

2013 SNAPSHOT

HOUSING AFFORDABILITY



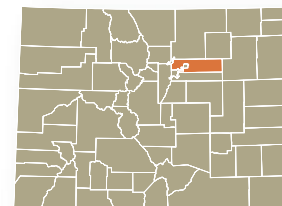
THE PITON FOUNDATION
at Gary Community Investments



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Adams County

Housing consumes one of the highest shares of household budgets. Since coming out of the recession many households are experiencing challenges due to rising costs in housing. This brief presents the state of housing affordability in Adams County. Analysis was conducted to determine the availability, or lack of housing that is affordable, by income level. Ultimately, it identifies the potential revenue implications to government in the form of lost spending opportunity on taxable-based goods.



Population & Households

	2010	2013	2010-2013 Growth
Total Population	441,603	468,686	27,083
Total Households	153,764	163,189	9,425
Housing Units	163,136	165,775	2,639

New Households to New Housing Ratio* = 3.5

*In stable markets one would expect new households and new housing to track closely to each other.

Source: Census 2010; US Census Bureau, Colorado State Demography Office, Draft 2013 Estimates

Housing Inventory

Total Units
165,775

Vacancy Rate
4.3%

Subsidized Units
8,274

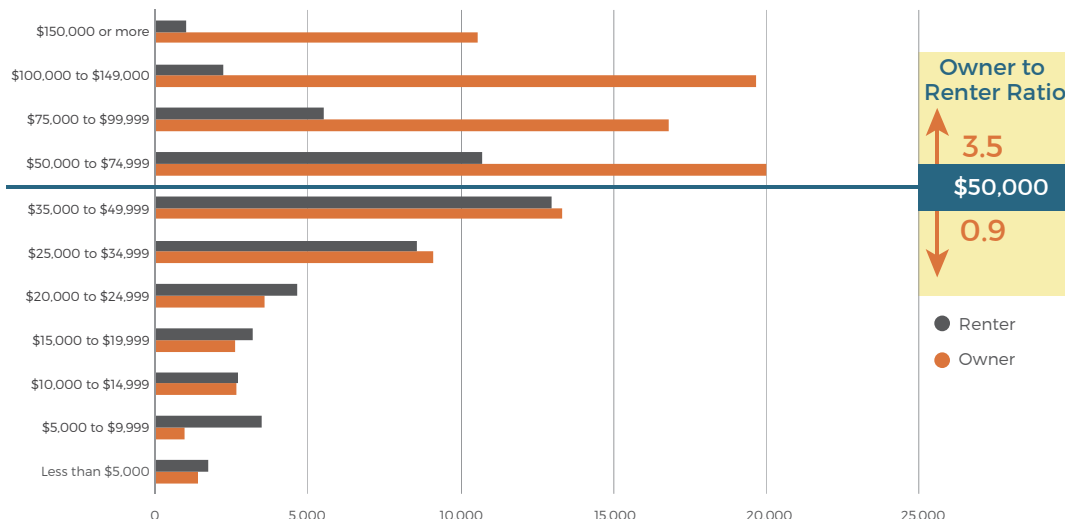
Subsidized Share
7.6%

*Publicly funded rental units, no vouchers.

Owner vs. Renter Dynamic

It is helpful to look at the ratio of owners to renters above and below a moderate income level (e.g. \$50,000) to understand at a high level both the tendencies of households to own or rent, and the type and availability in housing stock to either own or rent. Typically households that earn more own their own homes, while households that earn less rent. The results in the chart below should be used as framing for the information on page 2.

Adams County Tenure by Household Income 2013



Source: American Community Survey 2013 (1-year); US Census Bureau

Household Composition



70%
Families



30%
Single



28%
18 and younger



9%
Over 65

Forecast

By 2035, Adams County will add **397,869 residents**, or a **90% increase** since 2010

Source: Denver Regional Council of Governments C2 2010 Forecast



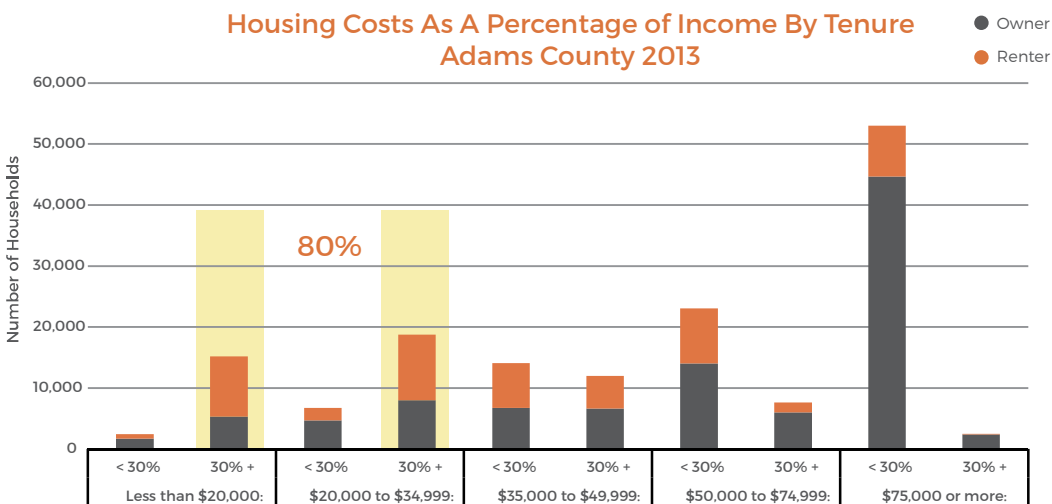
The Housing Gap

Income Level (AMFI) \$77,800	Adams County		Colorado*	
	Units: Surplus <Deficit> Renters	Owners	Units: Surplus <Deficit> Renters	Owners
Below 30%	<6,360>	8,851	<99,841>	124,839
31 - 50%	412	472	<2,520>	71,787
51 - 80%	12,918	10,012	144,099	78,240
81 - 100%	<562>	7,058	32,783	62,021
101 - 120%	<1,166>	3,458	10,462	33,483
Over 120%	<5,102>	<29,221>	<72,991>	<363,124>

Source: American Community Survey 2013 (1-year); US Census Bureau | *Colorado AMFI = \$771,100

The figures in the table above are based on an analysis of what households are paying at their current location. It accounts for owner households that locked into payments years ago, and now reflect a very affordable payment. The rental figures are more timely.

Housing Cost-Burdened Picture



Source: American Community Survey 2013 (1-year); US Census Bureau

The number of households that are housing cost-burdened has impact on many levels. For the household, the lower the income level the higher the pressure to cut out other basic needs such as health care, food, and apparel and services. From the perspective of government finance, this crowding out matters. This translates to the revenue implications below, in the form of crowded-out spending. Each additional dollar a household spends on housing represents a potential reduction of the local sales tax base.

Revenue Implications

Crowded-Out Household Spending: Additional dollars spent on housing that could otherwise go to taxable-based goods.

\$170 million

Adams County

\$2 billion

Colorado

Source: Analyst calculation from 2013 American Community Survey and 2012/2013 Consumer Expenditure Survey data

Household Income Distribution

Income Level (AMFI) \$77,800	Share of Households
Below 30%	11.0%
31 - 50%	13.5%
51 - 80%	20.8%
81 - 100%	12.3%
101 - 120%	9.2%
Over 120%	33.1%

Source: American Community Survey 2013 (1-year); US Census Bureau

AMFI: Area Median Family Income

Housing Cost-Burdened Households Earning <\$50,000

3 in 10 of all households

In Adams County in 2013,



or **45,850 households**

Source: Analyst calculation from 2013 American Community Survey and 2012/2013 Consumer Expenditure Survey data

Housing Cost-Burdened Household: Any household that spends more than 30% of its income on housing.

The Cost of Housing

Median Home Values

\$191,900

County

vs.

\$240,500

State

Median Rent

\$967 vs. \$971

County

State

Source: American Community Survey 2013 (1-year); US Census Bureau