

City of Golden – Housing Needs Assessment Structure

TASK 1: PROJECT START-UP, BASELINE CONDITIONS (COMMUNITY / HOUSING), AND PATTERNS OF CHANGE

Kick-off meeting and Scope of Work development

Economic Base and Labor Force Trends – A review of current and historic labor force conditions which bear on housing needs - including occupational characteristics, commuting patterns, and unemployment conditions will also be synthesized. This task addresses, for example, the commute shed of employed Golden residents as well as the labor shed of Golden workers (many of whom do not also live in Golden, etc.).

Housing Gaps Analysis -- Patterns of Demographic and Housing Stock Change: Analyze and describe how housing inventory, affordability conditions, and needs relative to supply have changed over time in Golden. The existing supply of deed-restricted affordable housing units, sources of naturally occurring affordable units, and primary student housing supply will also be documented. Historical patterns of growth, demographic change, and housing stock conditions will be drawn upon to characterize important trends related to:

- the age composition of the population;
- the characteristics and make-up of households (e.g., size, family status, income);
- housing inventory and composition; and
- housing cost and affordability (e.g., burden rates).

This analysis evaluates and compares recent relationships between household size, income, and tenure to the existing housing inventory. The outcome of this comparison is a housing “gap analysis” that highlights the nature and scale of existing deficiencies in housing supply relative to need by price range or affordability level.

To identify replacement needs, contractors use Census data, local community input, and/or County Assessor records to quantify the amount and proportion of existing housing inventory that could need to be replaced in the near-term future (e.g., 10 years).

TASK 2: PRIMARY HOUSING MARKET RESEARCH

Housing Stakeholder Interviews: A series of one-on-one interviews with private market participants including developers and builders, residential brokers, property owners and lenders, and significant employers in Golden. Interviews also included representatives of the City and agencies such as CHFA and Foothills Regional Housing directed towards identifying:

- relevant geographic market areas for housing;
- past and present patterns of housing investment and economic change;
- housing development costs and financing parameters/barriers;
- the demographic make-up, geographic origins, and motivations of buyers and renters;

- the type, sizes and features of units for which demand appears to be the strongest and weakest; and
- factors and policies that discourage or encourage the development of market-rate and affordable housing within the community.

The interviews also provided a mechanism for developing potential consensus strategies or tools to address local housing deficiencies.

Community Housing Survey: Contractors designed a survey instrument to solicit insight, information, and feedback from existing Golden residents and workers. The survey focused on both qualitative and quantitative information related to current housing patterns, housing costs, preferences/needs, plans to move or change housing units, and factors most important to housing choices. The survey collected demographic, socio-economic and geographical information so that key results could be cross tabulated to determine statistical significance.

TASK 3: HOUSING NEEDS PROJECTION

Future Households and Employment in Golden: Drawing upon the results of primary research and analyses of secondary population, employment, and labor projections (such as those prepared by DOLA, the Colorado Department of Employment and Labor, and the Denver Regional Council of Governments), a 10-year projection of population, households, and employment for the Golden primary housing market area was developed. The future employment estimates will differentiate relevant economic sectors/occupational groups that bear on the size, tenure, and price of housing needed.

10-Year Housing Needs Projection: A forecast of housing needs by type of housing unit, tenure, and price point. This forecast identified new workforce housing needs and replacement needs segmented by housing income levels, expressed as brackets of Area Median Income (AMI). It also included housing needs that may arise from any anticipated enrollment growth at Colorado School of Mines, anticipated primary employer expansions, lifestyle changes that are evidenced by changing household arrangements (particularly at the senior age cohorts), as well as currently unmet housing needs among disadvantaged populations in the community. Standard HUD methodologies concerning housing affordability are utilized to estimate the price of housing afforded by various size and income segments of the population and household base. The forecast provided the basis from which to identify deficiencies (gaps) in future housing production relative to future need by price range or affordability level.

TASK 4: ECONOMIC ANALYSIS OF HOUSING DEVELOPMENT ALTERNATIVES

Housing Prototypes: Three “prototypical” housing development alternatives were developed which are likely to be representative of future needs and opportunities for infill development. This exercise described the amount and type of housing that could be developed on representative sites given estimates and assumptions about land area, housing density, parking requirements and other factors that influence housing development.

Real Estate Economic Analysis: Order-of-magnitude development cost estimates for each identified prototype were prepared based upon interviews with local builders/developers, real estate professionals, any input from City staff, and recent housing experience in Colorado. This analysis will consider current “market rate” sales prices or rents for new construction housing in Golden, operating or

selling expenses, financing parameters, and typical market expectations for return on investment or development profit. This analysis also included simulation of the real estate financial results of housing development/redevelopment from the perspective of a private developer. The results provide critical information and insight to identify the constraints and barriers to the provision of housing across all segments and income levels of predicted need. Such analyses helped to reach judgment concerning:

- Future housing needs likely to be feasibly met by private market-rate development.
- Production gaps which are likely to persist in the absence of subsidies or incentives (and the degree of assistance required to bridge these gaps); and
- The impact of prevailing construction costs, regulatory requirements, municipal impact fees, and so forth on housing affordability in Golden.

TASK 5: FINAL REPORT AND HOUSING STRATEGIES & POLICIES

Draft Report, Strategies, and Policies: Contractors completed a draft Housing Assessment report summarizing the technical results of the above tasks, including an identification of the amount of housing units needed relative to units currently available at affordable prices. Needs for a variety of housing typologies or categories will be described, potentially including but not limited to workforce housing, age-specific housing units, and infill multi-family.

The report was designed to:

- Identify immediate and longer-term housing and land use policy alternatives, including constraints within the City's control to remove, mitigate and/or induce feasible housing development and what types of public funding assistance may be required to encourage the types of housing needed (but not likely to be produced by private market participants).
- Identify potential policies or strategies to address the findings of each element of the housing assessment, including supply and production issues; the coherence of economic development and affordable housing; and zoning, infrastructure and/or regulatory barriers and policies.

Final Report & Presentation: The final report included input received from staff, commissioners, and council members on the draft report. The final report and key recommendations or policy alternatives were presented to City Council to seek their official acceptance of the report.