



Legislation Details (With Text)

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Title: Preliminary Analysis of Erie Housing Stock and Affordability Challenges

Sponsors:

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Attachments: 1. DRAFT_Prelim_Analysis_Memo_czb_for_Erie_Revision_9.8.22, 2. czb presentation

Date	Ver.	Action By	Action	Result
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Subject: General Business

Preliminary Analysis of Erie Housing Stock and Affordability Challenges

Department: Planning and Development

Presenter(s): Ariel Tolefree, Affordable Housing Manager

Time Estimate: 60 minutes

Staff Recommendation:

Discuss Housing Assessment findings and potential housing tools identified by consultants CZB

Summary and Background of Subject Matter:

The Board of Trustees wants to address the lack of affordable housing in the Town of Erie. Diverse, attainable and affordable housing contributes to community vitality and economic development, helps promote family stability, improves environmental outcomes, and increases public safety. In 2021, staff began looking at how to successfully implement an affordable housing policy in Erie. The first step in this effort was to conduct an Affordable Housing Assessment and Strategy. In 2022, and with grant funding from the Colorado Department of Local Affairs, staff hired CZB LLC, a consulting group, to assist staff in conducting the assessment and finding effective strategies to implement as part of an affordable housing program.

The Housing Needs Assessment and Strategy includes multiple milestones, including an initial memo (Attachment 1) outlining, on a preliminary basis with additional analysis to follow later, the Town of Erie’s existing housing stock, demand for affordable housing, and potential tools that will need to be analyzed as part of the next phase of developing the Town’s housing strategy. Staff, along with the

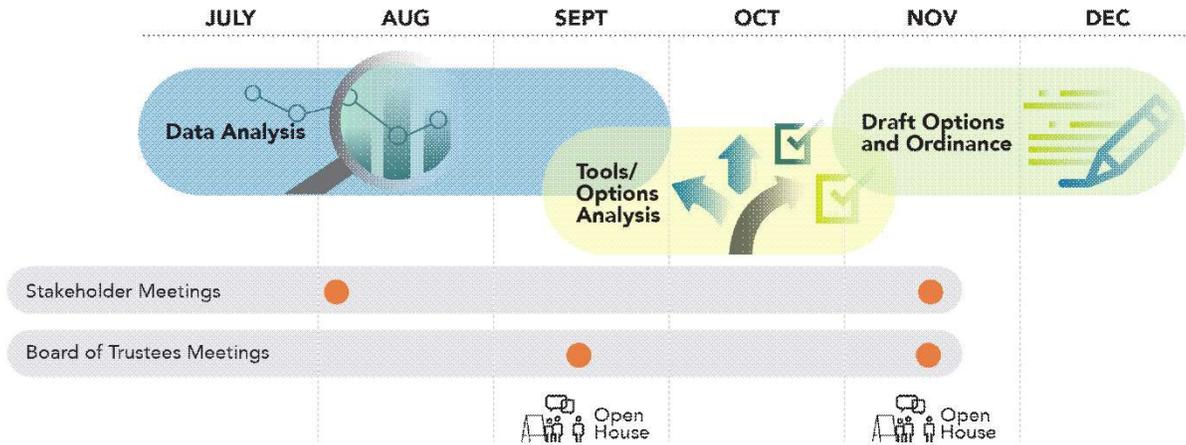
consultants, will begin working on a suite of solutions for the Town to create affordable and attainable (workforce) housing.

Key Takeaways from the memo include:

- Erie has significant affordability challenges for both owners and renters. In fact, less than half of the Town's housing stock is affordable to families with incomes at or less than the Town's area median income (approximately \$140,000, which is only enough to buy a home valued at \$500,000 or less). Additionally, 24% of Erie's households are considered housing cost-burdened, meaning they pay more than 30% of their gross income for housing.
- The Town lacks housing diversity, both in type and tenure. Nearly 90% of all Erie housing units are single-unit detached houses and 85% of all Erie households are homeowners.
- Purchasing a single-unit house, Erie's dominant housing type, typically requires an income of at least \$150,000 depending on a number of variables. Increasing affordability in Erie will require the Town to have more rental options than it currently has and more ownership opportunities at prices lower than what the prevailing market provides.
- The Town currently has no permanently affordable housing, so reaching the Town's goal of 12% affordability would require 30% or more of new units built between now and 2035 to be affordable.
- Several tools, including inclusionary housing, incentives, regulatory changes, and others, will need to be evaluated as the Needs Assessment moves forward in order to move closer to the Town's affordability goal.

The Affordable Housing Needs Assessment and Strategy will continue through the end of 2022, with several activities planned in the coming months, as shown in the graphic below.

- Analysis will continue through Fall of 2022, including evaluation of approaches to an inclusionary housing ordinance.
- Staff and consultants will share early findings at a public open house on September 22nd.
- During the Fall, staff and consultants will continue working on strategic options, beyond inclusionary housing, that the Town may consider adopting in the future to support affordable housing production.
- Staff and consultants will present additional analysis and strategic options to the Board of Trustees for consideration at a future meeting, tentatively in November.
- Additional stakeholder meetings and a second public open house will take place in November to share progress and test options.



Fiscal Impact:

none

Board Priority(s) Addressed:

- ✓ Engaged and Diverse Community
- ✓ Prosperous Economy
- ✓ Safe and Healthy Community
- ✓ Effective Governance
- ✓ Environmentally Sustainable
- ✓ Fiscally Responsible

Attachment(s):

1. Draft Preliminary Analysis Memo from CZB