

City of Lafayette

ECONOMIC DEVELOPMENT & HOUSING STRATEGIC PLAN – DATA UPDATE

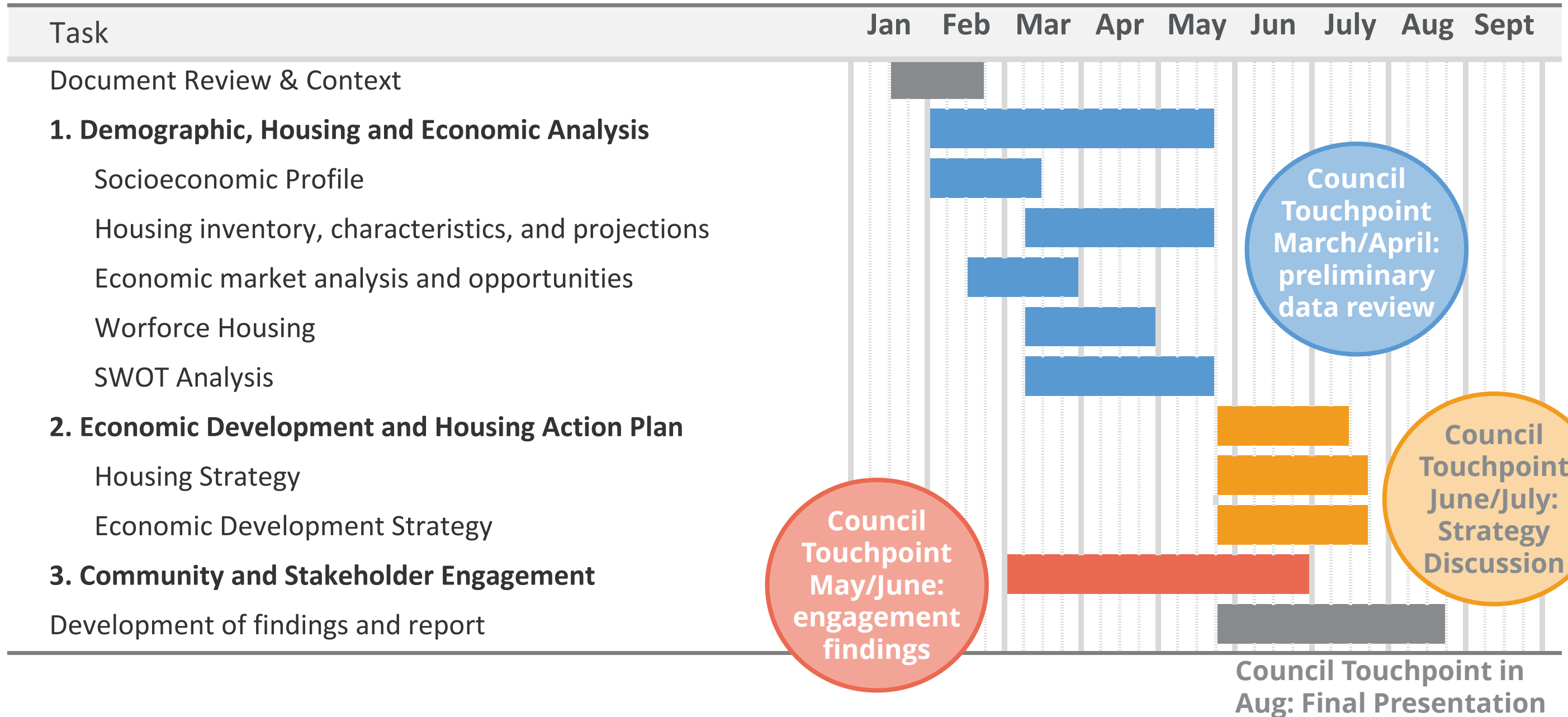
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Today's Focus: Preliminary Data Review



Key Terms & Concepts

- HUD Area Median Income, "AMI"
- "Missing Middle" housing types
- Affordable housing (naturally occurring and income/deed restricted)
- Mobile/manufactured homes and communities
- Inflation adjustments

"extremely" low income
=< \$26,350 to \$37,600 per year
< 30% AMI



"very" low income
up to \$43,900-\$62,700 per year
30-50% AMI



"low" income
up to \$63,000-\$89,950 per year
50-80% AMI



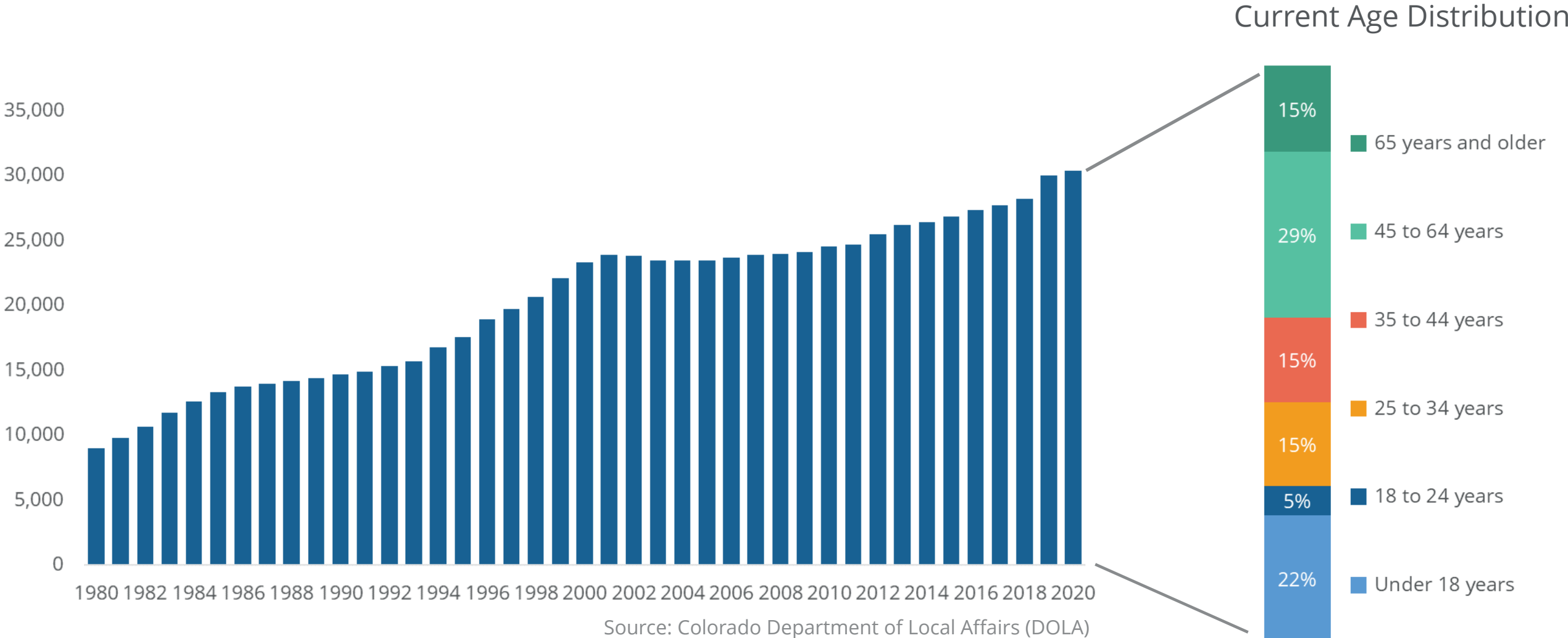
"median" to "moderate" income
up to \$105,350-\$150,500 per year
80-120% AMI



Note: 2022 HUD Income Limits for Boulder County; ranges reflect 1- to 4-person hh

SOCIOECONOMIC PROFILE

Population Trends in Lafayette



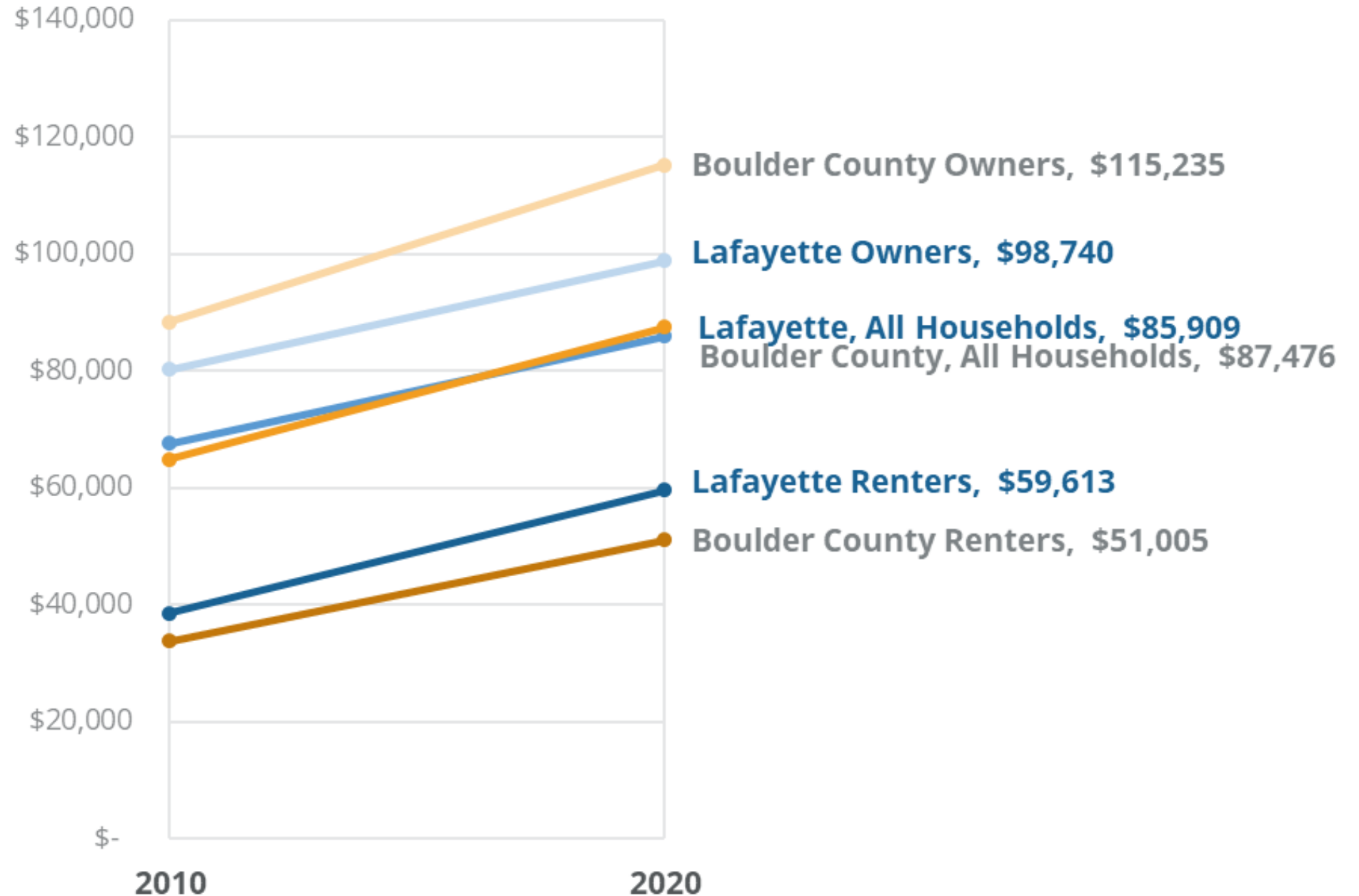
Source: Colorado Department of Local Affairs (DOLA)

Source: 2020 5-year ACS

Median Household Income

Median income for Lafayette households increased 27% from 2010-2020.

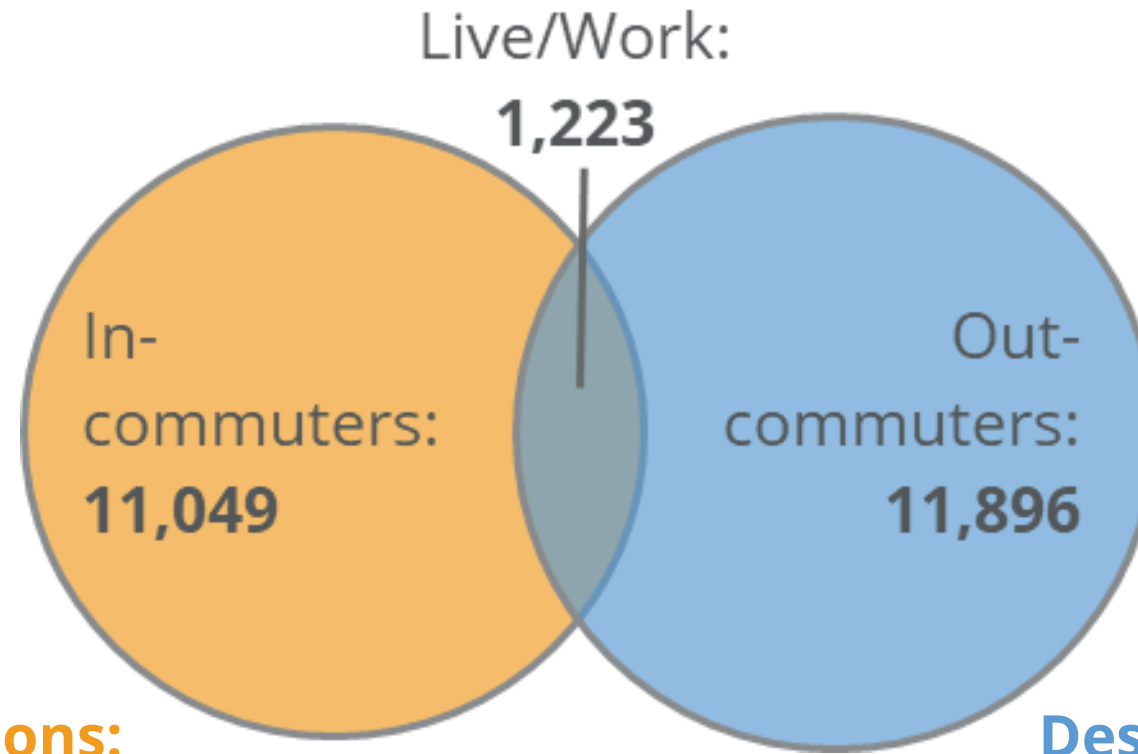
Percentage gains were greater for renters (55%) than owners (23%), though owners have more than 1.5x the income of renters at the median.



Source: 2010 and 2020 5-year ACS

Labor Force & Commute

In- and out-commuting to/from Lafayette is fairly balanced, though relatively few people both live and work in Lafayette (about 10%).



Originations:

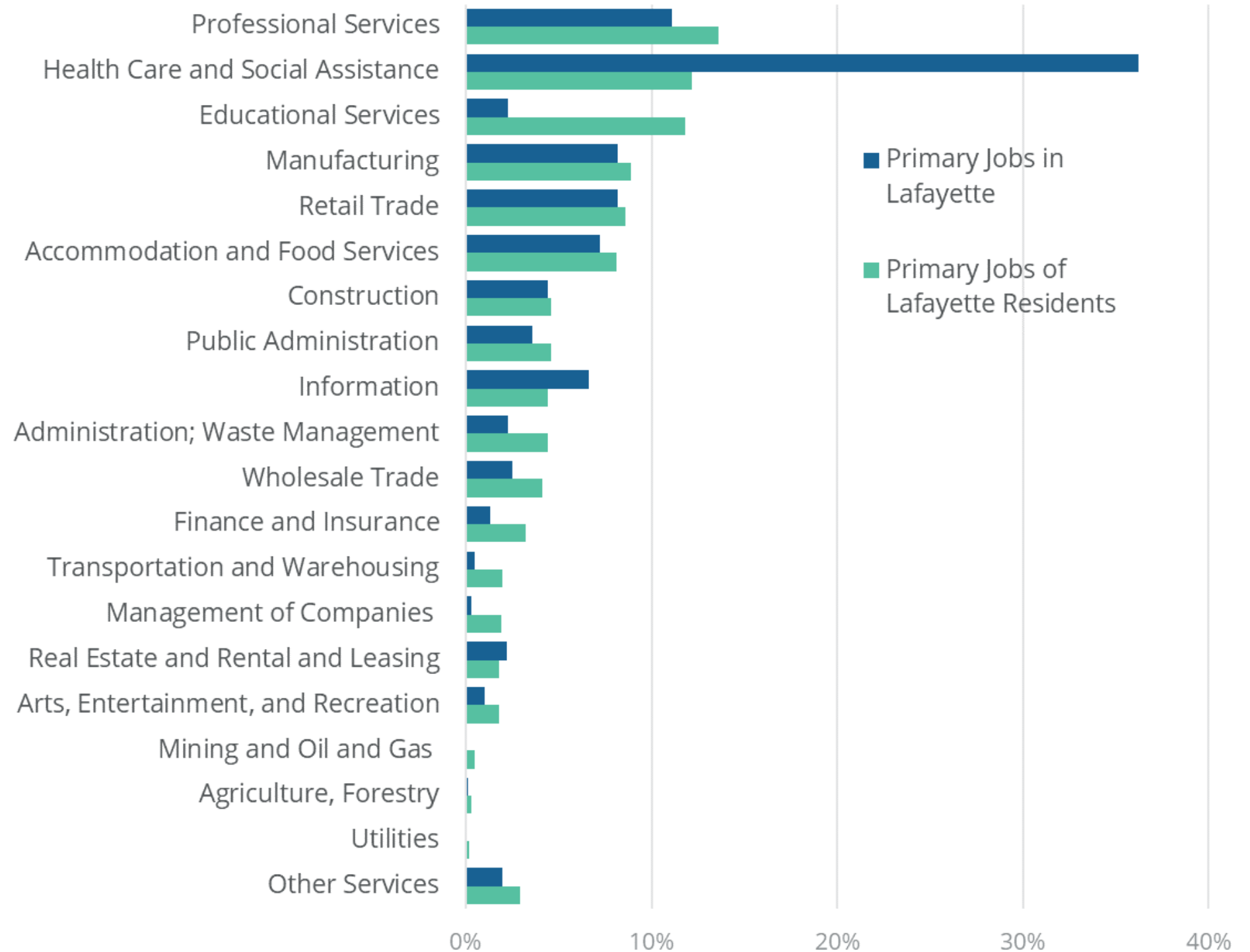
1. Lafayette (10%)
2. Thornton (8%)
3. Broomfield (7%)
4. Westminster (7%)
5. Denver (7%)
6. Longmont (6%)
7. Boulder (5%)
8. Erie (4%)
9. Arvada (4%)
10. Louisville (3%)

Destinations:

1. Boulder (30%)
2. Lafayette (9%)
3. Denver (8%)
4. Louisville (7%)
5. Broomfield (5%)
6. Longmont (4%)
7. Westminster (3%)
8. Aurora (2%)
9. Fort Collins (2%)
10. Lakewood (2%)

Industries of Lafayette Residents and Jobs

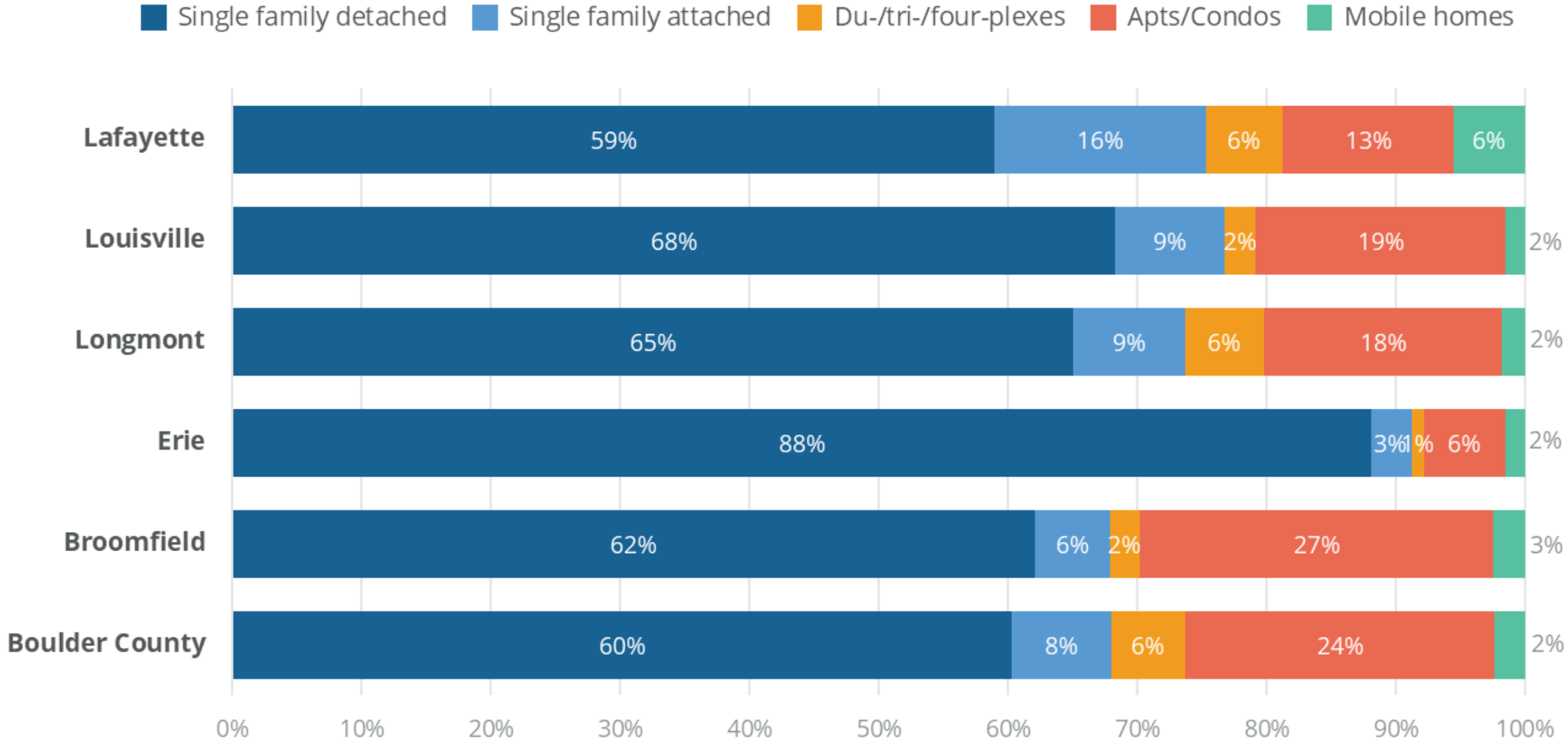
Lafayette jobs are concentrated in health care, while the primary industries of Lafayette workers are widely distributed (with professional services, health care, and education occupying the top 3).



HOUSING PROFILE

Housing Structure Type:

Lafayette has more housing diversity than surrounding communities.



Source: 2020 5-year ACS

Home-Ownership

71% of all Lafayette households are owners.

Owners tend to be older, have higher incomes, and are more likely to be family households.

Some minority groups—African American and Asian residents—have lower ownership rates.

Ownership Rates

All Households

71%

Income Distribution

Less than \$25,000

40%

\$25,000 - \$50,000

60%

\$50,000 - \$75,000

66%

\$75,000 - \$100,000

72%

\$100,000 - \$150,000

74%

\$150,000+

88%

Age of Householder

Ages 25-34

43%

Ages 35-44

72%

Ages 45-64

80%

Ages 65 and older

74%

Household Type

Family household without children

79%

Family household with children

76%

Nonfamily household

59%

Race/Ethnicity of Householder

Non-Hispanic White

70%

Hispanic

74%

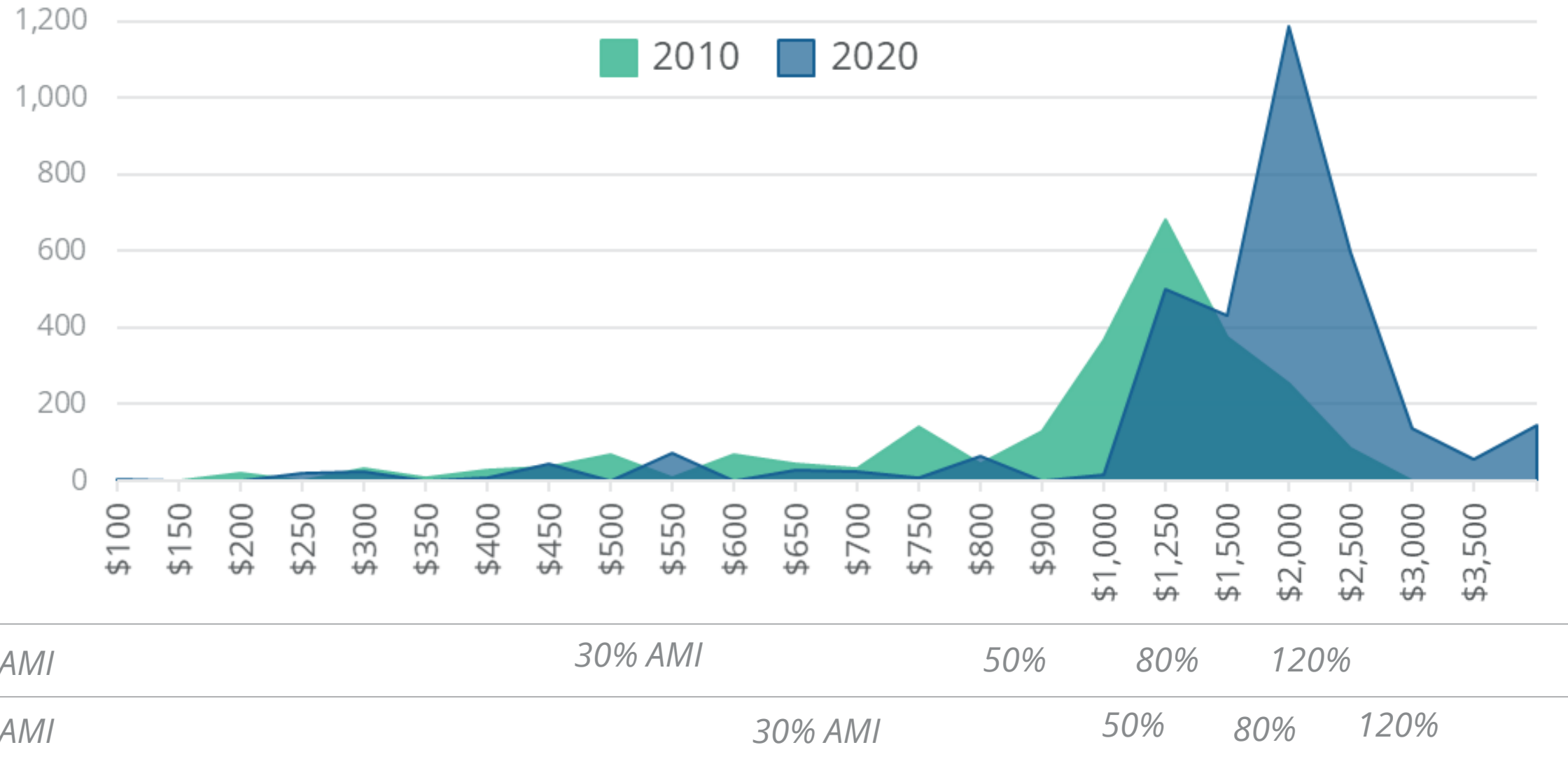
African American

50%

Asian

60%

Market Trends—Rental: Rents rose dramatically over the past 10 years and are now concentrated between \$1,500-\$2,500.



2010 AMI

30% AMI

50%

80%

120%

2020 AMI

30% AMI

50%

80%

120%

Market Trends—Rental

Change in Median Rent, Lafayette & Surrounding Communities, 2010-2020

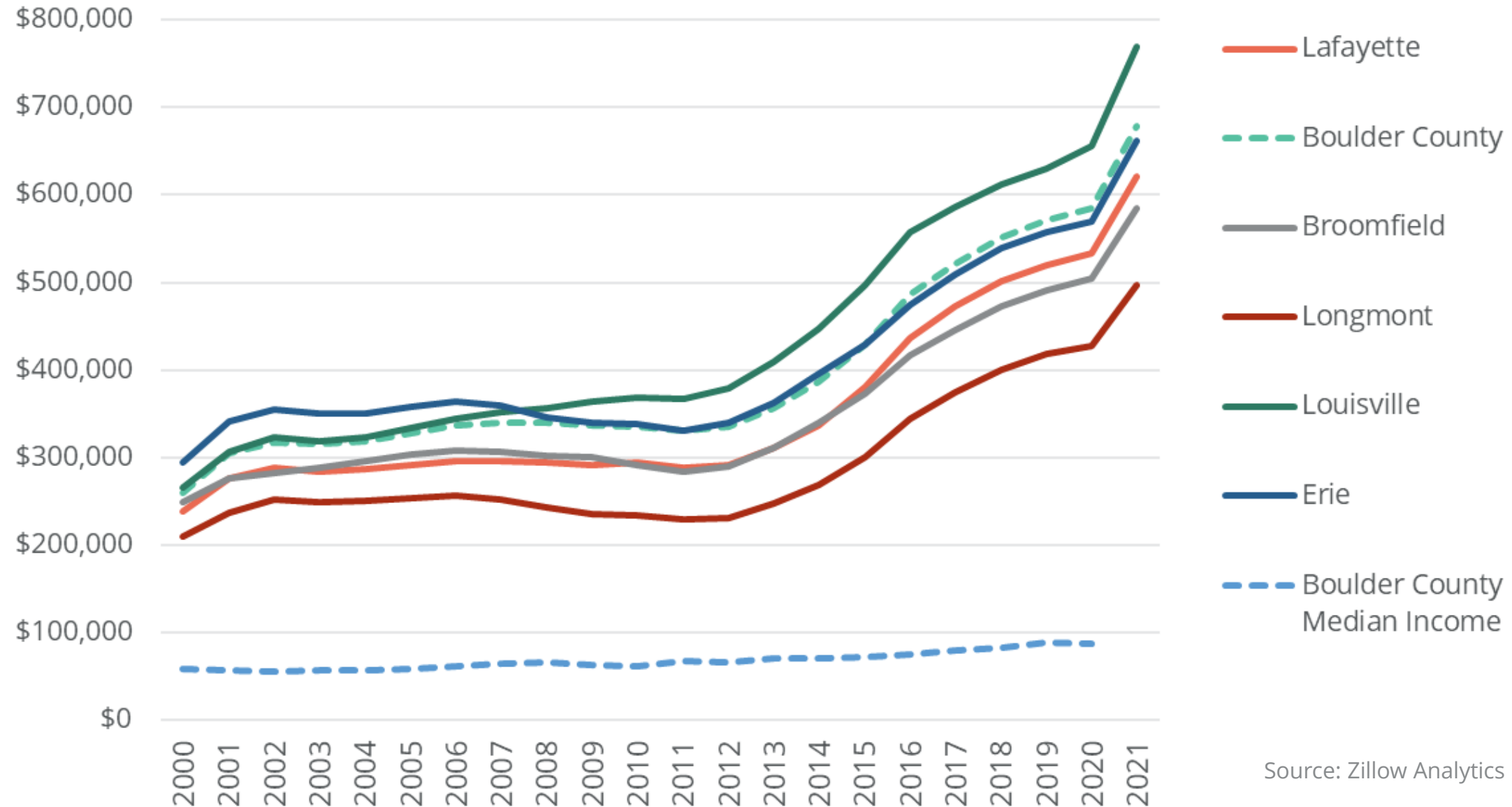
	2010	2020	Percent Change
Lafayette	\$1,066	\$1,685	+ 58%
Broomfield	\$982	\$1,711	+ 74%
Erie	\$1,316	\$2,128	+ 62%
Longmont	\$902	\$1,437	+ 59%
Louisville	\$1,045	\$1,682	+ 61%
Boulder County	\$986	\$1,582	+ 60%

Income Required to Afford Median Rent by Number of Bedrooms, Lafayette 2020

Rental Size	Median Rent	Income Required	Approximate 2020 AMI
Studio	\$1,330	\$53,200	75% AMI
1 bedroom	\$1,544	\$61,760	85% AMI
2 bedrooms	\$1,616	\$64,640	80% AMI
3 bedrooms	\$1,864	\$74,560	80% AMI
4+ bedrooms	\$2,351	\$94,040	90% AMI

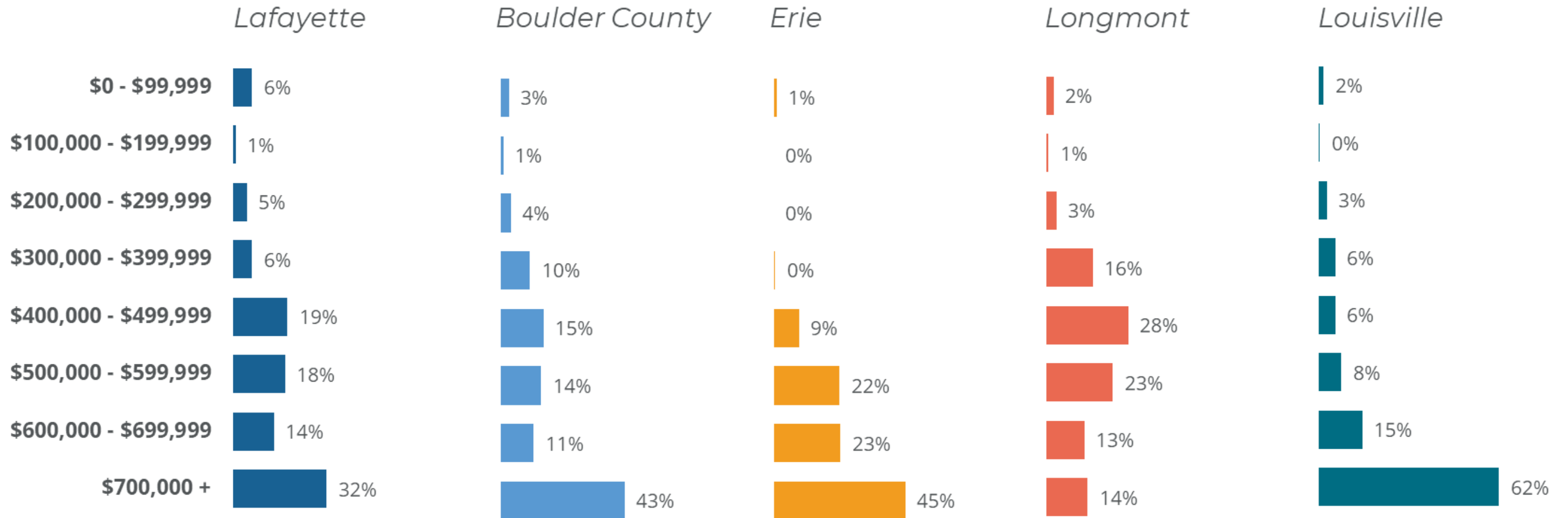
Note: Approximate AMI assumes 1-person per bedroom

Market Trends—For-Sale: Median market value of Lafayette homes more than doubled since 2000 with sharp gains in just the last 8 years.



Source: Zillow Analytics

Home Price Distribution 2020-2021



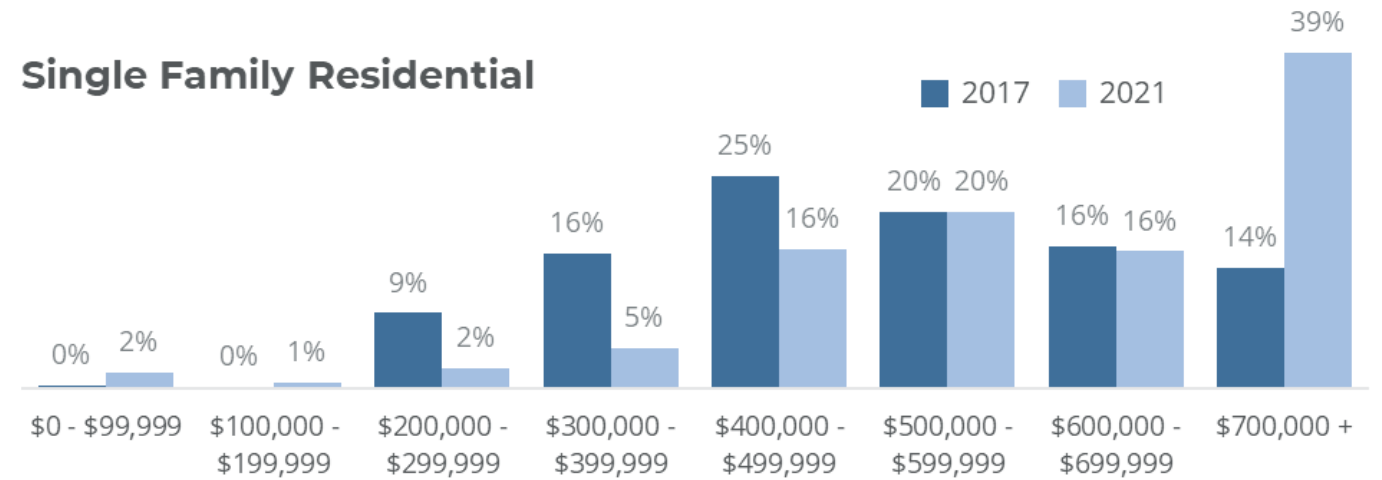
Home Sales Price Distribution by Type, 2017 and 2021

Attached housing types and manufactured homes provide more affordable for-sale options but are relatively limited in number.

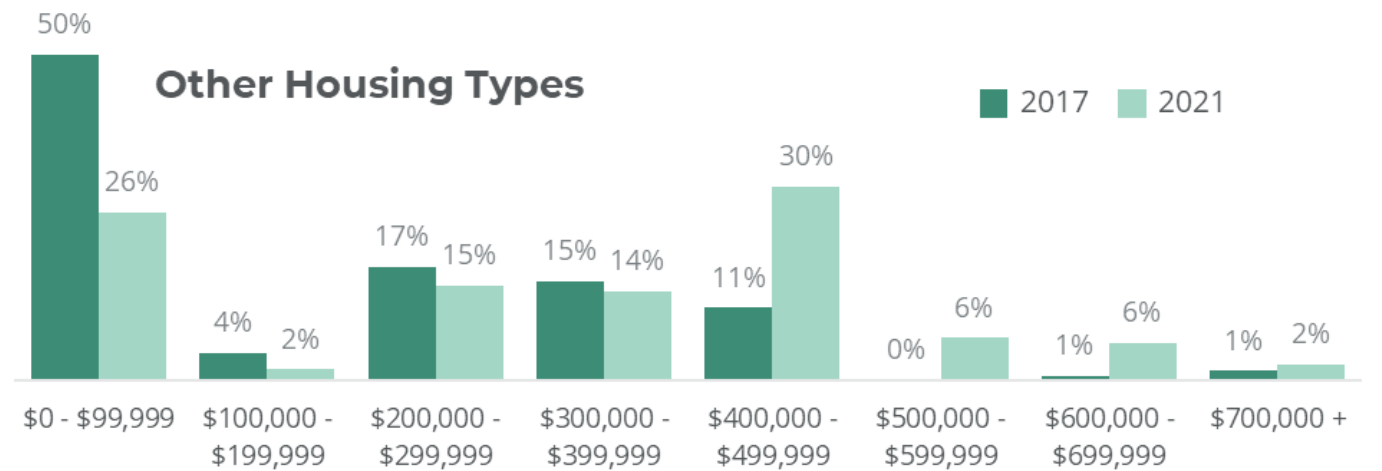
Single family residential had a very pronounced upward price shift since 2017.

Source: Boulder County Assessor

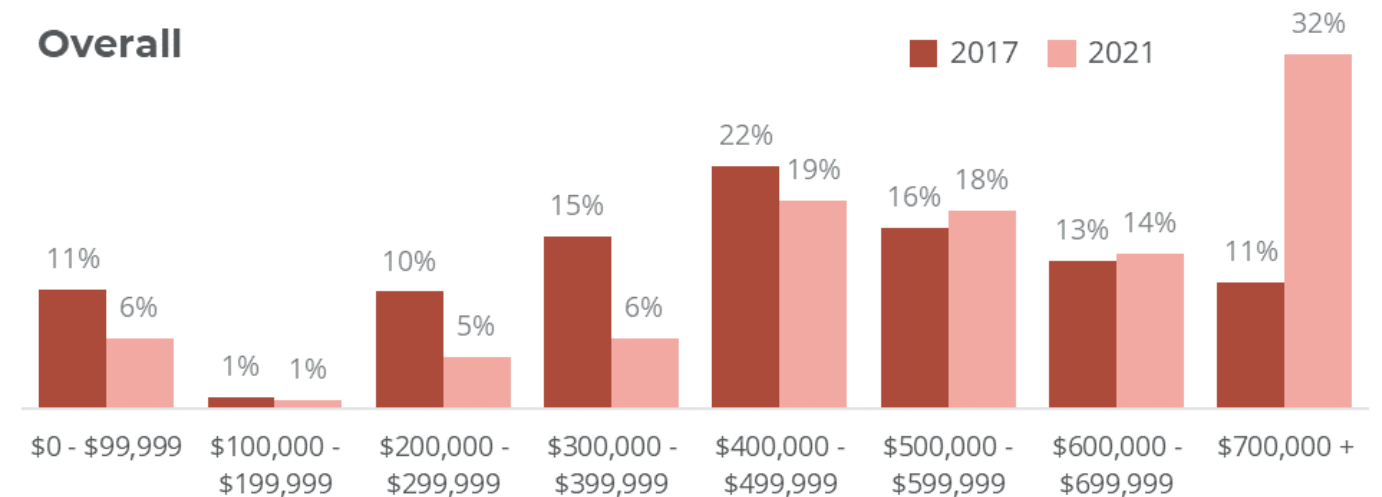
Single Family Residential



Other Housing Types



Overall



Manufactured Housing

Provides purchase affordability but lot rents impact monthly cost burden; Disproportionately serves older, lower income, and Hispanic residents.

Product Characteristics

	Num.	Pct.
Number of Mobile Homes	902	100%
Location		
In Mobile Home Parks	880	98%
On Other Parcels	22	2%
Year Built/Manufactured		
Before 1976	236	26%
1976 to 2000	498	55%
2000 or later	168	19%
<i>Average Year Built</i>	<i>1986</i>	
Value and Cost		
Median Sale Price	<i>\$49,070</i>	
Typical Lot Rent (per month)	<i>\$720-\$1,200</i>	

Source: Boulder County Assessor

Occupant Characteristics

	All Households	Single Family Units	Manufactured (Mobile) Homes
Tenure			
Owner	71%	90%	84%
Renters	29%	10%	16%
Household Type			
Family Household	62%	72%	34%
Non-Family Household	38%	28%	66%
Age of Householder			
15 to 34	27%	24%	23%
35 to 64	64%	68%	61%
65 and Over	10%	8%	16%
Race/Ethnicity			
Non-Hispanic White	81%	82%	52%
Hispanic	12%	11%	46%
Other Minority	7%	7%	2%

Source: 2020 5-year ACS

HOUSING GAPS ANALYSIS

Affordability Changes at the Median

Incomes and purchasing power have not kept pace with home prices.

	2010	2020	% Change
Income			
Median Household Income	\$67,560	\$85,909	27%
Median Owner Income	\$80,193	\$98,740	23%
Median Renter Income	\$38,546	\$59,613	55%
Rent/Home Prices			
Median Rent	\$1,066	\$1,685	58%
Median Market Value	\$293,939	\$533,747	82%
Purchasing Power			
Affordable Home Price at Median Household Income	\$268,982	\$414,415	54%
Interest rate	4.69%	3.11%	

Falling interest rates have bolstered affordability; however, rising interest rates will compress affordability. For example, if current rates were at 5.0%, the affordable purchase price would drop to \$330,000—just a 23% increase from 2010.

Housing Gaps Analysis

- **Compares supply and demand for housing at specific price-points.**
- Demand focuses on renters—both as current renters and as potential buyers. Income is used as a proxy for demand (analysis does not account for unit size and unique housing preferences).
- Supply analysis accounts for both naturally occurring affordable housing and publicly assisted (subsidized) housing.
- The “gaps” column shows the difference in supply and demand at each price point/income level. (The “cumulative gap” column shows the running total). Negative numbers indicate shortage of affordably priced housing at that income level. Households in those incomes are forced to “rent up” (for lower income) or are renting down (higher incomes)—they are not unhoused, just mismatched in terms of affordability.
- Affordable home/rent prices assume 30% of income is spent on housing. Home purchase affordability assumes a 30-yr fixed rate mortgage at 3.1%; and 25% of monthly housing costs are non-mortgage (insurance, utilities, PMI, etc.).

Rental Gaps

Renter Incomes	Maximum Affordable Gross Rent	Rental Demand (Current Renters)		Rental Supply (Current Units)		Gap	Cumulative Gap
		Number	Percent	Number	Percent		
Less than \$20,000	\$500	441	13%	112	3%	(329)	(329)
\$20,000 to \$24,999	\$625	142	4%	94	3%	(48)	(377)
\$25,000 to \$34,999	\$875	351	10%	125	3%	(226)	(602)
\$35,000 to \$49,999	\$1,250	512	15%	572	15%	60	(542)
\$50,000 to \$74,999	\$1,875	660	19%	1,464	39%	804	262
\$75,000 to \$99,999	\$2,500	482	14%	990	26%	508	770
\$100,000 to \$149,999	\$3,750	507	15%	152	4%	(355)	415
\$150,000 +	\$3750+	355	10%	163	4%	(192)	223
Total/Low Income Gap		3,450	100%	3,673	100%	(602)	

Home Purchase Gaps

Income Range	Max Affordable Home Price	Potential Demand among 1st Time Buyers (Current Renters)		For-Sale Supply (Homes Sold 2020-2021)		Renter Purchase Gap	Cumulative Gap Excluding <\$20,000
		Number	Percent	Number	Percent		
Less than \$20,000	\$96,473	441	13%	34	5%	-8%	0%
\$20,000 to \$24,999	\$120,592	142	4%	7	1%	-3%	-3%
\$25,000 to \$34,999	\$168,831	351	10%	1	0%	-10%	-13%
\$35,000 to \$49,999	\$241,190	512	15%	2	0%	-15%	-28%
\$50,000 to \$74,999	\$361,787	660	19%	29	4%	-15%	-42%
\$75,000 to \$99,999	\$482,384	482	14%	37	6%	-8%	-51%
\$100,000 to \$149,999	\$723,578	507	15%	217	33%	19%	-32%
\$150,000 or more	\$723,578+	355	10%	323	50%	39%	8%

Housing Gaps Summary

Affordability shortages for renters earning less than \$50,000 and potential buyers earning less than \$150,000

Rental Market Gaps

Income less than \$35,000

Demand (current renters) 934

Supply (current units) 332

602-unit Gap

Income less than \$50,000

Demand (current renters) 1,446

Supply (current units) 904

542-unit Gap

Sale Market Gaps

Income \$20,000-\$75,000

Demand (current renters) 48%

Supply (for-sale homes) 11%

37-pct pt Gap

Income \$20,000-\$150,000

Demand (current renters) 77%

Supply (for-sale homes) 50%

27-pct pt Gap

Key Trends from Prelim. Analysis

Incomes have not kept pace with housing prices—particularly ownership opportunities. Rising interest rates will exacerbate affordability of for-sale housing.

Ownership affordability needs are concentrated among households earning less than \$100,000 per year (<80%-100% AMI) but extend up to those earning \$150,000 (<120%-150% AMI).

Rental affordability needs are concentrated among households earning less than \$35,000 per year (<30%-40% AMI) but extend up those earning \$50,000 (<50%-60% AMI).

Lafayette has more housing diversity than surrounding communities and should consider ways to maintain existing “missing middle” and manufactured/mobile stock and encourage continued development of diverse housing options.

DISCUSSION
& NEXT STEPS

Community Engagement—Ongoing

- 1) Business development stakeholder focus groups.
- 2) Housing development stakeholder focus groups.
- 3) Business visits with key employers and retailers.
- 4) Interviews with developers.
- 5) Tailored outreach to mobile home communities (coordinating with Sustainability on joint outreach).
- 6) **Resident survey (in field):** <https://lafayette-listens.com/edhsp> or www.research.net/r/LafayetteHousingRetail2022



- Did anything in the analysis **surprise you**?
- Did it reflect **what you are hearing** from constituents?
- What outstanding questions do you still have about the “**where are we now**” portion of the analysis?



Council Check-In...



ROOT POLICY
R E S E A R C H