home prices, sales, inventory, new listings, and days on market. This data source is available for free. Inconsistent quality and availability for smaller geographies. <https://www.redfin.com/news/data-center/>

Ribbon Demographics, LLC — Data and market analysis for housing development, including HISTATM data (households by income, size, tenure, and age). <https://www.ribbondata.com/>

Zillow — The Zillow Economic Research team publishes a variety of real estate metrics, including median home values and rents, inventory, sale prices, and volumes. This data source is available for free. Not available for some geographies and inconsistent quality for smaller geographies. <https://www.zillow.com/research/data/>

Local Surveys and Primary Research are critical when conducting housing needs assessments in small communities. While secondary data sources (e.g., census data) offer valuable information, they usually do not capture the specific nuances of small communities.

Data Sources and Availability by Geography (County and Municipality)

Source	Web Link	Data Variable	County	Municipality	Considerations
Publicly Available					
Assessor	County-specific URL	Detailed Property Information	Address specific	Address specific	Assessor recording practices and code structures can vary by county. Working cooperatively with Assessor offices is advised to ensure data analysis accuracy.
Colorado Association of Realtors	https://coloradorealtors.com/market-trends/	Housing Market Trends Reports by Month (single family and townhome/condo markets)	x	x	Make sure to understand how the boundaries are defined and what MLS you are getting data from. There is some overlap. Use cautiously for small areas or time periods with few sales.
Colorado Department of Education	https://www.cde.state.co.us/student-support/homeless-index	McKinney-Vento Homeless Students	School District-specific	School District-specific	Identifying the number of homeless students in a region or local government jurisdiction may not be possible due to differing geographies.

Source	Web Link	Data Variable	County	Municipality	Considerations
Colorado Department of Labor and Employment (CDLE), Local Area Unemployment Statistics (LAUS)	https://cdle.colorado.gov/dlss/labor-market-information-lmi	Labor force; employed/unemployed; unemployment rate	x		Monthly data with seasonal adjustments for larger areas only; excludes underemployment; subject to revisions; limited to county/metropolitan statistical areas; using a six month moving average or annual data is recommended due to the small sample, unless data are used to analyze seasonal variations.
Colorado Department of Labor and Employment (CDLE), Occupational Employment and Wage Statistics (OEWS))	https://cdle.colorado.gov/dlss/labor-market-information-lmi	Employment and Wages by Occupation	x		These are estimates of the number of people employed in certain occupations, and estimates of the wages paid to them. Self-employed persons are not included in the estimates.
Colorado Department of Labor and Employment (CDLE), Quarterly Census of Employment and Wages (QCEW)	https://cdle.colorado.gov/dlss/labor-market-information-lmi	Employment and Annual Average Pay (Overall and by sector)	x		Very useful for sector-level data. This data excludes proprietors, certain national security agencies, the unincorporated self-employed, unpaid family members, certain farm and domestic workers, and railroad workers covered by the railroad unemployment insurance system; data may be suppressed to protect the identity, or identifiable information, of cooperating employers; data is subject to revisions.

Source	Web Link	Data Variable	County	Municipality	Considerations
Colorado Department of Local Affairs, Division of Housing (DOH)	https://doh.colorado.gov/mobile-home-parks	Mobile Home Parks	Address specific	Address specific	This information assists with mobile home park location identification. This housing type is often part of an area's naturally occurring affordable housing stock.
Colorado Homeless Management Information System	https://www.cohmis.org/	People Experiencing Homelessness or at Risk			Covers four Continuum of Care regions. Data at the CoC regional level is too coarse for most of Colorado's counties. Obtaining in-depth data usually requires a data sharing and confidentiality agreement.
Colorado Housing and Finance Authority (CHFA)	https://www.chfainfo.com/rental-housing/asset-management/rent-income-limits	Income limits	x		May differ slightly from HUD Income Limits
Colorado Judicial Branch	https://www.coloradojudicial.gov/court-services/research-and-data	Foreclosures, evictions	Judicial District	Judicial District	Data is available by judicial district rather than by county or municipality, which may require districts to be mapped to local jurisdictions; frequency of updates can vary; coverage and data granularity depend on court reporting practices; includes historical data on foreclosure and eviction trends, but may not provide real-time insights.

Source	Web Link	Data Variable	County	Municipality	Considerations
Consumer Financial Protection Bureau, Home Mortgage Disclosure Act (HMDA)	https://www.consumerfinance.gov/data-research/hmda/	Mortgage Data	x	Census Tracts	Provides detailed mortgage data, including applicant demographics, loan terms, and approval rates; valuable for assessing lending trends and identifying disparities but does not capture private cash transactions or certain small lenders.
Jurisdiction Planning / Building Departments	Jurisdiction-specific URL	Residential Building Permits and Certificates of Occupancy	x	x	Many building departments do not post permits or Certificates of Occupancy online so outreach may be required; it is important to identify whether permits are recorded as “permits” or “number of units” (e.g., one permit could be for a 50-unit apartment building); multifamily permits are often recorded as “commercial”
Redfin	https://www.redfin.com/news/data-center/?msockid=1d39f1132a856a050630fdf32b3b6b4d	Housing Data (e.g., homes sold, median sale price, pending sales, new listings)	x	x	Redfin pulls data directly from the Multiple Listing Service (MLS). Their direct MLS integration provides more accurate, up-to-date listings, as MLS feeds are frequently updated in real time. This also allows Redfin to display information like “days on market” or “price reductions” with a higher level of reliability. Data available from the Redfin Data Center differs by geography.

Source	Web Link	Data Variable	County	Municipality	Considerations
State Demography Office	https://demography.dola.colorado.gov/	Household Estimates and Projections (total and by four household types and four age cohorts)	x		Reflect July 1 estimates and projections; updated annually, but current estimates lag real time.
State Demography Office	https://demography.dola.colorado.gov/	Total Job Estimates (includes proprietors) and Forecasts ; Jobs by Sector; Jobs by Base Industries; Labor Force Participation and Forecasts by County, Age Group, and Sex	x		County-level jobs forecasts are unavailable for the seven counties comprising the Denver Metro Region, which is forecast as a single entity FIPS 500 Denver-Boulder Metro. Sector categorization may differ from QCEW; for example, public-sector employment, including public school district jobs, are categorized as “Government” jobs, which differs from QCEW categorization of such jobs by the type of goods or services provided (school district jobs are categorized under Educational Services).
State Demography Office	https://demography.dola.colorado.gov/	Total Population; Households (occupied housing units); Household Size; Housing Units; Vacant Housing Units; Vacancy Rate	x	x	Estimates as of July 1 annually, but the most current year lags real time; vacancy rate is a modeled output and may not reflect the actual on-the-ground vacancy rate.

Source	Web Link	Data Variable	County	Municipality	Considerations
State Demography Office	https://demography.dola.colorado.gov/	Total Population and Projections by Age; Components of Change (Births, Deaths, Net Migration); Census Building Permits; Households (occupied housing units); Household Size; Total Housing Units; Vacant Housing Units; Vacancy Rate	x		Estimates are as of July 1 annually, but the most current year lags real time; vacancy rate is a modeled output and may not reflect the actual on-the-ground vacancy rate.
United States Bureau of Economic Analysis	https://www.bea.gov/data/by-place-county-metro-local	Income by source (wage and salary; dividends, interest, rent; transfers)	x		Useful in understanding the distribution of income by source.
United States Bureau of Labor Statistics (BLS), Job Openings and Labor Turnover Survey (JOLTS)	https://www.bls.gov/it/	Job openings, hires, separations	Statewide only	Statewide only	JOLTS does not produce county or city level data.
United States Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS)	https://www.bls.gov/au/	Labor force; employed/unemployed; unemployment rate	x	x (Denver and Colorado Springs only)	Monthly data with seasonal adjustments; limited to counties and very large cities; undercounts some subgroups; revised estimates possible over time; using a six-month moving average or annual data is recommended due to the small sample.
United States Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages (QCEW)	https://www.bls.gov/cew/	Employment; Number of Establishments; and Annual Average Pay (Overall and by sector)	x		Helpful for identifying total employment (jobs) and average annual wage for counties. Excludes proprietors, certain national security agencies, the unincorporated self-employed, unpaid family members, certain farm and domestic workers,

Source	Web Link	Data Variable	County	Municipality	Considerations
					and railroad workers covered by the railroad unemployment insurance system; data may be suppressed to protect the identity, or identifiable information, of cooperating employers; data is subject to revisions.
United States Census Bureau, American Community Survey (ACS) 1-year	https://www.census.gov/programs-surveys/acs/data.html	ACS Tables/Variables	Geographies with 65,000 people or more	Geographies with 65,000 people or more	Best used when current data is more important than precision; data is collected over a calendar year; ACS data include a margin of error to represent the range of responses, given the limitations of the sampling size; geographic boundaries can change over time.
United States Census Bureau, American Community Survey (ACS) 5-year	https://www.census.gov/programs-surveys/acs/data.html	ACS Tables/Variables	x	x	Useful for analyzing trends, not designed for counts; data is collected over a five-year period which is then pooled together to provide a snapshot of average demographic characteristics across that timeframe; ACS 5-year estimates are not comparable to ACS 1-year estimates; ACS data include a margin of error, given the limitations of the sampling size, which may be large for small or low population areas; consider margins of error when analyzing trends; special considerations apply for rural communities with large seasonal populations--in particular, college towns and resort areas; geographic boundaries can change over time.

Source	Web Link	Data Variable	County	Municipality	Considerations
United States Census Bureau, Building Permit Survey (BPS)	https://www.census.gov/construction/bps/index.html	Building Permits (new housing units authorized by valuation and structure type)	x	x	Most useful when data cannot be obtained directly from local jurisdictions; may include imputed data; note that building permit valuation and property value may not be the same.
United States Census Bureau, Decennial Census	https://www.census.gov/programs-surveys/decennial-census/data.html	All Decennial Census Tables/Variables	x	x	Includes basic demographic information. More detailed information available from the ACS. Geographic boundaries may differ between decennial Census years.
United States Census Bureau, Longitudinal Employer-Household Dynamics (LEHD), LEHD Origin Destination Employment Statistics (LODES)	https://lehd.ces.census.gov/data/	Annual employment statistics linking home and work locations at the census block-level (demographic characteristics and commute patterns)	x	x	Excludes some employees and workers, including self-employed individuals; less reliable in locations with a sizeable seasonal workforce, such as resort communities; unpublished margin of error; data lags real time; may not capture large employers with satellite locations (e.g., school district).
United States Census Bureau, Public Use Microdata Sample (PUMS)	https://www.census.gov/programs-surveys/acs/microdata.html	Based on ACS data; allows for creation of custom estimates and tables.	NA (only Public Use Microdata Areas (PUMA) with 100,000 people or more)	NA (only Public Use Microdata Areas (PUMA) with 100,000 people or more)	Data is only provided for PUMA boundaries, not county or municipal boundaries. PUMS data can be used at the larger regional or state level to create data tabulations not provided by the ACS.

Source	Web Link	Data Variable	County	Municipality	Considerations
United States Department of Housing and Urban Development (HUD)	https://www.huduser.gov/portal/datasets/cp.html	Comprehensive Housing Affordability Strategy (CHAS) data (Income Distribution by AMI and housing problems, including cost burden)	x	x	Data lags real time.
United States Department of Housing and Urban Development (HUD)	https://www.hudexchange.info/homelessness-assistance/data/	Homelessness Point-In-Time Survey	x		Areas with large or hidden homeless populations are susceptible to undercounts.
United States Department of Housing and Urban Development (HUD)	https://www.huduser.gov/portal/datasets/il.html	Income limits	x		Updated annually; used to determine eligibility for various housing assistance programs
United States Department of Housing and Urban Development (HUD)	https://lihtc.huduser.gov/	Low Income Housing Tax Credit (LIHTC) properties	Address-specific	Address-specific	Property data may lag due to annual updates; includes property location and funding details but may lack real-time unit availability or recent affordability status; useful for identifying long-term affordable housing stock but limited in dynamic market contexts.

Source	Web Link	Data Variable	County	Municipality	Considerations
Zillow, Inc.	https://www.zillow.com/research/data/?msckid=1d39f1132a856a050630fdf32b3b6b4d	Home Value Index, Observed Rent Index	x	x (some)	Use cautiously for smaller geographies where data may be limited, particularly for rent information. Zillow only has data on listings they house, and many smaller communities use different methods/sources. Zillow uses a combination of data scraping, public records, and MLS syndication where available.
Sample of Fee-For-Service Providers *					
AirDNA	https://www.airdna.co/	Short-term rental data	Address-specific	Address-specific	Primarily targeted to short-term rental investors and operators, but may assist with understanding short-term rental market attributes (e.g., counts, occupancy, pricing). Limited data is provided free of charge with fee-for-service options. Some variables are available by ZIP code.
ATTOM	https://www.attomdata.com/	Foreclosure data, property analytics, and market trends	x	x	Offers comprehensive foreclosure and property data with analytics; subscription-based; valuable for trend analysis and current market conditions but may not cover all smaller municipalities consistently.

Source	Web Link	Data Variable	County	Municipality	Considerations
CHMURA	https://www.chmura.com/	Fee-for-service company that provides detailed labor market data and forecasts, including sub-county data.	x	x	Provides highly-detailed labor market and economic data, including regional employment trends, industry breakdowns, proprietor estimates, wage data, and job forecasts; useful for in-depth economic and workforce studies, but may not include hyper-local data in smaller or rural areas. Subscription required.
Corelogic	https://www.corelogic.com/	Fee-for-service company that provides detailed market data and comparable sites based on real estate transaction data and landlord surveys	x	x	Offers extensive property transaction data and rental market insights; useful for property valuations, market trends, and comparable analysis; highly detailed but may be limited in areas with fewer transactions or where data collection is restricted. Subscription required.
CoStar	https://www.costar.com/	Fee-for-service company that provides detailed market data and comparable sites based on real estate transaction data and landlord surveys	x	x	Best for larger metropolitan areas and commercial hubs. Rental market data may be limited or unavailable in smaller housing markets.
Esri	https://www.esri.com/en-us/home	A provider of both software and data with multiple platforms, including Community Analyst and Business Analyst products with built-in market analysis tools.	x	x	Provides extensive GIS-based tools and demographic data through Community Analyst and Business Analyst platforms; valuable for spatial and market analysis, allowing customized geographic insights; subscription-based with specialized training needed for advanced features; very limited historical data.

Source	Web Link	Data Variable	County	Municipality	Considerations
Multiple Listing Service (MLS)	Location-specific URL	Past home sales	Address-specific	Address-specific	Detailed property sales data; may be available without a fee from a cooperating Realtor/Realtors Association
National Housing Preservation Database (NHPD)	https://preservationdatabase.org/	Affordable housing properties (location, funding stream, subsidy end date). Fee-for-service access to the database; the NHPD mapping tool can be used to display publicly supported properties without payment.	Address-specific	Address-specific	Provides location, funding type, and subsidy timelines for affordable housing properties; essential for tracking at-risk affordable units as subsidies expire but may have limited real-time updates on property status or occupancy.
Ribbon Demographics, LLC	https://ribbondata.com/index.html	Fee-for-service housing market analysis and data services. Data includes HISTA™ reports (households by income, size, tenure, and age)	x	x	Provides detailed household demographic and housing data, including income segmentation and tenure; useful for targeted housing studies, especially in assessing affordability and demographic trends; data may have limited geographic granularity in very small areas.
Other Sources					
Employer Survey	Jurisdiction-specific	Jurisdiction-specific	x	x	Developing clear questions to achieve desired objectives is important, along with gathering an appropriate and representative sample, among other considerations.

Source	Web Link	Data Variable	County	Municipality	Considerations
Housing Professionals (e.g., realtors, appraisers, landlords, developers/builders)	Entity-specific	Entity-specific	x	x	Speaking with housing professionals about the local housing market, including home prices (for sale and for rent), availability, cost to develop/build, and changes over time provides market context unavailable from public and private data sources.
Public Housing Authority / Housing Agency	Authority or agency-specific	Authority or agency-specific	x (if applicable)	x (if applicable)	Many local jurisdictions are served by public housing authorities or housing agencies that help provide affordable housing and administer housing programs and services. Understanding their services (e.g., housing choice vouchers) and the existing and planned housing in their portfolio helps to develop a complete picture of the housing market and identify where gaps may exist.
Resident Survey	Jurisdiction-specific	Jurisdiction-specific	x	x	Developing clear questions to achieve desired objectives is important, along with gathering an appropriate and representative sample, among other considerations.
Note: this table does not represent all data sources or all available data provided by identified sources. * the included fee-for-service/private data providers list is not exhaustive					

Appendix A: HNA Requirements – Quick Reference Guide

HNA Framework

Using this framework will facilitate a smoother review process by the Department of Local Affairs (DOLA).

2. Economic Trends

Analyzes the interplay between jobs, wages, and housing to understand if the current housing supply meets the needs of employees.

4. Housing Market Trends

Assesses how housing market factors like rental rates, sales trends, and available supply impact housing affordability and availability for different income groups and household types.

6. Housing Resources

Identifies available financial, institutional, and community resources that can support housing programs and the development, maintenance, and preservation of affordable housing opportunities.

8. Current & Projected Housing Needs

Ties together data from all other sections to estimate current and future housing needs across all income levels.

1. Demographic Trends

Establishes the foundation for understanding changes in population, household characteristics, and income, which drive housing demand and needs.

3. Housing Inventory

Evaluates the condition, diversity, and supply of housing units to identify where there may be gaps based on demographic and economic needs.

5. Housing Problems

Evaluates challenges such as cost burden, overcrowding, homelessness, and housing instability, providing insight into the need for targeted housing programs and unique needs.

7. Housing Development Challenges and Opportunities

Examines obstacles to the development of housing, such as regulatory, cost, and community factors, as well as land and partnership opportunities to produce housing.

9. Policy Programs & Recommendations

Provides initial strategies to address identified housing needs to improve housing affordability, accessibility, and stability, and guide the development of a future housing action plan.

Demographic Trends

Demographic trends provide a foundation for understanding the study area's population, household characteristics, and income changes over time. These factors shape housing demand, including type and price. Comparing countywide or regional totals and nearby jurisdictions helps clarify differences in housing needs drivers.

Required Output

- (III) Estimate the number of households in the region and each local government's jurisdiction that forms the region (regional HNA), or for the local governments jurisdiction only (local HNA).

Baseline Data (must consider)

- (d) Current median income
- (e) Population change projections and demographic trends forecasted by the State Demography Office
- (f) Population and demographic trends

KEY COMPONENTS

Population (Baseline Data (e) and (f))

- ▢ Population Size: Current size, growth trends, and variation across jurisdictions.
- ▢ Age: Age distribution and changes over time.
- ▢ Population Forecast: Expected population and age distribution changes.

Households (Required Output (III) and Baseline Data (f))

- Total Households (Required)*: Current households and trends over at least 10 years.
- ▢ Tenure of Households (Owner and Renter)
- ▢ Household Size: Average size by tenure.
- ▢ Household Types: Types of households (e.g., family, couple) and regional variation.
- ▢ Household Forecast: Expected changes in household numbers and type over 10 years.

Household Income Distribution (Baseline Data (d))

- ▢ Income Levels: Percentage of households by AMI category; variations by tenure.

OPTIONS FOR A DEEPER DIVE

- Median income by household size and changes in income distribution.
- Population by race/ethnicity, poverty rates, and households headed by older adults.
- Components of change, including natural increase and net migration

■ Required Output ▢ Needed for Required Output ▢ Must Consider

Economic Trends

Current and projected economic conditions are essential drivers of housing needs. Jobs, employees, housing, and businesses are tied together. Businesses need employees to fill jobs and employees need housing in which to live.

Required Output

- (IV) Estimate the number of jobs in the region and each local government's jurisdiction that forms the region (regional HNA), or for the local governments jurisdiction only (local HNA), sorted by annual salary and wage.

Baseline Data (must consider)

- (c) Current jobs by income level
- (e) Job growth projections forecasted by the State Demography Office

KEY COMPONENTS

Job Trends and Projections (Required Output (IV) and Baseline Data (c), (e))

- **Jobs and Wages by Sector (Required)*:** Primary industries, regional variation.
- Job and Wage Trends: Job growth, stagnation, or decline; wages relative to housing costs.
- Job Projections: Impact of projected job growth or decline on future housing needs.

Labor Force and Unemployment Rate

- Labor Force Trends: Regional unemployment rates and labor force changes.

Commuting Patterns

- Commute Trends

OPTIONS FOR A DEEPER DIVE

- Seasonal employee estimates.
- Local-level unfilled job analysis.
- Multiple job-holding rates and average number of workers per household.
- Employer surveys to understand hiring challenges tied to housing availability.

■ Required Output □ Needed for Required Output □ Must Consider

Housing Inventory

This analysis examines the existing housing supply, including unit diversity, age, condition, and production rates. It addresses questions about housing quality and availability for residents. Comparing inventories across regions or jurisdictions highlights differences, guiding programs and new development to enhance housing opportunities.

Required Outputs

- (l) Estimate existing housing stock in the region and in each local jurisdiction that forms the region (regional HNA), or for the local governments jurisdiction only (local HNA).

Baseline Data (must consider)

- (b) Existing housing diversity and stock
- (h) Vacancy rates

KEY COMPONENTS

Housing Units (Baseline Data (b) and Required Output (l))

■ Total Housing Units (Required)*

- Housing Types
- Housing Condition and Age: Age and condition of housing stock; extent of repairs needed and presence of substandard units.

Regulated Affordable Housing Inventory (if applicable)

- Affordable Units: Availability of regulated affordable units, including Housing Choice Vouchers, LIHTC, deed-restricted units, and employer-provided units.

Housing Vacancy and Occupancy (Baseline Data (h))

- Vacancy: Variation in housing vacancies, causes (e.g., second home/vacation use), and trends over time.
- Occupancy: Occupancy rates by housing type and area; trends in occupancy for rent or ownership.

Development and Building Trends (Baseline Data (h))

- Historical Building Permits
- Development in the Pipeline

OPTIONS FOR A DEEPER DIVE

- Housing units by number of bedrooms.
- Short-term rental inventory and trends.

■ Required Output □ Needed for Required Output □ Must Consider

Housing Market

Analyzing housing market trends reveals how well the market meets residents' and workers' needs by examining home values, rental rates, and sales trends. This helps assess supply vs. demand, affordability challenges, and impacts on different income groups. Local comparisons show affordability relative to nearby areas, while regional studies compare to state or national trends for broader context.

Required Output

- (II) Estimate housing needs sorted by income level and dwelling type, including accessible units, supportive units, visitable units (local HNA only), for-sale units, and rental units

Baseline Data (must consider)

- (h) Vacancy rates: Understand how vacancy rates reflect current market demand or availability issues.
- (j) Job-housing balance: Assess the relationship between local employment and housing options to ensure alignment.

KEY COMPONENTS

Ownership Market (Baseline Data (j))

- □ Housing Prices: Trends in housing prices versus wages; supply and demand dynamics affecting housing prices.
- □ Inventory of For-Sale Housing: Availability for full-time residents, first-time buyers, and middle-income households; inventory type and price point variation.

Rental Market (Baseline Data (h))

- □ Rental Rates and Market Trends: Changes in rental rates, affordability compared to wages, and impact of short-term rentals on long-term availability.
- □ Rental Vacancy Rates: Current vacancy rates, trends, and implications for affordability and rental market health.

OPTIONS FOR A DEEPER DIVE

- Housing Vacancy Rates (h): Rental turnover rate, months of inventory, short-term rental trends.
- Ownership Market Additional Considerations: Homebuyer trends, sale of regulated affordable housing units.
- Rental Market Additional Considerations: Availability and trends of regulated affordable rental units.

■ Required Output □ Needed for Required Output □ □ Must Consider

Housing Problems

Analyzing housing issues—such as cost burden, overcrowding, instability, and homelessness—provides insight into challenges households face in accessing safe, stable, affordable housing. This helps identify where programs are needed to improve outcomes for low- and moderate-income residents, especially vulnerable groups. Local studies highlight immediate needs, while regional analyses show broader challenges across jurisdictions.

Required Outputs

- (II) Estimate housing needs in the region and each local government's jurisdiction that forms the region..., including accessible units, visitable units (local HNA only), supportive units...
- (VI) Identify areas at elevated risk of displacement in the region and each local government's jurisdiction that forms the region.

Baseline Data (must consider)

- (i) Measures of homelessness and housing instability

KEY COMPONENTS

- Cost Burden by Tenure (own/rent) (Baseline Data (i)): Percentage of households spending over 30% or 50% of income on housing; groups most affected by cost burden.
- Overcrowding by Tenure (own/rent) (Baseline Data (i)): Number of households in overcrowded conditions, affected populations, and implications for housing adequacy.
- Homelessness & Unstable Households (Required Output (II), Baseline Data (i)): Number of homeless individuals and families, main causes, availability of emergency and supportive housing, and effectiveness of current prevention programs.
- Accessible and Visitable Unit Estimates (Required Output (II)): Estimate of future housing needs for accessible/visitable units using ACS data; optional local surveys for more detailed needs assessment.
- Displacement Risk (Required Output (VI)): Populations at risk of severe housing challenges (e.g., cost burden, overcrowding, homelessness), racial and ethnic disparities, and targeted interventions to support at-risk groups.

OPTIONS FOR A DEEPER DIVE

- Cost burden by income and other household characteristics.
- Foreclosures and evictions.
- Condition of housing.

■ Required Output. □ Needed for Required Output □ Must Consider

Housing Resources

This section focuses on identifying and evaluating the resources available to support the development, maintenance, and accessibility of housing that is affordable for resident and employee households. Assessing housing resources includes understanding the financial, institutional, and community assets that can help address the housing needs identified in the HNA.

Recommended Output

- Section 24-32-3702(1)(e)(I)
A requirement that housing needs assessments include recommended policy and programmatic responses to the findings of the housing needs assessment, including the assessment of displacement risk.

Baseline Data (must consider)

- (g) Measures of local resources dedicated to the development of affordable housing

KEY COMPONENTS

- □ Housing Assistance Programs (Baseline Data (g)): Types of programs available, number of beneficiaries, and sufficiency of funding to meet demand.
- □ Affordable Housing Management, Development, and Service Organizations (Baseline Data (g)): Roles of housing authorities, CDHOs, land trusts, and service organizations; gaps in capacity, collaboration, or resources.
- □ Local Funding Resources (Baseline Data (g)): Local funds used to produce, purchase, or assist affordable housing development and effectiveness in addressing resident needs.
- □ Resources for Homelessness Prevention (Baseline Data (g)): Availability of shelters, transitional housing, and supportive housing; effectiveness of services like rapid rehousing and outreach programs.
- □ Public and Institutionally Owned Land (for Development) (Baseline Data (g)): Public or institutional land ownership, suitability for residential use, and opportunities for development partnerships.

OPTIONS FOR A DEEPER DIVE

- Employer-assisted housing.

■ Required Output □ Needed for Required Output □ □ Must Consider

Development Challenges & Opportunities

Understanding market limitations helps identify challenges and opportunities for expanding housing options. This includes reviewing zoning, planning, infrastructure, development costs, labor, and material supply issues. Given data limitations and the expertise needed, this analysis is typically qualitative.

Recommended Output

- (VIII) Assess market limitations on the development of for-sale multifamily residential housing (regional HNA) or the development of housing (local HNA)

Baseline Data (must consider)

None specified

KEY COMPONENTS

- ▣ Development Costs (Required Output (VIII)): Impact of materials, labor, infrastructure, and land prices; gap between development costs and what residents can afford; availability of incentives and subsidies.
- ▣ Regulatory Barriers: Zoning, subdivision, and permitting regulations that restrict housing development; opportunities to streamline regulations.
- ▣ Infrastructure Limitations: Availability and condition of infrastructure (roads, water, sewer); opportunities for investments to facilitate development.
- ▣ Community Sentiment: Impact of resistance to higher-density or affordable housing; opportunities for education and community engagement.

▣ Required Output □ Needed for Required Output ▣ Must Consider

Housing Needs

This section utilizes information from the other sections of the HNA to estimate what types of housing (e.g., rental vs. ownership, affordable vs. market-rate) are most needed to address housing deficiencies for current residents and support future economic and community vibrancy.

Required and Recommended Outputs

- (II) Estimate housing needs in the region and each local government's jurisdiction that forms the region, sorted by income level and dwelling type, including accessible units, visitable units (local HNA only), supportive units, for-sale units, and rental units.
- (V) Estimate an allocation of housing needs to each local government in the region or contributing to housing needs in the region based on the number of jobs and each local government's dependence on jobs in the region, among other factors, to promote a balance of jobs at all salary levels and homes affordable to persons in the region holding jobs at all income levels in the region.
- (VII) Estimate water supply needs for the dwelling units identified in subsections (1)(c)(I) and (1)(c)(II) of this section using per capita water use rates identified in consultation with the department of natural resources.

Baseline Data (must consider)

- (a) Existing and projected housing shortages and surpluses for different household types and income levels, including extremely low-, very low-, low, moderate-, and middle-income households as designated by HUD
- (e) Population change projections, job growth projections, and demographic trends forecasted by the State Demography Office
- (i) Measures of homelessness and housing instability
- (j) Job-housing balance, including the availability of housing for low-income workers

KEY COMPONENTS

- Existing Housing Shortage ("catch up" housing needs): New units needed to improve availability, stability, & affordability for existing residents, including overcrowding alleviation and achieving healthy vacancy rates.
- Projected Housing Needs ("keep up" housing needs): Number of units needed for future resident & employee households over a 10-year period, including vacancy allowances & possible adjustments for unit losses.
- Allocate Needs Within Regions: Allocate needs based on regional job distribution, recognizing the relationship between job locations and housing requirements.
- Estimate Market and Below-Market Needs: Identify AMI levels for which private market units are feasible and where subsidies or incentives are needed to meet housing needs.
- Estimate Supportive, Accessible, and Visitable Unit Needs: Estimate housing needs for homeless populations, other supportive needs, and accessible/visitable units based on the percentage of residents with disabilities.
- Estimate Water Supply Needs for Dwelling Units: Calculate residential water supply needs using gallons per capita per day multiplied by population.

OPTIONS FOR A DEEPER DIVE

- Seasonal housing needs, senior housing insights, vulnerable populations' needs, and housing program options (e.g., rental assistance, renovation, first-time homebuyer programs).

■ Required Output. □ Needed for Required Output □ Must Consider

Policy Programs & Recommendations

Policy and program recommendations from the housing needs assessment, including displacement risk, form a foundation for a housing action plan. While not as detailed as action plan outputs, these recommendations highlight strategies for regional and local governments to address housing affordability, accessibility, and stability.

Recommended Output

- ☐ Section 24-32-3702(1)(e)(I)
A requirement that housing needs assessments include recommended policy and programmatic responses to the findings of the housing needs assessment, including the assessment of displacement risk

Baseline Data (must consider)

None specified

KEY COMPONENTS

- ☐ Financing and Incentives: Expand financing options like local subsidies and tax credits; explore incentives such as density bonuses and expedited permitting.
- ☐ Preservation and Management: Use deed restrictions, rehabilitation funding, rental assistance, and foreclosure prevention to preserve and manage affordable units.
- ☐ Land Use and Zoning Incentives, Mandates, Reforms: Support higher-density, mixed-use developments, facilitate public land use, and introduce mandates or incentives for diverse housing development.
- ☐ Partnerships and Collaboration: Encourage public, private, and non-profit collaboration, including employer-assisted housing and engagement with local nonprofits.
- ☐ Housing Programs: Increase supportive housing, displacement protections, and other initiatives like renovation, first-time homebuyer assistance, and rental assistance.

☒ Required Output ☐ Needed for Required Output ☐ Must Consider

Required Checklist

This checklist provides the minimum required outputs, intended to assist DOLA staff during the review process.

Required Outputs

- (I) Estimate existing housing stock in the region and in each local jurisdiction that forms the region;

	Region Total for Regional HNA) or Local total (for a Local HNA)	Total for each government's jurisdiction in the region
Total Housing Units		

- (III) Estimate the number of households in the region and each local government's jurisdiction that forms the region;

	Region Total for Regional HNA) or Local total (for a Local HNA)	Total for each government's jurisdiction in the region
Total households		

- (IV) Estimate the number of jobs in the region and each local government's jurisdiction that forms the region, sorted by annual salary and wage;

Job Sector (include at least the top ten sectors in the study area)	Number of jobs (show region total and total for each county in the region)	Average annual wage (show for each county in the region)	Number of jobs by city/town jurisdiction
A row for each: Agriculture, Forestry, Fishing, and Hunting; Mining; Construction; Manufacturing; Wholesale Trade; Retail Trade; Transportation and Warehousing; Utilities; Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific and Technical Services; Management of Companies and Enterprises; Administrative and Waste Services; Educational Services; Health Care and Social Assistance; Arts, Entertainment, and Recreation; Accommodation and Food Services; Other Services (Except Public Administration); Public Administration;			
Total			

Required Checklist

This checklist provides the bare minimum of legislative requirements. The intent is to help DOLA staff in the review process.

Required Outputs

- (II) Estimate housing needs in the region and each local government's jurisdiction that forms the region, sorted by income level and dwelling type, including accessible units, supportive units, for-sale units, and rental units;

Existing Housing Needs

AMI Category	Total Units Needed*	Owner Units Needed	Renter Units Needed
Extremely Low Income ($\leq 30\%$ AMI)			
Very Low Income (31-50% AMI)			
Low Income (51-80% AMI)			
Moderate Income (81-120% AMI)			
Middle Income (120% AMI to locally defined market rate)			
Upper Income (above "Middle Income," if needed)			
Total Catch-Up Units Needed			

10 yr Projected Housing Needs

AMI Category	Total Units Needed*	Owner Units Needed	Renter Units Needed
Extremely Low Income ($\leq 30\%$ AMI)			
Very Low Income (31-50% AMI)			
Low Income (51-80% AMI)			
Moderate Income (81-120% AMI)			
Middle Income (120% AMI to locally defined market rate)			
Upper Income (above "Middle Income," if needed)			
Total Keep-Up Units Needed (10 years)			

Estimated Current Supportive Housing Needs

	Supportive Units
Total Estimated Units Needed	

Accessible and Vailable Units

	Total Units
Total Estimated Units Needed	

Required Checklist

This checklist provides the bare minimum of legislative requirements. The intent is to help DOLA staff in the review process.

Required Outputs

- (V) Estimate an allocation of housing needs identified in subsection (1)(c)(II) of this section to each local government in the region or contributing to housing needs in the region based on the number of jobs and each local government's dependence on jobs in the region, among other factors, to promote a balance of jobs at all salary levels and homes affordable to persons in the region holding jobs at all income levels in the region;

Allocation of Existing and 10-Year Projected Housing Needs*	Regional Study			Regional: Repeat for each county and jurisdiction or job market area in the region, as applicable. Local: Show estimated needs for the local area.		
	<i>Total Regional study total refers to the estimated housing needs for the current regional study area, or for a Local HNA, the housing needs allocated to the jurisdiction in a prior Regional HNA covering the Local HNA area (see Section 24-32-3702(1)(d)(V)).</i>					
AMI Category	Existing Housing Needs	Projected Housing Needs	Total Units Needed	Existing Housing Needs	Projected Housing Needs	Total Units Needed
Rentals						
Extremely Low Income ($\leq 30\%$ AMI)						
Very Low Income (31-50% AMI)						
Low Income (51-80% AMI)						
Moderate Income (81-120% AMI)						
Middle Income (120% AMI to locally defined market rate)						
Upper Income (above "Middle Income," if needed)						
Total Rental Units Needed						
Ownership						
Extremely Low Income ($\leq 30\%$ AMI)						
Very Low Income (31-50% AMI)						
Low Income (51-80% AMI)						
Moderate Income (81-120% AMI)						
Middle Income (120% AMI to locally defined market rate)						
Upper Income (above "Middle Income," if needed)						
Total Ownership Units Needed						

- (VI) Identify areas at elevated risk of displacement in the region and each local government's jurisdiction that forms the region (no chart format).