

# Full House:

Tuning Up Your Land Use Regulations to Promote  
Housing Choices



***Presented by***

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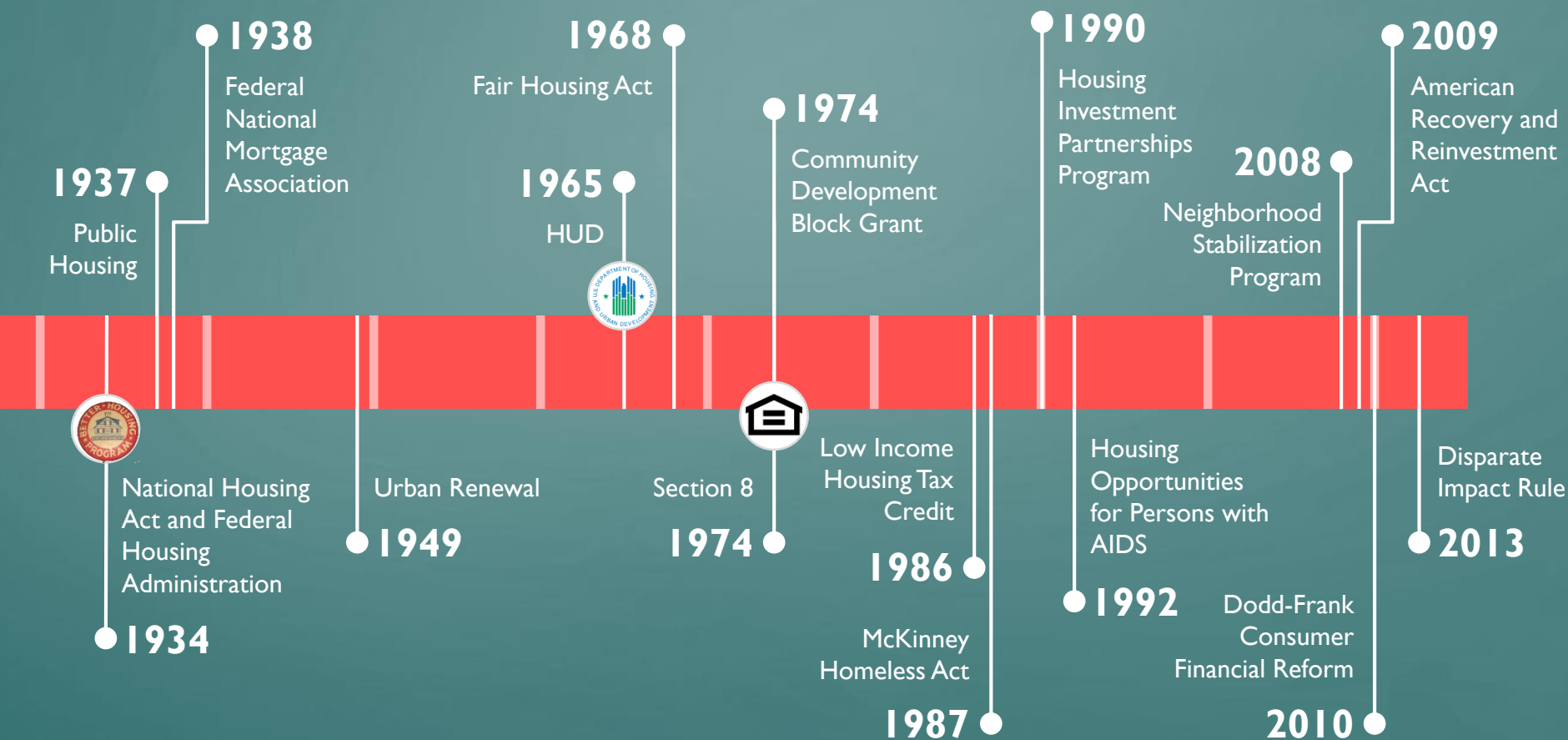
March 16, 2017

The background features a series of concentric circles in a light teal color, centered on a white background. A white spiral line starts near the center and winds outwards, passing through the circles. The text is positioned in the upper left quadrant of the image.

**BACKGROUND**

**Housing Policy**

# Evolution of Affordable Housing Policies and Programs



# Income Thresholds & Target Housing

**“extremely” low income**  
= $\leq$  \$24,000 per year, poverty level

**< 30% MFI**



Public housing, Section 8, tenant-based rental assistance, transitional housing, other deeply subsidized rentals.

**“very” low income**  
\$24,000-\$40,000 per year

**30-50% MFI**



Public housing, Section 8, rental tax credit developments, other rental products. Shared equity and land trust for homeownership.

**“low” income**  
\$40,000-\$65,000 per year

**50-80% MFI**



Generally live in privately provided rental housing. Ownership with shared equity, land trust, other deed-restricted products, attached homes, homes in affordable areas.

**“median” to “moderate” income**  
\$65,000-\$95,000 per year

**80-120% MFI**

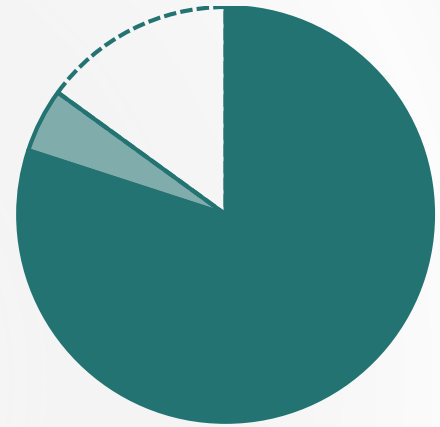


Privately provided rental housing. General target for homeownership programs, can buy without assistance in affordable areas.

# Role of the Private Sector in Providing Housing

It is **critical** that the private sector is part of  
affordable housing strategies

80-85%  
Rental Units



95-98%  
Homes



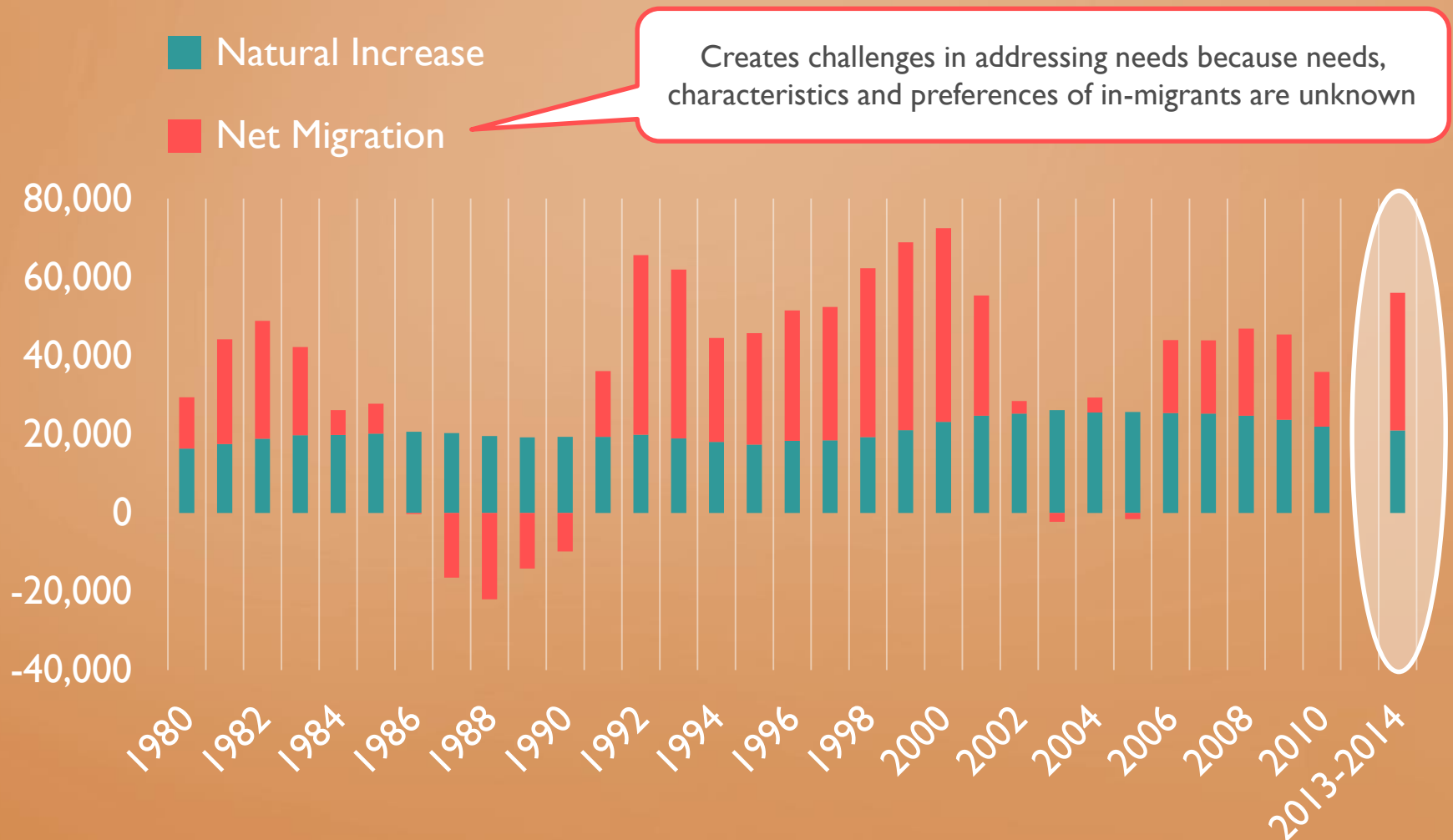
# RECENT TRENDS



# National v. Western U.S. Growth

	2000 Population	Percent of U.S. Population	2016 Population	Change, 2000-2016	Percent of 2000-2016 Growth
United States	281,421,906		323,127,513	41,705,607	
Arizona	5,130,632	2%	6,931,071	1,800,439	4%
Colorado	4,301,261	2%	5,540,545	1,239,284	3%
Idaho	1,293,953	0%	1,683,140	389,187	1%
Nevada	1,998,257	1%	2,940,058	941,801	2%
New Mexico	1,819,046	1%	2,081,015	261,969	1%
Utah	2,233,169	1%	3,051,217	818,048	2%
Wyoming	493,782	0%	585,501	91,719	0%
California	33,871,648	12%	39,250,017	5,378,369	13%
New York	18,976,457	7%	19,745,289	768,832	2%
Texas	20,851,820	7%	27,862,596	7,010,776	17%

# Net migration is driving growth in (again)





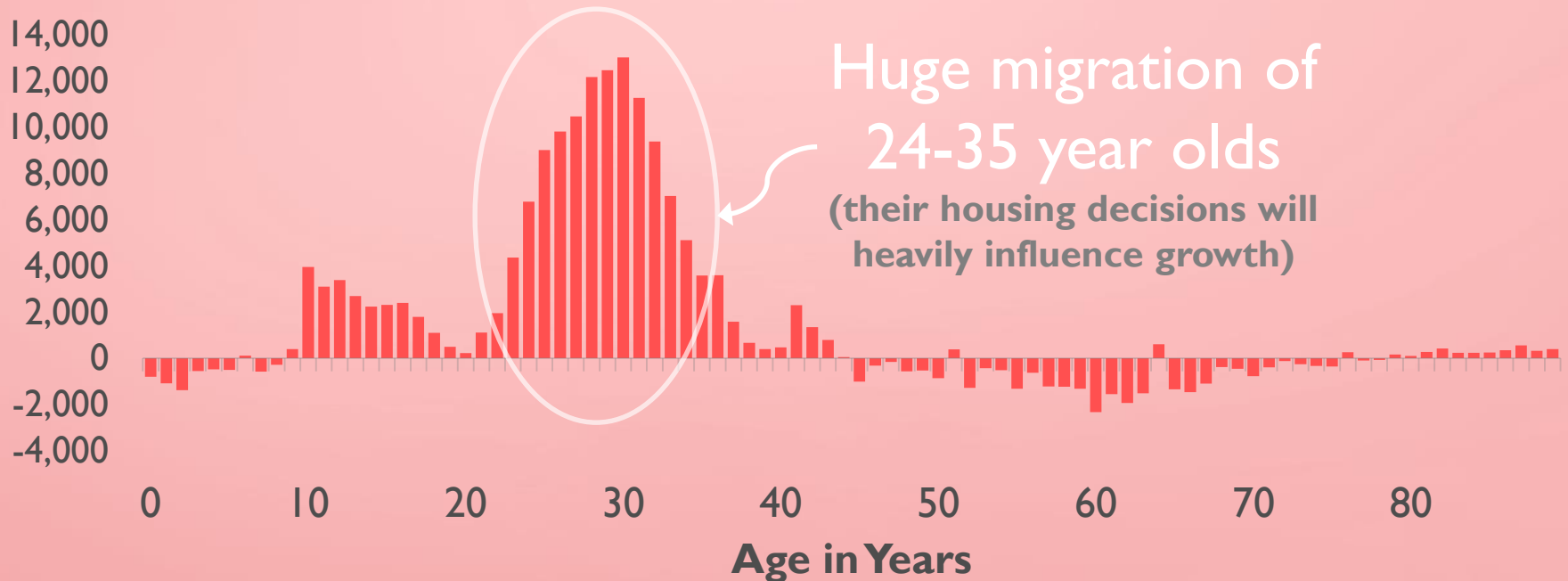
# Growth Today is Different from 1990–2000

**Slower** in pace

**Similar** in numbers

**Different** in housing preferences

Net Migration by Age, Denver Region, 2000-2010



# National v. Regional Affordability

- ▶ Nationally, largest price jumps occurred in the 1970s and 1990s (rents only)
- ▶ Regionally, price jumps occurred in the late 1990s

United States	1970	1980	1990	2000	2014	1990-2014 Change
Median Home Value	\$17,100	\$51,300	\$79,831	\$123,887	\$160,000	100%
Median Owner Income	\$9,700	\$19,800	\$35,589	\$50,505	\$60,000	69%
Median Rent	\$108	\$241	\$256	\$646	\$850	232%
Median Renter Income	\$6,300	\$10,500	\$20,295	\$26,848	\$30,000	48%

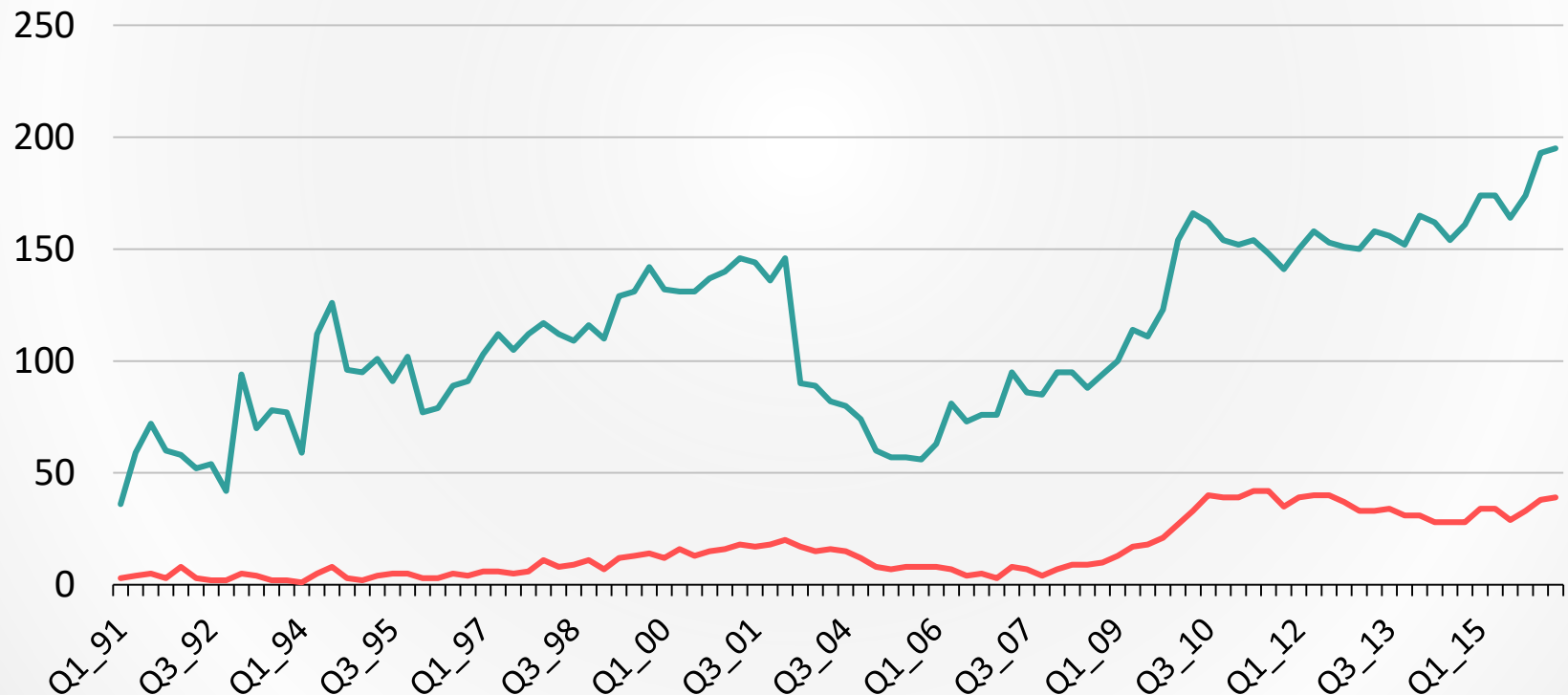
  

Denver Region	1990	2000	2014	1990-2014 Change
Median Home Value	\$86,800	\$189,000	\$259,000	198%
Median Rent	\$429	\$750	\$1,124	162%

# Regional Homeownership Affordability

**Note:** Lower numbers indicate higher levels of affordability

— U.S. Affordability Rank (out of 225)  
— Western U.S. Affordability Rank (out of 72)



# Regional Rental Affordability

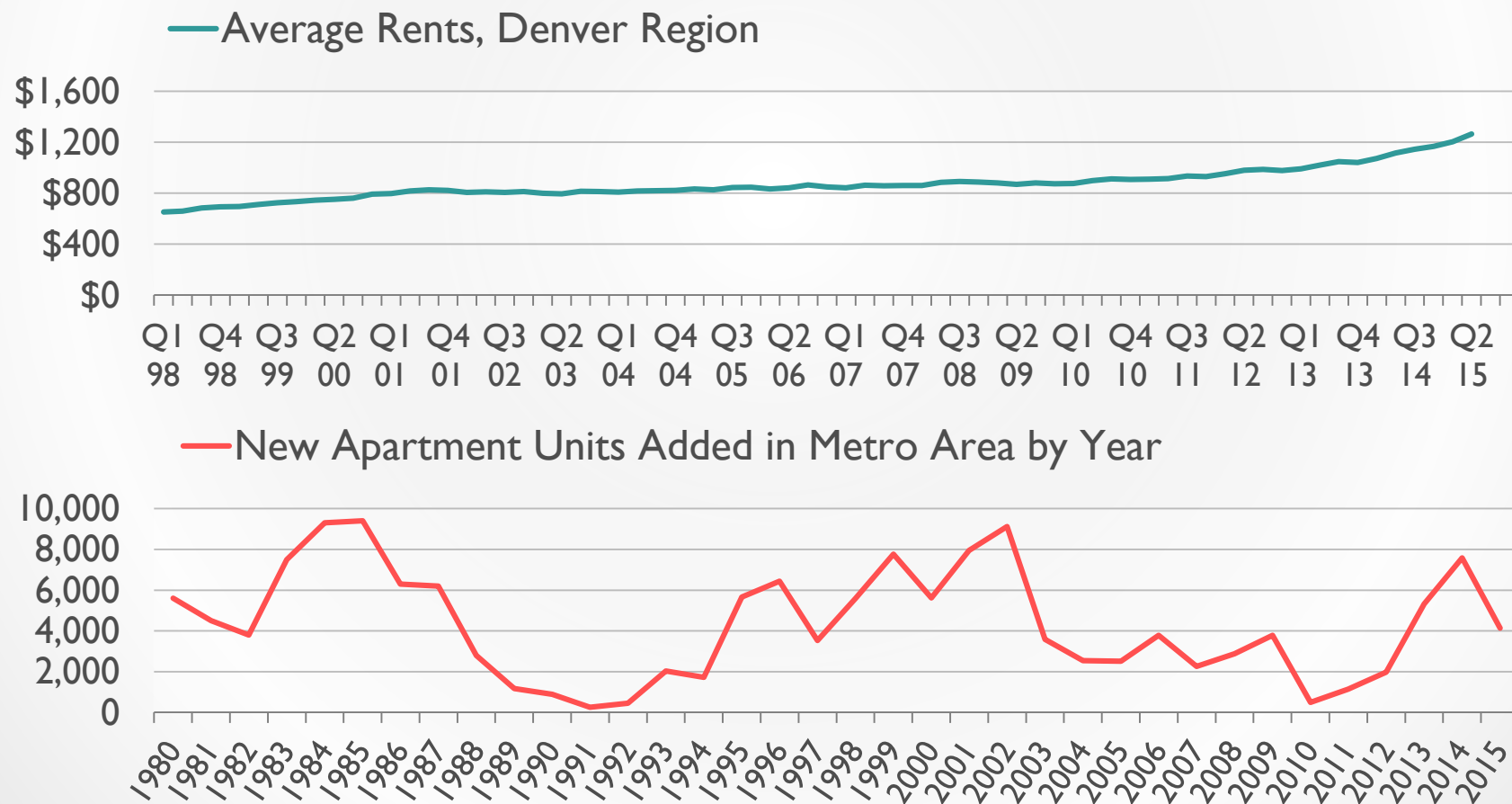
Very low levels of post-recession development

+

rapid influx of renters

=

highest rents in history



# Result? Growing Income Segregation

Residential Income Segregation Index (RISI) = 55 in 2010  
v. 34 in 1980

Lower is better!

## Top Income Segregated Cities in the Nation



Denver is also the **2<sup>nd</sup>** worst city behind New York for the percentage of low income households living in low income areas

AND has the **3<sup>rd</sup>** largest increase in segregation between 1980 and 2010

# Why do we have affordable housing needs?

- 1). Physical development of housing **lags behind the factors** that create demand (direct assistance more flexible)
- 2.) **Inconsistent philosophies** if/how the government should address housing needs and poverty
- 3). Housing initiatives often driven by **other policy goals**
- 4). Housing is **very dynamic**, closely tied to many aspects of the economy: **interest rates, tax incentives, returns on capital, employment levels, demographic shifts, in-migration**