HOUSING NEEDS ASSESSMENT
TOWN OF SUPERIOR

December 2023

Prepared for: Town of Superior

Final Report

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Executive Summary

The rising housing prices in the Boulder County region impact all communities differently, and each community is searching for solutions tailored to their specific challenges. Superior faces similar issues to other regional communities, including the unaffordability of rental and homeownership options, increasing construction costs, and limited available land. However, Superior also has its own distinct challenges that necessitate focused solutions.

An essential component of Superior's solutions is this Housing Needs Assessment (HNA) report, which synthesizes background data and information to comprehend Superior's current demographic and housing market conditions. The HNA examines various housing-related factors, including income, employment, population, household characteristics, housing costs, and affordability. The HNA serves as a foundation for the development of the housing strategic plan.

The following section summarizes the most salient findings of this housing needs assessment.

Who Lives in Superior Today?

The population of Superior is generally younger, and most households consists of families with children.

- Superior's population skews younger, with the largest cohort being residents under 19 years of age (30 percent) followed by those 25 to 44 years old (29 percent).
- Approximately 40 percent of households are couples with children, with half of Superior households comprising 3 or more persons, indicating that these household characteristics are of families.

Superior's senior population is rapidly growing. This growth is unlikely to slow as millennials and Gen Xers grow older.

- Seniors aged 65 years and older experienced the fastest growth since 2011, increasing by 246 percent. This notable increase in the population aged 65 years and older suggests that Superior is experiencing a substantial aging trend. This could be due to factors such as improved health care, an attractive environment for retirees, families aging in place, or an influx of older adults seeking a peaceful lifestyle.
- Millennials and Gen Xers represent about 57 percent of Superior's population. As this population ages, Superior's senior population will continue to grow.

Renter households are typically smaller in size (1 and 2-person households) and generally live in apartments.

- About 62 percent of the renter-occupied housing in Superior is occupied by households with 1 to 2 persons.
- Owner-occupied housing is generally occupied by families with 3 or more persons.

Superior is an affluent community where households have one of the highest median household incomes in the County.

- In 2021, Superior had a median household income of $131,000—the second-highest median household income when compared to the following comparison cities of Erie, Lafayette, Louisville, Longmont, and Boulder.
- Incomes for owner households are generally higher than renter households.
- The median household income of renters and owners in Superior is the highest when compared to Erie, Lafayette, Louisville, Longmont, and Boulder.

Superior's population has grown to be more racially and ethnically diverse.

- While the majority (70%) of Superior's population identify as White, most racial and ethnic groups have increased since 2011. The Asian population is the second-largest racial group (17%), followed by the Hispanic population (9%).
- The Black or African American population was the only racial group that experienced a decrease since 2011.

What Are the Current Housing Conditions in Superior?

The majority of Superior's housing stock is single-family detached—with limited diversity of housing types.

- The majority (60%) of housing inventory in Superior is single-family detached. Superior primarily built single-family homes throughout the 2000s and 2010s. Only starting in 2020 did multifamily building permits outnumber single-family permits.

The Marshall Fire has further exacerbated the lack of available housing in Superior, while demand for housing is high and overall housing vacancy is very low.

- The Marshall Fire of 2021 destroyed 390 residential properties and 4 commercial properties.

- Superior had a housing vacancy of 2.5 percent in 2021—one of the lowest compared to Erie, Lafayette, Louisville, Longmont, and Boulder. For comparison, Boulder County had a housing vacancy of 5.9 percent in 2021.

Homeownership rates have fallen in Superior, while more households tend to rent.

- In Superior, homeownership rates have decreased 10 percent since 2010, while homeownership rates remained stable in Boulder County and Colorado.
- The share of Superior households who rent increased from 30 percent in 2011 to 40 percent in 2021. This underscores the significance of having rental housing that is both of good quality and reasonably priced.

Incomes have not kept pace with the rising housing costs. Housing attainability in Superior has become challenging for many residents.

- While a household earning 100 percent of the area median income ($144,100) can afford the average rent, they cannot afford to purchase a home at the median price ($724,300). A Superior household would need to make $181,000 or more to afford the median-priced home in 2023. This suggests that higher-income households likely have a better chance of homeownership while lower and median-income households might be limited to renting.
- The inability of a moderate-income household to afford the median-priced home raises questions about the potential barriers to homeownership in Superior. Factors such as high down payment requirements, stricter mortgage lending criteria, and rising home prices relative to income growth can make it difficult for many households to enter the homeownership market.
- In 2021, about 40 percent of renter households in Superior were considered cost burdened. This means that these households are spending 30 percent or more of their annual income on housing costs.

What Types of Housing Will Future Residents Need?

Superior needs a diversity of housing types to support the needs of its existing residents and those who are employed in Superior but can't afford to live here. Increasing the supply of both renter and ownership product units is important for Superior.

- If the demand for housing, particularly for homeownership, exceeds the available supply, it can drive up home prices and make it challenging for households with moderate incomes to purchase a home. Similarly, if the demand for rental housing exceeds the available supply, it can drive up rent prices and price out households that rent in Superior.

- Downtown Superior, a key growth area, has recently started construction and has built several hundred housing units of diverse housing types. Some future housing needs can be met by the new homes built in Downtown Superior while also looking for strategic locations for infill development.

As Superior's population ages, there will be a growing need for housing to accommodate this demographic group.

- Superior's aging population will need housing that meets various household needs such as wanting to downsize (smaller housing units), aging in place (adaptable homes and nearby services), or multigenerational living (attached or detached accessory dwelling unit).

Superior will have more middle-aged millennials wanting to get into the homeownership market.

- Homeownership for millennials will increase as they age. As a result, there will be a demand for starter homes and relatively affordable types of ownership and rental housing.
- Additionally, to accommodate the housing needs for this population group, there will need to be more one- and two-bedroom housing units and housing near major employment centers and services.

1. Introduction

1.1 Purpose and Context

Across Boulder County and beyond, the rising cost of renting and buying a home has created major housing challenges, especially in locations where housing supply hasn't kept pace with demand. Historically, Superior has enjoyed a relatively affordable housing market, but housing costs are also increasing here while supply is low. For example, as of June 2023, the average home sales price in Superior was $724,000, with homes selling in around 32 days. The homes lost to the Marshall Fire in 2021 further exacerbated our tight housing market.

To address this growing issue, the Town of Superior is conducting research to gain a better understanding of the housing needs and gaps specific to Superior residents. Through this research and engagement process, the Town aims to gather the necessary information and analysis to develop strategies and actions that will culminate in a plan to guide the Town's work in the coming years.

A critical and initial component of this work is the Housing Needs Assessment (HNA) that provides the data and analysis required to understand Superior's existing conditions and needs. The Housing Needs Assessment looks at many factors related to housing in Superior—such as income and employment, population and household characteristics, and housing costs and affordability—to provide a clear picture of the state of housing in Superior. The Housing Needs Assessment serves as a foundation for the development of the housing strategic plan.

1.2 Organization of This Report

The remainder of this document is organized into the following sections:

- **Section 2. Economic Trends and Conditions** summarizes key components of Superior's economy such as employment trends, wages, commute patterns, and household income.
- **Section 3. Demographic Profile** describes Superior's household characteristics and change over time, which is important for understanding resident's housing needs.
- **Section 4. Housing Profile and Market Trends** summarizes Superior's housing market, including housing supply, availability and vacancy, and development trends.

- **Section 5. Housing Attainability** summarizes housing costs in Superior and describes the different price points that households can afford based on area median incomes and wages.
- **Section 6. Marshall Fire Recovery** describes the Town's efforts to rebuild after the devastating Marshall Fire.
- **Section 7. Population Forecast** summarizes population forecasts in the next 20 years for Superior.
- **Section 8. Future Housing Need** summarizes the future housing need necessary to accommodate future population growth.

2. Economic Trends and Conditions

This section discusses key components of Superior's economy, which affect the demand for and cost of housing. The section summarizes Superior's employment trends, wages, commute patterns, household incomes, and other labor market indicators.

Key Findings

Superior is an affluent community where households have one of the highest median household incomes in the County.

- In 2021, Superior had a median household income of $131,000—the second-highest median household income when compared to Erie, Lafayette, Louisville, Longmont, and Boulder.
- Incomes for owner households are generally higher than renter households.
- The median household income for renters and owners in Superior is the highest when compared to Erie, Lafayette, Louisville, Longmont, and Boulder.

Continued employment growth linked to housing choices for large and growing sectors of the workforce.

- Between 2010 and 2020, Superior added 902 jobs, an increase of 51 percent. In comparison, Boulder County added 23,471 jobs, an increase of 18 percent.
- Superior's employment is concentrated in two industries: services and retail. Combined, these two industries make up approximately 71 percent of the total jobs in Superior.

- The services industry generally employs people with high skills and, as a result, wages earned in this industry average $84,000. The retail industry employs many lower-wage positions, with the average annual wage in Boulder County being $39,000. While a critical part of the economy, residents working in the retail industry may struggle to pay for housing in Superior where housing costs are high.

Most Superior jobs are filled by commuters who live outside of town, while most Superior residents commute elsewhere to work.

- Superior has a commute influx where 92 percent of jobs (2,462 positions) are filled by individuals who commute from locations outside of Superior. This could suggest that workers do not earn enough to afford to live in Superior.
- Superior residents commute elsewhere for work. A significant number of residents (5,846 individuals) from Superior travel to other counties for work. This highlights that residents commute long distances for work within the Denver Front Range region.

2.1 Income and Employment

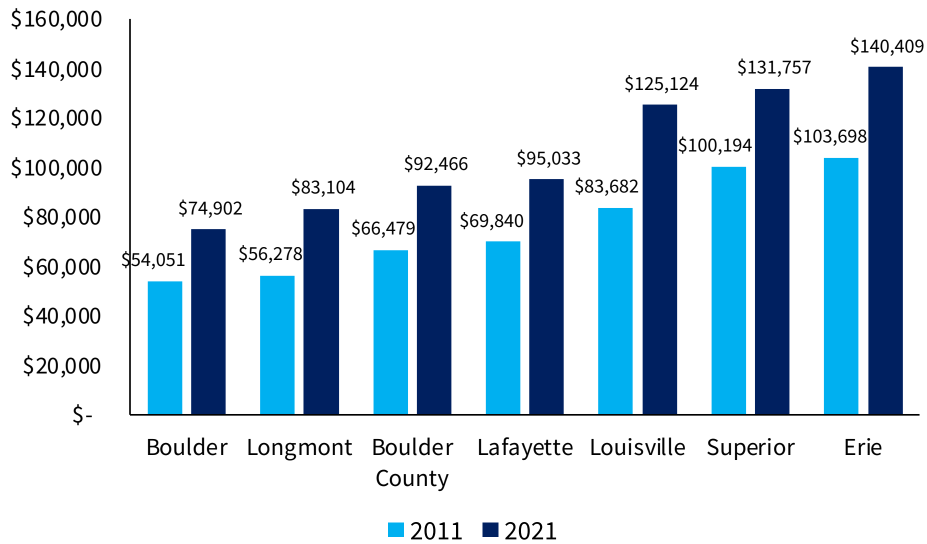
The ability of a household to acquire adequate housing is related to household income, whether earned or from other sources. Household income is oftentimes the crucial factor in evaluating the size and type of housing available for any given household. Household income can vary greatly across many demographic factors, including race, gender, tenure, and household type. While higher-income households have more discretionary income to spend on housing, low- and moderate-income households often face limited choices in the housing they can afford.

2.1.1 Household Median Income, 2011 and 2021

Since 2011, Superior has had the second-highest median household income when compared to the cities of Erie, Lafayette, Louisville, Longmont, and Boulder. In 2021, Superior had a median household income of $131,757. This is substantially higher than the median household income of $92,466 in Boulder County. Erie had the highest median household income at $140,409.

Exhibit 1. Median Household Income, Superior and Comparison Cities, 2011 and 2021

Source: American Community Survey (ACS) 2011 and 2021 5-year estimates



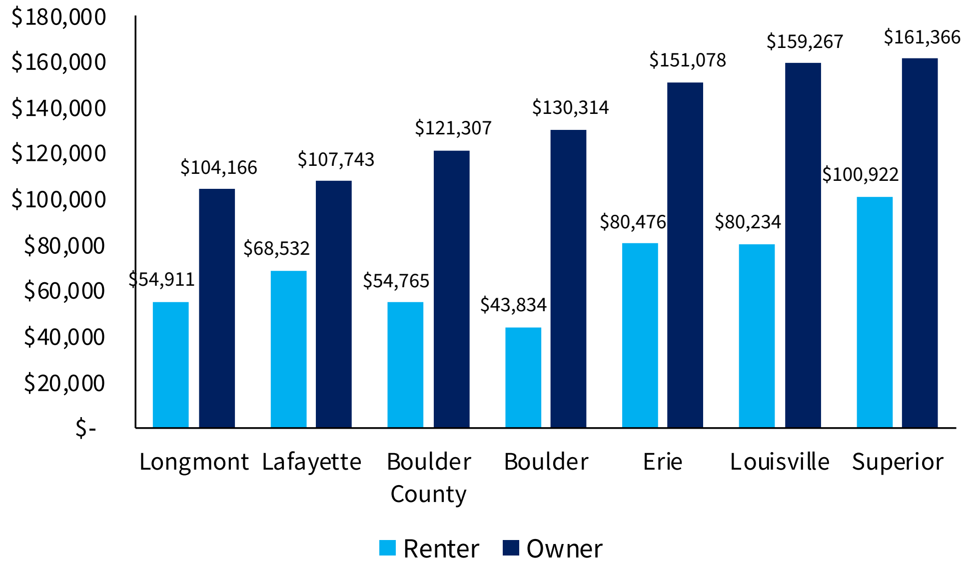
2.1.2 Renter Median Household Income vs Owner Median Household Income, 2021

Analyzing income disparity between renters and homeowners helps identify potential disparities in housing affordability. For example, if the median income of renters is significantly lower than that of homeowners, it might indicate that a larger portion of renter incomes are being dedicated to housing costs, potentially highlighting affordability issues for renters.

Superior has the highest renter and owner median household income when comparing it to the other comparison cities. Superior's renter median household income was $100,922 in 2021, while the owner median household income was $161,366; these trends indicate that Superior is an affluent community.

Exhibit 2. Renter Median Household Income vs Owner Median Household Income, 2021

Source: American Community Survey (ACS) 2021 5-year estimates

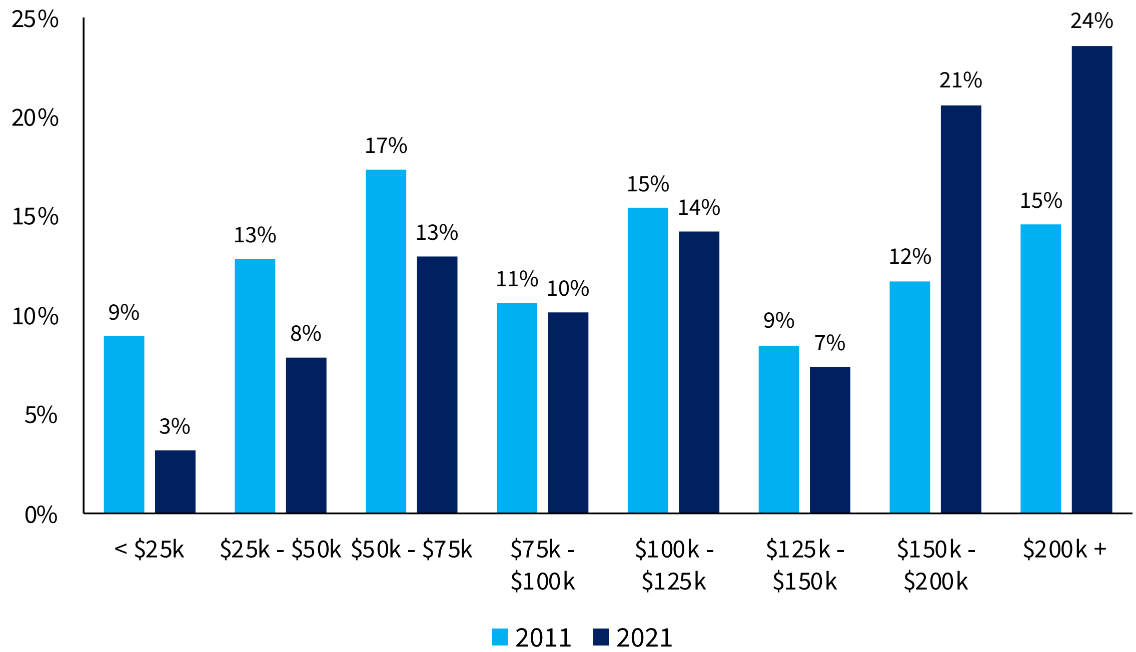


2.1.3 Household Income Distribution in Superior, 2011 and 2021

Since 2011, the share of households in Superior with the highest incomes has grown. In 2021, 45 percent of households had incomes greater than $150,000, compared to 27 percent in 2011. The share of households with incomes less than $75,000 has declined from 39 percent in 2011 to 24 percent in 2021. The share of households with moderate incomes has remained relatively stable during this period. Note that these amounts are not adjusted for inflation. The increase in households making over $150,000 and the decrease in households making $75,000 or less could indicate housing affordability challenges where rising housing costs and living expenses might be pushing out lower-income households.

Exhibit 3. Household Income Distribution, Superior, 2011 and 2021

Source: American Community Survey (ACS) 2011 and 2021 5-year estimates



* These incomes are in nominal dollars for each year. They are not adjusted for inflation.

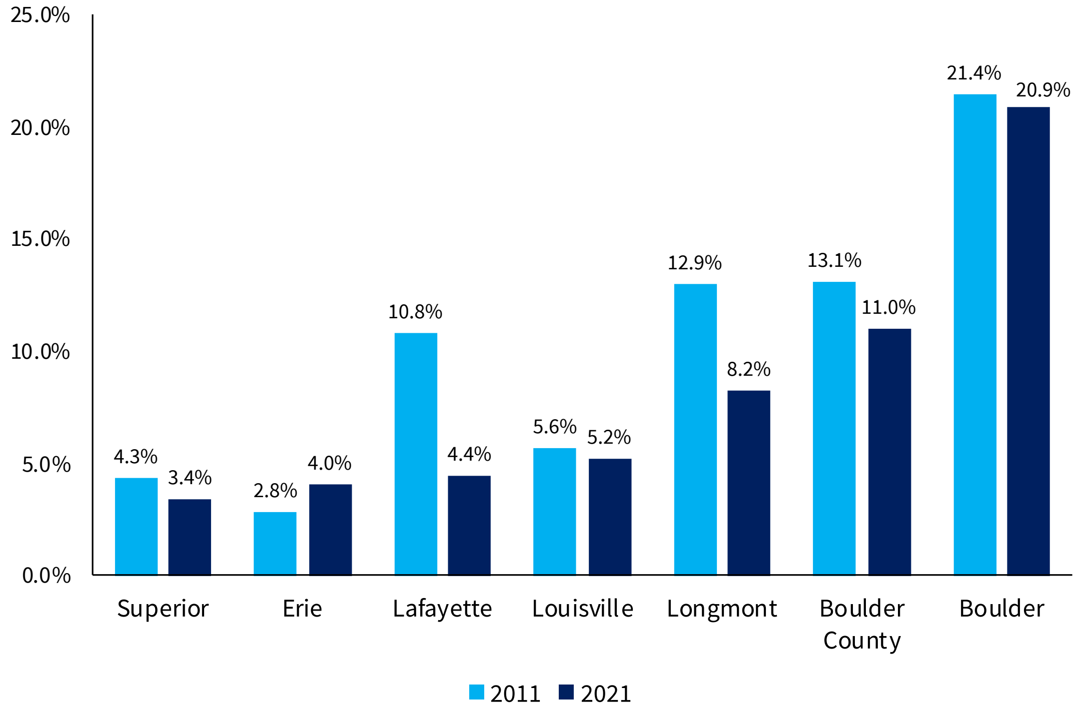
2.1.4 Poverty Rate

Monitoring the poverty rate over time is critical for assessing a community's needs and understanding hardships. A substantial change in the poverty rate over time can be a sign of an important trend, such as a deepening or an amelioration of economic distress or changes in the composition of an area's population due to a shortage of affordable housing.

In Superior, the share of people in poverty decreased from 4.3 percent in 2011 to 3.4 percent by 2021. Similarly, Boulder County and several comparison cities experienced a decline in the share of residents living in poverty. The overall decline in poverty rates in Superior and Boulder County indicate that there is a strong job market, which has provided stable employment opportunities for residents as well as an educated and skilled workforce.

Exhibit 4. Share of Population Living Below Poverty Level, Superior and Comparison Cities, 2011-2021

Source: American Community Survey (ACS) 2011 and 2021 5-year estimates



2.2 Employment Trends

2.2.1 Employment by Sector

Employment growth accompanied population growth in Superior between 2010 and 2020, especially in the sectors of manufacturing; education; and wholesale trade, transportation, and utilities (WTU). Between 2010 and 2020, employment in Superior grew 51 percent from 1,779 jobs to 2,681 jobs while Boulder County's employment grew 18 percent from 128,271 jobs to 151,742 jobs.

Between 2010 and 2020, employment in the goods-producing sector grew 364 percent, representing about 13 percent of the total employment in Superior. Services-producing jobs, which make up most of the jobs in Superior, grew 37 percent.

Services is the primary employment concentration in Superior, accounting for 48 percent of total jobs, and is mostly driven by the town's rapid population growth. Retail is the second-largest concentration of jobs in Superior, representing 23 percent of jobs in the town.

The finance, insurance, and real estate sector experienced a slight decline in jobs between 2010 and 2020.

Exhibit 5. Employment by Industry in Superior, 2010 and 2020

Source: Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employer Statistics (LODES)

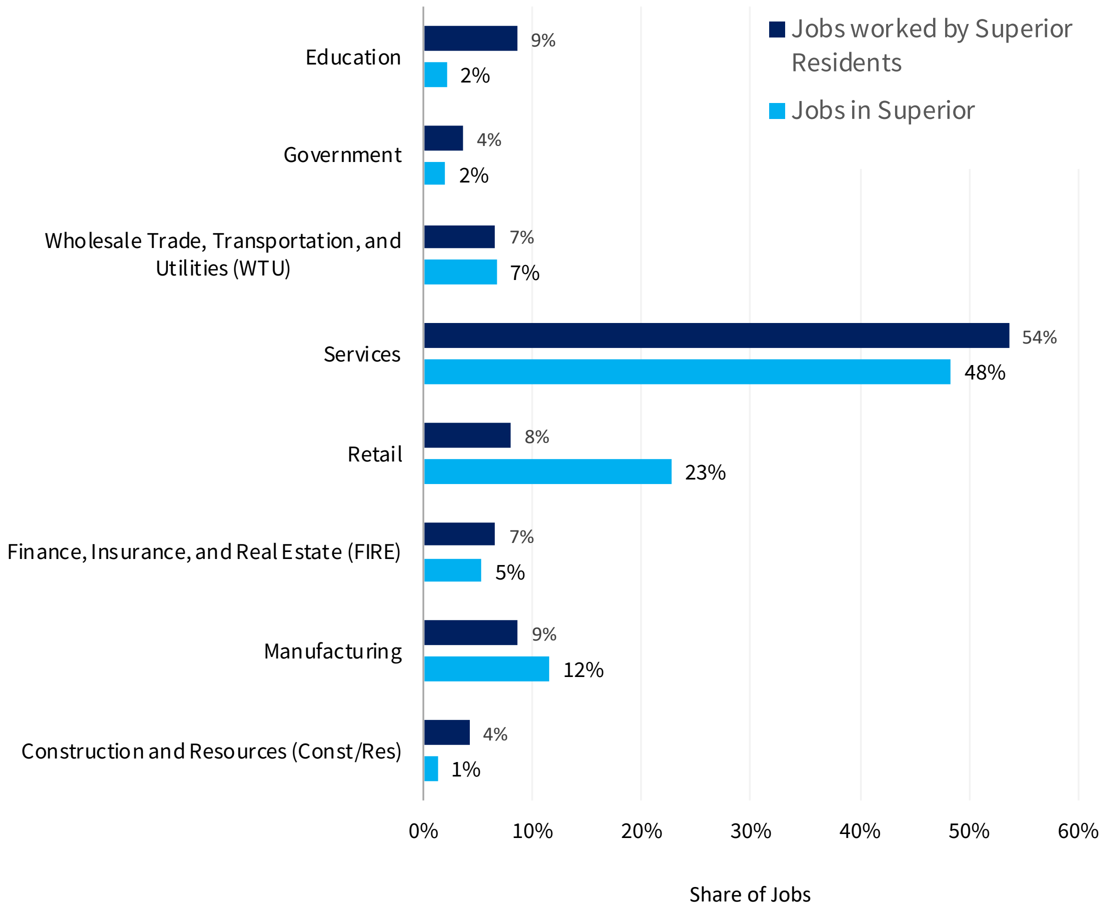
	2010		2020		Percent Change
Industry	Number	Percent	Number	Percent	2010-2020
Goods Producing	**74**	**4%**	**343**	**13%**	**364%**
Construction and Resources (Const/Res)	23	1%	34	1%	48%
Manufacturing	51	3%	309	12%	506%
Services Producing	**1,705**	**96%**	**2,338**	**87%**	**37%**
Finance, Insurance, and Real Estate (FIRE)	150	8%	143	5%	-5%
Retail	447	25%	609	23%	36%
Services	989	56%	1,296	48%	31%
Wholesale Trade, Transportation, and Utilities (WTU)	54	3%	179	7%	231%
Government	51	3%	54	2%	6%
Education	14	1%	57	2%	307%
Total Employment	**1,779**		**2,681**		**51%**

The exhibit below shows the jobs that Superior has and where residents work. Over half of Superior residents work in the services sector, where a typical worker earns approximately $84,000 annually in Boulder County. The other major industries where superior residents work include education, manufacturing, and retail. Residents working in education and retail on average earn $44,000 or less annually, while those working in manufacturing earn approximately $88,000 annually.

The services sector includes industries in information; professional, scientific, and technical services; management of companies and enterprises; administration and support; waste management and remediation; health care and social assistance; arts, entertainment, and recreation; and accommodation and food services.

Exhibit 6. Employment in Superior and Where Residents Work, 2020

Source: Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employer Statistics (LODES)



Overall, the County's employment has grown by 18 percent, an increase of 23,471 jobs. Compared to Superior, employment in Boulder County is concentrated more heavily in services, which makes up 59 percent of total jobs. The industries with the most growth between 2010 and 2020 include wholesale trade, transportation, and utilities (33 percent) and education (48 percent). As in Superior, the finance, insurance, and real estate sector across the County declined slightly, at 3 percent.

Exhibit 7. Average Employment by Industry in Boulder County, 2010-2020

Source: Bureau of Labor Statistics

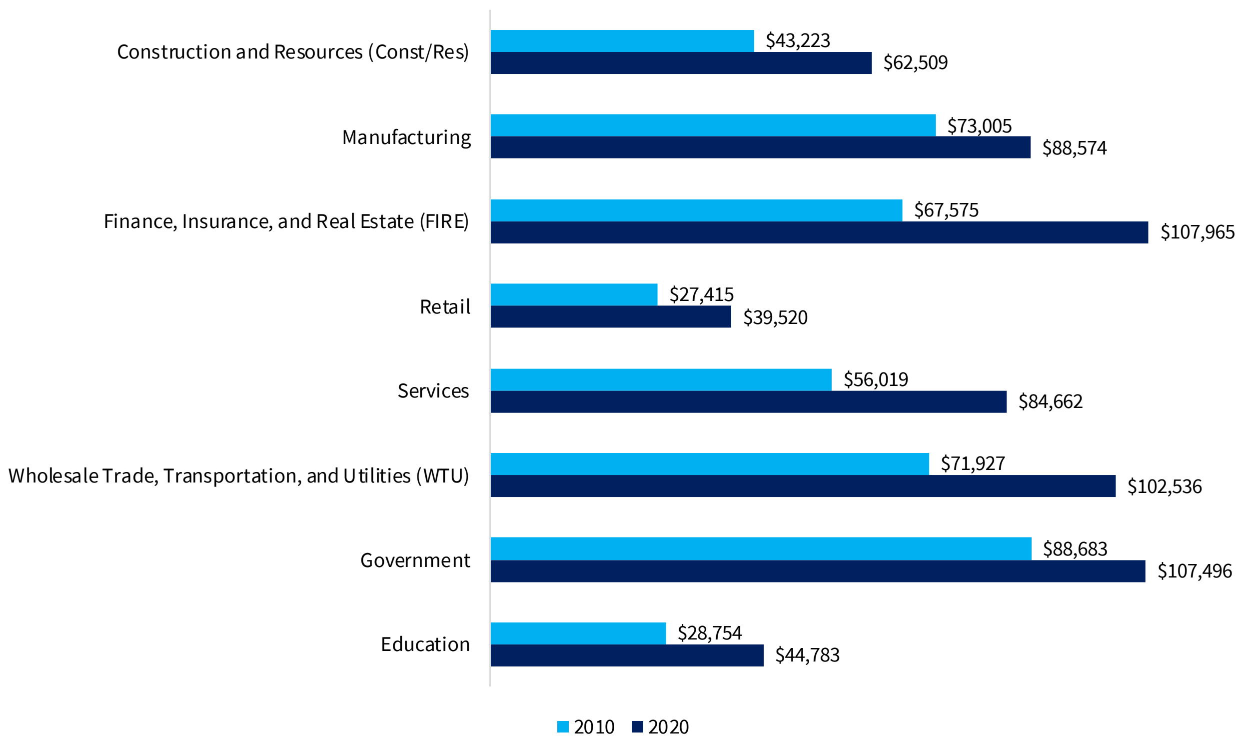
Industry	2010 Number	2010 Percent	2020 Number	2020 Percent	Percent Change 2010-2020
Goods Producing	**20,173**	**16%**	**26,300**	**17%**	**30%**
Construction and Resources (Const/Res)	4,971	4%	6,186	4%	24%
Manufacturing	15,202	12%	20,114	13%	32%
Services Producing	**108,098**	**84%**	**125,442**	**83%**	**16%**
Finance, Insurance, and Real Estate (FIRE)	6,920	5%	6,716	4%	-3%
Retail	15,181	12%	16,551	11%	9%
Services	75,536	59%	88,922	59%	18%
Wholesale Trade, Transportation, and Utilities (WTU)	6,275	5%	8,332	5%	33%
Government	2,319	2%	2,153	1%	-7%
Education	1,867	1%	2,768	2%	48%
Total Employment	**128,271**		**151,742**		**18%**

2.2.2 Average Wages in Boulder County, 2010-2020

In Boulder County, average annual wages in the finance, insurance, and real sector have grown the most since 2010 (by 60 percent) despite the decline in overall employment in these categories, as shown in Exhibit 7. In 2020, these jobs had the highest average annual wage at $107,965. The government and wholesale, trade, and utilities (WTU) industries also have annual wages greater than $100,000 as of 2020. Manufacturing and government jobs in Boulder County experienced the lowest wage increase since 2010 (21 percent). Average wage data is only available at the County level.

Exhibit 8. Average Wages by Industry in Boulder County, 2010-2020

Source: Bureau of Labor Statistics



2.2.3 Education Attainment

A community with a significant percentage of college-educated individuals often sees a concentration of advanced-skill jobs with higher pay, leading to higher household incomes.

A large share of Superior's population is college educated. As of 2021, 40 percent of Superior residents had a bachelor's degree and 37 percent had a graduate degree. Only 7 percent of adult residents had a high school degree or had not completed high school.

Exhibit 9. Education Attainment in Superior, 2021

Source: American Community Survey (ACS) 2021 5-year estimates

Education Attainment	Total	Percent
Less than High School Degree	161	2%
High School Degree	421	5%
Some College or Associate Degree	1,397	16%
Bachelor's degree	3,494	40%
Advanced Degree	3,222	37%

2.2.4 Commuting Patterns

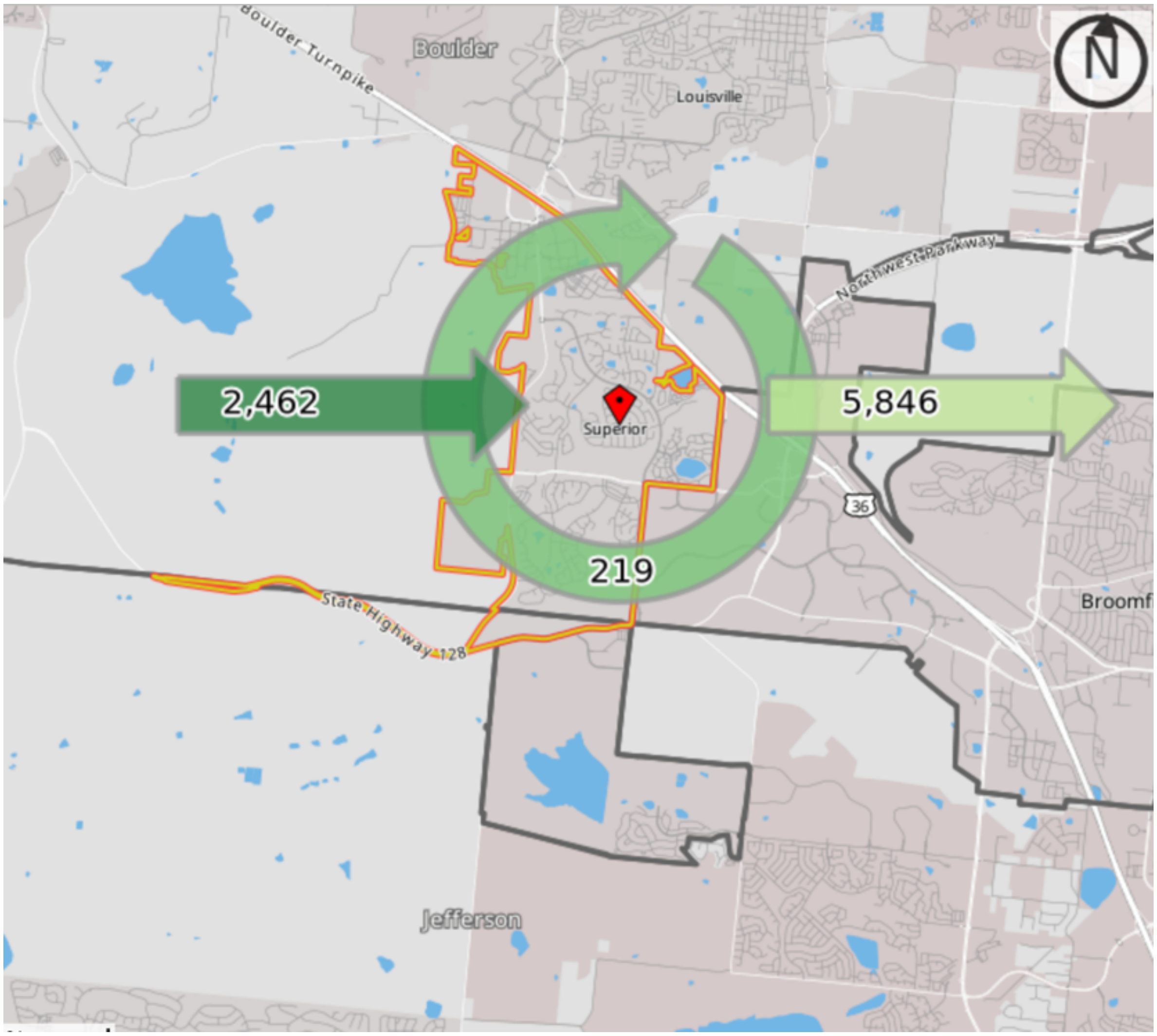
According to the Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employer Statistics (LODES) program, 2,462 of the 2,681 jobs located in Superior (92 percent) are held by commuters coming in from outside of the town. The other 219 jobs (8 percent) are held by residents who also live in Superior. An additional 5,846 jobs are held by residents of Superior who travel to another county for work.

The top 5 counties where residents of Superior travel for work include the following:

39.1%	**17.3%**	**11.0%**	**8.7%**	**7.8%**
2,369	1,050	669	526	473
Boulder County	Denver County	Jefferson County	Adams County	Broomfield County

Exhibit 10. Commuting Patterns, Superior, 2020

Source: Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employer Statistics (LODES)



3. Demographic Profile

This section provides an overview of Superior's demographics, which provides a foundational context for the housing market profile and conditions. The discussion is organized around population growth and forecast, household characteristics, and race and ethnicity.

Key Findings

Key highlights in Superior's demographic trends include:

Superior grew steadily in the past decade, and forecasts indicate that it will grow at a slightly faster rate over the next two decades.

- Between 2011 and 2021, Superior grew by 482 new residents. Compared to other cities in Boulder County, Superior experienced the smallest population growth by percentage.
- In the next two decades, Boulder County is anticipated to grow by nearly 52,000 people, which will continue to add pressure for additional housing in Superior to accommodate a portion of this growth.

The population of Superior is generally younger, and most households consists of families with children.

- Superior's population tends to skew younger, where the population under 19 years of age comprises the largest cohort of residents (30 percent) followed by those 25 to 44 years old (29 percent).
- Approximately 40 percent of households are couples with children. Half of Superior households have 3 or more persons, indicating that these household characteristics are of families.

Superior's senior population is rapidly growing. This growth is unlikely to slow as millennials and Gen Xers grow older.

- Seniors aged 65 years and older experienced the fastest growth since 2011, increasing by 246 percent. This notable increase in the population aged 65 years and older suggests that Superior is experiencing a substantial aging trend. This could be due to factors such as improved health care, an attractive environment for retirees, families aging in place, or an influx of older adults seeking a peaceful lifestyle.
- Millennials and Gen Xers represent about 57 percent of Superior's population. As these populations age, Superior's senior population will continue to grow.

Superior's population has grown to be more racially and ethnically diverse.

- While the majority of Superior's population identify as White (70 percent), most racial and ethnic groups have increased since 2011. The Asian population is the second-largest racial group (17 percent), followed by the Hispanic population (9 percent).

- The Black or African American population was the only racial group that experienced a decrease since 2011.

3.1 Household Characteristics

The characteristics of a community's households impact the type of housing needed in that community. This section discusses the household characteristics affecting the housing needs of Superior residents.

The U.S. Census Bureau defines a household as all persons who occupy a housing unit, which may include families, single persons, and unrelated persons sharing a housing unit (such as roommates). Persons residing in group quarters such as dormitories or retirement homes are not considered households.

The characteristics of a community's households serve as important indicators of the type and size of housing needed in the town. For instance, single-person households often occupy smaller apartment units or condominiums, such as studios, one-bedroom units, or accessory dwelling units (ADUs). Married couples often prefer larger single-family homes, particularly if they have children. This underscores the need to provide a diversity of housing opportunities.

3.1.1 Population and Households

Population growth and household formation are the primary drivers of demand for housing. The rate of population growth and household characteristics heavily influence the demand for specific housing types.

Exhibit 11 shows population growth in Superior and comparison cities within Boulder County between 2011 and 2021. Since 2011, Superior has added 481 new residents. This increase represents the smallest growth among the comparison cities in real terms and the smallest average annual growth rate, at 0.38 percent.

Exhibit 11. Historical Population Growth, Superior and Comparison Cities, 2011-2021

Source: DOLA, Colorado State Demography Office, ECONorthwest

			2011-2021 Change	
	2011	2021	Number	AAGR
Superior	12,572	13,053	481	0.38%
Erie	8,711	13,124	4,413	4.18%

	2011	2021	2011-2021 Change Number	AAGR
Lafayette	24,722	31,035	6,313	2.30%
Longmont	87,390	98,117	10,727	1.16%
Louisville	18,560	20,855	2,295	1.17%
Boulder	100,233	106,978	6,745	0.65%
Boulder County	300,526	329,793	29,267	0.93%

Exhibit 12 represents historical household growth in Superior and comparison cities. Between 2011 and 2021, Superior grew by an estimated 243 households, or a 5 percent increase in total households. This increase was the lowest rate among the comparison cities. In comparison, Erie saw the largest household growth during the same period, at 48 percent (or 1,408 households).

Exhibit 12. Historical Household Growth, Superior and Comparison Cities, 2011-2021

Source: DOLA, Colorado State Demography Office, ECONorthwest

			2011-2021 Change	
	2011	2021	Number	Percent
Superior	4,539	4,781	243	5%
Erie	2,923	4,331	1,408	48%
Lafayette	9,772	12,414	2,642	27%
Longmont	34,004	39,563	5,559	16%
Louisville	7,669	8,618	948	12%
Boulder	46,404	49,299	2,894	6%
Boulder County	121,382	132,009	10,627	9%

3.1.2 Average Household Size

Superior had an average household size of 2.73 in 2021. This is the second-largest average household size when compared to the comparison cities and County. Boulder County had an average household size of 2.38.

Exhibit 13. Average Household Size, Superior and Comparison Cities, 2021

Source: American Community Survey (ACS) 2021 5-year estimates

Superior	Erie	Lafayette	Longmont	Louisville	Boulder	Boulder County
2.73	3.03	2.50	2.48	2.42	2.17	2.38

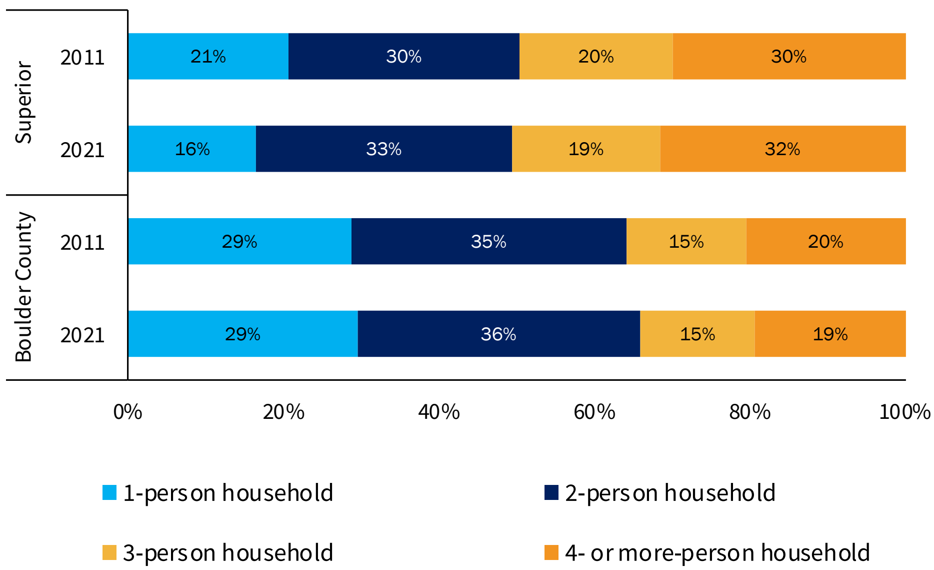
3.1.3 Household Size

The households in Superior comprised of 3 persons and 4 or more persons make up 51 percent of the total households, while 2-person households make up the second-largest household type and make up 33 percent of all households. Between 2011 and 2021, there was a considerable shift in Superior's household size formation. Most notably, 2-person households and those with 4 or more persons increased, while 1-person and 3-person households decreased. This trend could suggest that there are some affordability challenges in Superior for 1-person households or a lack of available and appropriately sized housing.

Compared to Superior, households in Boulder County comprised of 1 or 2 persons make up 65 percent of all households in the County. Households comprised of 3 persons and 4 or more persons make up 35 percent. These trends suggest that households in Superior are typically families with 3 or more persons and couples, while in Boulder County they represent single and couple households.

Exhibit 14. Household Size, Superior and Boulder County, 2011 and 2021

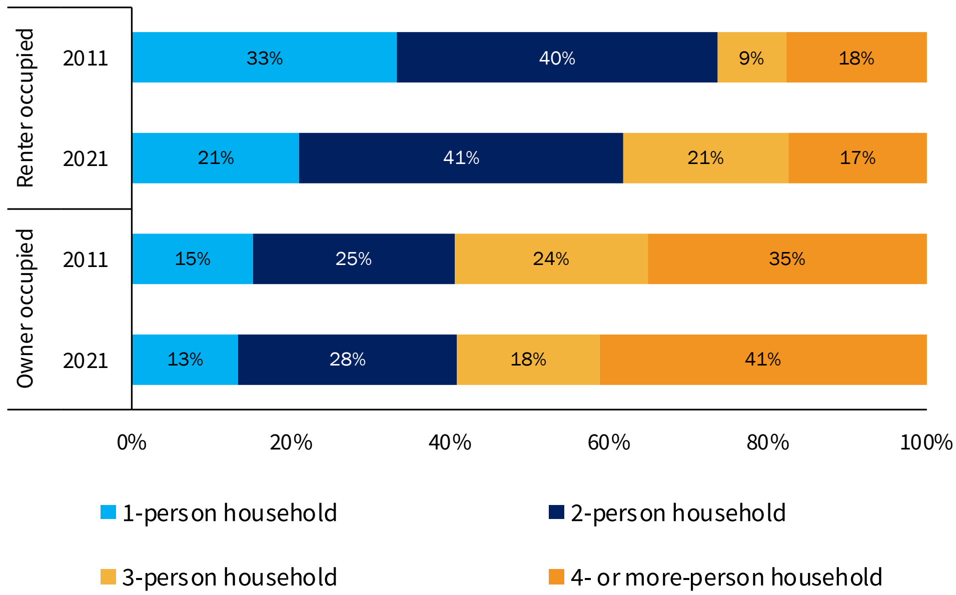
Source: American Community Survey (ACS) 2011 and 2021 5-year estimates



Household size varies widely by tenure in Superior. Renter households make up the majority of 1- and 2-person households (62 percent), while owner households make up the majority of 3- and 4-person households. These household size trends generally track with the trends of the available housing within a community. For example, 1- and 2-person households generally tend to live in apartments while family-sized households tend to live in single-family homes or larger-sized units that accommodate their needs.

Exhibit 15. Household Size by Tenure, Superior, 2011 and 2021

Source: American Community Survey (ACS) 2011 and 2021 5-year estimates

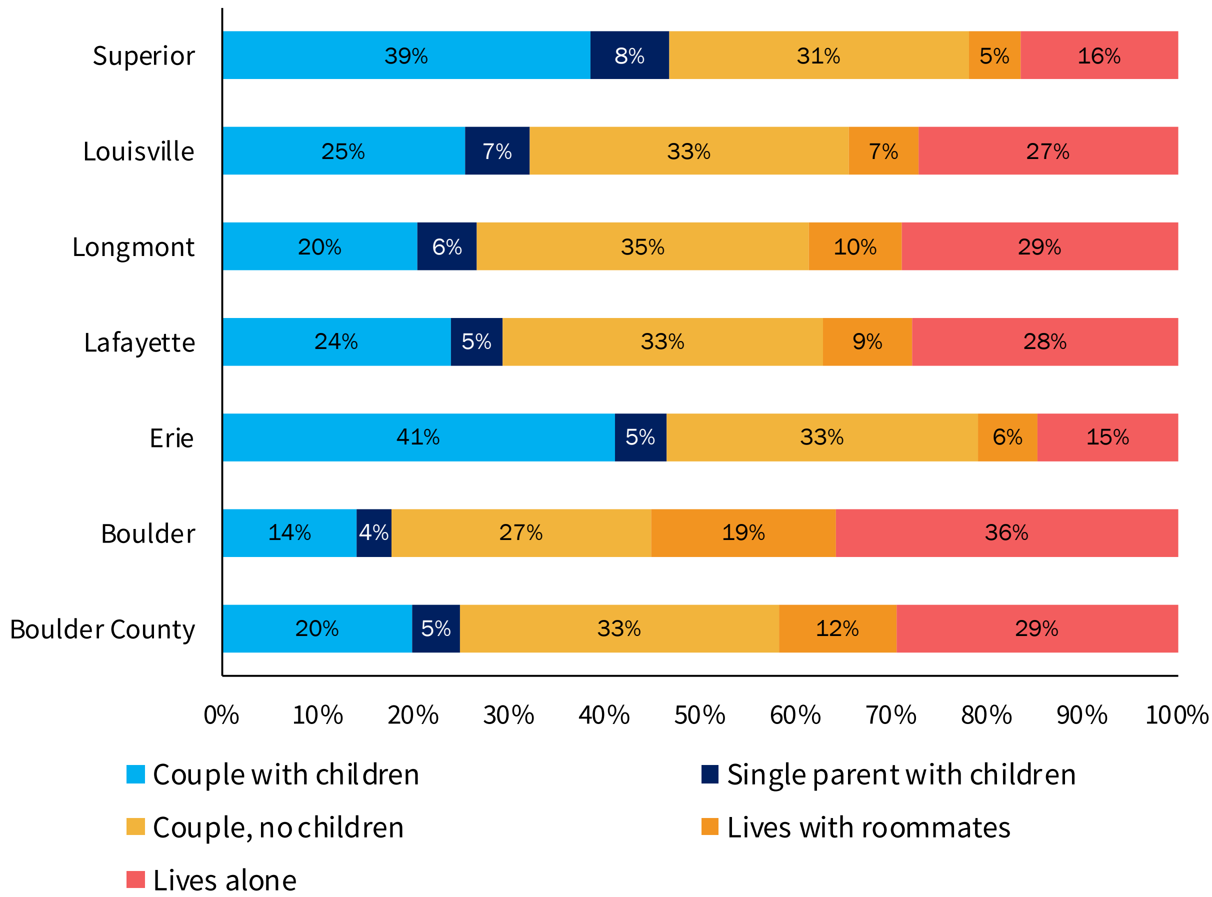


3.1.4 Living Arrangement

Exhibit 16 below shows trends in the living arrangement of Superior households. The majority of Superior households (39 percent) are comprised of a traditional nuclear family consisting of a married couple and their children. The second-largest household type in Superior is couples living together with no children. These trends further strengthen that Superior households are mostly families with children. One-person households make up the smallest share of households in Superior.

Exhibit 16. Living Arrangement of Households, Superior and Comparison Cities, 2021

Source: American Community Survey (ACS) 2021 5-year estimates



3.1.5 Median Age

37	37	39	40	43	37	37
Superior	Erie	Lafayette	Longmont	Louisville	Boulder	Boulder County

Superior's population is young, with a median age of 37 in 2021. Other jurisdictions like Erie, Boulder, and Boulder County also have a young population, with a median age of 37. Longmont and Louisville have older populations relative to the comparison cities.

3.1.6 Age Distribution

The age characteristics of a community indicate current needs and future trends for housing. Because different age groups have very different housing needs, housing demand correlates to the age of residents. For example, young adult households may choose to occupy apartments, condominiums, and small single-family homes because of affordability, location, and household size/presence of children. Middle-aged adults may prefer larger homes in which to raise families, while seniors may prefer smaller units that have lower costs, less maintenance, and nearby services.

The exhibit below shows the age characteristics of Superior's population. Superior's population generally skews younger. The population under 19 years of age comprises the largest cohort of residents in Superior, followed by adults ages 25 to 44 and 45 to 64, making up 29 and 28 percent of the town's population, respectively. Overall, Superior has maintained a relatively small population of senior adults aged 65 years and older.

In comparison, Boulder County's population skews younger as well with roughly 60 percent of its population spread across those under 19 years old, 20 to 24 years old, and 25 to 44 years old.

Exhibit 17. Age Distribution, Superior and Comparison Cities, 2021

Source: American Community Survey (ACS) 2021 5-year estimates

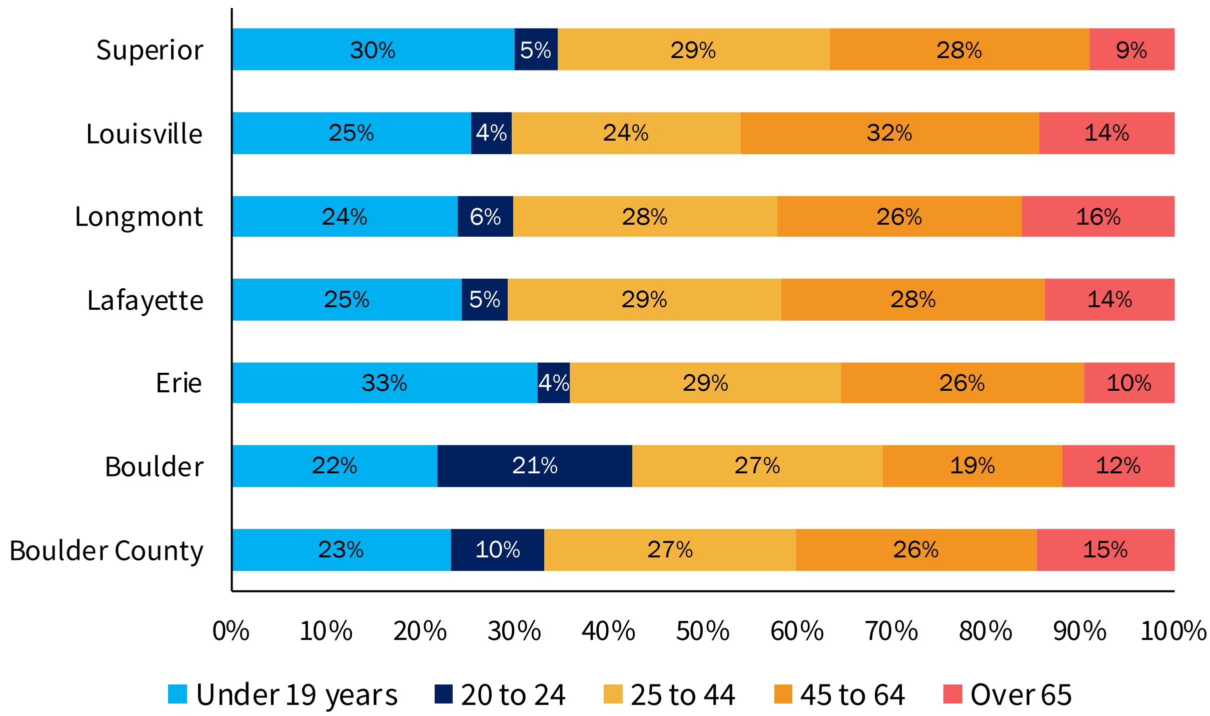


Exhibit 18 below shows how Superior's age distribution has changed over time. Seniors aged 65 years and older experienced the fastest growth since 2011—increasing by 246 percent. This notable increase in the population aged 65 years and older suggests that Superior is experiencing a substantial aging trend. This could be due to factors such as improved health care, an attractive environment for retirees, or seniors who are aging in place. Other notable increases include the age cohort under 19 years old increasing by 10 percent and the age cohort 45 to 64 years old increasing by 25 percent. The 50 percent decline in the 20 to 24 age group could indicate a potential outflow of young adults seeking education, job opportunities, or different living environments. This could also mean that this age group cannot find housing affordable to them in Superior. Boulder County trends for this age group have remained stable between 2011 and 2021.

Exhibit 18. Change in Superior's Age Distribution, 2011-2021

Source: American Community Survey (ACS) 2011 and 2021 5-year estimates

	2011	2021	2011-2021 Change Number	2011-2021 Change Percent
Under 19 years	3,616	3,983	367	10%
20 to 24 years	1,200	605	-595	-50%
25 to 44 years	4,092	3,830	-262	-6%
45 to 64 years	2,915	3,656	741	25%
Over 65 years	349	1,209	860	246%

3.1.7 Race and Ethnicity

Most of Superior's population identify as non-Hispanic White. In the past decade, Superior has grown to be more racially and ethnically diverse. Most racial and ethnic groups have increased since 2011. The Black or African American population decreased in the past decade. The Asian population is the second-largest racial group (17 percent), followed by the Hispanic population (9 percent).

Exhibit 19. Race and Ethnicity, 2011 and 2021

Source: American Community Survey (ACS) 2011 and 2021 5-year estimates

	2011		2021		2011-2021 Change	
	Number	Percent	Number	Percent	Number	Percent
Non-Hispanic White	9,497	78%	9,300	70%	-197	-2%
Black or African American	85	1%	37	0%	-48	-56%
American Indian and Alaska Native	0	0%	86	1%	86	-
Asian	1,501	12%	2,235	17%	734	49%
Native Hawaiian or Pacific Islander	0	0%	9	0%	9	-
Other	0	0%	18	0%	18	-
Two or more races	301	2%	449	3%	148	49%
Hispanic	788	6%	1,149	9%	361	46%

4. Housing Profile and Market Trends

This section summarizes Superior's housing market. It examines housing supply and availability, development trends, and affordability of ownership and rental housing.

A housing profile and housing market analysis are important for understanding housing affordability and demand because they provide valuable information about the current state of the housing market, including the supply of housing units, average cost of rent or homeownership, and demographics of the area, which can help predict future housing demand and need. Projecting future housing need is important to ensure that Superior is planning to provide housing at all income levels for its population—especially those with lower incomes.

For the purposes of this report, unless stated otherwise, the existing supply includes properties impacted by Marshall Fire and the future projections do not include permits and households rebuilding following Marshall Fire. This report assumes these properties rebuild within the 2043 future projected timeline.

Key Findings

Key highlights in Superior's housing profile and market trends include:

The Marshall Fire has further exacerbated the lack of available housing in Superior.

- The Marshall Fire of 2021 destroyed 390 residential properties and 4 commercial properties.
- Superior had a housing vacancy of 2.5 percent in 2021—one of the lowest of the comparison cities of Erie, Lafayette, Louisville, Longmont, and Boulder. For comparison, Boulder County had a housing vacancy of 5.9 percent in 2021.

Superior's housing inventory lacks diversity. Homogeneous new construction is unlikely to support workforce housing needs.

- The majority of housing inventory in Superior is single-family detached (60 percent). Superior has primarily built single-family homes throughout the 2000s and 2010s. Only starting in 2020 did multifamily building permits outnumber single-family permits.
- The share of Superior households who rent increased from 30 percent in 2011 to 40 percent in 2021. This underscores the significance of having rental housing that is both of good quality and reasonably priced.
- Young professional households aged 15 to 34 were the most likely to rent in Superior, while older households 45 to 64 were the least likely to rent.

Incomes have not kept pace with the rising housing costs. Housing attainability in Superior has become challenging for many residents.

- While a household earning 100 percent of the area median income ($144,100) can afford the average rent, they cannot afford to purchase a home at the median price ($724,300). A Superior household would need to make $181,000 or more to afford the median-priced home in 2023. This suggests that higher-income households likely have a better chance of homeownership, while lower and median-income households might be limited to renting.
- The inability of a moderate-income household to afford the median-priced home raises questions about the potential barriers to homeownership in Superior. Factors such as high down payment requirements, stricter mortgage lending criteria, and rising home prices relative to income growth can make it difficult for many households to enter the homeownership market.

- In 2021, about 40 percent of renter households in Superior were considered cost burdened. This means that these households are spending 30 percent or more of their annual income on housing costs.

Increasing the supply of both renter and ownership product units is important for Superior.

- If the demand for housing, particularly for homeownership, exceeds the available supply, it can drive up home prices and make it challenging for households with moderate incomes to purchase a home. Similarly, if the demand for rental housing exceeds the available supply, it can drive up rent prices and price out households that rent in Superior.

4.1 Defining Affordable Housing

Housing affordability refers to the degree to which a household or individual can afford to pay for housing without experiencing financial hardship or sacrificing other essential needs.

According to the U.S. Department of Housing and Urban Development (HUD), affordable housing refers to a residence that a household or family can acquire—either through buying, renting, or other methods—that requires payment of no more than 30% of the household's income. Typically, households paying more than 30 percent of their income for housing are considered cost burdened, while households paying more than 50 percent for housing are considered severely cost burdened.

4.2 Housing Supply

According to the American Community Survey (ACS), Superior had 4,790 housing units as of 2021. Between 2011 and 2021, 193 housing units were added to Superior's housing inventory. These housing units are likely reflected in these developments:

Development	# of Units
Calmante II	33
Coal Creek Crossing	53
Rogers Farm (RM zoned)	27
Downtown/Discovery	80*

**Approximate*

Exhibit 20. Total Housing Units in Superior, 2011 and 2021

Source: American Community Survey (ACS) 2011 and 2021 5-year estimates

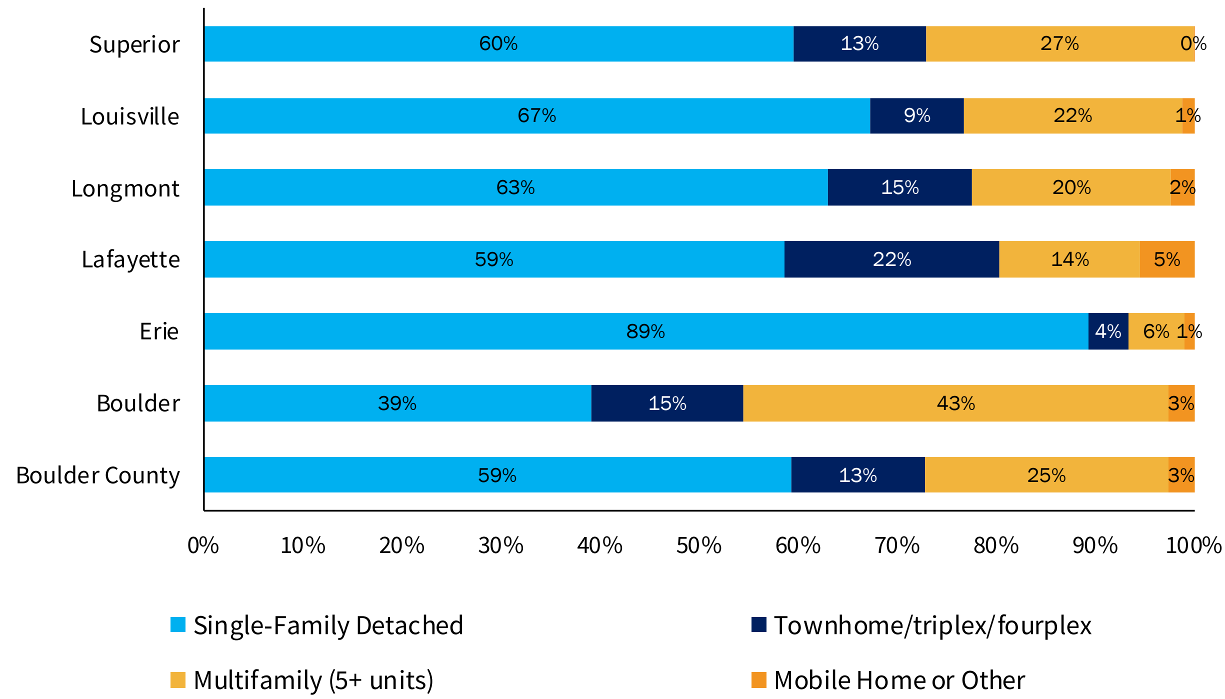
	2011	2021	# Change	AAGR
Housing Units	4,597	4,790	193	0.41%

4.2.1 Existing Housing Inventory by Type

The mix of housing types in Superior is similar to the overall distribution in Boulder County, with 60 percent in the form of single-family detached homes and 13 percent in townhomes and small duplexes, triplexes, and fourplexes. There is a higher share of multifamily units in Superior relative to comparison cities, at 27 percent, second only to Boulder. Less than 1 percent of Superior's housing inventory is mobile homes or other forms.

Exhibit 21. Share of Housing by Building Type, Superior and Comparison Cities, 2021

Source: American Community Survey (ACS) 2021 5-year estimates



4.2.2 Age of Housing Inventory

Housing age can be an important indicator of housing condition within a community. Like any other tangible asset, housing is subject to gradual physical or technological deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values, and eventually impact the quality of life in a neighborhood. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs. Typically, housing over 30 years of age is more likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work, and other repairs.

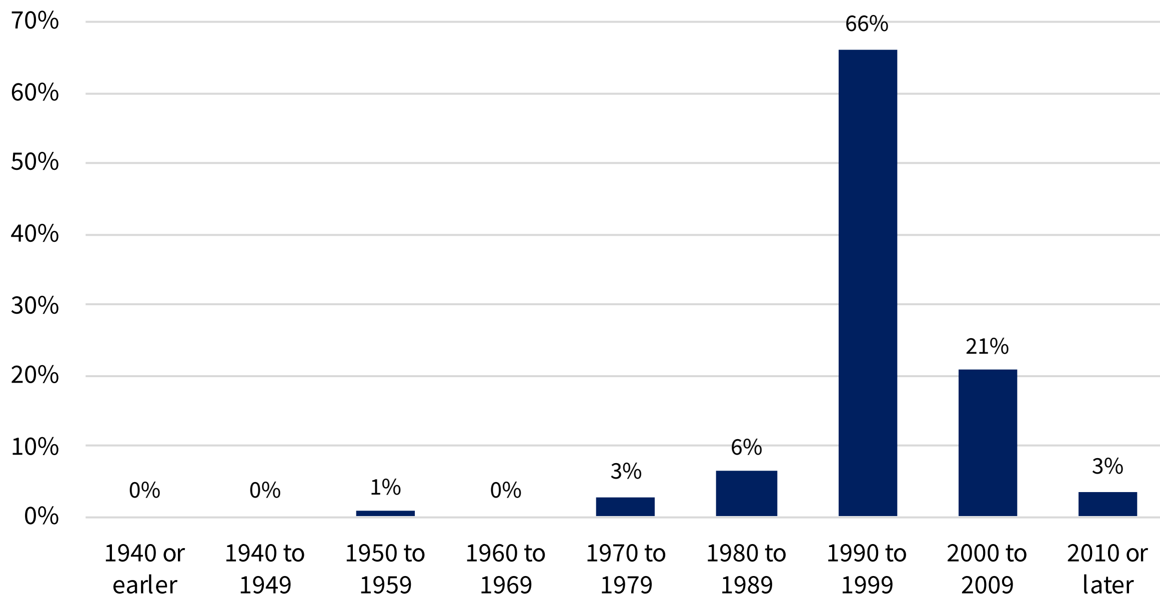
The majority of Superior's current housing units—more than 90 percent—were built in the last 30 years. Most of the housing inventory was built in the 1990s with the development of the Rock Creek Ranch area and expansion of the town boundaries to include the 1,570-acre subdivision.[1] Most of homes older than 30 years were located in Original Town and were destroyed in the Marshall Fire. Units built since 2010 make up a very small share of Superior's

[1] Town of Superior Comprehensive Plan, p. 2–1.

total housing supply. However, the extensive residential construction of Downtown Superior that began in late 2020 is changing the housing makeup of Superior, along with new construction associated with the Marshall Fire recovery. Several new multifamily housing units have been built recently or are under construction, increasing the supply of apartment units and attached housing units.

Exhibit 22. Share of Housing Units by Year Built, Superior, 2021

Source: American Community Survey (ACS) 2021 5-year estimates



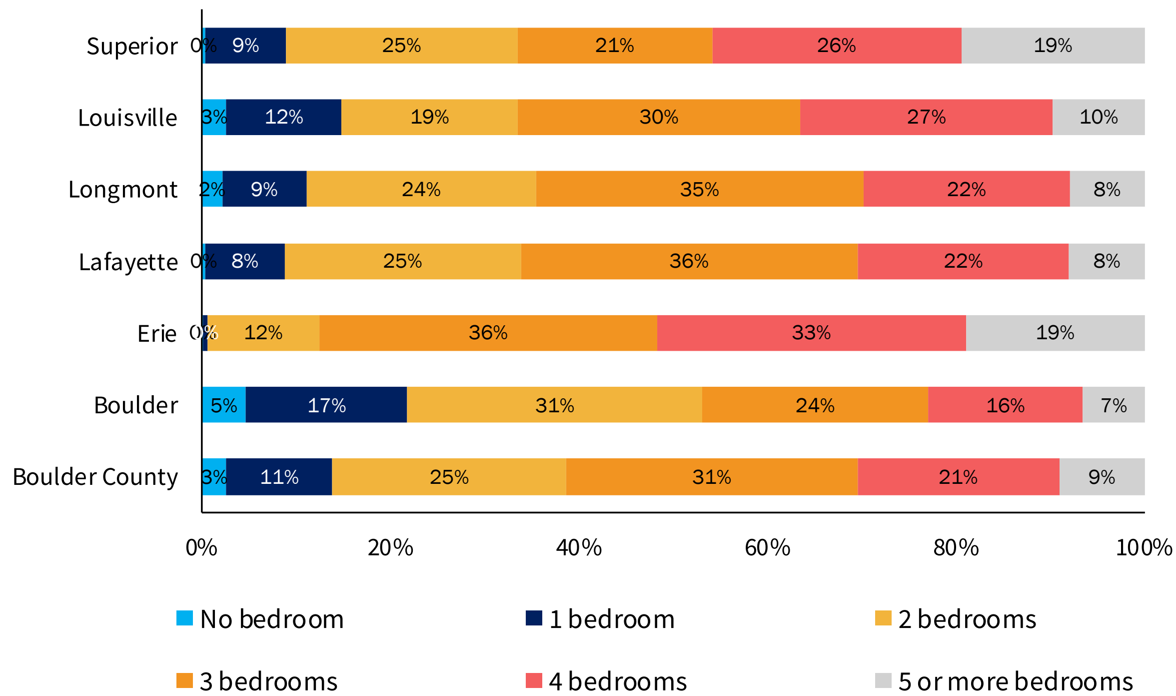
4.2.3 Number of Bedrooms

With single-family detached units as the most common type of housing, it is not surprising that a majority of dwelling units in Superior have three or more bedrooms. A small percentage of Superior's housing stock are studios (no bedroom) or 1-bedrooms. Among comparison cities, Superior has one of the largest shares of homes with five or more bedrooms, at 19 percent. This indicates that most of the single dwelling and multi-dwelling units in Superior are supportive of family households, with a very small share of units supportive for single residents. This limits the pool of units that single households or couples could obtain in Superior's housing market.

Based on recent permit data from the city, the residential market has been building smaller residential units for single households and couples through the development of several studios and 1- and 2-bedroom units.

Exhibit 23. Share of Housing Units by Number of Bedrooms, Superior and Comparison Cities, 2021

Source: American Community Survey (ACS) 2021 5-year estimates



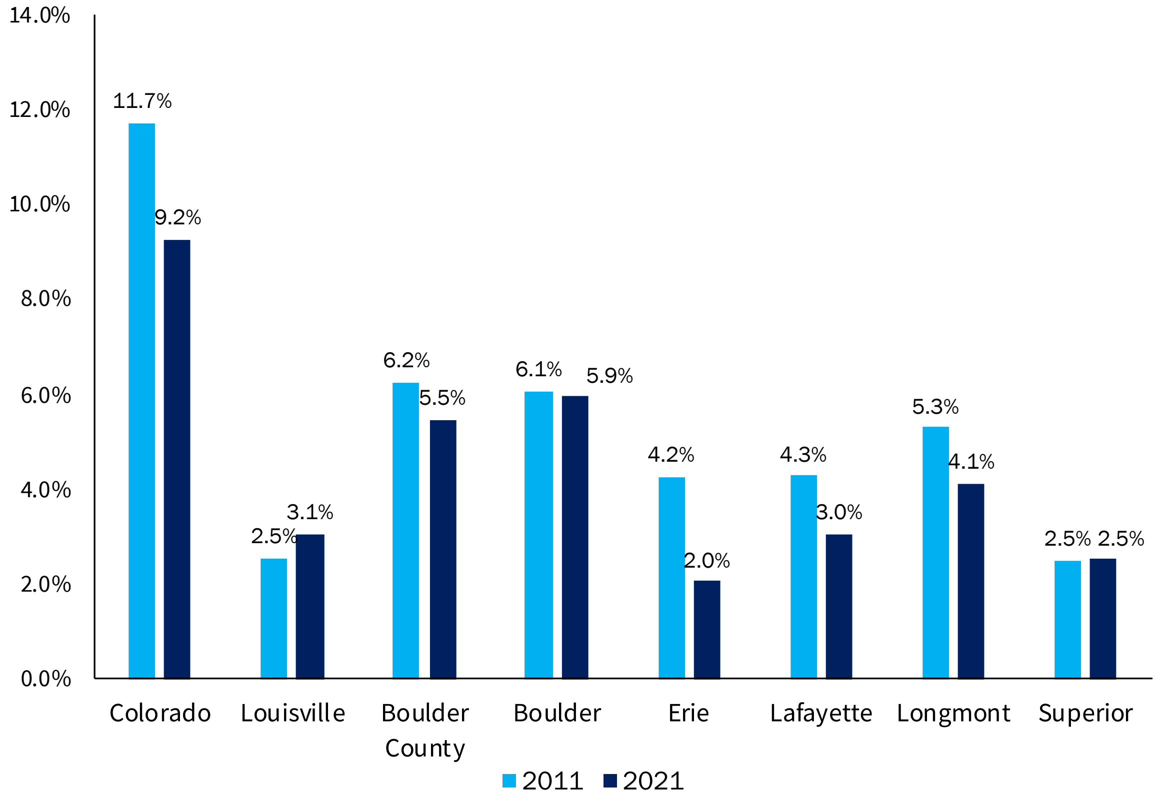
4.2.4 Overall Housing Vacancy, 2011-2021

Vacancy is a measure of the availability of housing units in a given area. When there are more vacant units than there are people looking for a place to live, it can lead to lower rents and other housing costs. This can make housing more affordable for people who are looking for a place to live. On the other hand, when there is a low vacancy rate and high demand for housing, it can lead to higher rents and other housing costs. This can make housing less affordable for people who are looking for a place to live.

Therefore, vacancy rates can have a significant impact on housing affordability in an area. The exhibit below shows vacancy rates for Superior and comparison cities between 2011 and 2021. Superior has one of the lowest overall vacancy rates, at 2.5 percent. Trends in Boulder County show that vacancy rates have mostly declined, suggesting that it is more difficult for households to find an affordable place to live.

Exhibit 24. Housing Vacancy Rate, Superior and Comparison Cities, 2011-2021

Source: American Community Survey (ACS) 2011 and 2021 5-year estimates



4.2.5 Vacant Units by Reason, Superior and Boulder County, 2021

Housing units can be recorded as vacant in the American Community Survey for a variety of reasons. Some vacancies are short term, such as when a unit is listed for rent or sale but not currently occupied. Seasonal (or vacation) homes represent another type of vacancy because they are not occupied year-round.

As shown in the exhibit below, most of the vacant units in Superior are currently listed for rent or are rented but tenants have not yet moved in. A smaller share of vacant units, at 16 percent, are vacation homes or part-time residences. Superior's share of vacation homes is slightly lower than Boulder County, where 20 percent of vacancies are due to seasonal use.

Seasonal, recreational, and occasional-use units collectively refer to housing units that are not consistently occupied by residents but are utilized for specific seasons, occasional purposes, or temporary stays by individuals with their usual place of residence elsewhere.

Exhibit 25. Vacant Units by Reason, Superior and Boulder County, 2021

Source: American Community Survey (ACS) 2021 5-year estimates

	Superior		Boulder County	
Vacancy Reason	Count	Precent	Count	Percent
For rent	44	36%	843	31%
Rented, not occupied	45	37%	538	20%
For sale only	14	11%	219	8%
Sold, not occupied	0	0%	38	1%
For seasonal, recreational, or occasional use	19	16%	540	20%
For migrant workers	0	0%	0	0%
Other vacant	0	0%	516	19%
Total:	122		2,694	

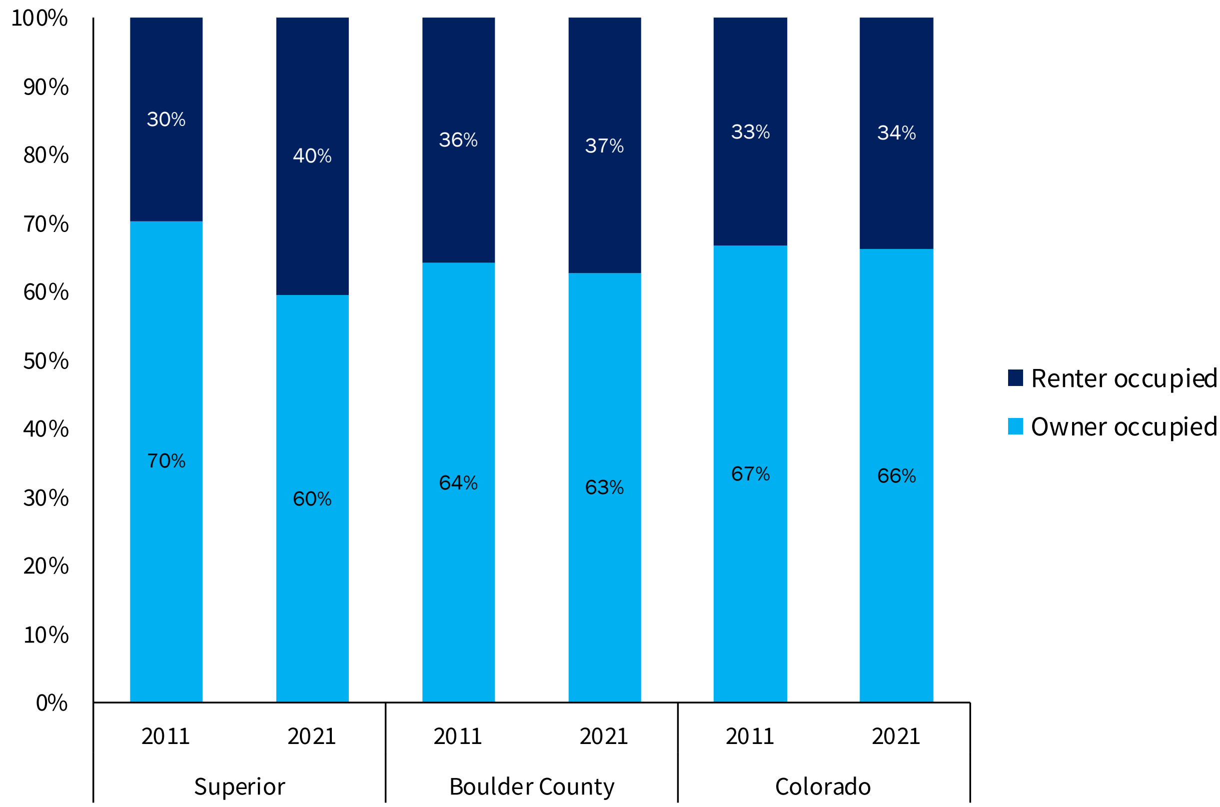
4.2.6 Housing Tenure (Owner vs Renter)

Household tenure is an important component of housing needs, as it helps to determine whether future housing should be built as ownership units or rental units. In many areas, a notable portion of households choose to rent their homes, emphasizing the significance of having rental housing that is both of good quality and reasonably priced.

Most of Superior's housing units are occupied by owners, but the share of owned homes has declined in the past 10 years. The current share of owner-occupied homes in Superior (60 percent) is similar to the share in Boulder County (63 percent). As of 2021, 40 percent of households in Superior were renters, higher than the renter percentage in Colorado (34 percent) and Boulder County (37 percent). The share of Superior households who rent increased from 30 percent in 2011 to 40 percent in 2021.

Exhibit 26. Housing Tenure, Superior and Boulder County, 2011-2021

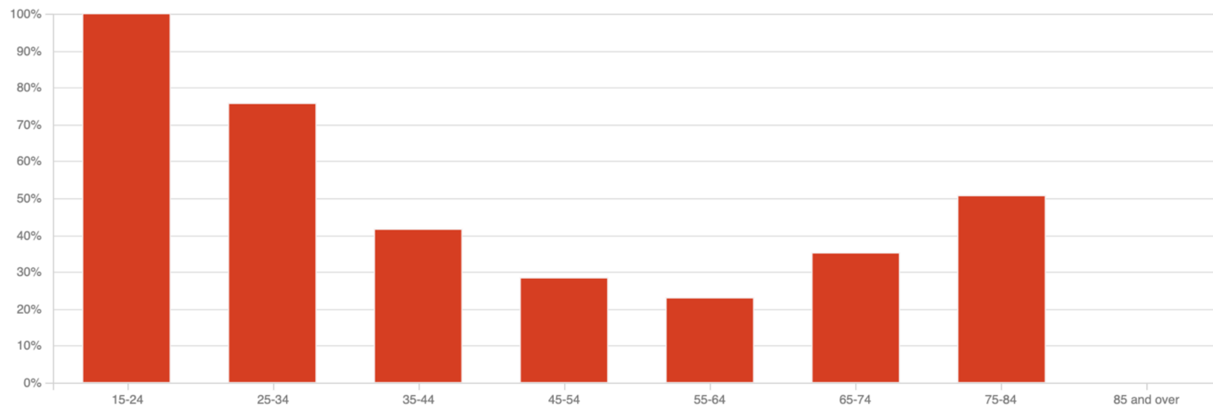
Source: American Community Survey (ACS) 2011 and 2021 5-year estimates



The share of households who rent varies substantially by age; therefore, renters of different ages and household sizes may be interested in different forms and sizes of rental homes. In Superior, as of 2021, households headed by an individual aged 15 to 34 were the most likely to rent. While households headed by an individual aged 55 to 64 were the least likely to rent.

Exhibit 27. Share of Renter by Age, 2021

Source: American Community Survey (ACS) 2021 5-year estimates



4.3 Apartment Rental Market

The exhibit below shows a snapshot of Superior and Boulder County's apartment rental market. As of 2023 Q2, Superior had approximately 1,210 apartment rental units in one multibuilding complex. Boulder County had 28,406 apartment units in 708 buildings. Additionally, there are 504 apartment units in the pipeline or under construction in Superior, with an additional 1,753 units under construction elsewhere in Boulder County. The average rent per unit in Superior is $2,406 or $2.38 per square foot, which exceeds the County average rent per unit of $1,917 or $2.25 per square foot.

Exhibit 28. Superior and Boulder County Apartment Rental Market Snapshot, 2023

Source: CoStar

	Inventory (buildings)	Units	Inventory Avg. SF	Under Construction	Avg. Rent per SF	Avg. Rent per Unit	Vacancy Rate
Superior	1*	1,209	1,028	504	$2.37	$2,392	7.7%
Boulder County	708	28,406	847	2,257	$2.24	$1,906	5.7%

* This project is a large multibuilding complex owned by a single entity.

According to CoStar, the apartment rental market in Superior was relatively stable with an overall vacancy rate of 7.7 percent as of 2023 Q2, as shown in exhibit 29. By comparison, Boulder County had a tighter housing market, with a vacancy rate of 5.7 percent. Since 2013, Superior's apartment market has seen growth of 74 percent ($1.01 per square foot), which has outpaced Boulder County's rent growth of 52 percent ($0.77 per square foot).

Exhibit 29. Apartment Rent per Square Foot and Vacancy Rate, Superior and Boulder County, 2013–2023 Q2

Source: CoStar

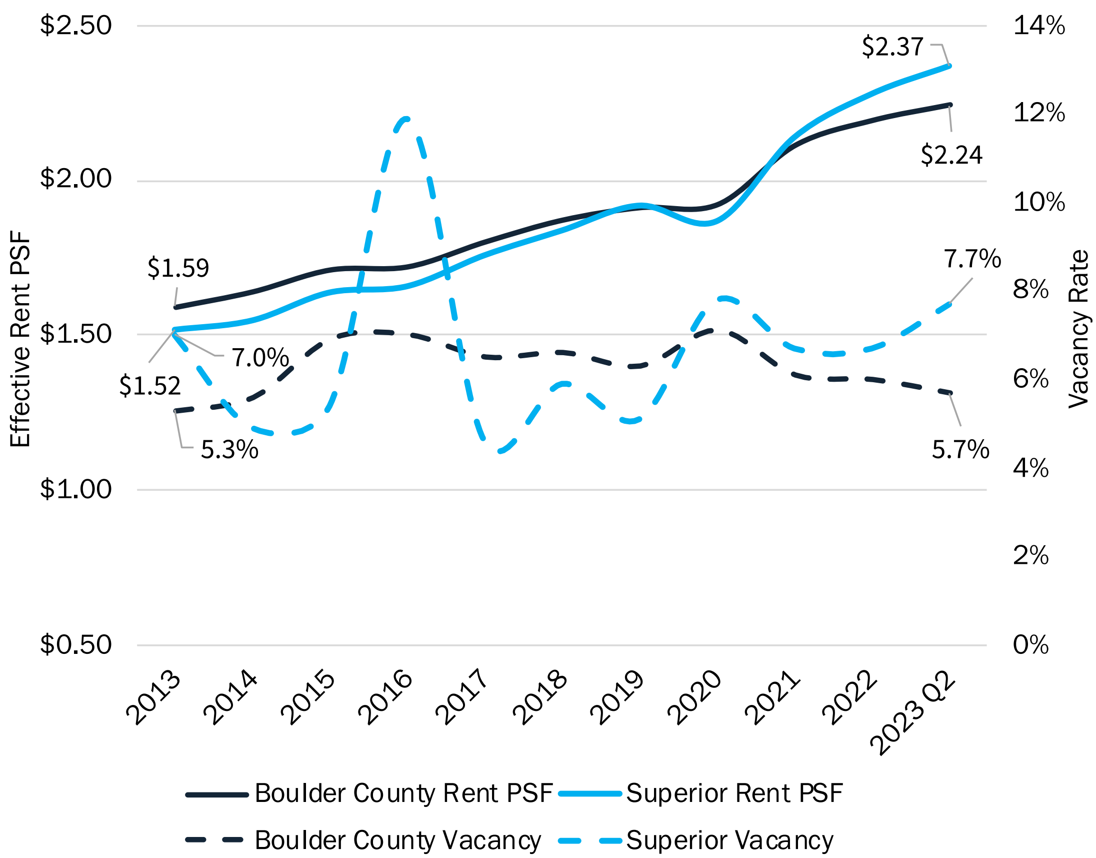


Exhibit 30 shows apartment deliveries and net absorption in Superior. Apartment deliveries refer to the new units built in the market, while net absorption refers to the difference between the number of units leased and the number of units vacated during a specific period. Since 2013, there have been no new multifamily apartment units completed in Superior's market.

Exhibit 31 shows apartment deliveries and net absorption in Boulder County overall. Since 2013, Boulder County has seen a delivery of 8,365 units and a net absorption of 7,779 units. New units delivered seem to be absorbed (leased up) by the market quickly, indicating a strong demand for apartments in the County.

Exhibit 30. Apartment Deliveries and Net Absorption, Superior, 2013-2023 Q2

Source: CoStar

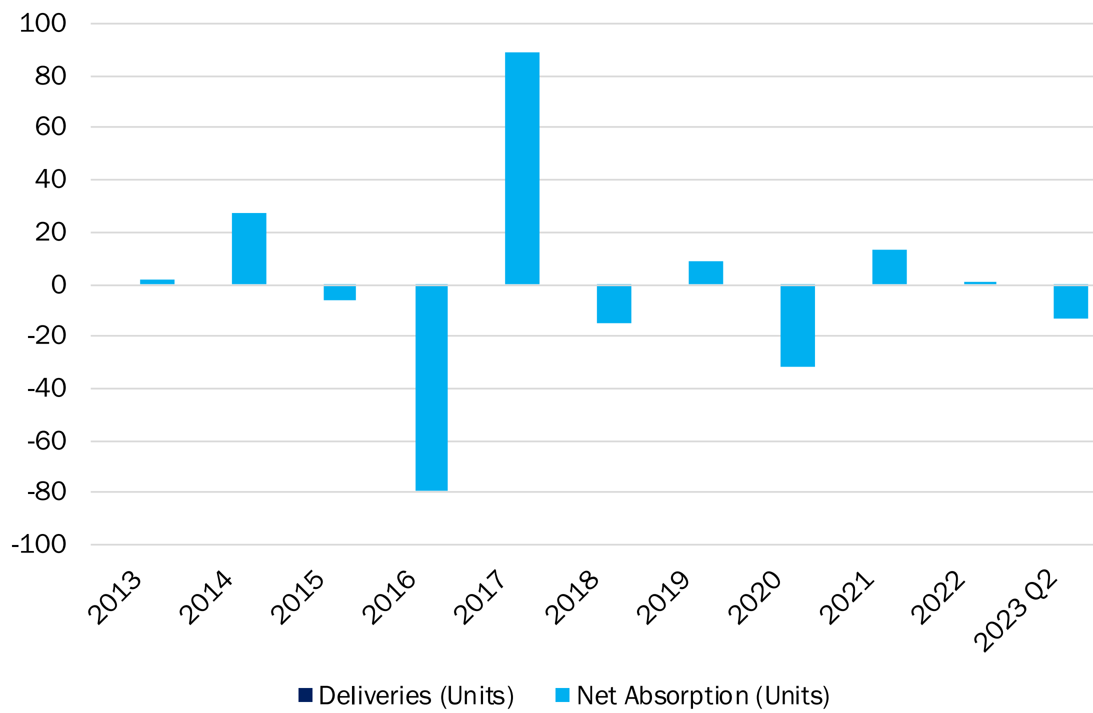
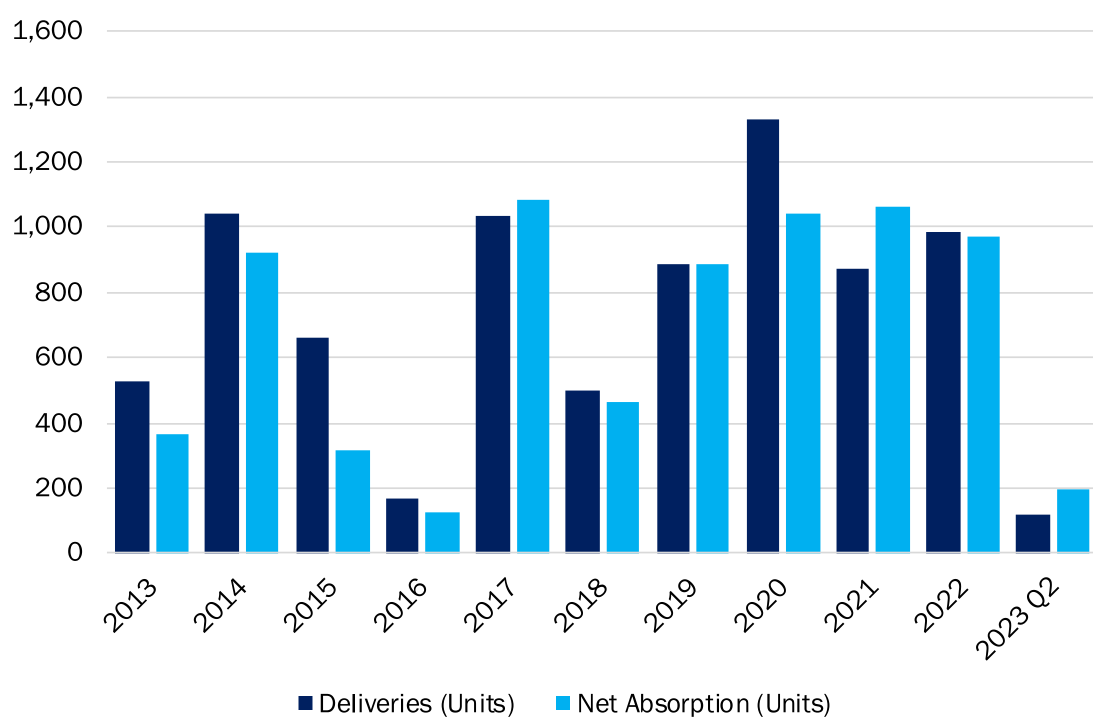


Exhibit 31. Apartment Deliveries and Net Absorption, Boulder County, 2013-2023 Q2

Source: CoStar



4.4 Housing Production

A community's housing stock is defined as the collection of all housing units located within the jurisdiction. The production of houses, including types of housing built as well as the incorporation of subsidized affordable housing, is an important factor in addressing the housing need of the community. This section details the housing stock characteristics of Superior to identify how well the current housing stock meets the needs of the current and future residents of the Town.

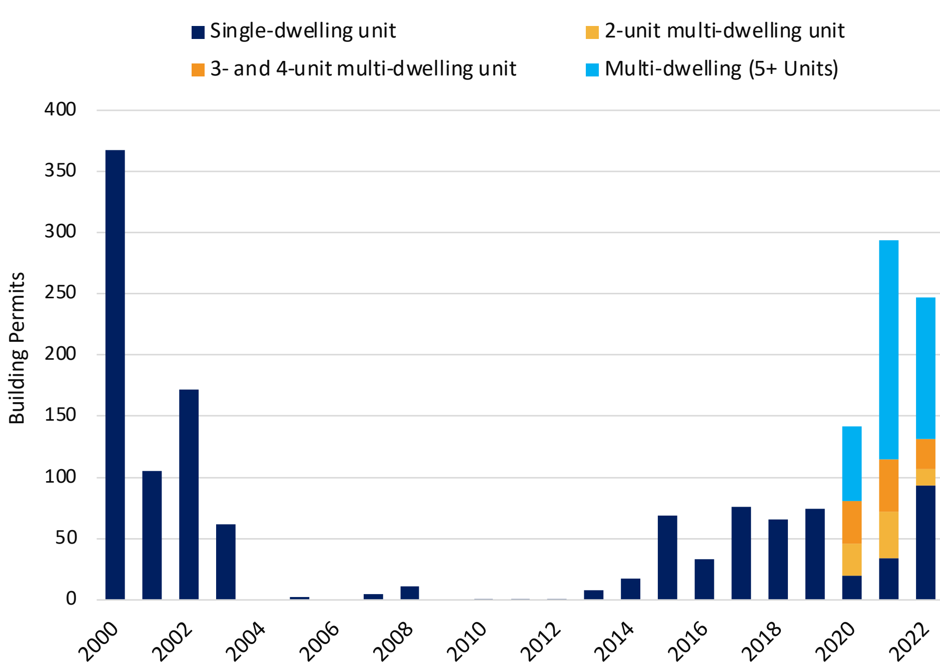
4.4.1 Building Permits

Exhibit 32 shows trends in residential building permits. For the past 20 years, single-dwelling units have been the dominant type of housing permitted in Superior, but as of 2020, permits for small duplex, triplex, fourplex, and apartment units outpaced single dwellings.

Development trends show that Superior's housing market experienced decline before the 2008 Great Recession and was slow to recover. Residential permitting has grown rapidly since 2020, driven by the development of Downtown Superior. Despite this increase, the pace of permitting has not reached the level seen in 2000 when 367 permits were approved.

Exhibit 32. Building Permits in Superior, 2000-2022

Source: HUD SOCDS Building Permits Database



The following table outlines the number and type of housing units added to the Town of Superior following the 2021 ACS total. The table includes units that are complete, under construction, or able to pull a building permit.

Development	# of Units	Unit Type
Lanterns Lane	62	Duplex
Rogers Farm (Wee Cottages)	55	Small Lot Single-Family
Superior Shores	94	Townhomes
Downtown	972*	Mix of Single-Family, Townhomes, Apartments
Total	1,183	

**1,052 approved to date, assumed 80 units complete within pre-2021 totals*

4.5 Unregulated and Subsidized Affordable Housing

An important component of any community's housing inventory is the stock of housing that is affordable to households earning lower incomes. This housing can be regulated or unregulated and is most often rental housing.

Unregulated affordable housing is affordable to lower-income households by virtue of its location, age, condition, or amenities. Typically, unregulated affordable housing units are older, smaller, and/or lower quality with fewer amenities, older appliances, or older appearances. These properties often have some deferred maintenance or capital needs. Because there is not enough regulated affordable housing across the country, unregulated housing is an important part of the housing stock in a community. But because it is unregulated, the rents charged at the properties can change suddenly and can be influenced by the larger real estate market. In addition, these properties can sometimes have habitability issues if they are not well maintained by the landlord.

Regulated affordable housing often has public funding that restricts the maximum incomes of the tenants or restricts the rents that can be charged to ensure that the housing is serving low-income households. This housing is sometimes referred to as government-assisted housing, referencing the public funds at the property. These restrictions vary by the type of funding and the affordability level at the property and typically have a limited duration that the property is affordable for a specified period. Generally, there are two types of housing programs in the United States that provide regulated affordable housing to cities: the Low-

Income Housing Tax Credit (LIHTC) program and Section 8 vouchers. These programs provide much-needed affordable housing to low-income residents. In the following sections, we summarize the inventory of regulated affordable housing units in Superior.

4.5.1 Low-Income Housing Tax Credit (LIHTC)

According to HUD's LIHTC database, Superior does not have any LIHTC housing. In the next section we discuss the other subsidized program available in Superior.

4.5.2 Section 8 Vouchers

According to Boulder County Housing Authority, 7 households in Superior received voucher assistance to help cover their rental housing costs.

4.6 Housing Cost

Housing cost has a direct relationship to housing accessibility for all economic segments of the community. In general, if housing supply exceeds housing demand, housing prices will decrease. If housing demand exceeds housing supply, housing prices typically increase. The availability of housing—which is measured by vacancy rates—can also affect housing cost.

Between 2012 and 2023, housing prices have significantly increased in Superior and across the region. Exhibit 33 below shows the median home sale price in Superior and a few comparison cities. The median home sale price in Superior increased from $359,000 in 2012 to $724,000 in Q1 2023, roughly a 100% increase. Since 2012, Superior's housing market increased at a similar rate in relation to the other comparison cities. The Marshall Fire of 2021, in its most recent impact, led to a surge in housing demand, subsequently causing an uptick in median home sale prices. However, Downtown Superior, having erected approximately 1,000 residential units after the fire, has mitigated the heightened housing demand, resulting in a modest decrease in prices.

Exhibit 33. Median Home Sale Price, Superior and Comparison Cities, 2012-2023

Source: Redfin

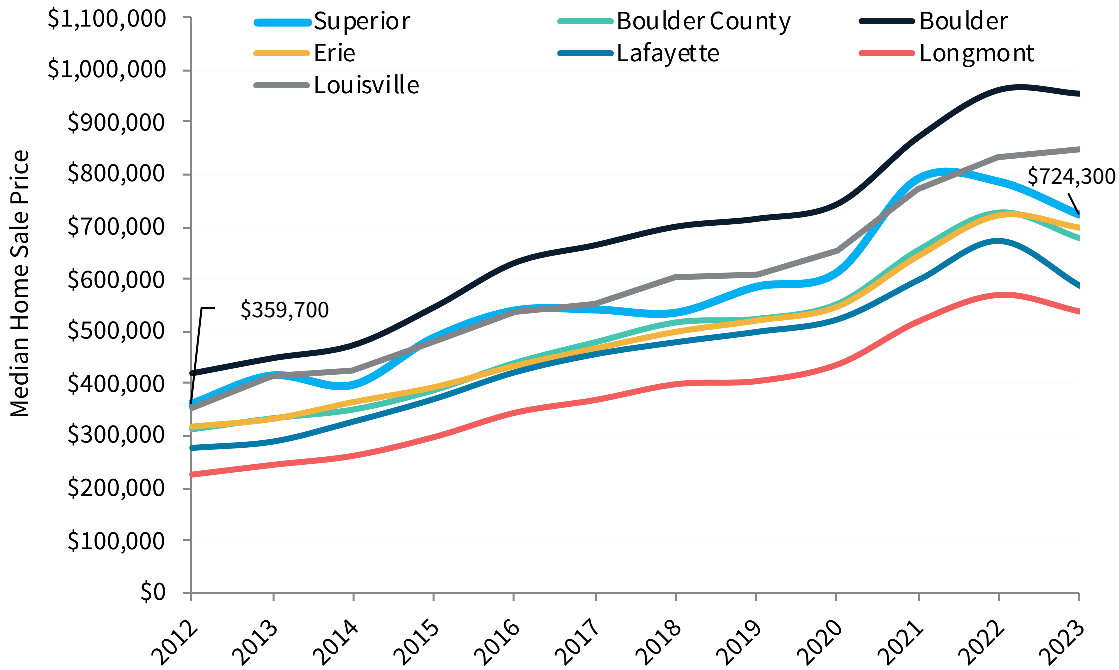


Exhibit 34 shows that the median sale price of a home has increased in all comparison cities since 2012, with the most significant increase in Louisville (139 percent), followed by Longmont (137 percent) and Boulder (127 percent). Compared to the comparison cities, Superior's housing market experienced the lowest change at 101 percent (or $364,600).

Exhibit 34. Change in Median Home Sale Price, Superior and Comparison Cities, 2012-2023

Source: Redfin
Note: Median home sale price information on Redfin was only available from 2012 onward.

			Change (2012-2023)	
Jurisdiction	2012	2023	Number	Percent
Superior	$359,700	$724,300	$364,600	101%
Louisville	$355,725	$850,000	$494,275	139%
Longmont	$228,025	$540,000	$311,975	137%
Lafayette	$276,200	$586,250	$310,050	112%
Erie	$318,175	$698,495	$380,320	120%
Boulder	$421,125	$955,000	$533,875	127%
Boulder County	$311,750	$680,000	$368,250	118%

Between 2011 and 2021, the median rent increased by 69 percent while the median household income increased by 32 percent. During this same period, the median home sale prices increased 353 percent. These trends suggest that incomes have not kept pace with the rising rents and home sale prices in Superior.

Exhibit 35. Change in Housing Costs and Median Household Income, Superior, 2011-2021

Source: American Community Survey (ACS) 2011 and 2021 5-year estimates, Redfin, ECONorthwest Calculations

			2011-2021 Change	
	2011	2021	Number	Percent
Median Rent	$1,283	$2,162	$879	69%
Median Home Sale Price	$175,000	$792,000	$617,000	353%
Median Household Income (unadjusted for inflation)	$100,194	$131,757	$31,563	32%

5. Housing Attainability

5.1 Cost Burden

State and federal standards specify that households spending more than 30% of gross annual income on housing experience a housing cost burden. Housing cost burden can occur when housing costs increase faster than household income. When a household spends more than 30% of its income on housing costs, households have less disposable income for other necessities, including health care, food, and clothing. In the event of unexpected circumstances such as the loss of employment or serious health problems, lower-income households with a burdensome housing cost are more likely to become homeless or be forced to double up with other households. Homeowners with a housing cost burden have the option of selling their homes and becoming renters. Renters, on the other hand, are more vulnerable and subject to constant changes in the housing market.

Exhibit 36 below shows housing cost burden for owner and renter households. In 2021, Superior renter households tended to be more cost burdened and severely cost burdened than owner households. About 26 percent of Superior renter households were cost burdened, while 14 percent were severely cost burdened. Housing affordability conditions for renter households in the County were more severe when compared to Superior. In Boulder County, 25 percent of renter households were cost burdened while 32 percent were severely cost burdened. In Boulder County specifically, several renter households had challenges with housing affordability and several were paying more than half of their annual income on housing costs.

Exhibit 36. Cost Burden by Tenure, Superior and Boulder County, 2021

Source: American Community Survey (ACS) 2021 5-year estimates

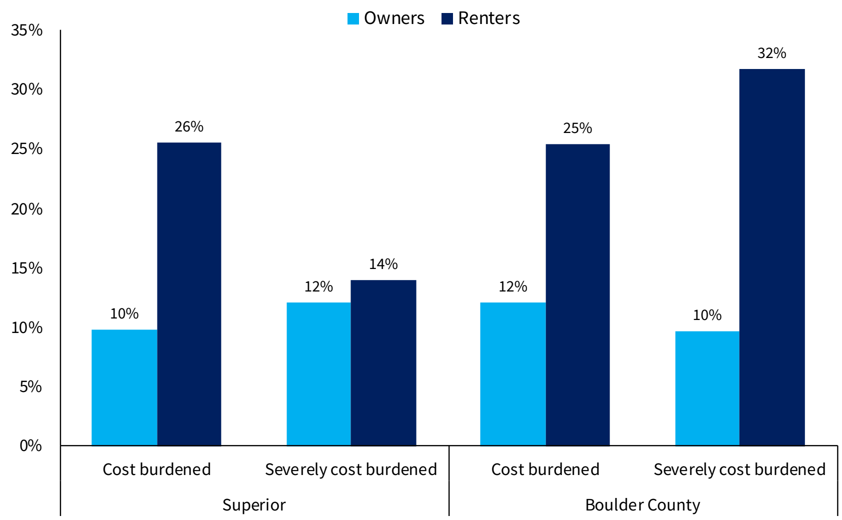
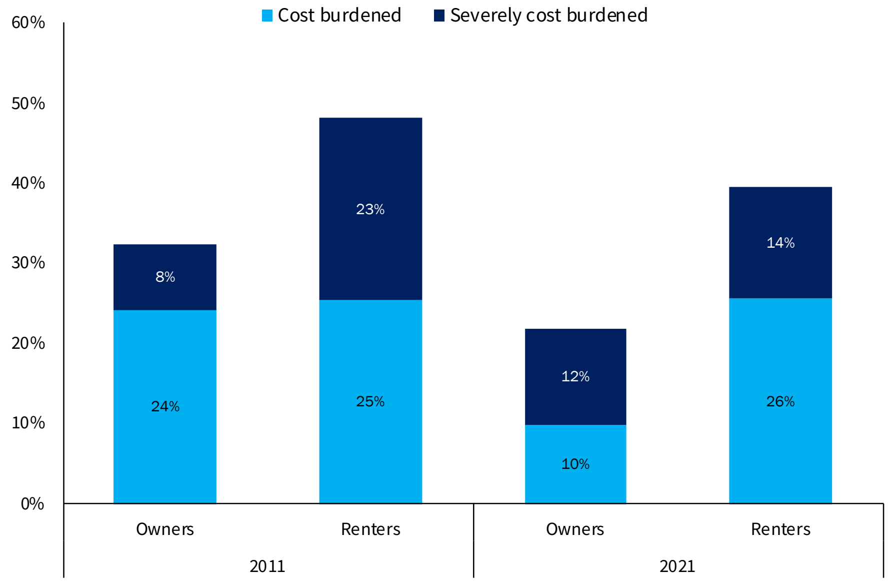


Exhibit 37 below shows how cost burden has changed over time in Superior. Generally, in 2021, fewer households in Superior were cost burdened compared to 2011. However, renter households remained the most susceptible to changing market conditions and were the most cost burdened in 2021. The fact that housing costs have outpaced household income growth can suggest increasing income inequality within Superior. Households with higher incomes may be able to cope better with rising housing costs, while those with lower incomes are more severely affected, potentially leading to an unequal access to housing that is affordable to them.

Exhibit 37. Change in Cost Burden by Tenure, Superior, 2011 and 2021

Source: American Community Survey (ACS) 2021 5-year estimates



5.2 Housing Attainability

Exhibit 38 shows the average rent and median home sale price in Superior in Q1 2023. With an average rent of $2,416 (for all homes and apartments), a household would have to make $96,940 or more to afford the average rent in Superior without being cost burdened. In comparison, with a median home sale price of $724,300, a household would have to make $181,000 or more to comfortably afford the median home price in Superior.

Exhibit 38. Average Rent and Median Sale Price in Superior and Related Affordability, Q1 2023

Source: Redfin, Zillow, ECONorthwest Calculations

AVERAGE RENT	MEDIAN SALE PRICE
$2,416	**$724,300**
Affordable to households making	Affordable to households making
$96,940+	**$181,000+**

Exhibit 39 below illustrates housing affordability and the attainable monthly rent and home sale price based on household income. The median income for a family of four in Boulder County in 2023 is $144,100 (100% of area median income); this figure is based on HUD's calculation for Boulder County.

The estimates presented in Exhibit 39 are based on income and affordability ratios that lending banks typically use. They do not consider other household financial characteristics that can affect ability to pay for housing—other debt such as auto loans and credit cards as well as accumulated assets. A key challenge many lower-income households face is competition for affordable housing from higher-income households. It is rational for higher-income households to choose less-expensive housing if it is available and meets household needs.[2] Given entry costs (down payment for owner units, advance rent, and deposits for rental units) and required credit reports, lower-income households have clear disadvantages in competing for lower-cost housing.

Based on the information above about the average rent and median home prices in Superior, a household earning 100 percent of the area median income (AMI) in 2023 could not afford to purchase the median-priced home in Superior. However, this household could afford the

[2] https://www.strongtowns.org/journal/2021/4/27/are-new-homes-mostly-luxury-does-it-matter-if-they-are

average rent in Superior. This highlights four key takeaways playing out in Superior's dynamic housing market:

- **Superior has an income disparity.** While a household earning 100 percent of the area median income can afford the average rent, they cannot afford to purchase a home at the median price. This suggests that higher-income households likely have a better chance of homeownership, while lower- and median-income households might be limited to renting.
- **Potential barriers to homeownership exist.** The inability of a moderate-income household to afford the median-priced home raises questions about the potential barriers to homeownership in Superior. Factors such as high down payment requirements, stricter mortgage lending criteria, and rising home prices relative to income growth can make it difficult for many households to enter the homeownership market.
- **Increasing the supply of both renter and ownership product units is important** for Superior in the long term. If the demand for housing, particularly for homeownership, exceeds the available supply, it can drive up home prices and make it challenging for households with moderate incomes to purchase a home. Similarly, if the demand for rental housing exceeds the available supply, it can drive up rent prices and price out households that rent in Superior.

Exhibit 39. Housing Affordability in Boulder County for a Family of Four, 2023

Source: HUD, ECONorthwest Calculations

If your household earns:				
$43,200 *30% of AMI*	**$86,500** *60% of AMI*	**$115,300** *80% of AMI*	**$144,100** *100% of AMI*	**$172,900** *120% of AMI*
Then they can afford:				
$1,080 **Monthly Rent** **OR**	$2,160 **Monthly Rent** **OR** $260,000- $303,000 **Home Sale Price**	$2,880 **Monthly Rent** **OR** $404,000- $461,000 **Home Sale Price**	$3,600 **Monthly Rent** **OR** $504,000- $576,000 **Home Sale Price**	$4,320 **Monthly Rent** **OR** $605,000- $692,000 **Home Sale Price**
Related Occupation:				
Construction Worker	**Web Developer**	**Chemical Engineer**	**Data Scientist**	**HR Manager**
$43,290/ *$20.81 hr*	*$86,120/* *$41.41 hr*	*$116,580/* *$56.60 hr*	*$141,740/* *$68.14 hr*	*$175,350/* *$84.31 hr*

5.3 Worker Affordability

The exhibit below shows the average wages by industry in Boulder County and the maximum rent and median home price that workers in each industry could afford.

Only a select few industries in Boulder County have high enough wages that can afford the average rent of $2,416 in Superior. No industry has a high enough wage for a single earner to afford the median home price of $724,300 in Superior. Superior's employment is concentrated in the service sector and education industry. Based on the average wages earned in Boulder County in 2021, select workers in the services sector can afford the average rent but not the median-priced home. Workers in the education industry would typically not be able to afford the average rent or median-priced home in Superior.

A select number of industry professionals can afford the median-priced home in Superior, but only if they earn 1.5 times the industry wage per household. These jobs mostly fall under the services sector and those in utilities and wholesale trade.

Exhibit 40. Housing Affordability in Boulder County by Industry and Wages, 2021

Source: BLS, ECONorthwest Calculations

Industry	Annual Average Wage	Max Affordable Rent	Can Afford the Average Rent	Max Affordable Home Price	Can Afford Median Home Price in Superior	Can Afford Median Home Price with 1.5 Earners per household?
Agriculture, forestry, fishing, and hunting	$48,344	$1,209	No	$181,426	No	No
Mining, quarrying, and oil and gas extraction	$92,097	$2,302	No	$345,623	No	No
Utilities	$122,413	$3,060	Yes	$459,393	No	Yes
Construction	$67,538	$1,688	No	$253,457	No	No
Manufacturing	$96,587	$2,415	No	$362,473	No	No
Wholesale trade	$127,856	$3,196	Yes	$479,819	No	Yes
Retail trade	$40,551	$1,014	No	$152,180	No	No
Transportation and warehousing	$51,346	$1,284	No	$192,692	No	No
Information	$177,255	$4,431	Yes	$665,205	No	Yes
Finance and insurance	$143,372	$3,584	Yes	$538,048	No	Yes
Real estate and rental and leasing	$69,937	$1,748	No	$262,460	No	No
Professional, scientific, and technical services	$135,799	$3,395	Yes	$509,628	No	Yes
Management of companies and enterprises	$151,476	$3,787	Yes	$568,461	No	Yes
Administrative and support and waste management and remediation services	$51,675	$1,292	No	$193,927	No	No
Educational services	$48,225	$1,206	No	$180,979	No	No
Health care and social assistance	$61,078	$1,527	No	$229,214	No	No

Arts, entertainment, and recreation	$32,796	$820	No	$123,077	No	No
Accommodation and food services	$27,305	$683	No	$102,471	No	No
Other services (except public administration)	$49,621	$1,241	No	$186,218	No	No

5.4 Housing Affordability and Transportation Costs

Traditional measures of housing affordability ignore transportation costs, although transportation typically represents a household's second-largest expenditure. These costs are heavily influenced by the location of where a household lives relative to their place of work. When people live farther from job centers and places of work, less reliable alternatives exist, so households typically need to own a vehicle to make their daily trips.

In Superior, 2,462 people commute into the town for work, while 5,846 people commute out of Superior for work. The majority of Superior residents (66 percent) commute alone by car, 9 percent carpool, 3 percent use public transit, and 22 percent work from home. These commuting characteristics and auto dependency indicate that transportation costs may impact Superior households' ability to pay for housing and other household essentials.

According to the Center for Neighborhood Technology, which analyzes housing and transportation costs, an average Superior household spends 51 percent of their annual income on housing and transportation costs (33 percent for housing and 18 percent for transportation). A typical Superior household spends $14,584 annually on transportation costs and owns 1.88 vehicles per household. According to the Center for Neighborhood Technology, transportation costs are considered affordable if they are 15 percent or less of household income, or $12,453 per year. This suggests that Superior residents typically spend more on transportation costs than the average US household.

5.5 Homelessness

Data from the Metro Denver Homeless Initiative (MDHI) shows increases in homelessness in Boulder County. In 2023, MDHI counted 839 unhoused people living in Boulder County, a notable increase from previous counts and confirmation that homelessness is rising across Boulder County and the Denver metro region. Of the 839 people experiencing homelessness, 596 people were in emergency shelters, transitional housing, or safe haven programs. The other 243 people counted were sleeping unsheltered on the streets or another place not meant for human habitation. The data represents a snapshot in time that can vary due to several factors such as weather conditions, methodology, and the participation of volunteers conducting the tallies.

Although there is no specific data that shows the number of unhoused individuals living in Superior, providing shelter and homeless preventive programs and resources is important toward providing the gamut of the housing spectrum.

In addition, Superior does not have a shelter in the Town and all individuals or families experiencing homelessness would need to go through Boulder County's Coordinated Entry. The Coordinated Entry is the first stop and key element of the adult homeless service system, which all individuals need to go through to identify the help they need.

6. Marshall Fire Recovery

In December 2021, the Marshall Fire in Boulder County grew out of several small wildfires, developing into a single large wildfire spanning roughly 6,000 acres that destroyed homes and businesses in Superior and Louisville. The fire destroyed 394 properties in Superior. The majority were residential properties (390 in total), and four commercial properties were destroyed. Roughly 8 percent of Superior's housing stock was destroyed during the Marshall Fire—further limiting the number of housing units available in Superior.

Since the fire, the Town of Superior's top priority has been helping residents with their recovery process. The Town created a web page and dashboard tracking the recovery efforts. As of August 2023, 394 lots have been cleared while 236 building permits have been issued and 37 building permits are pending. About 76 residential families have been able to move back into their neighborhood and 2 commercial buildings have been reopened. To help families rebuild, the Town has offered building permit and plan fee rebates to help reduce the costs of rebuilding. In total, as of August 2023, the Town has issued more than $2.5 million in rebates to families wanting to rebuild.

In March 2023, Louisville and Superior sponsored a Marshall Fire Recovery Advisory Panel by the Urban Land Institute (ULI). This panel provided feedback and recommendations for rebuilding housing and climate resilience, including:

- **Affordable homeownership options:** The Panel found that new construction in Louisville and Superior is priced above what many households in the area could afford and was exacerbated by the loss of housing in the fire. Particularly for "workforce" households, first-time homebuyers, and seniors, many new homeownership products (especially single-family detached homes) are unattainable. The Panel found that there are opportunities to develop more “missing middle housing” to offer more attainable homeownership opportunities, including developing deed-restricted housing, subdividing existing lots, and supporting the development of accessory dwelling units. In addition, the Panel recommended cities consider implementing developer incentives for missing middle housing, purchase sites for infill housing, and offer first-time homeowner financial assistance.

- **Limited rental opportunities:** The Panel found that the loss of housing further constrained an already limited rental stock in the area, leading to rental price gouging. Particularly for lower-income residents, there is inadequate attainable rental stock in the areas. To address renter housing needs, the Panel recommended that cities implement developer incentives for building rental housing, as well as a disaster-related rental housing voucher program for displaced renters.
- **Data availability:** The Panel found there is a lack of data on the socioeconomic characteristics of the displaced neighborhoods following the fire. The Panel recommended cities consult findings from the Marshall Fire Unified Survey Team to better understand the affected residents’ needs and tailor rebuilding strategies accordingly.

Initial findings from the Marshall Fire Unified Survey Team revealed disparities in insurance coverage and rebuilding progress across income levels. The survey team found that underinsurance was a significant obstacle for many affected households, with only a small percentage of respondents’ expecting insurance coverage to fully meet their rebuilding costs. The extent of expected insurance coverage correlated with income levels, with higher-income households anticipating higher payouts. This correlation was also reflected in the progress of rebuilding, as those expecting higher insurance coverage were more likely to have received building permits after one year compared to those with lower coverage expectations. This inequity can exacerbate existing inequalities during the rebuilding process, and the survey team recommends the City prioritize programs that offer rebuilding assistance to households with fewer resources.

7. Population Forecast

One way to to understand the forecast of future housing demand in Superior is to consider county-level population forecasts from the Department of Local Affairs (DOLA) State Demography Office. In the next 20 years, Boulder County’s population is forecasted to grow by 51,869 people, at an annual growth rate of 0.73 percent. Based on historical population trends, Superior’s population has made up approximately 4 percent of the county’s population. If this trend continues, Superior's population is expected to grow by 2,075 people in the next 20 years. The exhibit below shows 2043 population forecasts for Boulder County along with Superior's 4% share. Much of the forecasted growth for Superior is already captured within the units shown in Section 4.4

Exhibit 41. Population Forecast, Superior and Boulder County

Source: DOLA County 1-Year Population Forecast 2022
Note: *ECONorthwest estimates. Assumes 4.0% share of county population.

				Future Growth (10 Years)		Future Growth (20 Years)	
	2023	2033	2043	# Total	AAGR	# Total	AAGR
Boulder County	331,428	358,550	383,296	27,122	0.79%	51,869	0.73%
Superior*	13,257	14,342	15,332	1,085	0.79%	2,075	0.73%

Based on units in Section 4.4, the following table estimates the resulting population growth:

	Total Units	Total Population
2011	4,597	12,572
2021	4,790	13,053
Currently approved, under construction, or complete since 2021*	5,973	15,656**

*Units associated with the remainder of Downtown Superior, Roger's Farm Wee Cottages, Lanterns Lane, and Superior Shores. See Sec. 4.4.

**The Total Population as a result of these developments assumes an average household size of 2.2 persons per unit.

The work to develop this report included an evaluation of existing zoning and entitlements to understand the opportunity for additional housing units. The only area of Town where additional units are currently possible is within Original Superior. According to the NW Superior Area Study, roughly 100 additional housing units could be constructed on lots that were vacant prior to Marshall Fire. Additional units in Original Town could be built as

Accessory Dwelling Units. Any additional housing units would require change in land use codes, zoning, and Planned Development Amendments.

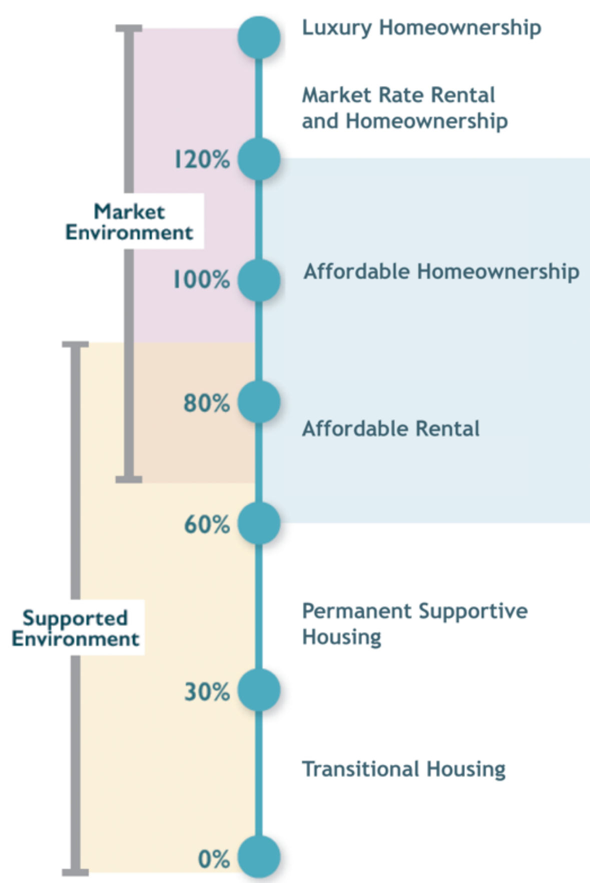
Despite the addition of the units described above, the Town will continue to experience demand for additional housing due to its proximity to Boulder and Denver and ongoing regional housing pressure brought on by population growth. Without changes to land use codes and policy, Superior would not be able to accommodate new units to meet the ongoing demand.

8. Future Housing Need

Community housing (also known as the housing continuum) encompasses a wide range of housing needs within an area, not only focused on affordable, or workforce, but all types of housing for people with a diversity of needs. While private, market-rate housing development is essential and desired in many areas, an intentional focus on supporting the development of housing that is attainable and accessible to a wide range of incomes, ages and social status is necessary to maintain a diverse, healthy, and prosperous community.

A community with a harmonious housing continuum can effectively fulfill the diverse housing needs of numerous households, ensuring housing stability, particularly for those with lower incomes. It accommodates affordable housing options for the workforce while also offering market-rate and luxury housing for higher-earning households.

Exhibit 42. The Housing Continuum



This report has identified current challenges for some households in Superior, and has identified trends which will influence housing needs in the future. Generally, there is an adequate amount of larger single-family homes to meet Superior's needs in the next 20 years. Superior should focus on meeting the needs of targeted groups to provide a better balance of housing in the Town.

This assessment has identified housing needs for the following targeted population groups:

Aging Residents

- Superior's senior population is rapidly growing. This growth is unlikely to slow as Gen Xers grow older.
  - Seniors aged 65 years and older experienced the fastest growth since 2011, increasing by 246 percent.
  - Millennials and Gen Xers represent about 57 percent of Superior's population. As this population ages, Superior's senior population will continue to grow.
- Superior should consider multiple housing options to meet the changing needs of seniors. These could include services to allow "aging-in-place", single-story homes with universal design, rental properties that are targeted to seniors, allowances for multi-generational living including Accessory Dwelling Units throughout Town, and facilities that provide a continuum of care for seniors, including independent living, assisted living, and memory care.

Local low-wage workers, renters of all incomes, and first time homebuyers

- The Town's recently adopted Inclusionary Housing Ordinance does not apply to the properties currently developing new market rate housing.
- In Superior, homeownership rates have decreased 10 percent since 2010, while homeownership rates remained stable in Boulder County and Colorado.
- The share of households who rent increased by 10 percent between 2011 and 2021. This underscores the significance of having rental housing that is both of good quality and reasonably priced.
- The desire for homeownership by millennials and Gen Z will increase as they age. As a result, there will be a demand for starter homes and relatively affordable types of ownership and rental housing.
- Additionally, to accommodate the housing needs for this population group, there will need to be more one- and two-bedroom housing units and housing near major employment centers and services.