

**TOWN OF ERIE
TOWN COUNCIL MEETING
AUGUST 12, 2025**

SUBJECT: Denver Regional Council of Governments (DRCOG) Regional Housing Needs Assessment

PURPOSE: Staff will present on the DRCOG Regional Housing Needs Assessment and seek comments from the Town Council to meet the Town’s obligations under SB24-174

DEPARTMENT: Planning and Development

PRESENTER: Eric Leveridge, Housing Management Analyst

STAFF RECOMMENDATION:

Staff recommend that the Town Council provide comment and utilize the Regional Housing Needs Assessment to comply with the housing needs assessment requirement of SB24-174.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

The Sustainable Affordable Housing Act, also known as SB24-174, was passed by the Colorado State legislature in 2024. While the law includes several provisions related to housing, one component is a requirement for local jurisdictions to conduct a housing needs assessment (HNA) that conforms to methodologies developed by the Colorado Department of Local Affairs (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 regional housing needs assessment that complies with DOLA’s methodology.

The Town of Erie completed the HNA in 2023, but it does not conform to the methodologies required by SB24-174. These criteria were finalized in December, 2024, well after the completion of the Town’s HNA. The Town of Erie can opt to participate in a process to meet the SB24-174 requirement using DRCOG’s Regional Housing Needs Assessment (RHNA). If the Town opts to utilize the DRCOG RHNA, the Town will not have to revise the 2023 Housing Needs Assessment. If the Town does not utilize the DRCOG HNA a new HNA, meeting State requirements would need to be completed by December 31, 2026.

Legislative Context

In May 2024, the State of Colorado passed Senate Bill 24-174 (SB24-174), known as the “Sustainable Affordable Housing Assistance” law. 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.

While the DRCOG RHNA 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 RHNA for compliance with SB24-174 if they choose to participate.

Compliance with SB24-174

Reviewing the RHNA at a public meeting of the governing body (Town Council) and submitting comments to DRCOG within a designated 60-day review period that ends on September 12, 2025, fulfills the participation requirements. While participation in the RHNA is optional, doing so allows a jurisdiction to comply with the housing needs assessment component of SB24-174.

After the review and comment period, DRCOG will submit the RHNA along with the comments of each local government to DOLA, the State agency designated to review and accept housing needs assessments.

DRCOG Regional Housing Needs Assessment

Residents and local governments in the Denver area face a variety of issues because of the current housing environment. In response to pressing housing challenges, DRCOG’s Board of Directors initiated a housing needs assessment for its member governments in 2023. The DRCOG RHNA is its leadoff housing planning effort and will be followed by a strategy that builds off the foundation it provides. The RHNA was reviewed and accepted by the DRCOG Board of Directors in October 2024 as a guide for future housing planning, strategy, and action.

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 DRCOG RHNA, the specified period is between 2023 and 2050.

The development of the DRCOG RHNA 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.

Analysis Findings

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.
- 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.

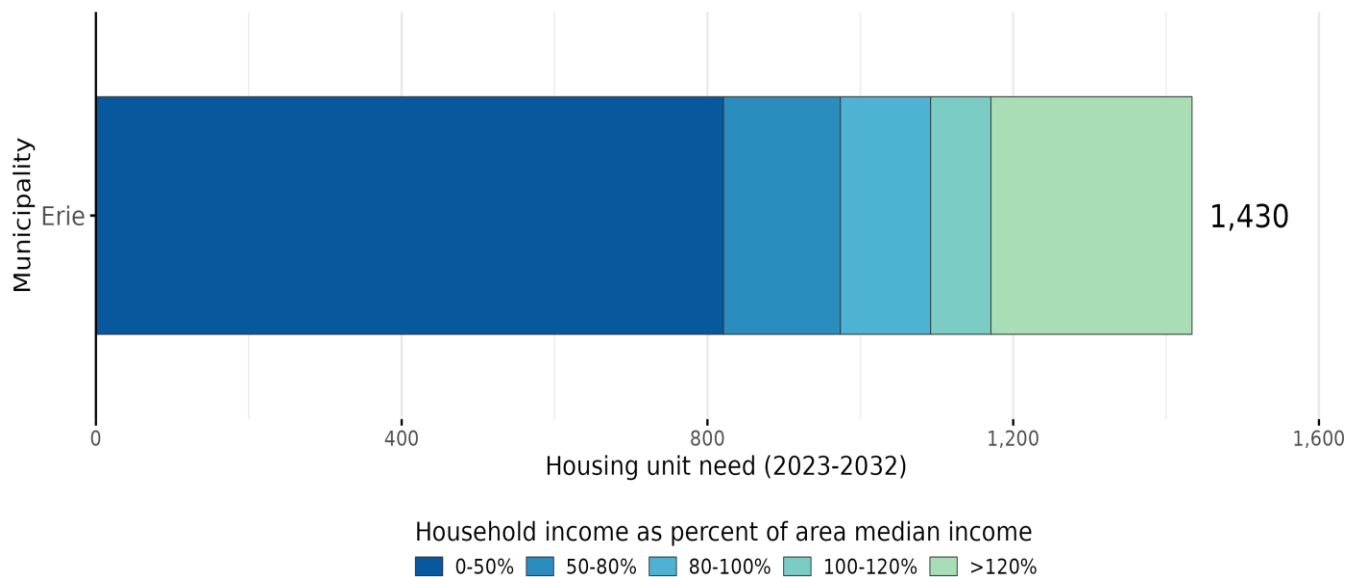
DRCOG's engagement efforts with local government staff, lending and investment institutions, developers, professional associations, State and regional agencies, consultants, infrastructure/utility providers, and advocacy organizations included discussions on increasing housing supply. Identified barriers 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 DRCOG RHNA (starting on page 24).

Housing Need in Erie

The RHNA 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 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.



Source: DRCOG, ACS PUMS 1-Year 2022, ECONW calculations

Figure 1: 10-year Housing Need in Erie

Figure 1, above, shows how many additional 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.

The breakdown of units by Area Median Income (AMI) level is shown in Table 1, below:

Table 1: Housing Unit Need by AMI Level

Household income as % AMI	Housing unit need
0-50%	821
50-80%	153
80-100%	118
100-120%	79
>120%	263

Figure 2, below, 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, with an increase in severely burdened renter households. Implementing a housing strategy that is proportionate to the housing need would provide relief to these households in the Erie community.

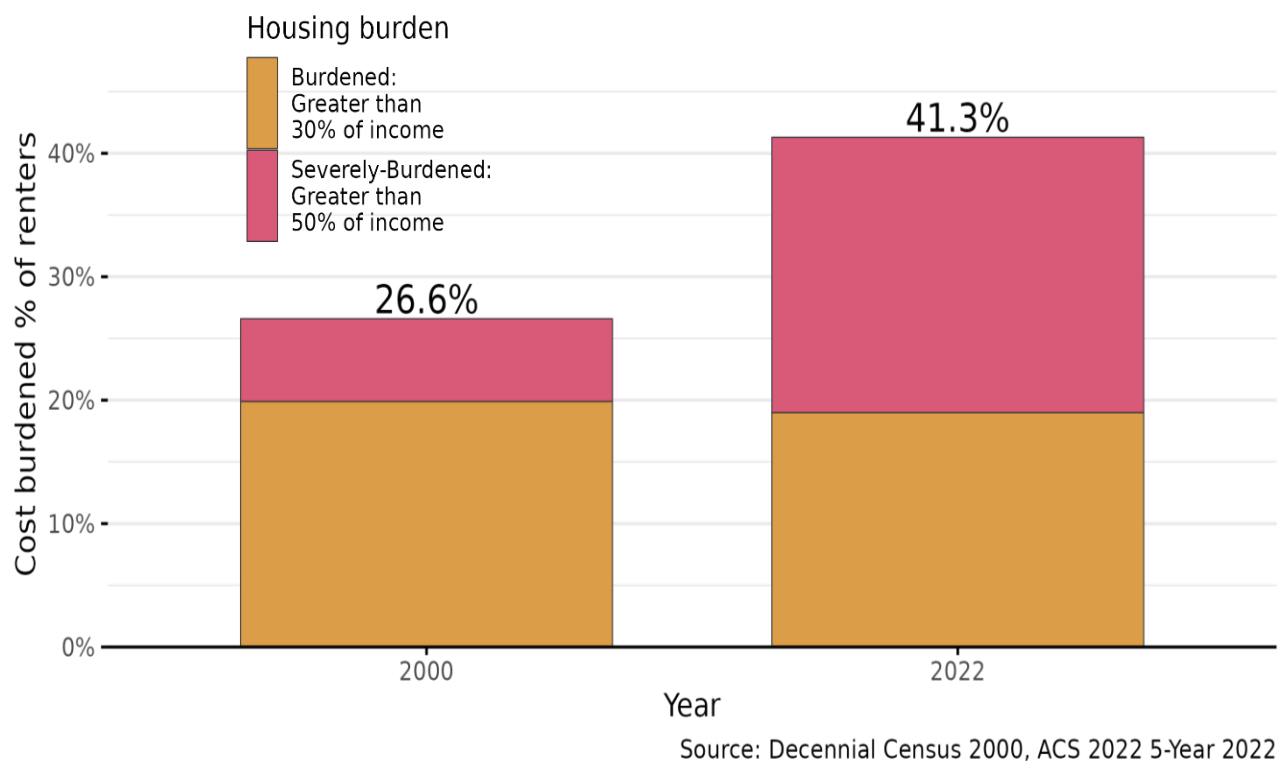


Figure 2: Cost Burdened Renter Households in Erie

Though the DRCOG RHNA does not include cost burden for homeowners, the 2000 Decennial Census found that 28.7% of Erie homeowners were cost burdened. While the 2022 American Community Survey 5-year estimate found that 20.2% of Erie homeowners were cost burdened, see Figure 3, below. Between 2000 and 2022, the number of Erie homeowners increased by 385%.

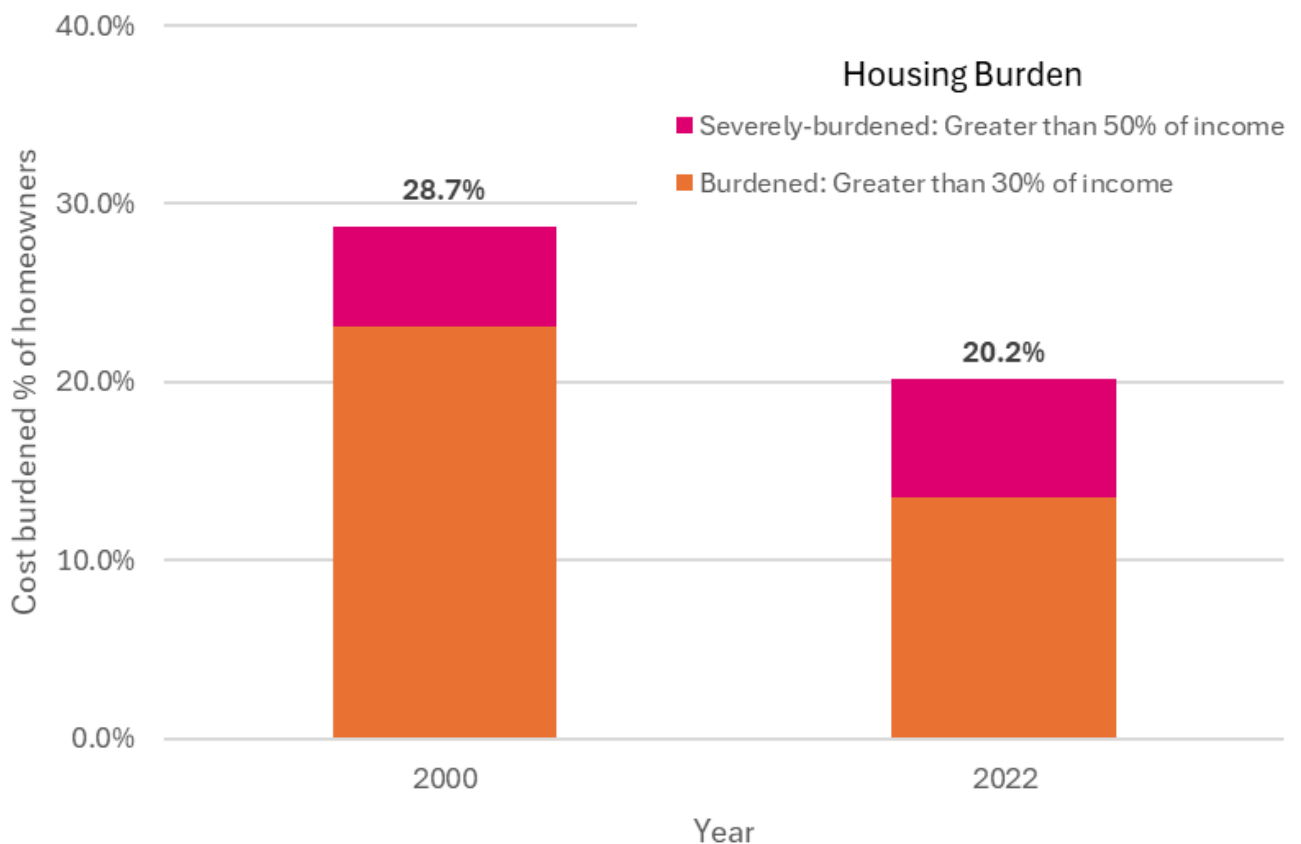


Figure 3: Cost Burdened Owner Households in Erie

There are some key differences between the DRCOG RHNA and the Town of Erie's 2023 Housing Needs Assessment:

- The DRCOG assessment projects housing needs into the future, whereas the Town's assessment is a point-in-time snapshot of housing conditions in the Town.
- The DRCOG assessment found that 41.3% of renters in the Town of Erie are cost-burdened, whereas the Town's assessment found that 54.7% of renters were cost-burdened. This is due to the Town's numbers being based on American Community Survey (ACS) 5-year estimate from 2020 and the DRCOG assessment being based on the ACS 5-year estimate from 2022.

- The Town's assessment listed the Town's total housing units as 8,912, compared to 10,300 in the DRCOG Assessment. For this number, the DRCOG Assessment utilized the 2022 American Community Survey 1-year estimate and the 2020 Decennial Census, while the Town's assessment used the 2020 American Community Survey 5-year estimate.
- The DRCOG assessment found that 87% of the Town's housing units were owner-occupied, compared to 85% in the Town's assessment. For this number, the DRCOG Assessment utilized the 2022 American Community Survey 5-year estimate and the Town's Assessment used the 2020 American Community Survey 5-year estimate.

Because Erie's HNA was completed prior to the law's passage and [guidance from DOLA](#) it does not meet some requirements:

- ***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.

Erie's HNA does not include an analysis of accessible, visitable or supportive units.

- ***Jobs by Salary*** - Estimate the number of jobs in each local government's jurisdiction, sorted by annual salary and wage.

Erie's HNA has some salary analysis, but it is not comprehensive and does not have any breakdown of the number of jobs in any category.

- ***Allocate Housing Needs*** - Distribute housing needs across jurisdictions based on job availability and local economic dependencies, among other factors.

Erie's HNA has some analysis of housing need by income level, but it is not tied to job availability, or local economic dependencies.

- ***Displacement Risk*** - Identify areas with elevated risks of displacement.

Erie's HNA does not have an analysis of displacement risk.

Producing a State-compliant local housing needs assessment by December 31, 2026, would require significant staff time and consultant services, neither of which has been budgeted for in fiscal year 2025 or 2026. Erie is not precluded from developing a compliant HNA later should the Council desire.

The RHNA 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. Staff recommend that the Town Council provide comment and utilize the RHNA to comply with the housing needs assessment requirement of SB24-174.

Next Steps

Once Town Council comments are submitted to DOLA in September, the Town will have met its SB24-174 requirements until January 2028, when the Housing Action Plan is due. The Regional Housing Partnership has started discussing developing a Regional Housing Action Plan that aligns with goals and initiatives, and staff will continue to update the Council on these efforts.

Attachments

1. Staff Report
2. DRCOG Regional Housing Needs Assessment
3. SB24-174 Signed Act
4. Staff Presentation