

Final Report

Balanced Housing Plan

Adams County, Colorado



Final Report

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Balanced Housing Plan

Prepared for

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EXECUTIVE SUMMARY

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A June 2006 analysis of future residential growth in the seven-county Denver region showed that Adams County has as many as 69,500 residential units ready to be built, based on developer surveys of lots currently platted¹. This compares to 51,000 in Douglas County, 43,500 in Arapahoe County and 19,000 in Denver County. During the next 25 years, Adams County is likely to be one of the fastest-growing counties in the State of Colorado—if not the nation. Regional employment and demographic forecasts predict that by 2035, the county will add up to 250,000 new jobs and more than 350,000 new residents.² Barring any unforeseen circumstances, Adams County will have no shortage of growth in the future.

What will this growth look like? If future residents resemble current residents, Adams County will continue to boast a stable population predominantly comprised of families likely to remain in Adams for a substantial period of time. This is because Adams County offers a level of affordability of detached, single family housing that is difficult to find in surrounding counties. Families, in particular, value having a reasonable mortgage, newer homes and stable schools. In Adams County, these benefits are combined with relatively close proximity to the amenities in downtown Denver.

Because Adams County is projected to absorb a substantial portion of the Denver region's employment growth, new workers are likely to seek housing in the county. Many of the county's new workers will be employed in traditional industries in the county including government, construction, manufacturing, trade, retail trade, transportation and warehousing. Except for retail trade, these industries offer moderate wages and, although they may not experience the strongest growth in the future, are crucial to the health of the regional economy.

Adams County's future housing supply will be important, not only to its current and future residents, but also for workers employed in other higher-cost counties, such as Denver and Boulder, who want to buy, as Adams County provides a much needed share of workforce housing for the region.

What should the county do? There are currently two distinct gaps in housing provision in Adams County: 1) The county lacks affordable rental housing for its lowest income renters; and, 2) The county has very few homes priced to serve high-income residents (earning more than \$100,000).

If current trends continue, the county is well positioned to provide housing for workers through 2015, if Adams County's employment distribution remains the same. However, to the extent that the county would like to create a better housing balance by "closing the gap" of existing housing needs and encouraging shorter commutes for residents, it will need a slightly different development strategy in the future. This means developing deeply subsidized rentals, as well as executive-style housing, along with creating more "lifestyle" communities where residents can live, work and shop within a reasonable radius.

¹ From the Denver Housing Market Study, based on MetroStudy surveys of developers. The exact timeframe of construction is not known, but rather, is dependent on market conditions.

² DRCOG socio-economic forecasts.

This Executive Summary presents key findings from the Balanced Housing Study completed for Adams County. The study examined the demographic characteristics of county residents; analyzed workforce and commute patterns and trends; compared the cost of housing in the county with what current and future residents and workers can afford; examined areas ripe for redevelopment and new development; and culminated with the development of a strategic plan for Adams County.

The goal of this study is to present the platform from which the county can achieve a better housing balance for current and future workers—from affordable housing for retail workers to high-end housing for top executives.

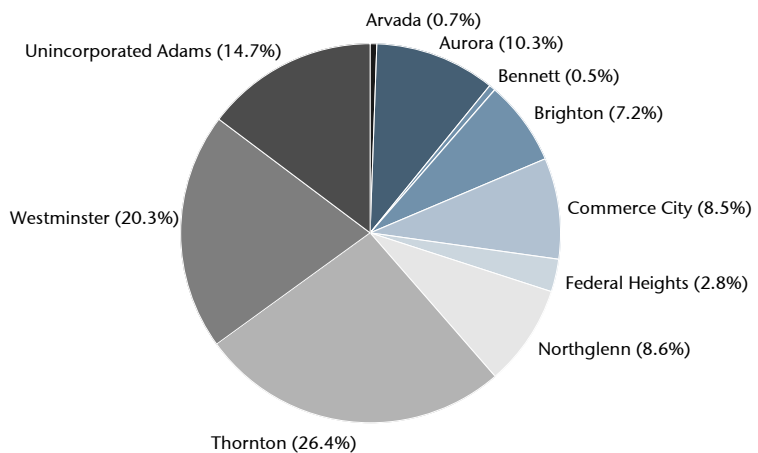
Characteristics of Adams County’s Residents

Adams County is currently Colorado’s 5th largest county, reporting a July 2006 population estimate of 415,010 residents. The counties in Colorado with a larger population are Denver (580,223), El Paso (578,336), Arapahoe (542,316) and Jefferson (534,691) counties.

Adams County is comprised of either all or parts of the following communities: Arvada, Aurora, Bennett, Brighton, Commerce City, Federal Heights, Northglenn, Thornton and Westminster, as well as unincorporated portions of the county. Their contribution to Adams County’s overall population is displayed in Exhibit ES-1.

**Exhibit ES-1.
Population by
Municipality,
Adams County, 2006**

Source:
Colorado Department of Local Affairs.



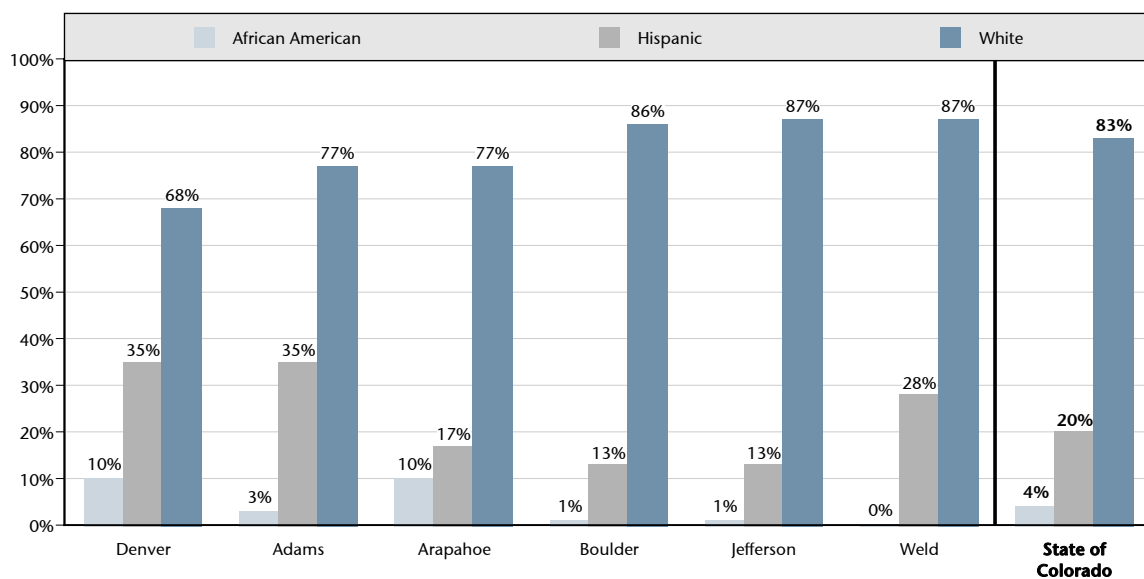
A demographic analysis of residents in Adams County reveals the county as a family-friendly, stable community whose residents primarily earn moderate wages and have opted against higher levels of education, as compared to the residents in surrounding communities. Key characteristics include:

- **Family households.** Adams County’s residents are primarily comprised of family households (72 percent) and, more specifically, married households.
- **Stable.** Adams County boasts a stable population that either remains in their Adams County homes for long periods of time, or finds other homes in Adams County if they move residences. In other words, Adams County residents may go through a full life cycle in Adams County. Renters may purchase homes, and, as homeowners advance in their careers, they may be likely to remain in the county and upgrade residences as their income increases, if they are able to find housing that meets their preferences.

- Moderately diverse.** The majority of residents in Adams County—77 percent—report their race as White, which is higher than Denver, the same as Arapahoe County and lower than other regional counties. Asians make up 4 percent of the county; African Americans make up 3 percent. Thirty-five percent of residents report themselves as of Hispanic origin, the same as Denver County. Since 2000, the overall racial composition has changed little, as population growth between 2000 and 2006 has continued consisting primarily of White residents. Ethnically, Adams has changed due to the strong growth of persons of Hispanic origin.

Exhibit ES-2 compares the county’s racial and ethnic breakdown with surrounding counties and the State of Colorado.

Exhibit ES-2.
Race and Ethnicity, Adams County, Regional Counties and State of Colorado, 2006



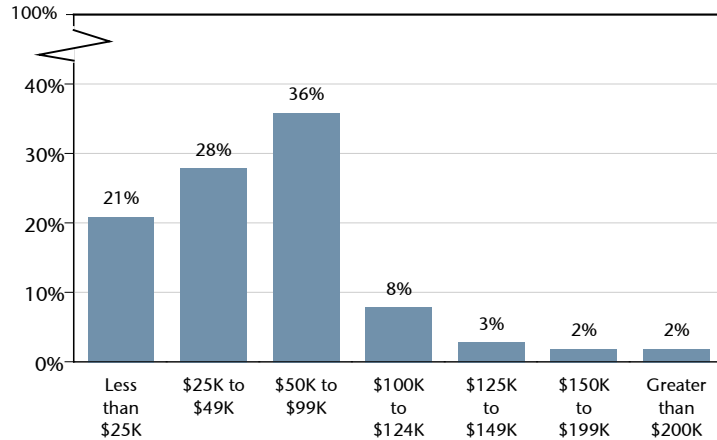
Note: Percentages will not add to 100% because not all Racial categories are included and Hispanic origin is considered an ethnicity, not a race, by the U.S. Census.

- Aging—and growing younger.** Although the county’s population will age in coming years, Adams County residents are expected to enter into retirement age later than some regional counties, like Jefferson County. The county’s aging population will also be offset by an increase in the number of younger residents.
- Moderate- to low-income.** Adams County households are primarily classified as lower- and middle-income. In 2006, 85 percent of residents earned less than \$100,000, and 21 percent earned less than \$25,000. The majority of residents earning less than \$20,000 were seniors. By city, residents in Arvada, Thornton and Westminster had incomes above the county median of \$54,294; residents in Commerce City and Federal Heights had incomes far below the county median.³ In 2006, 13 percent of Adams County residents were living in poverty. Poverty is highest for the county’s youth—20 percent or, 1 in 5 residents under the age of 5, were considered impoverished.

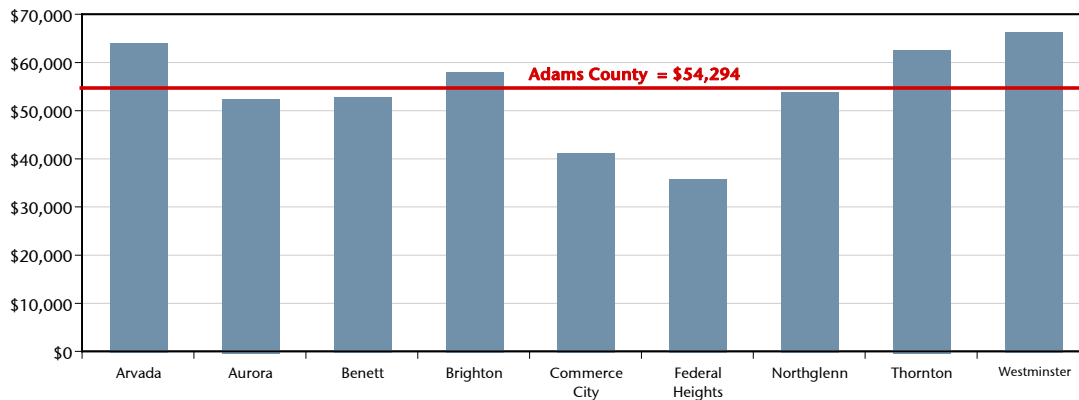
³ Median household income statistics are from 2007 Claritas estimates. These estimates are for the entire municipality, as opposed to the portion within Adams County.

**Exhibit ES-3.
Household Income as
a Percent of Total
Households, Adams
County, 2006**

Source:
American Community Survey, 2006.



**Exhibit ES-4.
Median Household Income, by municipality, 2007**

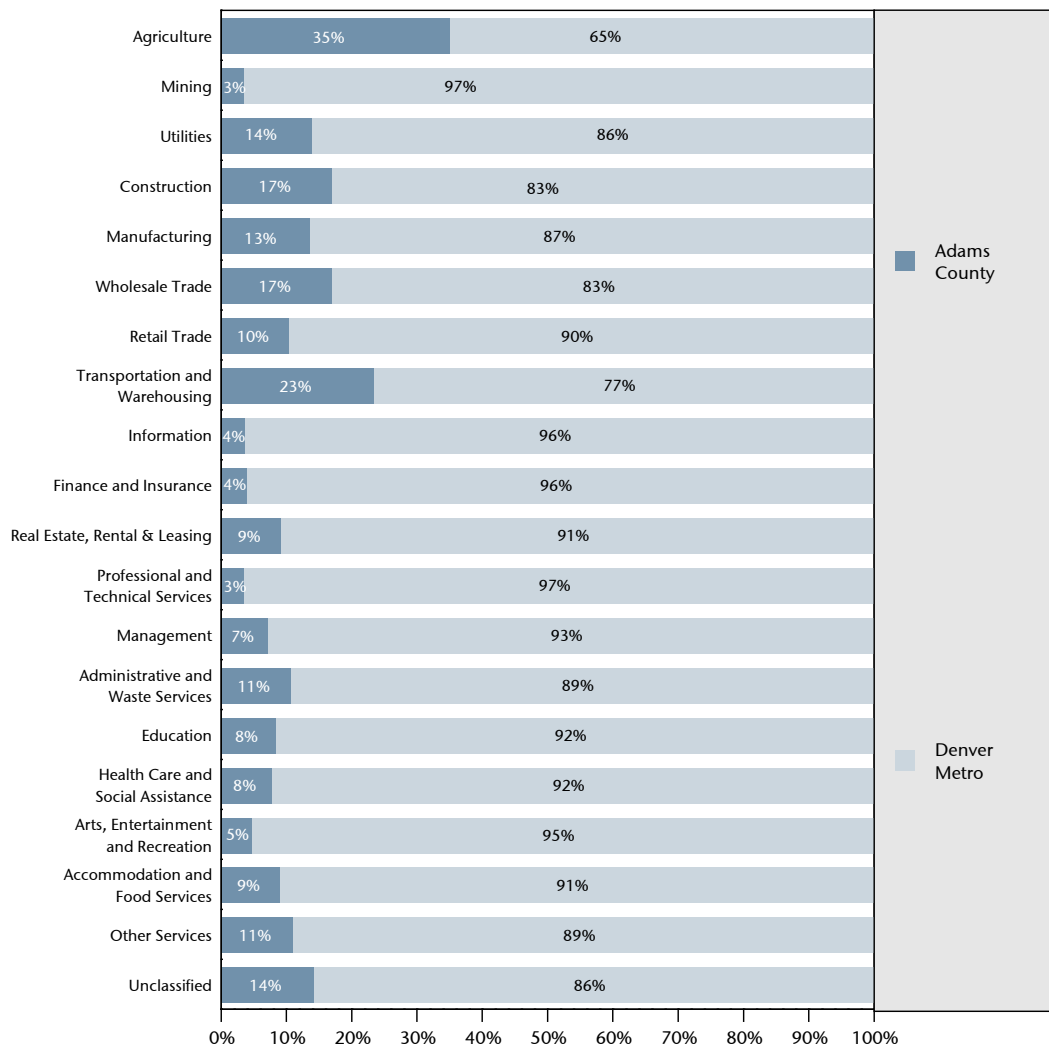


- **Largely high school educated.** Although Adams County compares well to surrounding communities with its percentage of residents holding high school diplomas, Adams County has a much lower percentage of residents that have graduated from college and/or attended graduate school (19 percent) compared to other region counties.

Adams County’s Economy and Workforce

The top employment industries in Adams County include government (14 percent of jobs); construction (12 percent); retail trade (11 percent); manufacturing (9 percent); and wholesale trade (9 percent). The Denver region relies heavily on Adams County to provide the region with jobs in these industries. For example, nearly 1 in every 4 transportation and warehousing jobs in the seven-county Denver region is located in Adams County. Because many counties are near build-out or may be running short on large parcels of land available for industrial purposes, the opportunity to add jobs in such land-intensive industries such as manufacturing and transportation is limited throughout the region. Thus, even as Adams County continues adding employment opportunities, it is likely that it will continue absorbing similar types of jobs, crucial to the regional economy. Exhibit ES-5 displays Adams County’s employment contribution to each industry in the Denver region.

Exhibit ES-5.
Adams County Employment by Industry as a
Percentage of the Seven-County Denver Region Total, 2006



Source: Colorado Department of Labor and Employment, 2006. Denver Region defined as aggregation of the following counties: Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas and Jefferson counties

Wage rates. Adams County’s job composition is primarily comprised of moderate-wage jobs. In 2006, Adams County’s average weekly wage was \$755, which equates to an annual salary of \$39,260. Nearly 50 percent of employment opportunities in Adams County fall in industries that would be considered medium-waged industries, meaning, the industry’s average wages fall within the 80 to 120 percent range of the annual average range of \$39,260. Twenty-four percent of Adams County’s jobs fall in high-wage industries, which means the average annual salary is greater than \$47,112. This wage distribution differs from a regional employment hub like Denver. Not only is Denver’s annual average wage higher than Adams County (\$52,000), but Denver also has more high-paying employment opportunities (28 percent), as well as more lower-waged jobs (33 percent).

In nearly all industries, weekly average wages in Adams County trail Colorado's averages, most notably in high-paying professional service jobs. Adams County jobs in finance and insurance trail Colorado's averages by over 60 percent. Professional service jobs, real estate and jobs in information all pay substantially less as well. Of Adams County's top five industries, retail trade was the only industry in Adams County whose average wages exceeded Colorado's average.

Housing future workforce. Many communities in Adams County have more households than jobs, indicating that many residents have to commute out of their communities for job opportunities. This is not necessarily problematic in a metropolitan region, as residents can easily travel to nearby communities for job opportunities. However, as the county grows to capture more of the region's employment, it will want to ensure that the housing provided is consistent with the types of jobs created. This should be more important if fuel prices continue to rise and workers' preferences for housing close to work grow stronger.

Occupations with the strongest projected growth in numbers—trade, transportation, utilities and construction—can afford to buy 43 percent of the housing stock in Adams County today. Assuming households have additional part-time or full-time workers contributing additional income, these affordability levels increase, thereby making an even greater percentage of homes affordable. If current trends continue, the county is well positioned to provide housing for workers in its fastest growing professions through 2015, as shown in Exhibit ES-6.

**Exhibit ES-6.
Expected Job Growth, Adams County, 2006 through 2015**

	2005	2015	Growth	Adam County's Capture Rate	Potential New Employees	Average Wage	Affordability	
							Rent	Ownership
Natural Resources and Mining	5,926	11,443	5,517	3%	166	\$78,936	\$2,400	\$346,950
Construction	84,696	128,268	43,572	20%	8,714	\$42,380	\$1,175	\$173,473
Manufacturing	72,291	81,506	9,215	16%	1,474	\$51,428	\$1,800	\$260,212
Trade, Transportation, and Utilities	235,019	281,868	46,849	30%	14,055	\$41,132	\$1,175	\$173,473
Information	48,537	49,505	968	4%	39	\$63,128	\$1,800	\$260,212
Financial Activities	99,277	119,499	20,222	4%	809	\$40,300	\$1,175	\$173,473
Professional and Business Services	192,131	263,951	71,820	3%	2,155	\$54,964	\$1,800	\$260,212
Education and Health Services	193,121	264,520	71,399	9%	6,426	\$38,532	\$1,175	\$173,473
Leisure and Hospitality	121,407	159,321	37,914	5%	1,896	\$20,020	\$ 575	\$ 86,735

Source: Colorado Department of Labor and Employment and BBC Research & Consulting. Capture rate holds constant the percentage of jobs Adams County currently has within the industry categories within the forecast area.

Housing Adams County's Residents

Like many communities across the United States, Adams County recently added a substantial amount of new homes to its existing housing stock. Between 2000 and 2006, 26,000 new units were built, increasing the county's housing stock by 20 percent. Most new units constructed were single family, detached units, thereby increasing the overall composition of these units to 65 percent, from 61 percent in 2000 and 59 percent in 1990.

Homeowners make up most of the residents in the county: 70 percent of all housing units in the county were occupied by owners in 2006. Whether households move to Adams County specifically to purchase a home, or purchase a home after renting within the county, Adams County offers a level of affordability, size and new product that is difficult to find in neighboring areas. An analysis of for sale homes in 2007 showed ample availability of relatively affordable, detached, single family homes.

Renting in Adams County is essentially a function of being younger, less educated and having a lower-income, as opposed to renters opting against homeownership for freedom and flexibility. Once households begin earning \$35,000 and more, they begin opting for homeownership. Adams County’s renters are likely the next generation of homeowners, assuming it becomes financially feasible for them to do so.

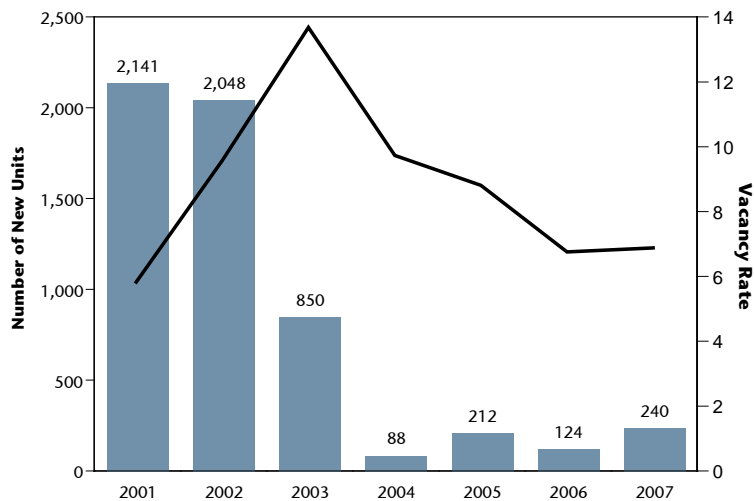
In Adams County, prices are often attributed to location in a specific community or a specific part of that community. The amenities accompanying more expensive housing stock in Adams County include locale in a newer portions of Westminster, Thornton and Brighton; more square footage; and, most likely, a newer home. For individuals desiring a larger lot size, more expensive housing stock is available in the eastern, unincorporated portion of the county and in Bennett.

In some communities, an increase in price may be linked to greater access to amenities, such as proximity to public transportation or a downtown central business district. However, for Adams County, the availability of land has led to a lack of incentive to redevelop closer to downtown Denver, and instead, build expensive housing stock on available land further away from urban amenities. Thus, higher priced homes means the price increase is less justified by an increase in urban amenities and more by a larger and newer home.

Rental housing. The rental market has been weak nationwide in the past few years, and Adams County is no exception. After a surge of new units were added to the market early in the decade (see Exhibit ES-5), vacancy rates have lowered, as the new units have been absorbed. This suggests that price increases for rental units may be on the horizon.

**Exhibit ES-7.
Apartments Added and
Vacancies, Adams County’s
Market Areas, 2007**

Source:
Apartment Association of Metro Denver.



The median rent for all apartments in Adams County in 2007 was \$836.47. This is lower than the seven-county Denver region’s average rental rate of \$856.24, as well as Broomfield County’s (\$938.31), Denver’s (\$858.80) and Douglas County’s (\$1,022.67) average rental rates. It is higher than Arapahoe County’s average rent of \$812.48.

Despite price stability in rental rates in Adams County in recent years, median gross rent as a percentage of household income has increased in the last 25 years in Adams County. Although rents don't appear to be increasing in the county, after adjusting for inflation, the incomes of renters are increasing even more slowly, either because of a lack of good-paying jobs available for renters or because even more individuals have moved into homeownership, thereby leaving the lowest-income households in Adams County as renters.

To examine which renters in the county have the greatest needs, we compared the supply of rental units at various levels of affordability to households by income level. This exercise determines how many units are needed to meet demand to ensure residents are living at an affordable level.

The rental supply and demand comparison revealed the following:

- In 2007, 4,268 renter households—10 percent of all renter households in Adams County—earned less than \$10,000. These households could only afford to pay a maximum \$225 per month in rent without being cost burdened. Adams County has approximately 1,375 units affordable to these renters and rental assistance vouchers—leaving a gap of 2,893 underserved households.
- Another 5,052 renter households—12 percent—need apartments with rents of less than \$325 to avoid being cost burdened. These households earn between \$10,000 and \$15,000 per year. In 2007, these renters had approximately 1,375 affordable units and vouchers available to them, leaving a gap of 3,677 underserved households.
- Households earning between \$15,000 and \$25,000 were underserved by almost 4,800 units priced between \$450 and \$575 per month.
- The rental market in Adams County has an abundance of units priced appropriately for households earning \$25,000-\$49,999 per year. In some cases, households earning less than \$25,000 are renting these units and paying more than 30 percent of their incomes to reside in them. This may be a preference or a necessity, because affordable units are unavailable.
- The market is also lacking for households earning more than \$50,000 per year. The rental market has not been developed to accommodate for this price point, contrary to the homeownership market, which is adequately stocked for this price point.

Exhibit ES-8 shows the results of the rental gaps analysis.

**Exhibit ES-8.
Rental Gaps Analysis, Fourth Quarter of 2007**

Income Ranges		Maximum Affordable Rent	Renter-Occupied Units		Owner-Occupied Units		Rental Gap
Low	High		Number	Percentage	Number	Percentage	
\$0	\$9,999	\$ 225	4,268	10%	1,375	3%	-2,893
\$10,000	\$14,999	325	5,052	12%	1,375	3%	-3,677
\$15,000	\$19,999	450	3,176	7%	283	1%	-2,893
\$20,000	\$24,999	575	3,611	8%	1,720	4%	-1,891
\$25,000	\$34,999	800	7,993	19%	14,981	37%	6,988
\$35,000	\$49,999	1,175	7,610	18%	16,775	42%	9,165
\$50,000	\$74,999	1,800	7,544	18%	3,474	9%	-4,070
\$75,000	\$99,999	2,400	1,894	4%	83	0%	-1,811
\$100,000	\$149,999	3,650	1,162	3%	0	0%	-1,162
\$150,000 or More		3,651	693	2%	0	0%	-693

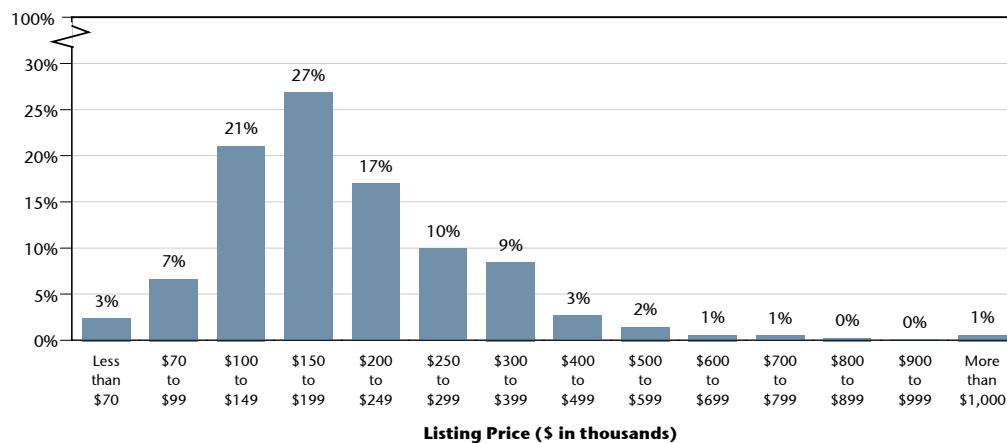
Note: There are no market rate rental units affordable to households earning between \$0 and \$19,999. Units affordable to those income classes include Section 8 vouchers and Adams County Housing Authority (ACHA) units, which were then evenly distributed to the \$0 to \$9,999 and \$10,000 to \$14,000 income categories.

Source: BBC Research & Consulting.

Homeownership opportunities for renters. In 2007, the bulk of units for sale in Adams County were priced at between \$100,000 and \$250,000. Eighty-five percent of all listings were less than \$300,000.

Thirty-two percent of renters in Adams County in 2007 could afford to purchase the median-priced, for sale, detached unit, and 54 percent of renters could afford the median-priced attached unit. Exhibit ES-9 displays the distribution of for sale units in Adams County in 2007.

**Exhibit ES-9.
Price Distribution of MLS Listings, Adams County, 2007**



Source: The Genesis Group.

Exhibit ES-10 compares renter incomes to attached and detached units affordable to them. Once a household begins earning over \$25,000 in Adams County, homeownership becomes a likely option, as 28 percent of attached units and 10 percent of detached units were affordable to them. Once a household begins earning over \$35,000, homeownership becomes highly likely, as two-thirds of for sale, attached units and one-third of detached units were affordable to them in 2007.

Higher income renters—those earning more than \$75,000—along with current homeowners moving to Adams from other communities have about one-fourth of the housing stock to choose from (in addition to lower-priced housing stock).

Exhibit ES-10.

Affordability of Housing Stock For-Sale by Income Category, Adams County, 2006

Income Ranges		Maximum Affordable Price	Attached			Detached		
Low	High		Number	Percent	Cumulative Percent	Number	Percent	Cumulative Percent
Less than \$10,000		\$33,304	12	0%	0%	2	0%	0%
\$10,000	\$14,999	\$49,958	55	2%	2%	18	0%	0%
\$15,000	\$19,999	\$66,612	123	4%	6%	102	1%	1%
\$20,000	\$24,999	\$83,266	180	6%	12%	305	2%	3%
\$25,000	\$34,999	\$116,573	526	17%	28%	996	7%	10%
\$35,000	\$49,999	\$166,534	1,238	39%	67%	3,084	22%	33%
\$50,000	\$74,999	\$249,803	788	25%	92%	5,033	37%	69%
\$75,000	\$99,999	\$333,072	192	6%	98%	2,255	16%	86%
\$100,000	\$149,999	\$499,610	64	2%	100%	1,258	9%	95%
Greater than \$150,000		More than \$499,610	9	0%	100%	706	5%	100%
Total			3,187			13,759		

Source: BBC Research & Consulting and The Genesis Group.

Current homeowners. Another important exercise when assessing housing needs is to examine how easily current owners could move within the county. Appreciation has slowed with the downturn in the housing market, so rapidly increasing home prices will most likely not be preventative of homeowners upgrading or moving to a new home. Instead, a lack of housing stock may prevent some homeowners from upgrading their home in Adams County.

As part of this study, we conducted a comparison of the supply and demand for current owners, to determine how easily they could move within Adams County’s market if desired. As expected, households earning less than \$25,000 are limited in housing choices if they vacate their current home and find another unit. Newer housing stock in Adams County has been more expensive than the current housing stock, as the median price for a new construction home sold in 2007 was \$292,028.

On the other end, high-income households have little housing stock to choose from in the county if they desire to “move up” in the future. There are almost 10,000 more high-income owners in the county than units to serve them.

What does the future hold for Adams County’s future housing needs?

The housing stock in Adams County is currently geared towards middle-income households that reside in Adams County and either work within moderately-waged industries present in Adams County, or who have begun careers in surrounding counties. The primary scenarios likely to exist for **current residents** in the future include:

- Many middle-income households residing in Adams County will stay in similarly priced housing for the duration of their homeownership tenure. Unless these households have substantial equity in their homes and use this equity to buy more expensive homes, they are likely to stay put, as surrounding communities fail to offer competitive housing products at the price points they need.

- Renters earning less than \$35,000 per year wanting to buy in Adams County will have trouble finding affordable, detached, single family homes to buy. However, they are more likely to find affordable housing in Adams County than in surrounding counties. Renters earning \$50,000 will have more options, and future buyers earning more than \$50,000 will have broad choices in the for sale market.
- Another scenario exists for households that moved to Adams County to purchase an affordable home while working in jobs in higher-paying industries located in Broomfield and Denver counties. If these households advance to higher-waged positions, their desire to graduate to more expensive housing units may follow. Currently, a shortage of higher-end housing exists to serve households in this situation.

Future residents will rent or purchase housing in Adams County to be close to work, to move to a community in which they have a connection (family, schools) and/or because the county offers a housing product that is harder to find in surrounding communities. Many factors influence household preferences to live in a community. The overriding constraint, however, is affordability. Adams County offers an ample supply of housing stock priced to serve households earning an annual income of between \$50,000 and \$100,000, which is likely to be adequate to serve future workforce if current development trends continue. The county's gaps are in providing higher-end housing to residents who want to move up, as well as to its lowest income renters who need housing subsidies for housing to be affordable, given their low-wage jobs.

In the future, the amenities and future job opportunities Adams County offers to its residents will create a comparative advantage over counties like Denver and Broomfield if higher-end housing stock is erected to match that of nearby counties and is done-so in a more affordable way. On the other end of the spectrum, if the county narrows its gap in providing affordable rental housing to its lowest income residents and workers, it can achieve a better housing balance for all residents—regardless of income, education and occupation.

The full extent of the current downturn in the housing market and economic recession is unknown. Homeownership and rental needs will be affected by the downturn and recovery of the housing market; however, it is unlikely that prices will drop so much that all households that currently have needs will be able to afford a home or apartment.

SECTION I.

Introduction

SECTION I.

Introduction

In early 2008, Adams County contracted with BBC Research & Consulting (BBC) in Denver and Clarion Associates in Fort Collins to complete a comprehensive housing needs assessment and redevelopment analysis. The purpose of the study is to:

- Identify the top housing, community development and revitalization needs in the county;
- Determine how the county can achieve a better jobs/housing balance now and as it continues to grow; and
- Create a practical, effective strategic plan to address housing and community development needs—a Balanced Housing Plan.

Ultimately, the Balanced Housing Plan will serve as a blueprint for Adams County for accommodating future housing development by balancing the demand created from employment growth with the housing needs of Adams County residents in terms of quality, sustainability and affordability.

Study Area

The study area for this needs assessment is Adams County, Colorado. Nine incorporated areas are contained partially or fully within Adams County’s boundaries. These cities include:

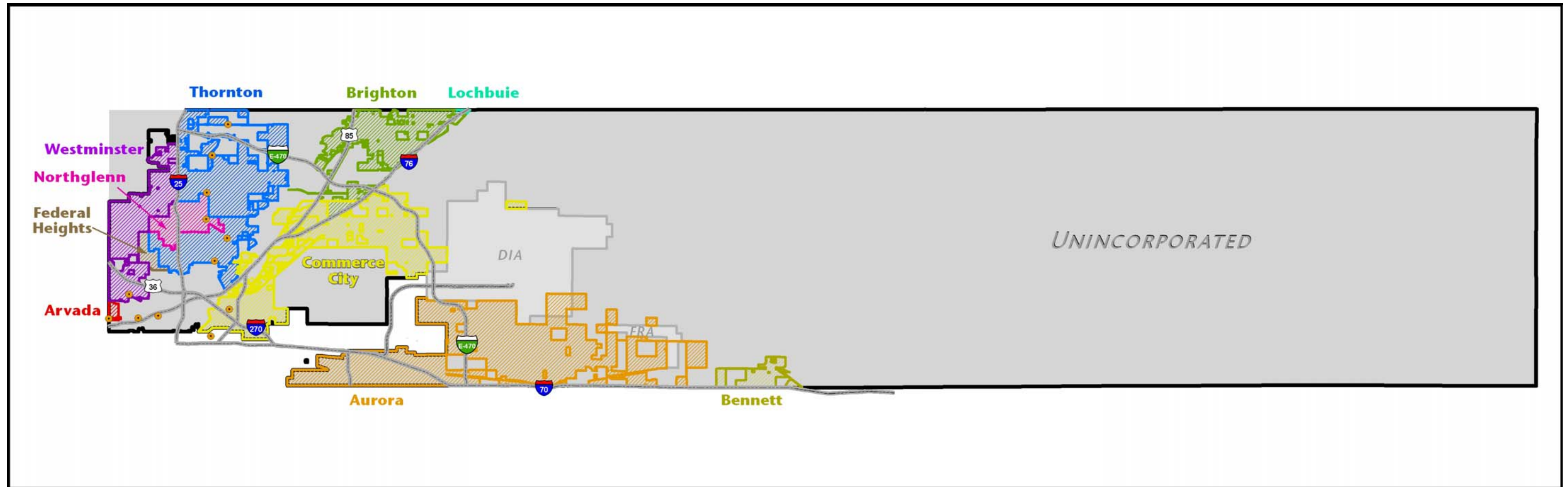
- Arvada;
- Aurora;
- Bennett;
- Brighton;
- Commerce City;
- Federal Heights;
- Northglenn;
- Thornton; and
- Westminster.

Eastern Adams County

Because Adams County’s population is primarily located in the western portion of the county, the analysis and mapping contained in this report focuses on the most populated areas of Adams County, contained in the above-mentioned municipalities and the unincorporated portions of the county located near these communities. The Census geographies in the eastern portion of the county are relatively large, as population determines Census geographies. Therefore, it is very difficult to obtain reliable data at small enough geographic levels to create maps.

Exhibit I-1 displays the entire study area, including the far eastern portion of Adams County.

Exhibit I-1.
Adams County Study Area, 2008



Source: BBC Research & Consulting, 2008.

Methodology and Data Used

We followed the housing needs assessment template of the Colorado Division of Housing (CDOH) to conduct the needs assessment portion of this study. The template contains a comprehensive list of data to collect and analyze for housing studies. We rounded out the template with a redevelopment and growth analysis to pinpoint areas in the county with the greatest needs—in addition to those areas that will be instrumental in addressing future needs. The study contained a substantial strategic planning component, meant to develop a specific plan to address housing needs within Adams County.

Data in this study are provided for the county overall. Data at the municipal level are provided for key variables to demonstrate trends and for comparative purposes (e.g., where housing is located at various price points). The housing mismatch model and employment analysis are conducted at the county level. The redevelopment and condition analysis are location specific.

We used a number of data sources in this report including the following: projections of the Colorado State Demographer/Division of Local Affairs (DOLA), the U.S. Census, the Colorado State Department of Employment & Labor, the Denver Regional Council of Governments (DRCOG), Claritas, a commercial data provider, The Genesis Group and the Apartment Association of Metro Denver.

Acknowledgements

This study was overseen by the Balanced Housing Plan Committee (Steering), comprised of representatives from every municipality in Adams County and Adams County overall. The Steering Committee met monthly, and it provided the project team with data and suggestions for the overall direction of the study. The organizations represented on the Committee include:

- Adams County Community Development;
- Adams County Economic Development;
- Adams County Planning and Development;
- Adams County Housing Authority;
- Adams County Workforce and Business Center;
- City of Aurora;
- Commerce City Housing Authority;
- City of Brighton;
- City of Commerce City;
- City of Federal Heights;
- City of Thornton;
- City of Northglenn;
- City of Westminster;
- Regional Economic Advancement Partnership (REAP); and
- Town of Bennett.

Scott Tempel of Adams County Planning and Development was the Project Coordinator, and oversaw the completion of the study. He dedicated valuable time and effort to study oversight and provided the project team with everything that was needed to ensure the project's completion. Mr. Tempel was instrumental in the study and deserves special recognition.

SECTION II.
Socioeconomic Profile

SECTION II.

Socioeconomic Profile

This section provides a demographic and economic overview of Adams County. Information is presented on historical and current population, as well as the overall composition of households residing in Adams County, as described by their average household size, composition, race and ethnicity, income distribution, length of residency and educational attainment. Additional information is presented on Adams County target groups, which include low-income and impoverished households, the elderly and the homeless. This chapter also provides a synopsis on Adams County's overall economy and it concludes with population and employment forecasts to set the context for determining future housing needs.

Summary

Until the 1950s, Adams County's population grew relatively modestly, adding between 2,000 and 5,000 residents per decade. Significant growth began in the 1950s, following World War II. During the next few decades, growth trends followed closely with economic conditions in the Denver region. During the economic slowdown of the 1980s, growth in Adams County slowed. As conditions improved in the 1990s, so did population growth.

Despite a recent loss of jobs in construction and manufacturing, which are two of Adams County's key employment industries, the county has experienced consistent growth during the current decade. The county's population was 363,857 in 2000. By 2006, the county added more than 50,000 new residents, for a population of 415,010.

A substantial portion of the growth in the current decade was absorbed by Thornton, Commerce City and Brighton, which added nearly 50,000 residents among the three communities. Overall, Thornton contains over one-quarter of all residents in Adams County. The unincorporated portion of the county houses an additional 20 percent of residents.

Adams County boasts a relatively stable population of family households, who, based on their past movements within the county, are likely to remain in Adams County for a substantial period of time. These current residents will have many new neighbors in the future, as Adams County is expected to absorb much of the Denver region's future population and employment growth. If growth continues in the same fashion as it has in previous years, many new households will be comprised of family households earning less than \$100,000 in annual wages, who opt for homeownership and have a high school or college degree.

The Denver Regional Council of Governments (DRCOG) predicts that the fastest growing areas in the county will be the I-76 corridor through Brighton and in Aurora, south of DIA. Employment growth is expected to be more concentrated, congregating around major transportation arteries like I-25, in addition to south of the Denver International Airport (DIA).

Historical Growth in Adams County

An examination of population growth in a housing study is not only important to understand and examine growth trends within Adams County, but also to gain an understanding of when housing stock may have been constructed to accommodate large influxes of population growth.

Adams County is currently Colorado's 5th largest county, reporting a July 2006 population estimate of 415,010 residents. The counties in Colorado with larger populations are Denver (580,223), El Paso (578,336), Arapahoe (542,316) and Jefferson (534,691) counties.^{1 2}

Exhibits II-1 and II-2 display Adams County's growth trends since 1910, following its inception in 1902.

Adams County saw its population triple in the 1950s following the end of World War II. Consistent growth continued in the 1960s and 1970s. Following the population growth in the 1950's, Adams County's annual population growth rate has averaged 2.5 percent. The strongest growth Adams County experienced was in the 1990s, when the county added almost 100,000 new residents. Even if the strong growth experienced between 2000 and 2006 continues until the end of this decade, it will still be slower than the growth that took place in Adams County in the 1990s.

Exhibit II-1. Historical Population Growth, Adams County, 1910 to 2006

Source:
Colorado Department of Local Affairs.

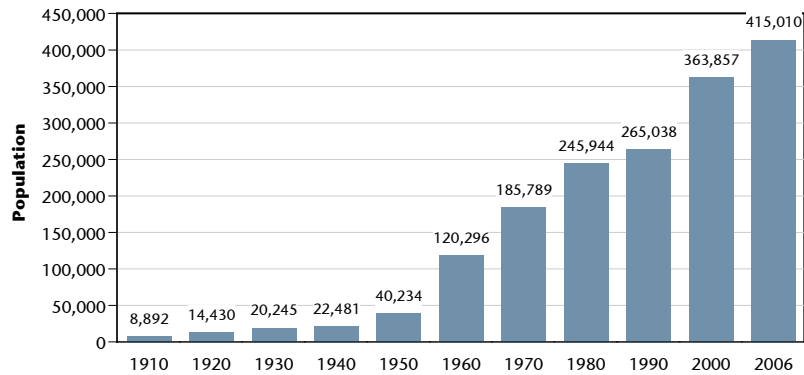
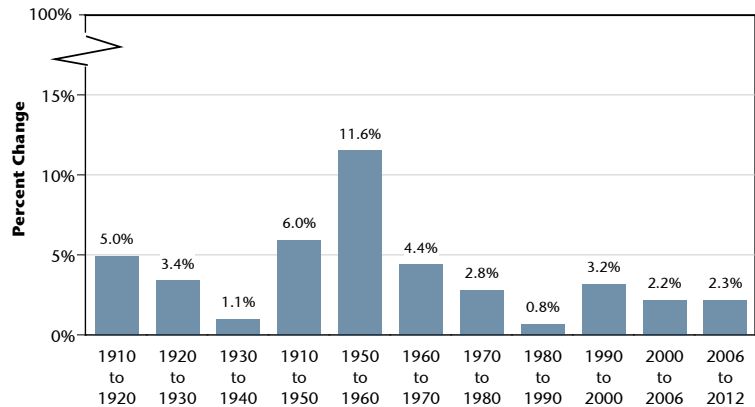


Exhibit II-2. Average Annual Growth, Adams County, 1910 to 2006

Source:
Colorado Department of Local Affairs.



¹ Population estimates are for 2006, from the Colorado Department of Local Affairs.

² U.S. Census Bureau's July 1, 2007 Adams County population was estimated at 422,495, which will most likely be lower than DOLA's July 1, 2007 estimate.

There are two reasons counties gain or lose population:

1. New residents are born and current residents pass away. The net effect is called “net increase.” Usually births exceed deaths, but not always. In Adams County, births have historically exceeded deaths, most recently by a record 5,500 people.
2. New residents move into an area and existing residents move out. The net effect is called “net migration.” When net migration is negative, this means more residents left Adams County than moved in. When net migration is positive, more moved in than left.

During much of the 1990s, migration was the primary driver of the county’s population growth. This changed in 2001, when the county lost 11,000 residents to outmigration. The dramatic loss in population due to net migration in 2001 was due to the establishment of Broomfield County and the portion of Adams County that was absorbed into the newly created Broomfield County.

In the last five years, Adams County has added an average of 5,200 residents through natural increase and almost 5,700 through net migration, for an overall average of almost 11,000 residents. Exhibits II-3 and II-4 display the components of population change in the county since 1980.

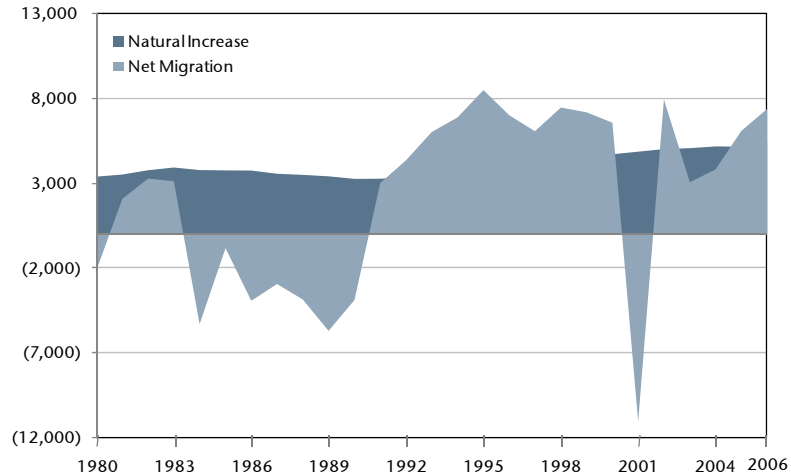
**Exhibit II-3.
Components of
Population Change,
Adams County,
1980 to 2006**

Source:
Colorado Department of Local Affairs.

Year	Births	Deaths	Natural Increase	Net Migration	Total Change
1980	4,681	1,251	3,430	-2,116	1,314
1981	4,827	1,273	3,554	2,100	5,654
1982	5,098	1,294	3,804	3,301	7,105
1983	5,266	1,299	3,967	3,142	7,109
1984	5,156	1,341	3,815	-5,290	-1,475
1985	5,153	1,352	3,801	-807	2,994
1986	5,156	1,365	3,791	-3,912	-121
1987	5,080	1,483	3,597	-2,917	680
1988	5,041	1,513	3,528	-3,832	-304
1989	4,901	1,458	3,443	-5,691	-2,248
1990	4,792	1,495	3,297	-3,863	-566
1991	4,940	1,639	3,301	3,032	6,333
1992	5,005	1,619	3,386	4,375	7,761
1993	5,034	1,693	3,341	6,051	9,392
1994	4,906	1,800	3,106	6,911	10,017
1995	5,063	1,781	3,282	8,517	11,799
1996	5,251	1,844	3,407	7,042	10,449
1997	5,480	1,872	3,608	6,094	9,702
1998	5,846	2,053	3,793	7,487	11,280
1999	6,155	2,081	4,074	7,210	11,284
2000	6,869	2,115	4,754	6,596	11,350
2001	7,132	2,223	4,909	-11,036	-6,127
2002	7,271	2,213	5,058	7,962	13,020
2003	7,393	2,283	5,110	3,078	8,188
2004	7,429	2,216	5,213	3,842	9,055
2005	7,560	2,357	5,203	6,113	11,316
2006	7,730	2,235	5,495	7,405	12,900

**Exhibit II-4.
Components of Population
Change, Adams County,
1980 to 2006**

Source:
Colorado Department of Local Affairs



Growth by city. Adams County has grown at an average rate of 2.9 percent since 2000, which is slower than the counties of Douglas (7.2 percent), Weld (4.6 percent) and Broomfield (3.2 percent) counties, but faster than the counties of Arapahoe (1.8 percent) and Denver (0.8 percent).

The individual communities have contributed in different magnitudes to the growth experienced in Adams County. The largest contributors to the county’s overall growth since 2000 were Thornton, which added 27,177 new residents and Commerce City, which added nearly 15,000 new residents. Brighton’s growth accounted for an additional 9,217 new residents. The unincorporated portion of Adams County experienced healthy growth, adding 5,527 new residents. In contrast, Federal Heights experienced a decline, as did the Adams County portion of Arvada.

Overall, Arvada, Aurora, Northglenn and Westminster have all experienced equal or slower growth than the county as a whole. Brighton (6.3 percent), Commerce City (9.1 percent) and Thornton (4.9 percent) have all experienced higher annual growth than Adams County as a whole (2.9 percent) since 2000.

Exhibit II-5 displays municipal population data from the Department of Local Affairs (DOLA), by total municipality population and by the portion of the municipality’s population within Adams County, as the borders of Arvada, Aurora, Brighton and Westminster extend beyond Adams County.

**Exhibit II-5.
Population Growth by Municipality, Adams County, 2000-2006**

	Arvada	Aurora	Bennett	Brighton	Commerce City	Federal Heights	Northglenn	Thornton	Westminster	Unincorporated Adams
Total Municipal Population:										
2000	102,153	276,393	2,021	20,905	20,991	12,065	31,575	82,384	100,940	78,328
2006	104,981	308,285	2,350	30,197	35,462	11,797	35,666	109,561	106,765	84,257
Growth	2,828	31,892	329	9,292	14,471	-268	4,091	27,177	5,825	5,527
Average Annual Growth Rate	0.46%	1.84%	2.55%	6.32%	9.13%	-0.37%	2.05%	4.87%	0.94%	1.22%
Municipal Population in Adams County:										
2000	2,847	40,249	2,021	20,751	20,991	12,065	31,563	82,384	57,419	78,328
2006	2,799	42,592	2,031	29,968	35,462	11,797	35,654	109,561	60,889	84,257
Growth	-48	2,343	10	9,217	14,471	-268	4,091	27,177	3,470	5,527
Average Annual Growth Rate	-0.28%	0.95%	0.08%	6.32%	9.13%	-0.37%	2.05%	4.87%	0.98%	1.22%

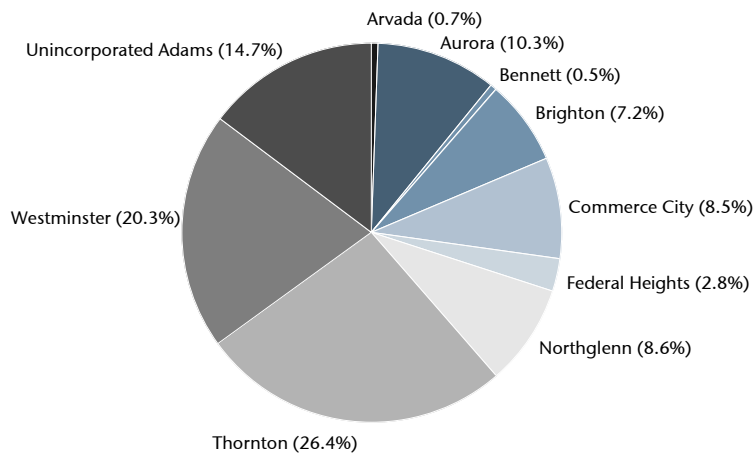
Note: The aggregation of the growth experienced by individual municipalities appears larger than the overall growth experienced by Adams County between 2000 and 2006. This is because 15,239 residents were lost when Broomfield County was incorporated and Broomfield is not presented in these tables. Unincorporated Adams County estimate includes Watkins, which recently unincorporated.

Source: Colorado Department of Local Affairs.

Exhibit II-6 shows the overall share of Adams County’s population among the municipalities. Although the City of Westminster’s recent growth has been modest relative to Thornton and Commerce City, it remains one of the largest population centers in the county overall.

**Exhibit II-6.
Population by
Municipality,
Adams County, 2006**

Source:
Colorado Department of Local Affairs.



Who Lives In Adams County?

This section of the study helps define the composition of the population that resides in Adams County. DOLA and DRCOG forecasts predict that Adams County will continue to absorb much of the region’s future growth. As a result, an understanding of the characteristics of both existing and new residents is crucial to determine the types of residents that have been and may be attracted to Adams County.

Number of households. DOLA estimated that 145,949 households resided in Adams County in 2006. The American Community Survey (ACS) estimated a slightly lower number (144,845) for 2006 and DRCOG estimated a higher number of households (152,292) for January 2007.³

Movement within the county. In general, once a resident moves into Adams County, they don’t leave Adams County. For example, 66 percent of Adams County’s residents in 1995 still resided in Adams County in 2000. Exhibit II-7 shows where Adams County residents resided in 1995 compared to 2000, and in 2005 compared to where they lived in 2006.

**Exhibit II-7.
Adams County Residency
in 1995 to 2000, and
2005 to 2006**

Source:
American Community Survey, 2006
and U.S. Census Bureau, 2000.

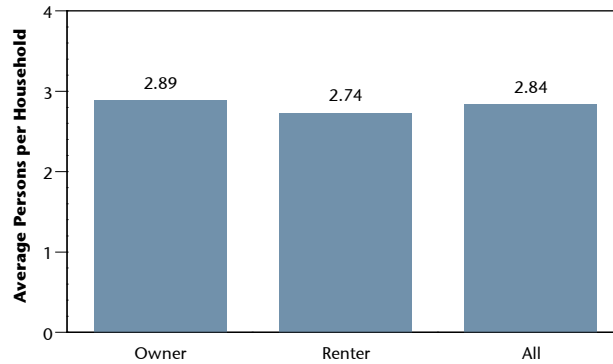
	1995-2000		2005-2006	
	Number	Percent	Number	Percent
Same House	146,087	44%	330,692	81%
Different House in Adams County	72,362	22%	36,373	9%
Different House in Colorado	62,234	19%	26,715	7%
Different House in Different State	39,190	12%	10,382	3%
Abroad	13,861	4%	2,406	1%
Total	333,734	100%	406,568	100%

³ Vastly differing methodologies of each data producing entity have led to differing household estimates. As the estimates move further away from the 2000 Census, they become even more different.

Average household size. According to the 2006 Census, an average of 2.84 people lived in each housing unit in Adams County. Households that owned their Adams County residence had a household size of 2.89; renters had a slightly smaller household size of 2.74, as shown in Exhibit II-8. The relatively small difference in household size between owners and renters suggests that many renters are families. For example, in Denver, owners have an average household size of 2.46 compared with 2.07 for renters (meaning that renters more often live alone or as couples/roommates).

**Exhibit II-8.
Average Household
Size by Tenure,
Adams County, 2006**

Source:
American Community Survey, 2006.



Household composition. Family households make up the vast majority of households in Adams County, as shown in Exhibit II-9.⁴ Most family households are married couples, split equally by the presence (28 percent) and non-presence (26 percent) of children. Nonfamily households comprise 28 percent of the Adams County household population. Nonfamily households include persons living alone and with unrelated roommates.

**Exhibit II-9.
Household Type,
Adams County, 2006**

Source:
American Community Survey, 2006

Household Type	Number	Percent
Family Households	103,835	72%
Married-Couple Family:	77,988	54%
<i>With Children</i>	40,358	28%
<i>No Children</i>	37,630	26%
Other Family:	25,847	18%
<i>Male Householder, No Wife Present</i>	8,498	6%
<i>Female Householder, No Husband Present</i>	17,349	12%
Nonfamily Households	41,010	28%
Total Households	144,845	100%

⁴ The Census divides households into two types: family households and nonfamily households. Family households are made up of two or more **related** people living together. Nonfamily households are made up of people living alone (often seniors) or living with unrelated individuals (e.g., students who are housemates or unmarried partners).

Age. Like many other communities across the United States, Adams County will be faced with an aging Baby Boomer population. The growth of older residents will increase demand for senior services, senior-friendly housing options and a workforce to fill jobs vacated by retiring employees.

Adams County will feel the effects of an aging population later than some communities. By 2012, Jefferson County’s population will shift from 11.3 percent seniors in 2007 to 13.5 percent. Adams County will not experience a similar distributional shift until 2020, when 11 percent of Adams County population is predicted to be a senior citizen (an increase from 8 percent in 2007). Exhibits II-10 and II-11 show growth in total population by age groups and by the percentage of population, respectively.

Exhibit II-10.
Age of Residents
in Adams County,
2002, 2007, 2012
and 2020.

Source:
 Colorado Department of
 Local Affairs.

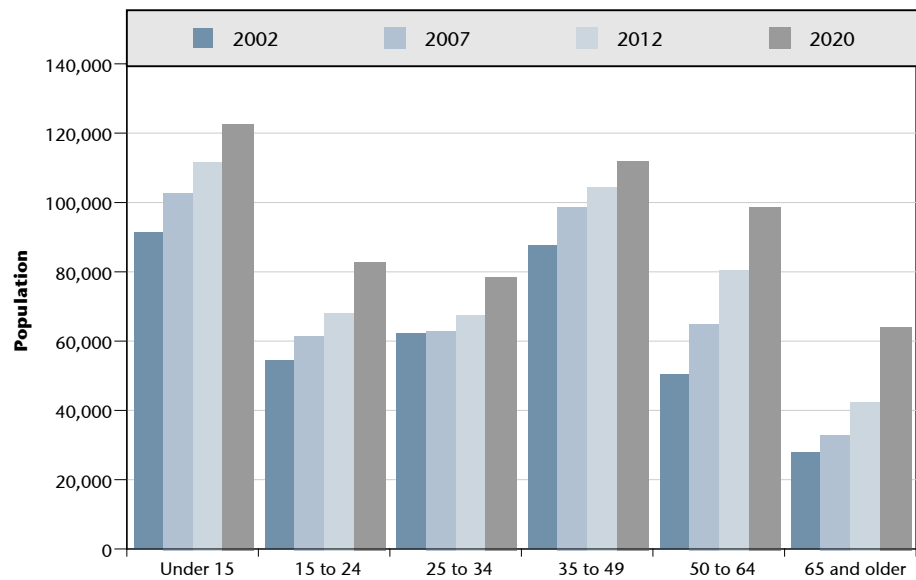
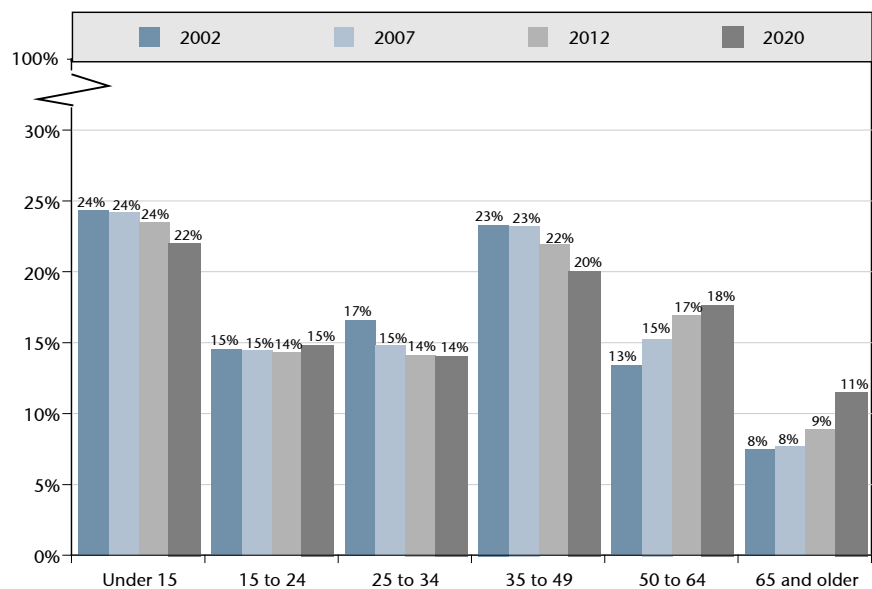


Exhibit II-11.
Percentage of
Residents in Adams
County by Age
Category, 2002,
2007, 2012 and 2020

Source:
 Colorado Department of
 Local Affairs.



Race and ethnicity. Overall, most residents of Adams County identified themselves as White (77 percent). The second most common category was “Some Other Race”—which is often people of Hispanic origin who do not think of themselves as “White” racially. Since 2000, the overall racial composition has changed little, as new residents have primarily been White.

One-third of the county’s residents are Hispanic/Latino. Adams County has experienced substantial growth in Hispanic/Latino residents. According to the U.S. Census estimates, 43,795 residents that consider themselves of Hispanic or Latino ethnicity moved into Adams County between 2000 and 2006. In 2000, Hispanic and Latino residents accounted for 28 percent of Adams County’s population. In 2006, Hispanic and Latino residents accounted for 35 percent of Adams County’s population.

Exhibit II-12 presents race and ethnicity data for 2006 for Adams County as a whole.

Exhibit II-12.
Race and Ethnicity for Adams County, Colorado and the U.S., 2006

	Adams County		Colorado		U.S.	
	Number	Percent	Number	Percent	Number	Percent
Race						
American Indian and Alaska Native alone	4,293	1%	41,161	1%	2,369,431	1%
Asian alone	14,879	4%	133,079	3%	13,100,095	4%
Black or African American alone	11,476	3%	177,902	4%	37,051,483	12%
Native Hawaiian and Other Pacific Islander alone	98	0%	3,745	0%	426,194	0%
White alone	319,574	77%	3,934,971	83%	221,331,507	74%
Some other race alone	51,755	12%	337,442	7%	19,007,129	6%
Two or more races	12,263	3%	125,077	3%	6,112,646	2%
Ethnicity						
Hispanic/Latino	146,343	35%	934,410	20%	44,252,278	15%
Non-Hispanic/Latino	267,995	65%	3,818,967	80%	255,146,207	85%

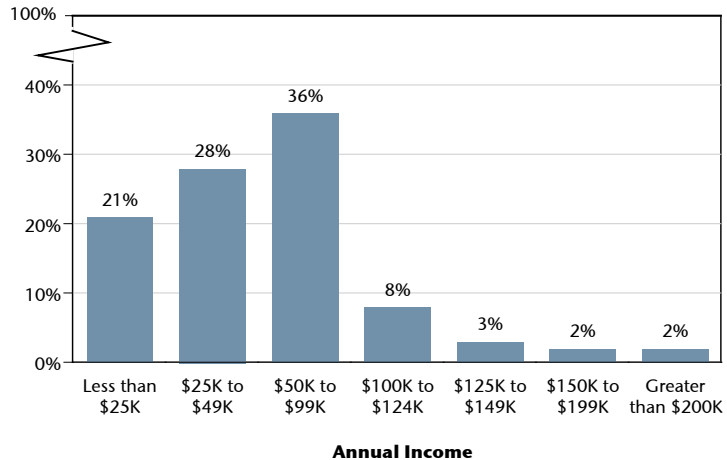
Source: American Community Survey, 2006.

Income. The U.S. Census estimates and reports both *family* median and *household* median income. Median household income is usually lower than median family income, since household income includes single-person households and unrelated persons living together (e.g., students), where median family income does not. That is, the median family income category has a larger proportion of two-earner households, who usually have higher earnings than one-person households do.

In 2006, the family median income for Adams County was \$57,556. This means that in 2006, exactly half of Adams County’s families earned less than \$57,556 and exactly half earned more. The median *household* income in 2006 was \$50,575. In 2006, half of Adams County’s households earned less than \$50,575; half earned more. Overall, 16 percent of Adams County households earn less than \$25,000; 29 percent earn between \$25,000 and \$50,000; and 36 percent of households in Adams County earn between \$50,000 and \$100,000. Exhibit II-13 on the following page presents the U.S. Census’ 2006 overall household income distribution for Adams County households.

**Exhibit II-13.
Household Income
as a Percent of Total
Households, Adams
County, 2006**

Source:
American Community Survey, 2006.



Income varies by race and ethnicity within Adams County. White households reported a median household income of \$51,261, which is the highest within the county. The lowest median household income is estimated for Hispanic/Latino households of \$39,051. This is important in Adams County because of the rapid growth of Hispanic households. Exhibit II-14 presents median household income by race and ethnicity.

**Exhibit II-14.
Median Household Income by Race
and Ethnicity, Adams County, 2006**

Source:
American Community Survey, 2006.

	Median Household Income
Race	
American Indian and Alaska Native alone	\$38,672
Asian alone	\$44,956
Black or African American alone	\$45,795
White alone	\$51,621
Some other race alone	\$44,161
Two or more races	\$43,185
Ethnicity	
Hispanic/Latino	\$39,051
Non-Hispanic/Latino	\$57,942

Area Median Income, or AMI, is used by HUD’s state and local policy makers to qualify households for housing programs. AMI is the same for all counties located within the Denver metropolitan statistical area (MSA).

In 2006, almost 17 percent of Adams County households earned less than \$21,420 per year (30 percent of the AMI), which defines them as “extremely” low-income. Most Adams County households fall within the 50 to 80 percent of AMI range, which means the household earns between \$35,700 and \$57,120 annually. Exhibit II-15 shows the income distribution of Adams County households by AMI range. Exhibit II-16 provides the income distribution by tenure (renter/owner). As shown in Exhibit II-16, renters have a much lower income profile than owners, with 56 percent earning less than \$35,700 (compared to 24 percent of owners).

**Exhibit II-15.
Income Distribution
of Households,
Adams County, 2006**

Source:
American Community
Survey, 2006.

Income Range	Income Limit	Number of Households	Percent of Households
Area Median Income (AMI)	\$71,400		
0-30% of AMI	\$21,420	24,933	17%
31-50% of AMI	\$35,700	24,378	17%
51-80% of AMI	\$57,120	32,203	22%
81-95% of AMI	\$67,830	13,325	9%
96-120% of AMI	\$85,680	16,926	12%
121-150% of AMI	\$107,100	14,692	10%
151% and above of AMI	\$107,100+	18,388	13%

**Exhibit II-16.
Income Distribution by Tenure, Adams County, 2006**

Income Range	Income Limit	Owner Households	Percent	Renter Households	Percent
Area Median Income (AMI)	\$71,400				
0-30% of AMI	\$21,420	11,412	11%	13,522	31%
31-50% of AMI	\$35,700	13,178	13%	10,933	25%
51-80% of AMI	\$57,120	22,092	22%	9,403	22%
81-95% of AMI	\$67,830	10,414	10%	3,232	8%
96-120% of AMI	\$85,680	14,606	14%	2,973	7%
121-150% of AMI	\$107,100	12,301	12%	1,250	3%
151% and above of AMI	\$107,100+	17,839	18%	1,690	4%

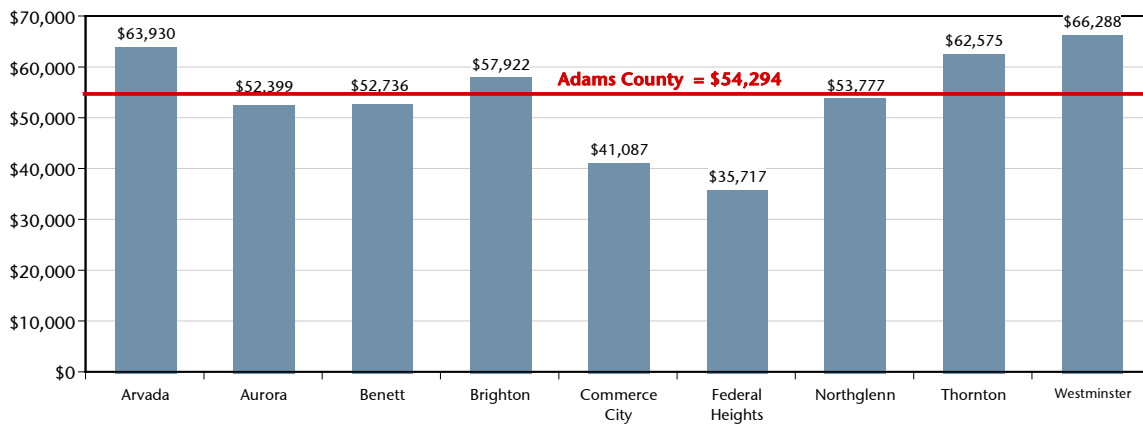
Source: American Community Survey, 2006.

Because the 2006 Census does not provide data for cities under 65,000 residents, the commercial data provider Claritas was used to gain an understanding of the median household income for the municipalities within Adams County. Data is presented for the entire municipality, as opposed to just the Adams County portion of each community.

ACS and Claritas utilize different methodologies for calculating income, thereby generating different results. For example, the 2006 Census shows the median household income in Adams County to be \$50,575, whereas Claritas reported a household median income in Adams County of \$54,294. However, on a municipal level, the Claritas data are useful to gauge where Adams County municipal income levels fall relative to the county overall.

Arvada (\$63,930), Brighton (\$57,922), Thornton (\$62,575) and Westminster (\$66,288) all have **higher** median household incomes than Adams County overall. Aurora (\$52,399), Bennett (\$52,736), Commerce City (\$41,087), Federal Heights (\$35,717) and Northglenn (\$53,777) all have median household incomes **lower** than Adams County. Their differing median household incomes suggest that they are each absorbing different income segments of new population growth.

Exhibit II-17.
Median Household Income, by Municipality, 2007



Source: Claritas.

Education enrollment. In 2006, 34 percent of Adams County’s residents were enrolled in school. As shown in Exhibit II-18, the number of children enrolled in Grades 1 through 12 is fairly stable, suggesting that once a student enrolls in an Adams County elementary school, they stay within Adams County school districts until they have completed high school.

Exhibit II-18.
School Enrollment by Level of School, Adams County, 2006

Source:
American Community Survey, 2006.

Enrolled In:	Number	Percent of the Population	Percent of School Enrollment
Nursery School, Preschool	5,287	1%	5%
Kindergarten	6,753	2%	7%
Grade 1 to Grade 4	24,691	6%	24%
Grade 5 to Grade 8	25,327	6%	25%
Grade 9 to Grade 12	23,834	6%	23%
College, Undergraduate Years	13,418	3%	13%
Graduate or Professional School	3,043	1%	3%
Total Enrolled in School	102,353	26%	100%
Not Enrolled in School	290,004	74%	

Exhibit II-19 shows enrollment by private or public school. The right-hand column shows the percentage of children who are enrolled in public or private school for each grade level. Although it does not appear uncommon for residents of Adams County to send preschool-aged children to private school, they often send children to public schools for the remainder of their schooling.

**Exhibit II-19.
School Enrollment by Age and Type
of School, Adams County, 2006**

Source:
American Community Survey, 2006.

	Number	Percent of Grade Level
Enrolled in Public School:		
Nursery school, preschool	3,035	57.4%
Kindergarten	5,951	88.1%
Grade 1 to grade 4	23,051	93.4%
Grade 5 to grade 8	23,664	93.4%
Grade 9 to grade 12	21,416	89.9%
College undergraduate years	10,087	75.2%
Graduate or professional school	1,969	64.7%
Enrolled in Private School:		
Nursery school, preschool	2,252	42.6%
Kindergarten	802	11.9%
Grade 1 to grade 4	1,640	6.6%
Grade 5 to grade 8	1,663	6.6%
Grade 9 to grade 12	2,418	10.1%
College undergraduate years	3,331	24.8%
Graduate or professional school	1,074	35.3%

Highest level of education. Exhibit II-20 shows the highest level of educational attainment that Adams County residents over the age of 25 have reached. Thirty percent of Adams County residents are high school graduates; 14 percent of residents have obtained a college degree; and 5 percent of residents in Adams County have obtained a Master’s, professional or doctorate degree.

Educational attainment is important because it can influence the types of businesses that locate themselves within a county/city—for example, high-tech employers will seek out highly educated communities. Educational attainment can also influence housing choices to the extent that residents want to live near other residents with similar educational levels.

**Exhibit II-20.
Educational Attainment for
the Population over the age
of 25, Adams County, 2006**

Source:
American Community Survey, 2006.

	Number	Percent of Population
No schooling completed	3,046	1.17%
Nursery to 4th grade	2,503	0.96%
5th and 6th grade	9,017	3.47%
7th and 8th grade	5,577	2.15%
9th grade	9,530	3.67%
10th grade	7,891	3.04%
11th grade	9,225	3.55%
12th grade, no diploma	7,990	3.08%
High school graduate (includes equivalency)	77,717	29.94%
Some college, less than 1 year	18,989	7.32%
Some college, 1 or more years, no degree	38,651	14.89%
Associate degree	20,250	7.80%
Bachelor's degree	36,697	14.14%
Master's degree	9,896	3.81%
Professional school degree	1,827	0.70%
Doctorate degree	749	0.29%
Total	259,555	100%

Adams County compares well with surrounding counties in its percentage of high school graduates and residents who have had some college. In contrast, Adams County has a much lower percentage of residents that have graduated from college and/or attended graduate school compared to other regional counties.

Higher educational attainment often translates into higher paying jobs and higher household incomes. In the case of Adams County, this seems to be true. According to the 2000 Census, Arvada (21 percent) and Westminster (21 percent) both had the highest percent of residents with bachelor degrees. Commerce City had the lowest percentage of residents with a college degree (6 percent). Exhibit II-21 maps out the percentage of the population that have earned at least a Bachelor's degree by Census Tract.

Source: U.S. Census, 2000

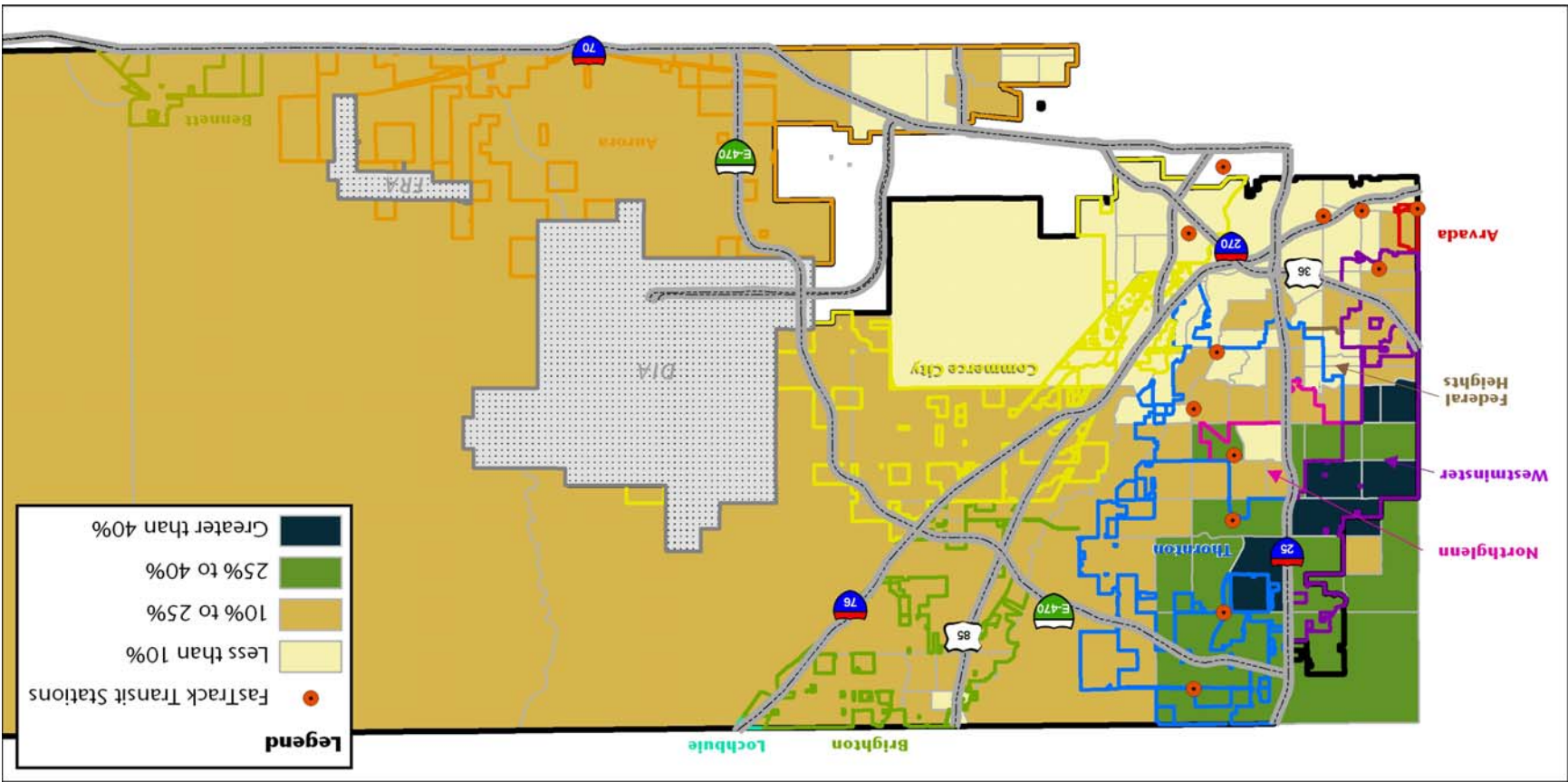


Exhibit II-21. Educational Attainment by Census Tract, Adams County, 2000

Target Populations in Adams County

This section highlights portions of Adams County's population that may require special services or additional assistance to basic amenities, such as housing. Highlighted in this section include impoverished and low-income households, the elderly, disabled and homeless individuals.

Living in poverty. The poverty threshold is established at the federal level and is updated annually. It is adjusted for household size but not by geographic area, except for Alaska and Hawaii.⁵ In 2006, the poverty threshold for a family of four was about \$20,000 in annual wages.

In 2006, 13 percent of the population in Adams County, or about 55,000 people, lived below the poverty threshold of \$20,444 for a family of four with two children. The poverty rate is highest for individuals between the ages of 18 and 24 and for children under the age of 5, respectively. Exhibit II-22 shows the percentage of Adams County's population living in poverty by age cohort.

Exhibit II-22. Poverty by Age, Adams County, 2006

Source:
American Community Survey, 2006.

	Number	Percent of Age Group
Under 5 Years	7,249	20%
5 to 17 Years	13,481	17%
18 to 24	8,002	22%
25 to 34	9,121	13%
35 to 44	7,491	12%
45 to 54	4,063	7%
55 to 64	2,366	7%
65 to 74	2,135	12%
75 and Over	1,022	8%

Poverty has increased among Adams County's residents under the age of 17. Between 1990 and 2006, the number of children under the age of 5 in poverty nearly doubled, increasing the overall percentage of children under 5 in poverty from 17 percent to 20 percent. The number of children in poverty between the ages of 6 to 11 also increased. In 1990, 15 percent of 6 to 11 year olds were in poverty. That decreased in 2000 to 11 percent and increased again in 2006 to 19 percent.

Exhibit II-23. Trends in Poverty Rates by Age, Adams County, 1989, 1999 and 2006

	1989		1999		2006	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Under 5 Years	3,787	14%	3,508	11%	7,249	13%
5 Years	775	3%	699	2%	834	2%
6 to 11 Years	3,905	14%	4,002	12%	6,877	13%
12 to 17 Years	2,499	9%	3,452	11%	5,770	11%
18 to 64 Years	14,268	52%	18,356	57%	31,043	57%
65 to 74 Years	1,129	4%	1,041	3%	2,135	4%
75 Years and Over	904	3%	978	3%	1,022	2%
Total	27,267	100%	32,036	100%	54,930	100%

Source: American Community Survey, 2006 and U.S. Census Bureau, 1990, 2000.

⁵ Therefore, the poverty threshold in Manhattan, New York is the same as in Minot, North Dakota.

**Exhibit II-24.
Trends in Poverty
Rates by Age,
Adams County,
1989, 1999 and
2006**

Source:
American Community Survey,
2006 and U.S. Census Bureau,
1990, 2000.

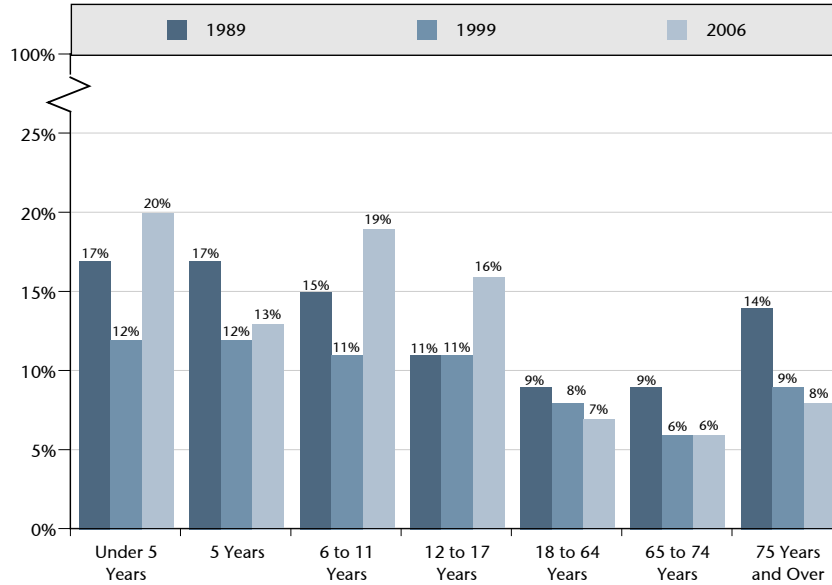


Exhibit II-25 shows poverty rates by family type. Single female-headed households have the highest incidence of poverty; 38 percent of these households lived in poverty in 2006. Single, male-headed households, with and without children, have the lowest poverty rates.

**Exhibit II-25.
Poverty by Family Type,
Adams County, 2006**

Source:
American Community Survey, 2006.

	Number
Married Couple	5,607
With Children	3,946
Without Children	1,661
Male Householder, No Wife Present	1,155
With Children	672
Without Children	483
Female Householder, No Husband Present	5,082
With Children	4,451
Without Children	631
Total Families in Poverty	11,844

Characteristics of low-income households. In Adams County, low-income households are mostly likely to be headed by individuals 65 years or older, as they are often unable to work and are living on fixed incomes. Additionally, as Exhibit II-26 shows, nearly 1 in 4 households headed by someone 25 years old or less earned less than \$20,000.

**Exhibit II-26.
Households with Incomes
Less Than \$20,000, by Age,
Adams County, 1999**

Source:
U.S. Census Bureau, 2000.

Age of Householder	Number	Percent with Incomes Less than \$20,000
Under 25 Years	1,885	23%
25 to 34 Years	3,199	11%
35 to 44 Years	2,895	9%
45 to 54 years	2,282	9%
55 to 64 Years	2,092	14%
65 to 74 Years	3,197	29%
75 Years and Older	2,941	43%
Total	18,491	100%

Exhibit II-27 examines poverty by race and ethnicity as of 1999. As shown in the exhibit, most households living below the poverty level in Adams County are racially classified as White (78 percent of households earning less than \$20,000), followed by those classified as Some Other Race (11 percent). African American households had the highest poverty rate by race and ethnicity, with approximately 1 in 4 African American households in Adams County earning less than \$20,000 per the 2000 U.S. Census.

**Exhibit II-27.
Households with Incomes Less Than \$20,000,
by Race/Ethnicity, Adams County, 1999**

	Number	Percent of All Races/Ethnicities	Percent of Race/Ethnic Category
Race:			
American Indian/Alaska Native	225	1%	18%
Asian	355	2%	11%
Black/African American	914	5%	25%
White	14,450	78%	14%
Some Other Race	1,943	11%	17%
Two or More Races	562	3%	18%
Total	18,449	100%	
Ethnicity:			
Hispanic/Latino	4,921	30%	18%
Non-Hispanic/Latino	11,749	70%	13%
Total	16,670	100%	

Source: U.S. Census Bureau, 2000.

Exhibit II-28 on page 18 displays where households with household incomes less than \$20,000 reside in Adams County by Census Tract. Federal Heights and Commerce City had the highest percentage of households with a household income less than \$20,000, with 22 percent and 21 percent, respectively. Twelve percent of Aurora's households have an income less than \$20,000. As such, most of the concentrations of low-income households are located in these municipalities. Brighton (12 percent), Arvada (10 percent), Bennett (10 percent), Northglenn (9 percent), Thornton (8 percent) and Westminster (7 percent) have lower percentages of low-income households residing in their communities.

Source: U.S. Census Bureau, 2000.

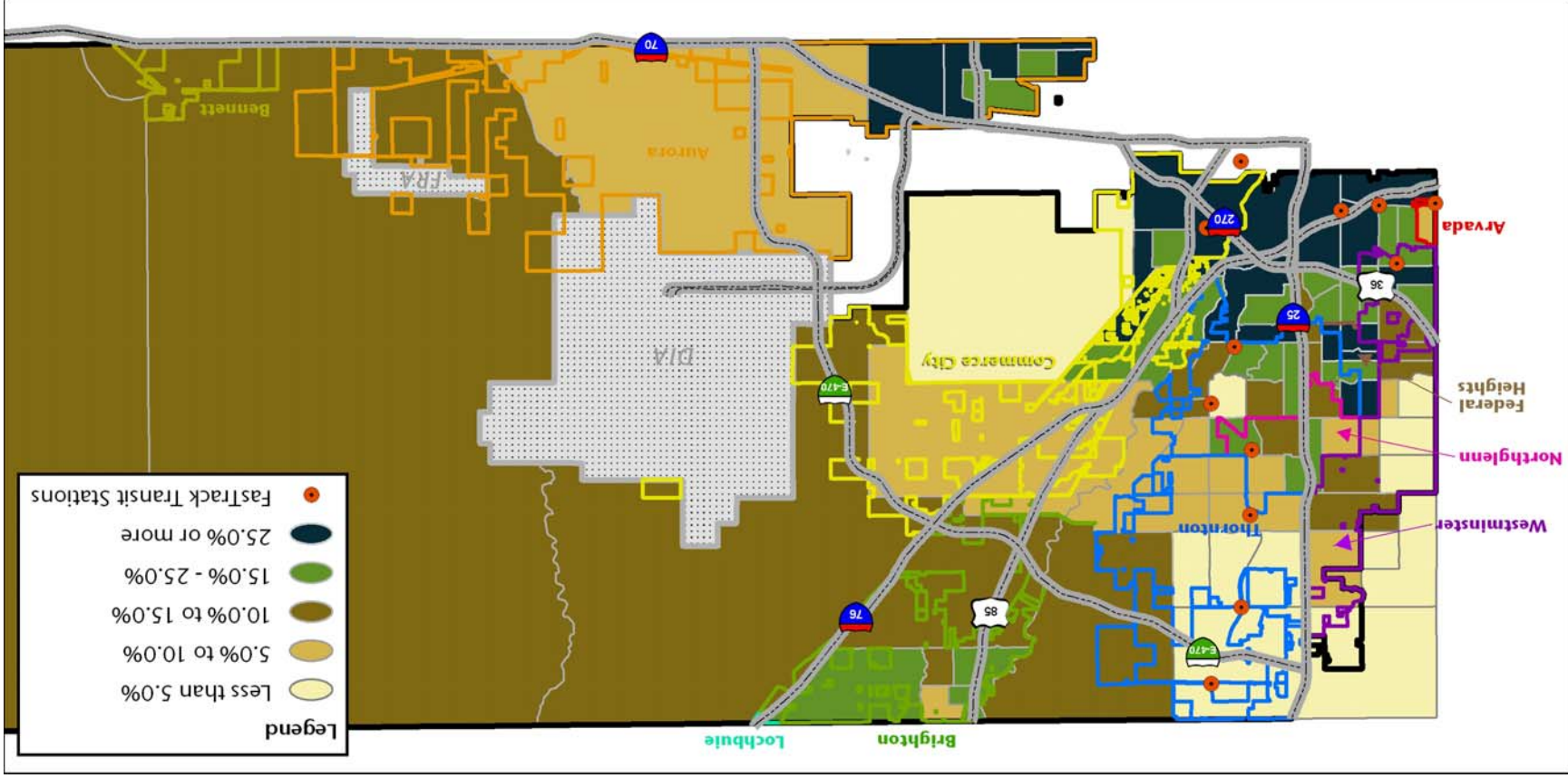
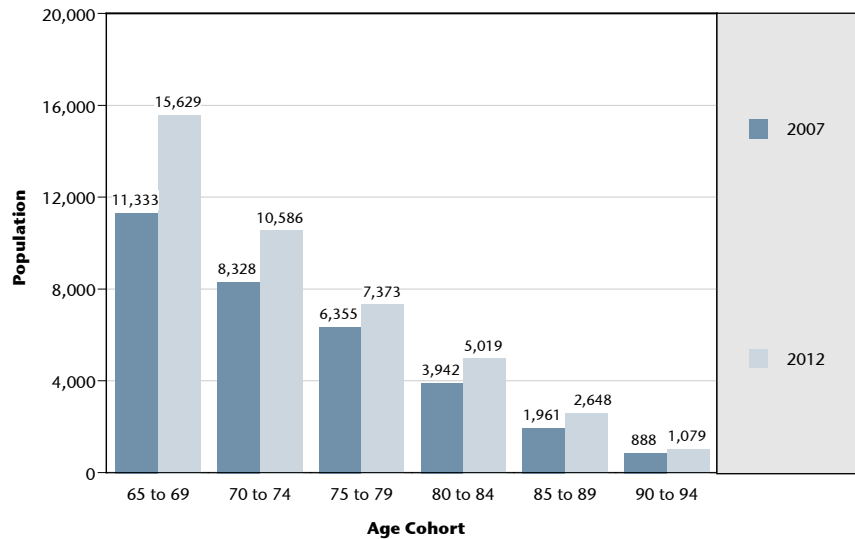


Exhibit II-28. Low-income Households, Adams County, 2000

Seniors. As discussed earlier in this chapter, the number of senior citizens is expected to grow in coming years, consistent with national trends. DOLA predicts that by 2012, there will be over 4,000 additional Adams County residents between 65 and 59. Exhibit II-29 shows the number of seniors by age in 2007 and 2012. Seniors over the age of 75 are more likely to become disabled and frail, and are more likely than younger seniors to need special services.

Exhibit II-29.
Senior Citizens in Adams County, 2007 and 2012

Source:
Colorado Department of Local Affairs.



Persons with disabilities. In 2006, 44,465 people residing in Adams County—or 12 percent of the county’s population—had some type of disability. As shown in Exhibit II-30, disabilities are most common for the county’s older residents—31 percent of 65 to 74 year olds and 51 percent of residents 75 and older living in the county have some type of disability.

Exhibit II-30.
Disability Status by Age, Adams County, 2006

Source:
American Community Survey, 2006.

Age	Number with a Disability	Percentage within Age Range
5 to 15	2,787	4%
16 to 20	1,328	5%
21 to 64	28,079	11%
65 to 74	5,720	31%
75 and Over	6,551	51%

As the senior population in the U.S. grows, so will the number and the percentage of persons with disabilities. In 2006, 12,271 (39 percent) of residents age 65 and over reported a disability. If the proportion of senior citizens with a disability stays constant between now and 2012, the number of senior citizens with a disability could grow to over 16,500 by 2012.

Persons who are homeless. The Metro Denver Homeless Initiative (MDHI) estimated the Adams County homeless population to be 1,202 at the time of the 2007 survey. This number should be interpreted with caution, as the homeless data from the MDHI is *not* intended to give a concrete estimate of the entire homeless population, but rather *is* intended to provide an overall demographic profile of the homeless population.

The survey results indicate that homeless individuals in Adams County are most likely to be adults between the ages of 26 and 64 (68 percent); White (52 percent); female (77 percent); and a member of a single parent household with children under the age of 18 (61 percent).⁶ In many cases, the last permanent address recorded by those surveyed was Adams County (80 percent), indicating that those who become homeless while in Adams County remained in Adams County. The night before the survey, most respondents stayed with friends and family (37 percent) or in transitional housing (29 percent). Despite being in Adams County during the time of the survey, some individuals spent the previous night in Denver (22 percent). Others stayed in facilities in Commerce City (20 percent), Thornton (17 percent), Westminster (14 percent) and Aurora (14 percent).

Sixty-three percent of survey recipients reported no physical or mental condition that may have contributed to their homeless status. Many homeless were not receiving public assistance at the time the survey was completed. Forty-four percent of the respondents said high housing costs was the reason they became homeless. Exhibit II-31 summarizes the key characteristics of the homeless population in Adams County as gathered from the 2007 point-in-time homeless survey.

**Exhibit II-31.
Characteristics of Adams County’s Homeless Population, 2007**

	Number	Percent		Number	Percent
Homeless population	1,202		Special Needs		
Gender			Mental illness	35	8%
Male	104	23%	Medical condition	40	9%
Female	342	77%	Substance abuse	32	7%
Race/Ethnicity			Developmental disability	12	3%
Asian	4	1%	HIV/AIDS	2	0%
African American	86	27%	Why Homeless		
Native American	12	4%	Lost Job - Cannot find work	112	24%
White	169	52%	Wages Too Low	45	10%
Mixed	8	3%	Family Break up, Death	64	14%
Other	44	14%	Abuse or Violence	30	7%
Hispanic	192	45%	Runaway from Home	7	2%
Household Situation			Discharged from Jail/Prison	10	2%
Single	89	20%	Medical Problems	28	6%
Single parent	271	61%	Eviction/Foreclosure	34	7%
Couple with children	65	15%	Housing Cost Too high	202	44%
Couple without children	14	3%	Utility Costs Too High	36	8%
Other	3	1%	Alcohol, Drug Abuse	16	4%
Households without children	103	23%	Mental, Emotional Problems	16	4%
Households with children	339	77%	Other Reason	32	7%
			Chronically homeless	509	42%

Note: Not all percentages may add to 100%, due to rounding.

Source: Metro Denver Homeless Initiative, 2006 Point-in-Time Count.

⁶ Percentages represent the valid percentages presented by the Metro Denver Homeless Initiative. Valid percentages do not include missing responses.

Adams County Economy

This section provides a brief overview of Adams County's employment composition and economic vitality. A more in-depth look at Adams County's workforce and its housing needs is discussed in Section IV.

Current employment. DRCOG estimated there to be 156,318 wage and salary jobs in Adams County in 2006, which equates to 12 percent of the seven-county region's wage and salary jobs. The Colorado Department of Labor's estimates reflect similar regional proportionality.⁷ Exhibit II-32 displays the seven-county Denver area employment distribution based on DRCOG's 2006 estimates.

Exhibit II-32. Employment by County, 2006

Source:
Denver Regional Council of Governments (DRCOG), 2006
Employment Estimates.

County	2006 Employment	Percentage of Seven-County Total
Adams	156,318	12%
Arapahoe	270,295	20%
Boulder	151,492	11%
Broomfield	30,500	2%
Denver	420,380	32%
Douglas	90,916	7%
Jefferson	209,099	16%

Jobs and housing balance. Communities in the seven-county Denver region have the benefit of relying on neighboring cities for achieving a healthy balance between population and employment. Despite the lack of pressure for providing reasonable municipal-level jobs and housing balance, an examination of community employment to household ratios can help gauge which communities are providing the region and Adams County with more or less of their fair share of workforce housing.

A jobs-to-household ratio of less than "1" means that there is less than one job opportunity available within the municipality for each household residing in that town. This suggests that residents leave their place of residence for work. Arvada, Aurora, Bennett, Federal Heights, Northglenn, Thornton and Westminster all have jobs-to-household ratios of less than 1. Conversely, Commerce City, Brighton and the unincorporated portion of Adams County have ratios higher than 1, meaning that residents of other communities commute in for work.

⁷ DRCOG and CDLE both use QCEW data for their estimates. However, different methodologies produce slightly different results.

**Exhibit II-33.
Jobs-to-Household
Relationship by
Place, 2006**

Source:
Denver Regional Council of
Governments (DRCOG), 2006
Household and Employment
Estimates

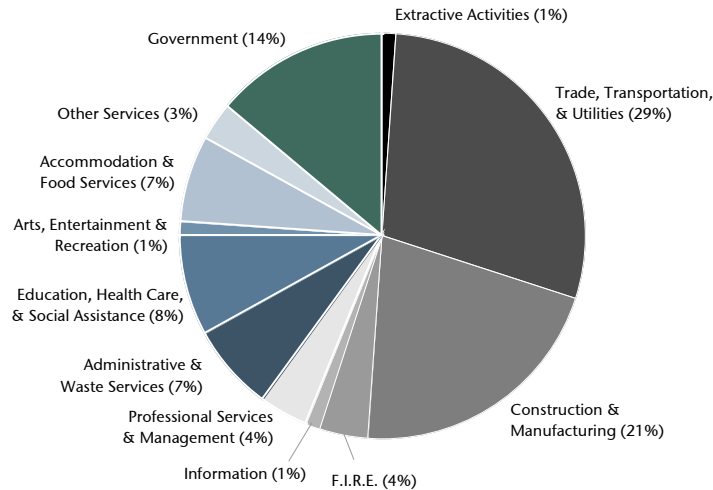
	Households	Employment	Ratio of Jobs per Household
Adams County	149,215	156,318	1.05
Arvada	40,807	27,163	0.67
Aurora	118,871	97,445	0.82
Bennett	818	431	0.53
Brighton	9,215	10,875	1.18
Commerce City	12,826	23,676	1.85
Federal Heights	5,147	3,890	0.76
Northglenn	13,801	10,959	0.79
Thornton	37,805	23,571	0.62
Westminster	41,553	35,110	0.84
Unincorporated Adams	29,378	42,163	1.44

Employment composition and unemployment rate. In its current role, Adams County provides the region with a large number of jobs in trade, transportation, manufacturing and warehousing. Exhibit II-34 provides the employment distribution in Adams County.

**Exhibit II-34.
Adams County Employment
by Industry, 2006**

Note:
To simplify the pie chart, similar industry categories were grouped together to create fewer categories. All groupings have maintained their original industrial names, except FIRE, which stands for Finance, Insurance and Real Estate.

Source:
Colorado Department of Labor &
Employment, QCEW data.



The primary industries of Adams County have experienced minimal job growth in the last 5 years, thereby creating more unemployment in Adams County than in Colorado and the U.S. early in the decade. For example, the manufacturing and construction sectors lost jobs between 2002 and 2003, and neither industry has regained those job losses. Although there has been some industry fluctuation in recent years within the county, the overall employment composition in Adams County has remained relatively stable.

Exhibit II-35 displays the 5-year trend in employment by industry for Adams County. Exhibit II-36 presents the 5-year trend in unemployment for Adams County, the State of Colorado and the U.S.

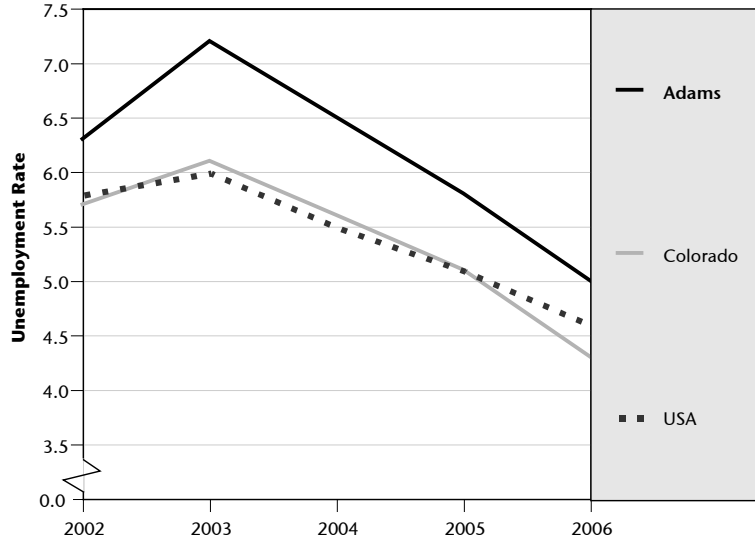
Exhibit II-35.
Adams County Employment by Industry, 2002-2006

Industry	2002		2003		2004	
	Number	Percentage	Number	Percentage	Number	Percentage
Agriculture	1,254	1%	1,143	1%	987	1%
Mining	291	0%	256	0%	231	0%
Utilities	0	0%	756	1%	769	1%
Construction	19,471	14%	14,346	10%	17,250	12%
Manufacturing	14,659	10%	13,204	10%	13,344	9%
Wholesale Trade	13,302	9%	12,988	9%	13,185	9%
Retail Trade	15,617	11%	15,074	11%	14,894	11%
Transportation & Warehousing	13,766	10%	13,407	10%	13,371	9%
Information	1,974	1%	1,903	1%	1,749	1%
Finance & Insurance	1,064	1%	3,306	2%	3,331	2%
Real Estate, Rental & Leasing	2,602	2%	2,731	2%	2,707	2%
Professional Services	3,486	2%	3,695	3%	3,706	3%
Management	974	1%	1,034	1%	1,178	1%
Administrative & Waste Services	8,730	6%	8,784	6%	8,992	6%
Education	798	1%	1,016	1%	1,256	1%
Health Care & Social Assistance	8,538	6%	8,821	6%	9,092	6%
Arts, Entertainment & Recreation	876	1%	831	1%	840	1%
Accommodation & Food Services	10,535	7%	10,173	7%	10,519	7%
Other Services	4,218	3%	4,149	3%	4,345	3%
Non-classifiable	0	0%	5	0%	1	0%
Government	19,150	14%	19,367	14%	19,597	14%
Total	141,305		136,989		141,344	
Industry (Continued)	2005		2006			
	Number	Percentage	Number	Percentage		
Agriculture	1,143	1%	1,225	1%		
Mining	236	0%	238	0%		
Utilities	922	1%	616	0%		
Construction	17,738	12%	18,685	12%		
Manufacturing	14,026	9%	14,103	9%		
Wholesale Trade	13,629	9%	14,279	9%		
Retail Trade	15,792	11%	16,120	11%		
Transportation & Warehousing	13,714	9%	13,554	9%		
Information	1,983	1%	2,059	1%		
Finance & Insurance	2,923	2%	3,031	2%		
Real Estate, Rental & Leasing	2,829	2%	2,868	2%		
Professional Services	3,944	3%	3,996	3%		
Management	1,406	1%	1,569	1%		
Administrative & Waste Services	9,484	6%	10,751	7%		
Education	1,518	1%	1,685	1%		
Health Care & Social Assistance	9,533	6%	10,094	7%		
Arts, Entertainment & Recreation	997	1%	958	1%		
Accommodation & Food Services	10,946	7%	11,323	7%		
Other Services	4,652	3%	4,878	3%		
Non-classifiable	4	0%	14	0%		
Government	20,266	14%	20,696	14%		
Total	147,685		152,742			

Source: Colorado Department of Labor & Employment, QCEW data.

**Exhibit II-36.
Unemployment Rate
Comparison, 2002-2006**

Source:
Colorado Department of
Labor and Employment.



What Does the Future Hold for Adams County?

Both DOLA and DRCOG project Adams County to be a major regional attractor of both population and employment growth. Unlike some counties in the seven-county Denver region, Adams County is far from build-out and enjoys an abundance of developable land in proximity to DIA and future FasTrack stations. As such, DOLA projects that Adams County’s population will increase by about 300,000 people between 2005 and 2035, as shown in Exhibit II-37. Although these numbers are quite significant, the projections assume lower average annual growth rates than the county has recently experienced.

**Exhibit II-37.
Projected Population Growth,
Adams County, 2005 to 2035**

Source:
Colorado Department of Local Affairs.

Year	Projected Population	Time Period	Average Annual Growth Rate
2005	402,110	2000-2005	1.9%
2010	452,411	2005-2010	2.4%
2015	504,711	2010-2015	2.2%
2020	557,897	2015-2020	2.0%
2025	609,031	2020-2025	1.8%
2030	659,601	2025-2030	1.6%
2035	708,160	2030-2035	1.4%

DRCOG projects Adams County’s population to increase by 365,000 people between 2005 and 2035, absorbing nearly one-quarter of the growth in their nine-county planning region.⁸ Again, although projected growth is strong, an average annual growth rate of 1.9 percent is less than the growth experienced by Adams County since 1960.

Population growth is projected to be evenly dispersed throughout the county. The areas around FasTrack lightrail stations are expected to see some growth; however, DRCOG predicts that the fastest growing areas will be the I-76 corridor, through Brighton, and in Aurora, south of DIA.

⁸ DRCOG’s nine-county planning region also includes Clear Creek County and Gilpin County.

DRCOG employment forecasts predict Adams County will add nearly 250,000 new jobs between now and 2035. Seventy percent of the jobs expected in 2035 are related to production and services. Fifteen percent of predicted employment growth is retail-oriented. The remainder of the employment in the county is split between service and contract employment. If employment growth by industry resembles recent years, the fastest growing professions are expected to have relatively low wages, meaning that housing to serve these new workers should be moderate to lower-cost.

The nine-county DRCOG region is expected to add approximately 960,000 jobs between now and 2035.⁹ Adams County is predicted to absorb one-fourth of the region's new employment at an average annual growth rate of nearly 3 percent. This annual growth rate is the highest of all the counties that comprise the Denver region. The counties of Broomfield and Douglas have the next highest average annual growth rates at 2.8 percent and 2.7 percent, respectively.

Employment growth in Adams County is more concentrated than population growth, congregating around major transportation arteries like I-25. Although the future FasTrack stations see little employment growth in the DRCOG forecasts, as community plans come to fruition, some employment may be attracted to station areas from highway corridors. Additionally, the area south of DIA is expected to attract future employment growth, as Aurora is actively trying to capitalize on proximity to DIA.

Exhibits II-38 and II-39 map population and employment growth (respectively) expected in Adams County, as forecasted by DRCOG. Exhibit II-40 highlights the fastest growing areas (population and employment combined) in Adams County.

⁹ DRCOG 9-county region includes the following counties: Adams, Arapahoe, Broomfield, Boulder, Clear Creek, Denver, Douglas, Gilpin and Jefferson.

Source: Denver Regional Council of Governments (DRCOG), 2035 forecasts

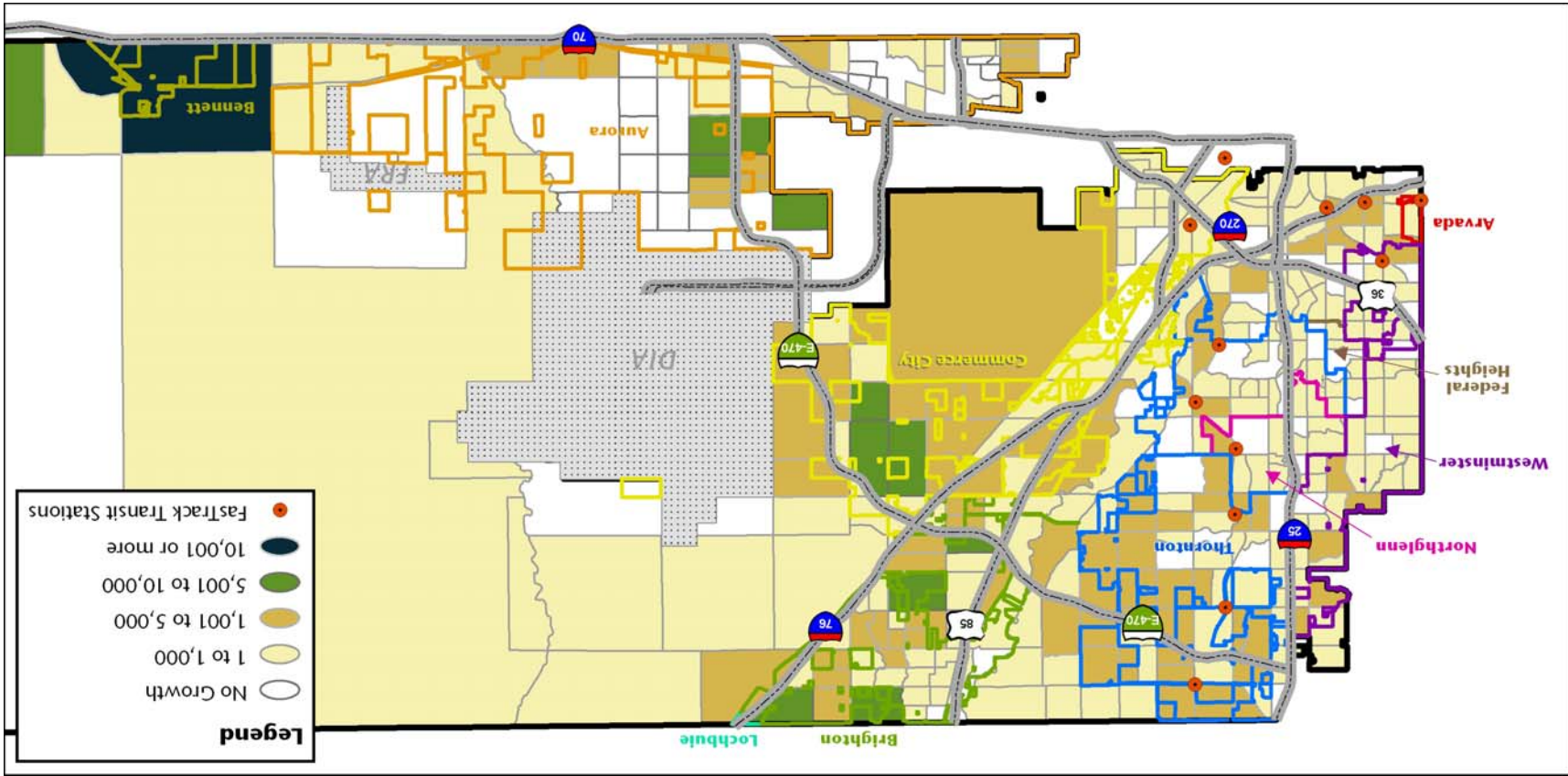
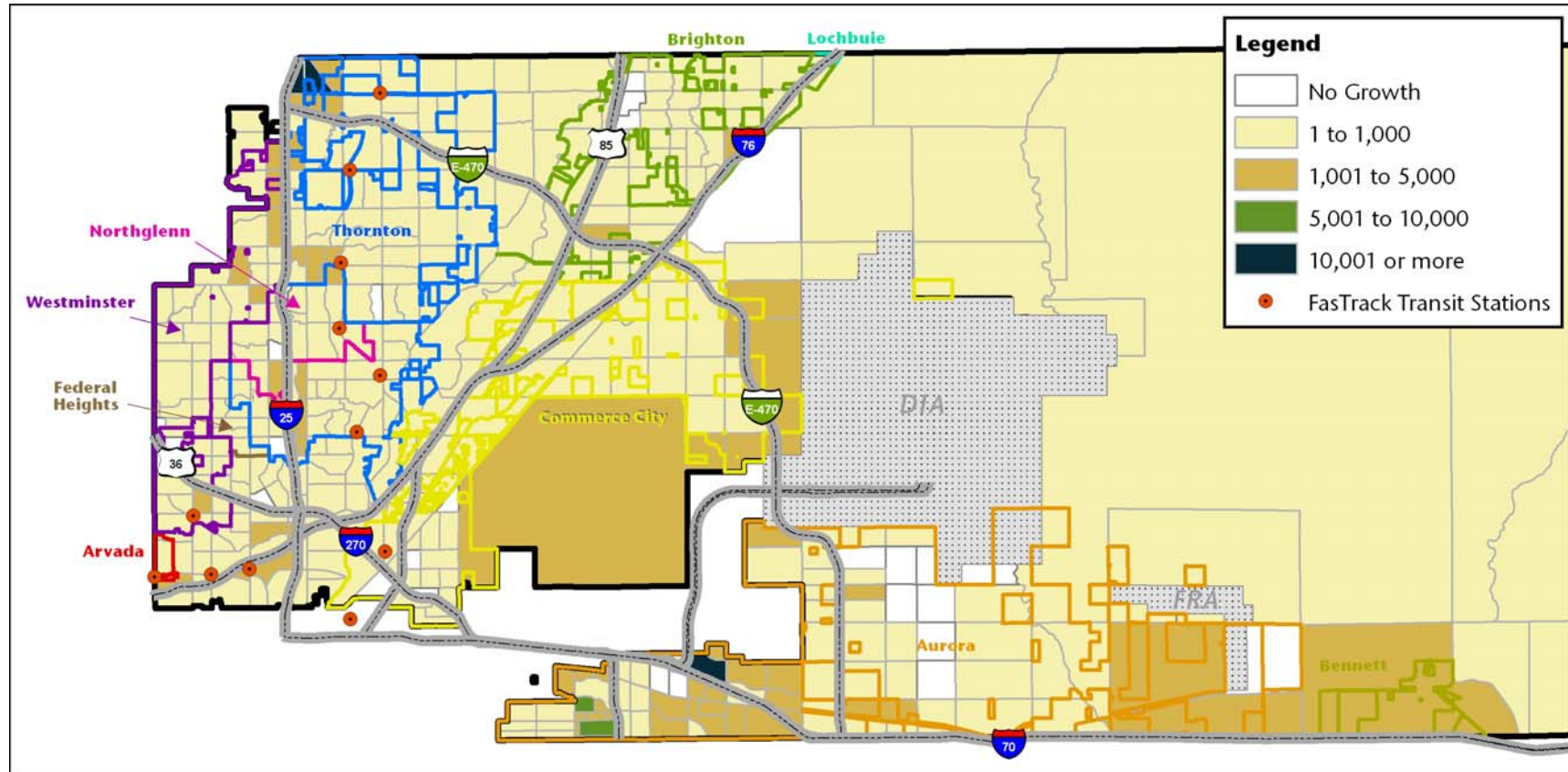


Exhibit II-38. Projected Population Growth, 2005-2035, Adams County

Exhibit II-39.
Projected Employment Growth, 2005-2035, Adams County



Source: Denver Regional Council of Governments (DRCOG), 2035 forecasts

Source: Denver Regional Council of Governments (DRCOG), 2035 forecasts

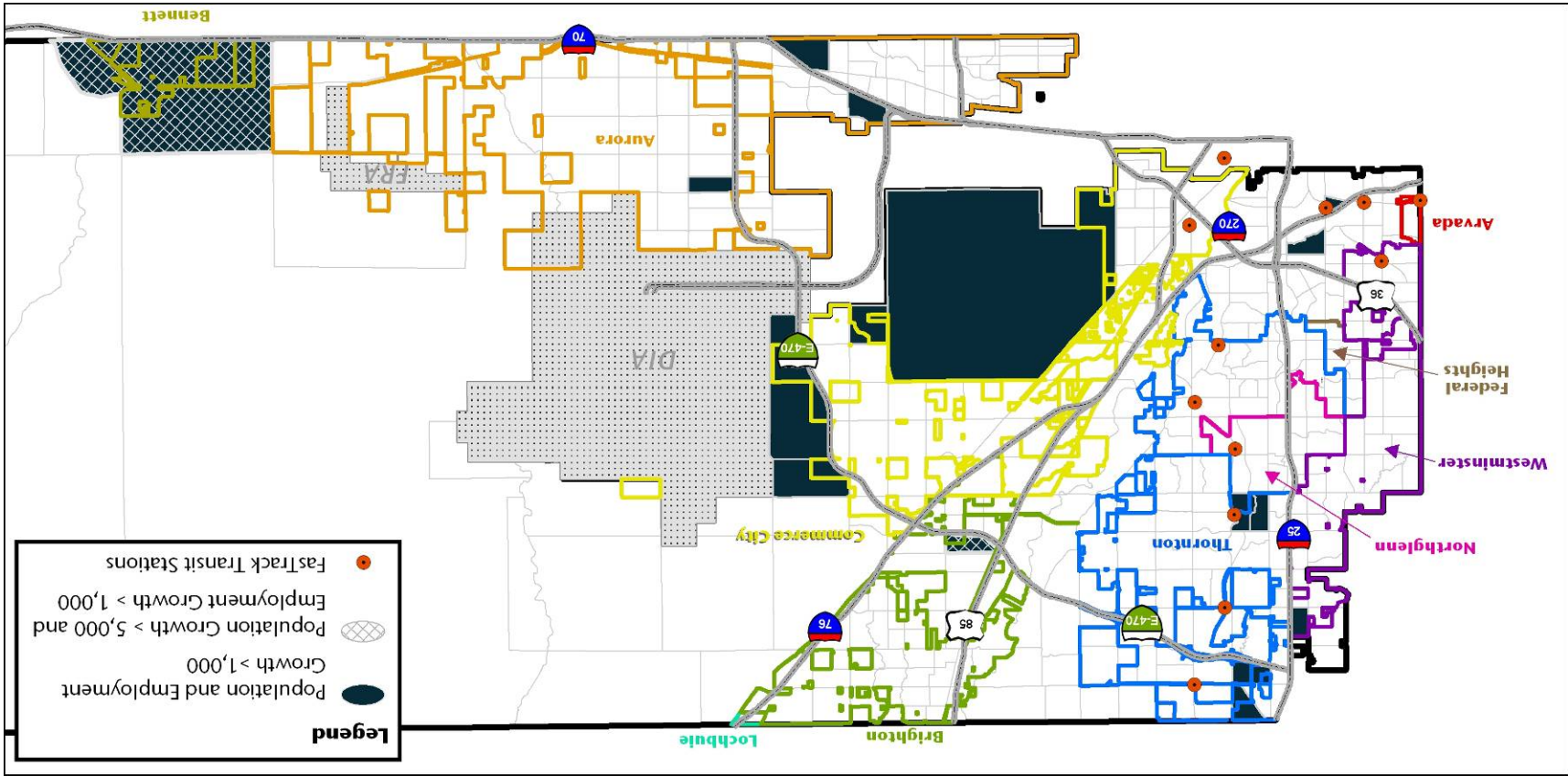


Exhibit II-40.
Forecast Intersection

SECTION III.
Housing Profile and Cost

SECTION III.

Housing Profile and Cost

This section of the report profiles Adams County's housing market. The chapter begins by discussing the overall housing stock and continues by describing the characteristics of owned and rented housing units within the county.

Summary

Like many communities across the United States, Adams County has recently added a substantial amount of new homes to its existing housing stock. Between 2000 and 2006, over 26,000 new units were constructed in the county, increasing the housing stock by 20 percent. New units consisted mostly of single family detached units, increasing the overall composition of single family detached units to 65 percent, from 61 percent in 2000 and 59 percent in 1990.

Homeowners make up most of the residents in the county; 70 percent of all housing units in the county were occupied by owners in 2006. Whether households move into Adams County specifically to purchase a home, or they purchase a home after renting within the county, Adams County offers a level of affordability, size and new product that is difficult to find in neighboring areas. An analysis of listings of homes for sale in 2007 showed ample availability of relatively affordable, detached, single family homes.

In Adams County, home prices are often attributed to location. The amenities accompanying expensive housing stock in Adams County include locale in newer portions of Westminster, Thornton and Brighton, more square footage and, most likely, a newer home. For individuals desiring a larger lot size, more expensive housing stock is available in the eastern, unincorporated portion of the county and in Bennett. In some communities, home values increase with amenities such as access to public transportation or proximity to a central business district. However, for Adams County, the availability of land has led to a lack of incentive to redevelop closer to downtown Denver, and instead, build expensive housing stock on land further away from urban amenities.

What Does the Adams County Housing Stock Look Like?

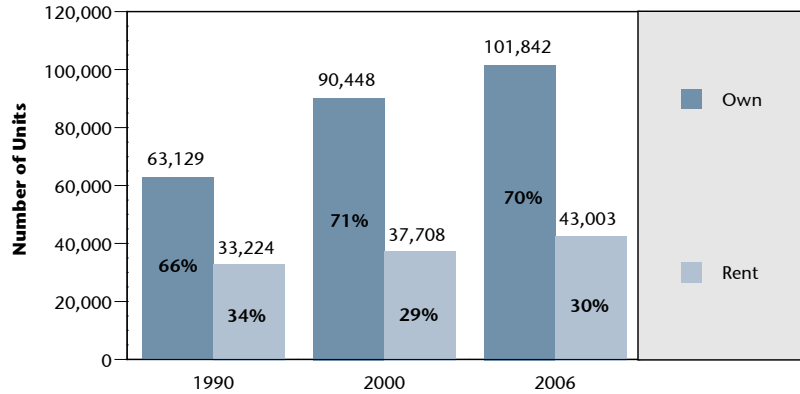
In 2006, the U.S. Census estimated there to be 159,150 housing units in Adams County. Of those units, 144,845 were occupied, creating a vacancy rate of 9 percent.¹ Seventy percent (101,842) of occupied housing units in Adams County were owner-occupied and 30 percent (43,003) of Adams County housing units were occupied by renters.

¹ DOLA estimated a 2006 vacancy rate of 7.7 percent. DRCOG's January 1, 2007 Adams County vacancy rate was 6.2 percent. The differences in vacancy rates reflect differences in methodologies used by the different entities.

A similar tenure composition was reported in the 2000 U.S. Census, which estimated that 71 percent of the 128,156 occupied housing units in Adams County were owner-occupied and 29 percent of the units were renter-occupied. However, the 1990 Census estimated a 66 percent owner and 34 percent renter composition, indicating that a shift towards increased homeownership occurred during the 1990s in Adams County. Exhibit III-1 demonstrates this shift in homeownership.

Exhibit III-1.
Number of Housing Units in Adams County, Renter- vs. Owner-Occupied (Tenure)

Source:
 American Community Survey, 2006.

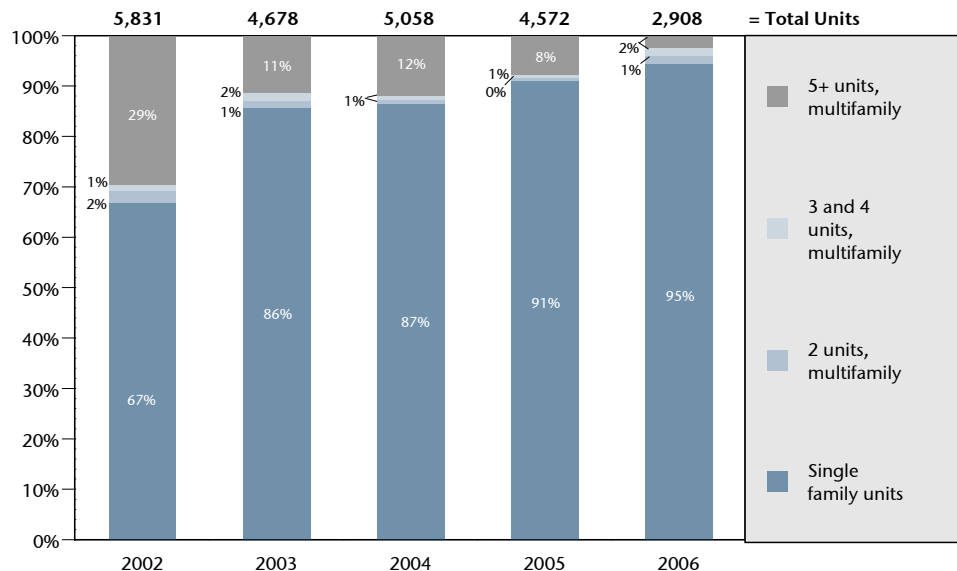


Historical production. According to the U.S. Census, between 2000 and 2006, Adams County added 26,556 new housing units, which equates to a 20 percent increase in housing units since 2000. In 2002, 5,831 new units were added. That number remained consistent until 2006, when the county experienced a slowdown in new residential units (2,908). After a surge of multifamily units in 2002, the construction of new units has favored single family, suggesting that most new construction was designed to be less dense and targeted towards homeowners. In essence, new construction continued to replicate the stock currently available in Adams County.

Exhibit III-2 shows the number and proportion of residential housing units that have been permitted in Adams County since 2002 by type of unit.

Exhibit III-2.
Residential Housing Units Permitted in Adams County, 2002 to 2006

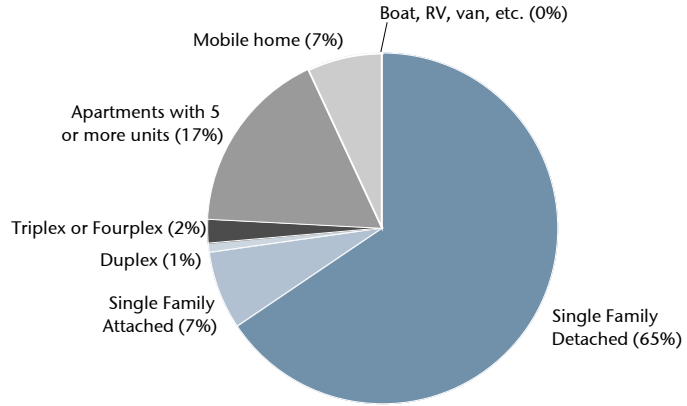
Source:
 U.S. Census Bureau.
 American Community Survey, 2006.



Composition of housing stock. In 2006, 65 percent of Adams County’s housing units were single family, detached housing units; 17 percent were apartments with 5 or more units. Approximately 7 percent of the units were single family, attached units (e.g., townhomes) and another 7 percent of the units in the county were mobile homes. Exhibit III-3 shows housing units by type for Adams County for 2006.

**Exhibit III-3.
Housing Units by Type,
Adams County, 2006**

Source:
American Community Survey, 2006.



The emphasis on single family, detached construction has shifted the overall distribution of the housing composition in Adams County during the last 16 years. Apartment complexes with 5 or more units have not been built at a rate to keep up with the construction of new single family units. Additionally, the number of occupied mobile homes in Adams County has decreased since 1990. Exhibit III-4 displays Adams County’s housing composition since 1990.

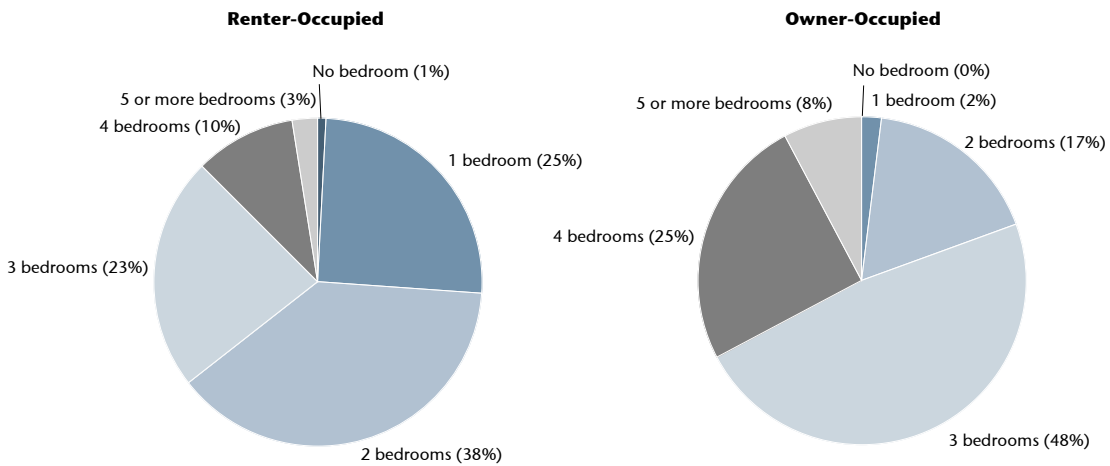
**Exhibit III-4.
Housing Units by Type, Adams County, 2006**

	1990		2000		2006	
	Number	Percent	Number	Percent	Number	Percent
Single family detached	62,589	59%	80,553	61%	94,187	65%
Single family attached	5,950	6%	8,158	6%	9,706	7%
Duplex	1,262	1%	1,557	1%	1,699	1%
Triplex or fourplex	2,895	3%	3,647	3%	3,616	2%
Apartments with 5 or more units	21,840	20%	25,571	19%	24,890	17%
Mobile home	11,244	11%	13,003	10%	10,747	7%

Source: 1990, 2000, 2006 U.S. Census.

Size. Adams County’s rental units are most likely to be two bedroom units (38 percent), followed by one bedroom units (25 percent). Adams County’s owner-occupied units most commonly have three bedrooms (48 percent), followed by four bedrooms (25 percent), as shown in Exhibit III-5. Since Adams County has relatively large average household sizes for both renter (2.74) and owner (2.89) households, the supply of larger units seems consistent with the demand induced by these households.

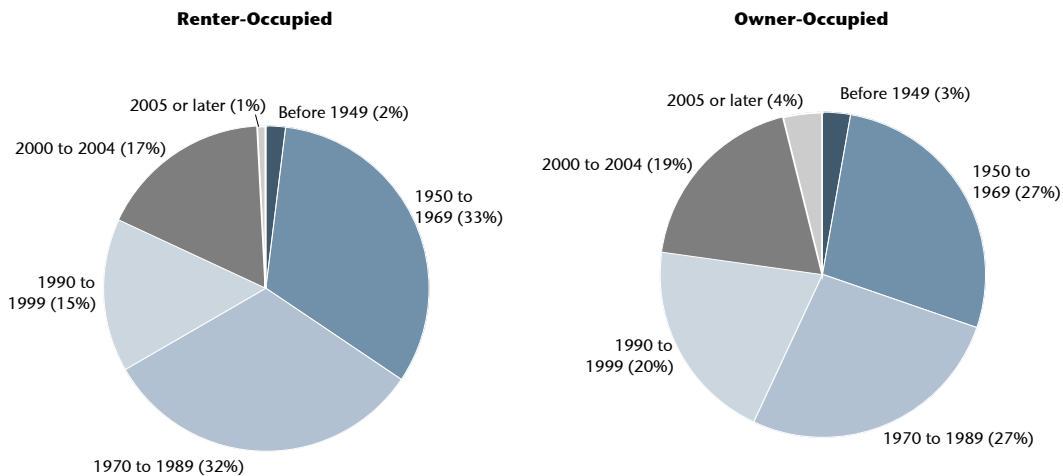
**Exhibit III-5.
Housing Units by Size, Adams County, 2006**



Source: American Community Survey, 2006

Age and condition. The owner-occupied housing stock in Adams County is newer than the county’s rental properties. Forty-three percent of owner-occupied units were constructed after 1990, as compared with 33 percent of rental units. Nearly one-third of all rental units in Adams County were built during the 1950s and 1960s, with an additional one-third being constructed in the 1970s and 1980s. Comparatively, only 54 percent of owner-occupied units were built between 1950 and 1990. Exhibit III-6 displays the age composition for both renter and owner occupied units.

**Exhibit III-6.
Years Housing Units Were Built, Adams County, 2006**



Source: American Community Survey, 2006.

In general, Adams County housing units do not lack in basic amenities. According to the 2006 ACS, less than one-half of a percent (0.4 percent) of housing units in Adams County lack complete plumbing (657 units); less than one-half of a percent (0.4 percent) lack complete kitchens (659 units). The county's relatively new housing stock helps ensure that units with severe conditional problems are kept to minimal proportions.

Overcrowding. Overcrowding has been linked to public health and safety concerns. Thus, if a large number of households are living in crowded conditions, this could point to a need for additional affordable housing options to ensure a high standard of public health and safety is obtained.

In general, Adams County housing units are not experiencing overcrowding and are sufficiently large enough for their occupants. For the sake of this analysis, we consider an overcrowded household as one where the ratio of household members per the number of rooms in the housing unit exceeds "1". Rooms are generally defined as "enclosed spaces used for living purposes, such as a bedroom, living or dining room, kitchen, recreation room, or another finished room suitable for year-round use."² In Adams County, 3 percent of owner-occupied housing units had more than 1 occupant per room. Among Adams County rental units, approximately 7 percent of housing units reported having a ratio of occupants to rooms greater than "1".

Overcrowding can be an issue more prevalent among certain racial and ethnic groups, lower-income households and inner-city dwellers. Three percent of White households have a ratio of "1" or more occupants per room. However, Native American (10 percent) households, households defined by residents of some other race (16 percent), households of two or more races (7 percent), and households of Hispanic/Latino ethnicity (12 percent) all had higher rates of overcrowding. The higher prevalence of overcrowding could be because of a preference for an extended family to occupy one housing unit, lower average incomes held by certain ethnic groups, or a greater likelihood of ethnic groups living in smaller rental properties.

Who Rents and Who Owns in Adams County?

This section examines the demographic characteristics of renters and owners in Adams County, beginning with renters.

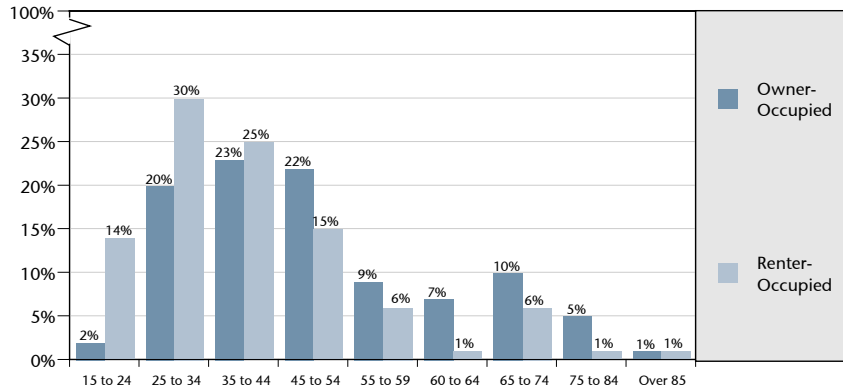
Who are the county's renters? Renters in Adams County tend to be younger, less educated, and are more likely to be living near the poverty threshold than homeowners. Renters are more likely to use other modes of transportation to work, rather than drive alone in a car, and are more transient than homeowners.

Age of renters. Renters in Adams County are younger than homeowners: For example, 6,085 renter households are headed by individuals 15 to 24 years of age (14 percent of renters), as compared to 1,960 owned units headed by the same age cohort (just 2 percent of owners). Most renters in the county are 25 to 34 years old. Exhibit III-7 provides the age distribution of owned and rented properties.

² From the article "Measuring Overcrowding in Housing" from HUD Users online, September 2007.

**Exhibit III-7.
Age of Head of
Household, by
Tenure, Adams
County, 2006**

Source:
American Community
Survey, 2006



Renter income. Renter-occupied households have a substantially lower household income than owner households. The median household income for renter-occupied housing units is \$31,850. This is \$30,000 less than the median household income present in owner-occupied units in Adams County.

Rental units are more likely to be occupied by households below the poverty level. Of the 11,844 families in Adams County living below the poverty level per the 2006 Census, 66 percent were living in rental units. More specifically, 66 percent of married-couple households in poverty were renting and 71 percent of female-headed households living below the poverty level were occupying rental units.

Renter education. The lower the level of education obtained by residents, the more likely Adams County residents are to rent. Forty percent of individuals who have obtained a high school degree or less are renters in Adams County. That percentage decreases as more education is obtained, meaning that the higher the level of education obtained, the more likely households are to buy. For example, households headed by someone with at least a college degree rent just 18 percent of the time.

Renter race. Because White households are the largest racial group within the county, they are the largest racial group to occupy all rental units in Adams County (77 percent). Households characterizing themselves as “Some Other Race” account for 10 percent of renter households, and African American households account for 6 percent of renter households³.

Among African American households, renting is more prevalent, as 60 percent of African American households are renters. Households classifying themselves as “Two or More Races” also had a high proportion of renters (44 percent), as did Hispanic/Latino households (41 percent). Exhibit III-8 shows tenure by race and ethnicity.

³ The Some Other Race category is often made up of persons of Hispanic origin who do not consider themselves White racially.

**Exhibit III-8.
Tenure by Race and
Ethnicity, Adams
County, 2006**

Source:
American Community Survey, 2006.

Race/Ethnicity	Renter Occupied	Owner Occupied
White Alone	28%	72%
Black or African American	60%	40%
American Indian and Alaska Native	34%	66%
Asian	31%	69%
Some Other Race	30%	70%
Two or More Races	44%	56%
Hispanic or Latino	41%	59%

Other traits of renters. Renters are more likely to seek out other means of transportation to work than homeowners, rather than drive alone to work, as 18 percent of renters carpool, as compared to 12 percent of homeowners. Finally, renters (7 percent) are also more likely to take public transportation to work than homeowners (3 percent).

As previously mentioned in Section II, Adams County residents often remain in Adams County for long periods of time, either within their same residence or other homes in the county. However, as to be expected, renters are more transient; 24,309 renter households moved into their rental unit in 2005 or later, compared to 15,205 owner-occupied housing units. This accounts for 57 percent of all renters in the county. An additional 32 percent of renters moved into their units between 2000 and 2004. The large migration to rental units may also be a residual effect of the foreclosure phenomenon, which is likely to continue through this year.

Where do renters live in Adams County? Concentrations of high renter-occupied units in Adams County are close to major transportation arterials. These concentrations are primarily located in Thornton, Westminster and Aurora. In addition, Federal Heights has a high concentration of renter-occupied units. Exhibit III-9 displays the spatial distribution of renter occupied housing units in Adams County.

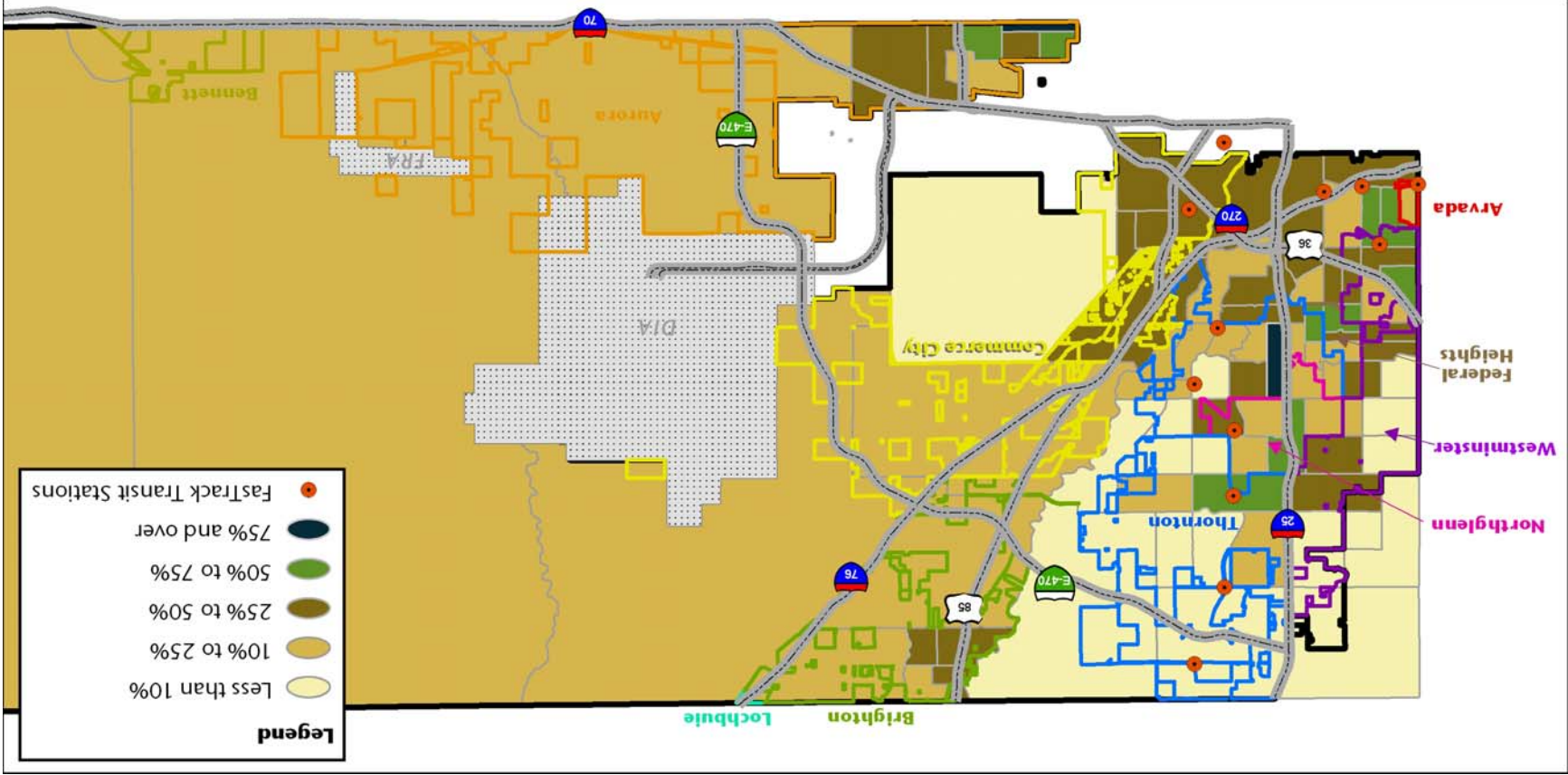


Exhibit III-9. Distribution of Renter-Occupied Housing Units, Adams County, 2000

Type of units renters occupy. Based on occupancy levels, renters in Adams County appear to prefer apartment buildings with 5 units or more; 52 percent of the county’s renters live in such buildings. The second most common rental arrangement is single family, detached homes (29 percent). This is consistent with the sizes of renter households: As seen in Section II, Adams County’s renter households had an average household size of 2.74 persons, thereby demanding larger units. In some instances, renter households may be moving into homes either vacated due to foreclosure or purchased by investors, waiting for a more opportune time to sell. Exhibit III-10 displays renter-occupied housing units by structure type.

**Exhibit III-10.
Renter-occupied Housing
Units By Structure Type,
Adams County, 2006**

Source:
American Community Survey, 2006

	Number of Rental Units	Percentage
Apartments with 5 or more units	18,034	52%
Duplex	1,879	3%
Mobile home	8,664	6%
Single family attached	2,352	4%
Single family detached	4,560	29%
Triplex or fourplex	8,664	5%

Who are the county’s homeowners? Seventy percent of Adams County households own the units in which they reside. Married households, with and without children, are likely to be homeowners in Adams County. Households with children are more likely to move, mostly within Adams County, once their children reach school age. Data also showed that residents with higher levels of education are likely to be homeowners.

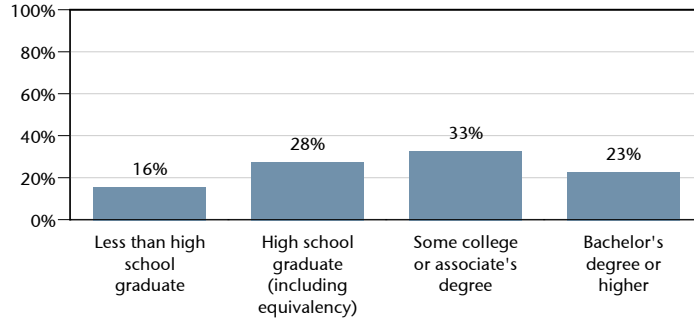
Owner household composition. During the 1990s, tenure shifted towards ownership. Thus, new construction was built to appeal to the larger households that reside in Adams County. Seventy-four percent of all family households currently own the homes in which they reside and 26 percent rent. Married-couple households are likely to own their Adams County home (79 percent). Married-couple households with children (75 percent) were less likely to own over rent than married-couple households with no children (83 percent). Non-married households headed by a male own 61 percent of the time. Female-headed, non-married households own 58 percent of the time.

Overall, households with children in Adams County are more likely to own than rent. Fifty-nine percent households that have children under the age of 6 years own their homes. That percentage increases to 68 percent for households that have children under 6 and children between the ages of 6 and 17. Finally, 74 percent of households that only have children between 6 and 17, and 74 percent of households with children over 18 own their places of residences, rather than rent.

Education. The distribution of homeowners by educational attainment is reflective of the county’s overall distribution for education level. Because homes are affordable in Adams County, households across the spectrum of educational attainment are able to own homes. Exhibit III-11 shows educational attainment for homeowners.

**Exhibit III-11.
Educational Attainment
for Homeowners, Adams
County, 2006**

Source: American Community Survey,
2006.



Rental Cost and Vacancies

The apartment vacancy rate estimated by the Apartment Association of Metro Denver for the 4th Quarter of 2007 was 7.4 percent. The average for all of 2007 was 6.9 percent. This was up only slightly from the 6.73 vacancy rate of 2006. Overall, rental vacancy rates in Adams County—consistent with surrounding areas—have dropped since 2003. The dropping vacancies suggest that the relatively large number of apartments built earlier in the decade (see Exhibit III-15) are finally being absorbed into the rental market.

Apartment vacancies were high in 2002 and 2003 during the time when many residents purchased homes and moved out of rental properties. However, vacancies have declined, as Adams County residents have moved out of their homes and back into rental properties. Exhibits III-12 through III-13 show the five-year trend in annual averages for apartment vacancies in Adams County and its market areas, as provided by the Apartment Association of Metro Denver. Exhibit III-14 shows vacancies by market area. The Commerce City market had the lowest vacancy rate at 3.73 percent in 2007; the Northglenn/Thornton area had the highest at 7.4 percent.

**Exhibit III-12.
Annual Average
Apartment
Vacancy**

Source:
Apartment Association of
Metro Denver.

	2001	2002	2003	2004	2005	2006	2007
Adams County	5.80	9.55	13.65	9.70	8.78	6.73	6.85
Aurora-North	6.30	16.05	14.73	12.10	7.60	6.85	6.93
Commerce City/Brighton	2.45	5.00	20.13	13.78	7.38	5.88	3.73
Northglenn/Thornton	6.63	10.93	13.03	8.28	8.40	6.30	7.40
Westminster	5.60	8.20	13.40	9.83	9.33	7.13	6.55

**Exhibit III-13.
Annual
Average
Apartment
Vacancy**

Source:
Apartment Association of
Metro Denver.

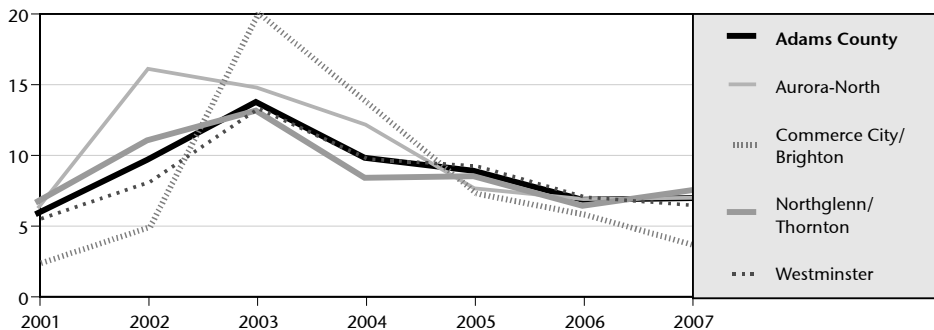
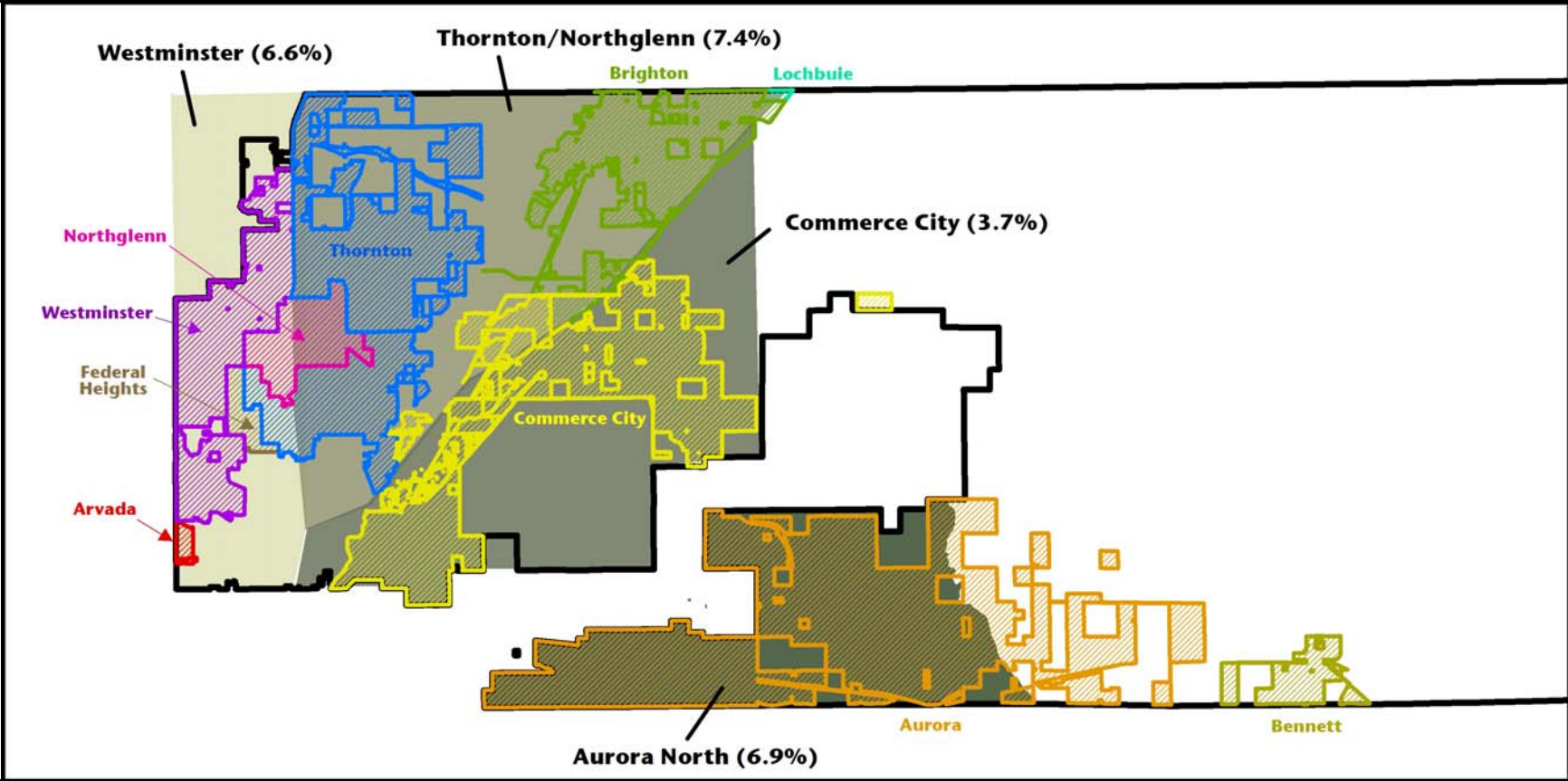


Exhibit III-14.
Rental Vacancy Rates by Adams County Market Area, Fourth Quarter of 2007

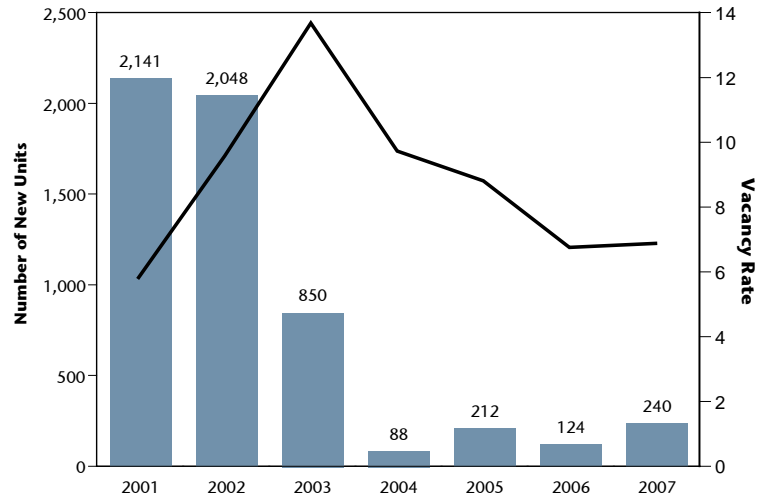


Source: Apartment Association of Metro Denver and BBC Research & Consulting.

What types of units are in demand? The Adams County apartment market experienced a supply shock in rental units in 2001 and 2002, when over 4,000 units were added to the market. As a result, both prices and vacancy rates have been readjusting to absorb these new units. Additionally, while new units were added to the market, many Adams County residences transitioned into homeownership. Thus, the supply shock and the decrease in demand have also required time to determine who will occupy the new units. Exhibit III-15 displays new apartment units added between 2000 and 2007.

Exhibit III-15. Apartments Added, Adams County Market Areas, 2001 to 2007

Source: Apartment Association of Metro Denver.

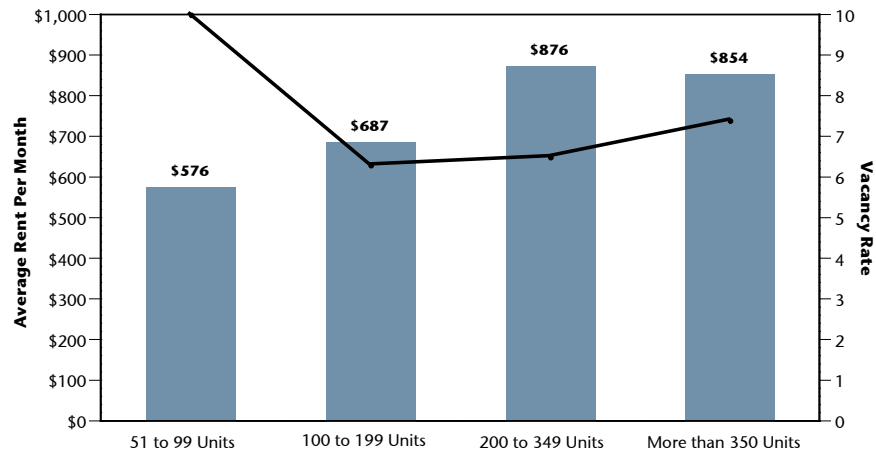


The next few graphs examine whether building size, rental rates, price per square foot and age of the complex influence vacancy rates. In general, larger complexes, larger units and newer facilities were favored by Adams County residents, as displayed by their lower vacancy rates. This is consistent with relatively large household sizes of renter households in the county.

Little relationship seems to exist between vacancy rates and apartment rental prices, with regards to the overall size of the building within Adams County. Despite having higher average rents, mid-sized and larger apartment complexes are the most popular in Adams County, as proven by their lower vacancy rates. Exhibit III-16 presents vacancy rates and average rent by building size for all of 2007.

Exhibit III-16. Rental Vacancy Rates and Average Rent by Building Size, Adams County, 2007

Source: Apartment Association of Metro Denver.



Apartment vacancies also vary by the size of the rental unit. This could be an indication that many families requiring additional space moved into rental units in 2007. Despite the premium paid for an extra bathroom in a 2 bedroom, 2 bathroom unit, vacancies in 2007 were highest for 2 bedroom, 1 bathroom units. Overall, vacancies were lowest for efficiencies (5.9 percent) and 1 bedroom (6.8 percent) units, which had average rents of \$626 and \$709 in 2007, respectively.

**Exhibit III-17.
Rental Vacancy Rates
and Average Rent by
Type of Apartment,
Adams County, 2007**

Source:
Apartment Association
of Metro Denver.

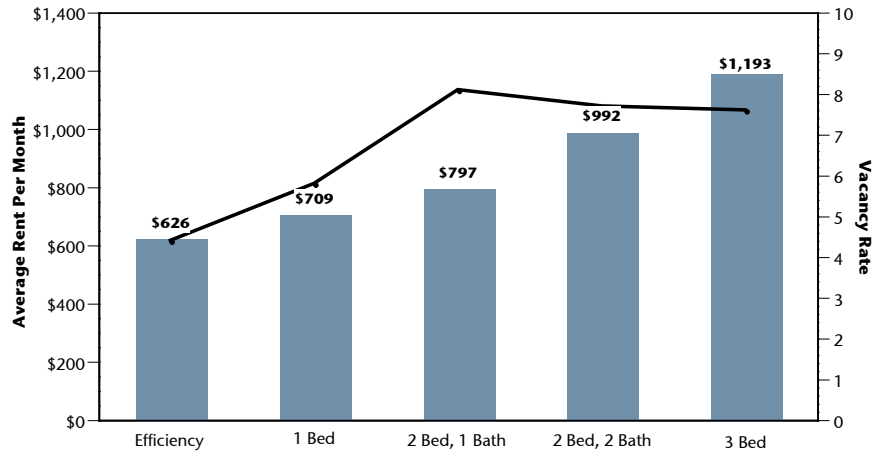
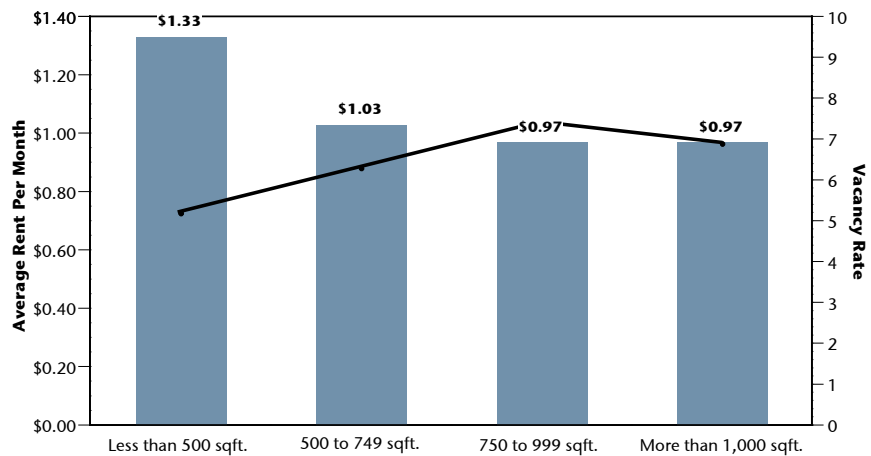


Exhibit III-18 shows vacancy rates and average price per square foot by apartment size for 2007. Apartments become marginally less expensive as they gain more square footage. However, apartments with 750 to 999 square feet have the highest vacancy rate in Adams County. Often, those apartments are either large 1 bedroom units or small 2 bedroom units, potentially with only 1 bathroom. In 2007, they were least in demand.

**Exhibit III-18.
Rental Vacancy
Rates and Rent
per Square Foot
by Apartment Size,
Adams County,
2007**

Source:
Apartment Association
of Metro Denver.

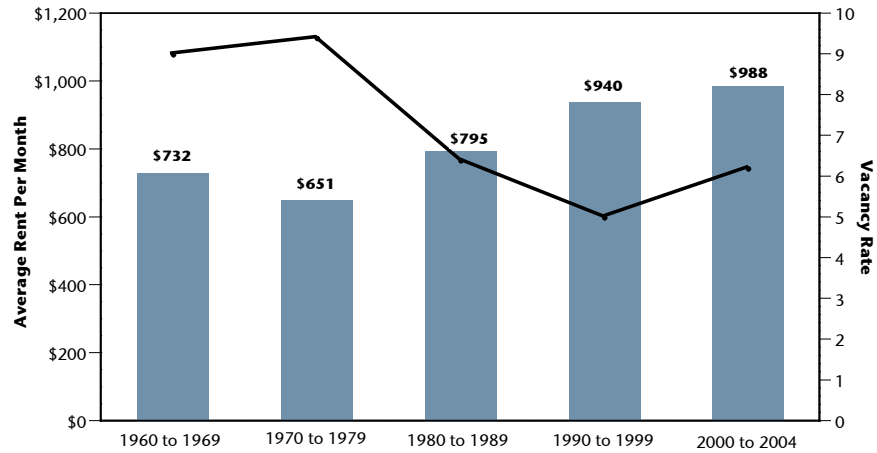


Newer rental units also had lower vacancy rates in Adams County. Exhibit III-19 shows vacancies and average rent by the age of the building.

**Exhibit III-19.
Rental Vacancy Rates and Average Rent by Building Age, Adams County, 2007**

Notes:
No data was available for units built in 2005 and after.

Source:
Apartment Association of Metro Denver.



What can renters get for their money in Adams County? In the 4th Quarter of 2007, the average price for an apartment in Adams County, regardless of size or apartment type, was \$844.30. The average in all of 2007 for an Adams County apartment was \$836.47. This is lower than average rental rate of the seven-county Denver region (\$856.24), as well as the average of Broomfield (\$938.31), Denver (\$858.80) and Douglas (\$1,022.67) counties' rental rates. Conversely, it is higher than Arapahoe County's average rent of \$812.48.

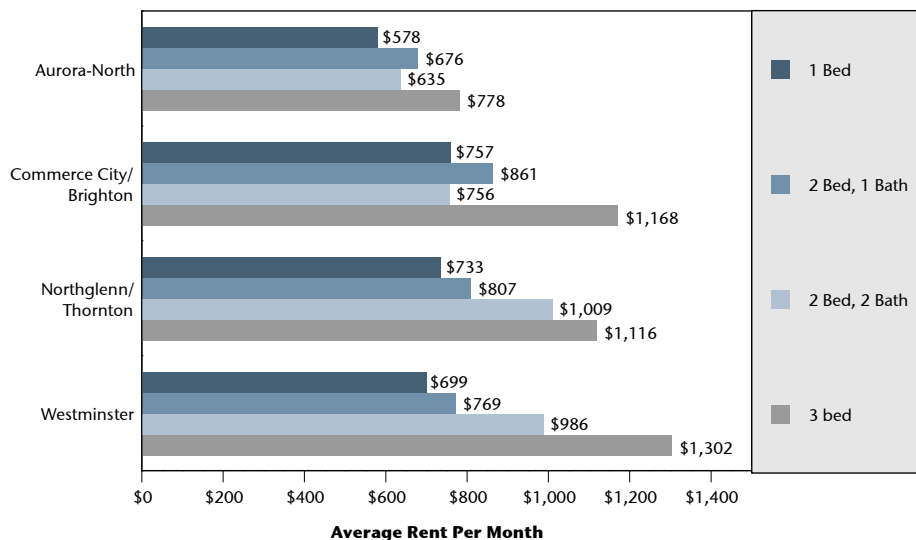
According to the Apartment Association of Metro Denver, the average median rent for the four quarters of 2007 was \$794.82.

Exhibit III-20 shows rent costs in Adams County by the four market areas.

**Exhibit III-20.
Average Rent, Adams County Market Areas, 2007**

Note:
The Aurora-North 2007 average for a 2 bedroom, 1 bathroom unit did not include the second quarter data because the data was greatly skewed by for sale condos being rented.

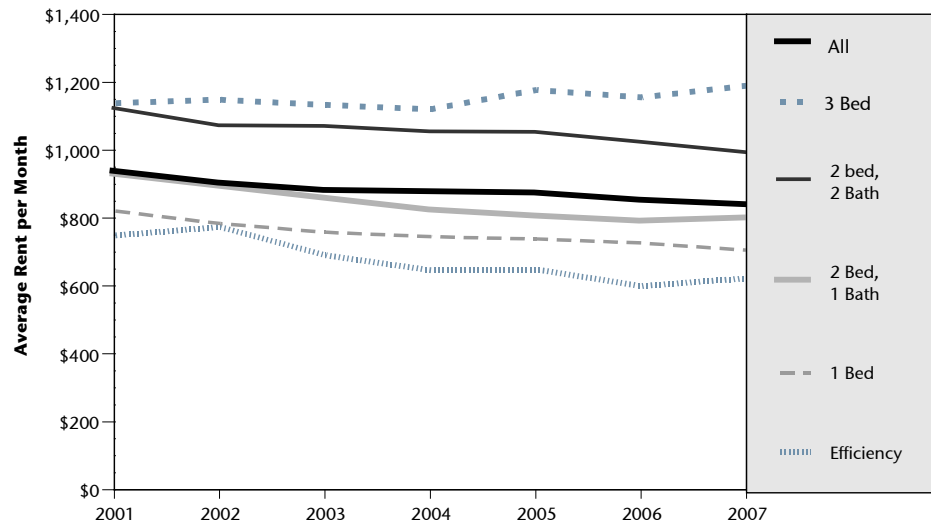
Source:
Apartment Association of Metro Denver and BBC Research & Consulting.



Despite the demand for rental units being high, as indicated by an overall 6.85 percent vacancy rate for 2007, prices have remained stable since 2001, as indicated in Exhibit III-21. After adjusting 2001-2006 average rental rates to 2007 dollars with the consumer price index (CPI), the overall rental rates have increased slower than inflation. Three bedroom apartments are the only type of rental units that have experienced a positive annual growth rate in the last 6 years, suggesting their demand may have increased enough to justify real rent increases (0.73 percent).

Exhibit III-21.
Adams County
Six-year Trend
in Rental
Rates, 2001-
2007

Source:
 Apartment Association
 of Metro Denver.



Examining price per square feet also indicates that rental rates have not increased in Adams County in the last few years, despite low vacancies. After adjusting for inflation, all types of apartments were considered less expensive per square foot in 2007 than they were in 2001.

Exhibit III-22.
Average Price per
Square Foot for Rental
Units, Adams County
Market Areas, 2007

Source:
 Apartment Association of Metro Denver.

	2001	2002	2003	2004	2005	2006	2007
Efficiency	\$1.39	\$1.40	\$1.42	\$1.26	\$1.23	\$1.17	\$1.14
1 Bed	\$1.24	\$1.19	\$1.21	\$1.09	\$1.07	\$1.09	\$1.04
2 bed, 1 bath	\$1.11	\$1.10	\$1.09	\$0.98	\$0.96	\$0.97	\$0.95
2 bed, 2 bath	\$1.10	\$1.03	\$1.11	\$1.03	\$1.01	\$1.01	\$0.95
3 Bed	\$1.02	\$1.01	\$1.05	\$0.99	\$0.99	\$0.98	\$0.96
All	\$1.14	\$1.11	\$1.15	\$1.05	\$1.02	\$1.04	\$0.99

Despite price stability in rental rates, median gross rent as a percentage of household income has increased in the last 25 years in Adams County. In other words, renters are currently spending more of their household income on rent than they were in 1990 and 2000. The 1990 Census and the 2000 Census both reported a statistic of 26 percent for the ratio of median gross rent to household income. That percentage increased to 32 percent in the 2006 Census. Thus, although rental rates have increased slowly in Adams County, the income of renters is increasing even more slowly.

The 2000 U.S. Census reported a renter median household income of \$32,067 and a median gross rent of \$705. After adjusting for inflation to 2006 dollars with the CPI, the median household income in 2000 was \$39,524 and rent was \$868.95. The 2006 Census reported a median renter household income of \$31,580 and a median gross rent of \$846. Thus, both median household income for renters and gross rents have decreased. However, because renter income has also decreased, rent payments are becoming more of a burden to the household.

Exhibit III-23 shows average rents by apartment size in 2007 and the proportion of renter households in Adams County who could afford such rents without being cost burdened. In the housing industry, housing affordability is commonly defined in terms of the proportion of household income that is used to pay housing costs. Housing is “affordable” if no more than 30 percent of a household’s monthly income is needed for rent, mortgage payments and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered “cost burdened.”

Forty-seven percent of Adams County’s renters could afford the average-priced apartment without being cost burdened in 2007, leaving 53 percent of renters unable to afford the average Adams County apartment. Many renter households would have difficulty affording larger apartments in Adams County. For example, only 38 percent of renter households could afford a 2 bedroom, 2 bathroom apartment. Seventy-two percent of renter households could not afford a 3 bedroom unit. The data presented by median rent create similar results of affordability.

**Exhibit III-23.
Affordability of Rental
Units by Size, Adams
County, 2007**

Source:
Apartment Association of Metro Denver
and BBC Research & Consulting.

Type of Unit	Average Rent	Percent of renters who can afford average	Median Rent	Percent of renters who can afford median
Efficiency	\$626.49	62%	\$650.18	61%
1 Bed	\$708.89	56%	\$700.36	57%
2 Bed, 1 Bath	\$796.74	50%	\$750.89	53%
2 Bed, 2 Bath	\$992.07	38%	\$973.21	39%
3 Bed	\$1,193.14	28%	\$1,184.37	28%
All	\$836.47	47%	\$793.82	50%

For Sale Housing

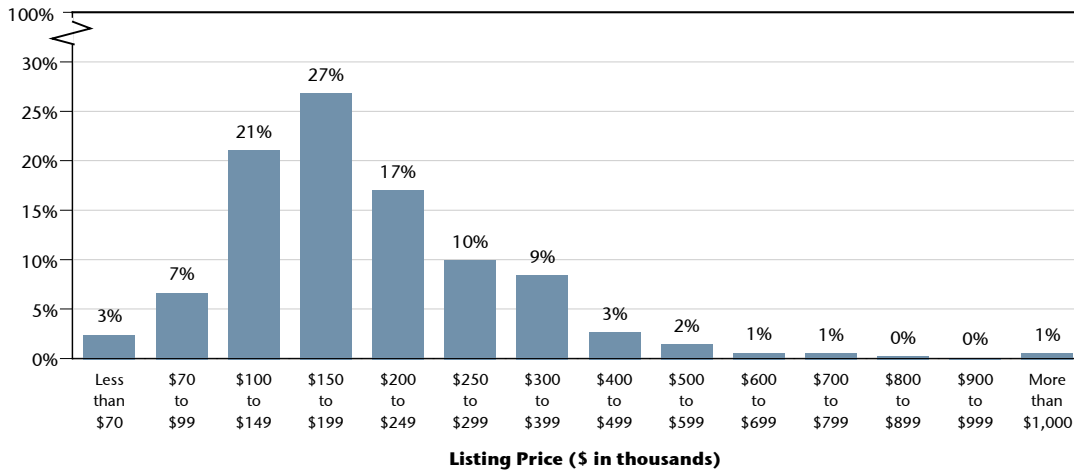
The 2007 MLS (for sale property listings) listed 16,946 properties in Adams County. Of those listings, 13,759 units (81 percent) were detached, single family units. The remaining 3,187 units were attached units, consisting of duplexes (498), townhomes (1,570) and condominiums (1,119).

In 2007, the median price of all units in Adams County was \$185,000. The median sales price for a detached, single family home was \$199,900. The median price for all attached units was \$144,900. More specifically, the median price for a duplex was \$164,900. Townhomes had a median price of \$149,900 and condominiums had a median price of \$128,500.

The price differential between detached and attached products is low. Often, attached housing units are seen as attractive to buyers looking for a less expensive home, but in Adams County, the price incentive for purchasing attached products is not apparent.

Overall, 27 percent of the properties listed in the MLS in 2007 fell between \$150,000 and \$200,000, which was the largest represented price range. Sixty-five percent of the properties ranged in price from \$100,000 to \$250,000. Exhibit III-24 shows the overall distribution of for sale units in Adams County during 2007.

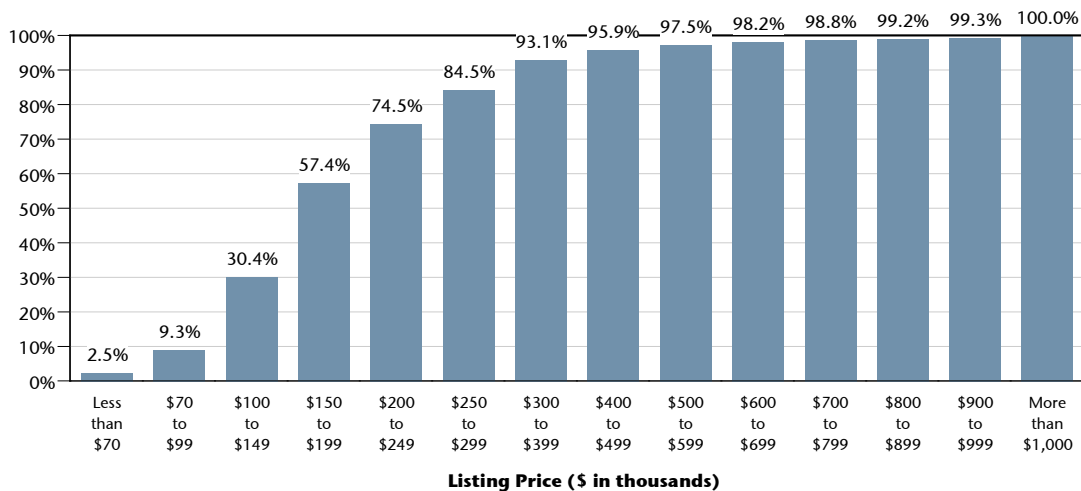
**Exhibit III-24.
Price Distribution of MLS Listings, Adams County, 2007**



Source: The Genesis Group.

Fifty-seven percent of units that were for sale in Adams County in 2007 were less than \$200,000. Ninety-three percent of these units for sale in 2007 were less than \$400,000. Exhibit III-25 shows the cumulative distribution of for sale units in Adams County during 2007.

**Exhibit III-25.
Cumulative Price Distribution of MLS Listings, Adams County, 2007**



Source: The Genesis Group.

Compared to recent years, there is much more inventory available on the market in 2007. For example, in 2005, 6,980 homes were for sale in Adams County; In 2007, more than 10,000 additional units were for sale.

Home prices have declined since 2005, in which the median home price of a single family, detached unit in Adams County was \$209,888. Median home prices for duplexes, townhomes and condos were \$170,000, \$155,380 and \$130,000, respectively. This compares with an overall median of \$185,000 in 2007. Single family homes have had the largest decline in the median price between 2005 and 2007, at almost \$10,000. In contrast, condominiums have had the smallest decline in median price.

Distribution of for sale homes. The average median home price by Census Tract was calculated with the 2007 MLS listings. Census Tracts with higher median sales prices are located in the northern portion of the county, except for those Tracts located in Brighton. Tracts with home prices between \$100,000 and \$175,000 are located in the southern portion of the county, in Federal Heights and Aurora. Exhibit III-26 maps the median MLS sales price in 2007 by Census Tract.

New construction. Newer homes in Adams County have targeted higher income households. The median price of new construction products in 2007 was \$292,028, which is substantially higher than the total median price of \$185,000. Ninety-three percent of the units listed in 2007 were existing homes. Seven percent of homes were new construction products.

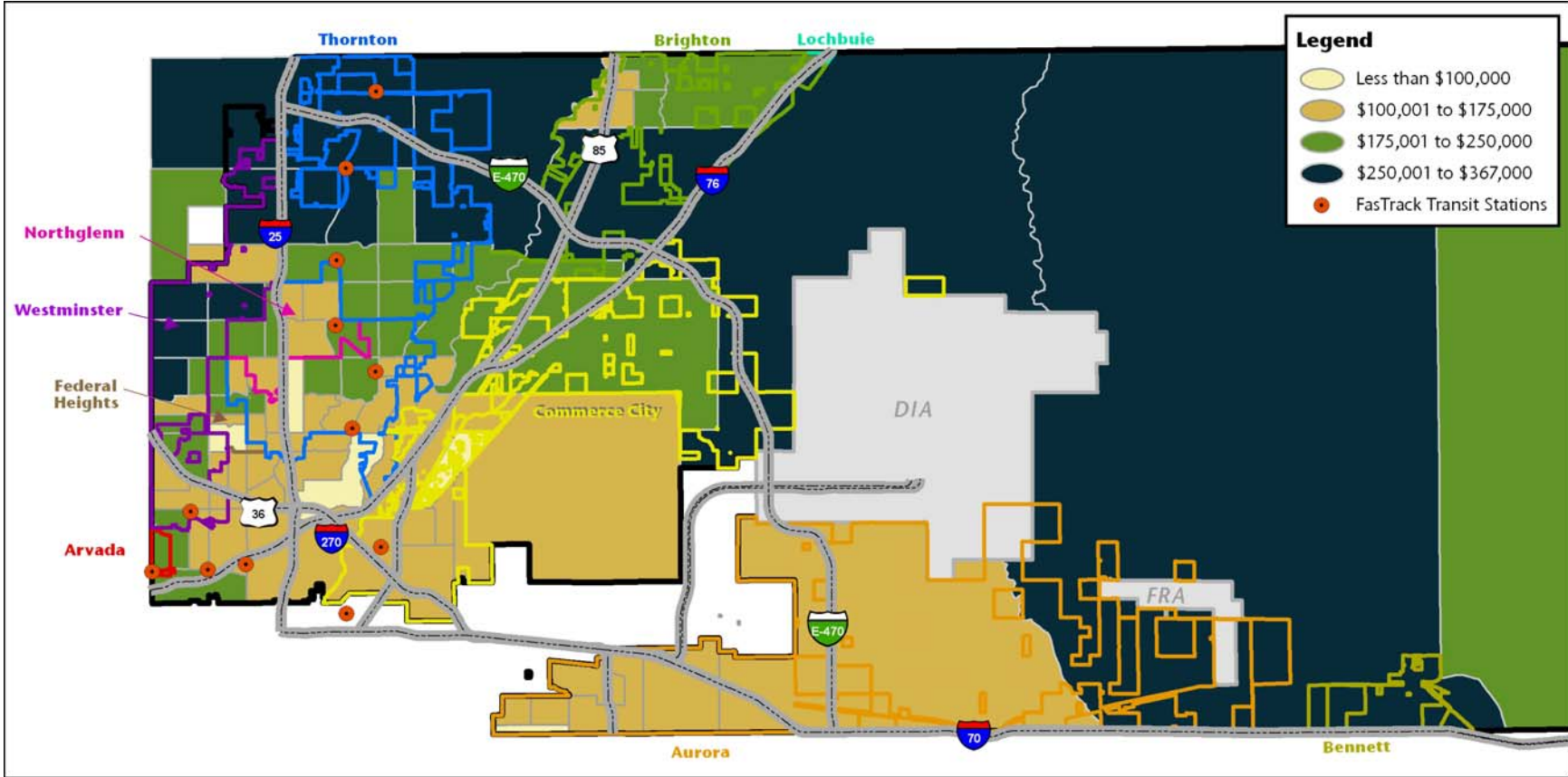
Much of the new housing stock above \$350,000 is located in Westminster (along the border shared with Broomfield County), in north and northeast Thornton, eastern Commerce City and northern Brighton (near the Weld County border). Exhibit III-27 spatially displays the price distribution of new construction homes for sale in 2007.

Time on the market. A unit staying on the market for a long period of time indicates a lack of demand for that type of unit and a potential saturation of a certain market segment. Of the properties listed in the 2007 Adams County MLS, 5 percent had been on the market for more than 1 year. Fifty-six percent of the units were located in Brighton, Westminster and Thornton, which account for a large portion of all MLS listings in 2007.

The median price for a home on the market for more than a year was \$208,000, which is \$23,000 more than the median average for the full 2007 MLS listing. The median age for homes on the market for more than 1 year was 10 years old. This is slightly less than the median age for the total sample, which was 14 years old.

With the data available, it is difficult to determine why some properties in Adams County are remaining on the market longer than others. In some cases, similar properties were clustered, indicating a potential saturation in similar types of properties. Exhibit III-28 displays the price distribution of properties for sale in Adams County in 2007 that had been on the market for more than 1 year.

Exhibit III-26.
Median Home Prices by Census Tract for MLS Listings, Adams County, 2007



Source: The Genesis Group and BBC Research and Consulting.

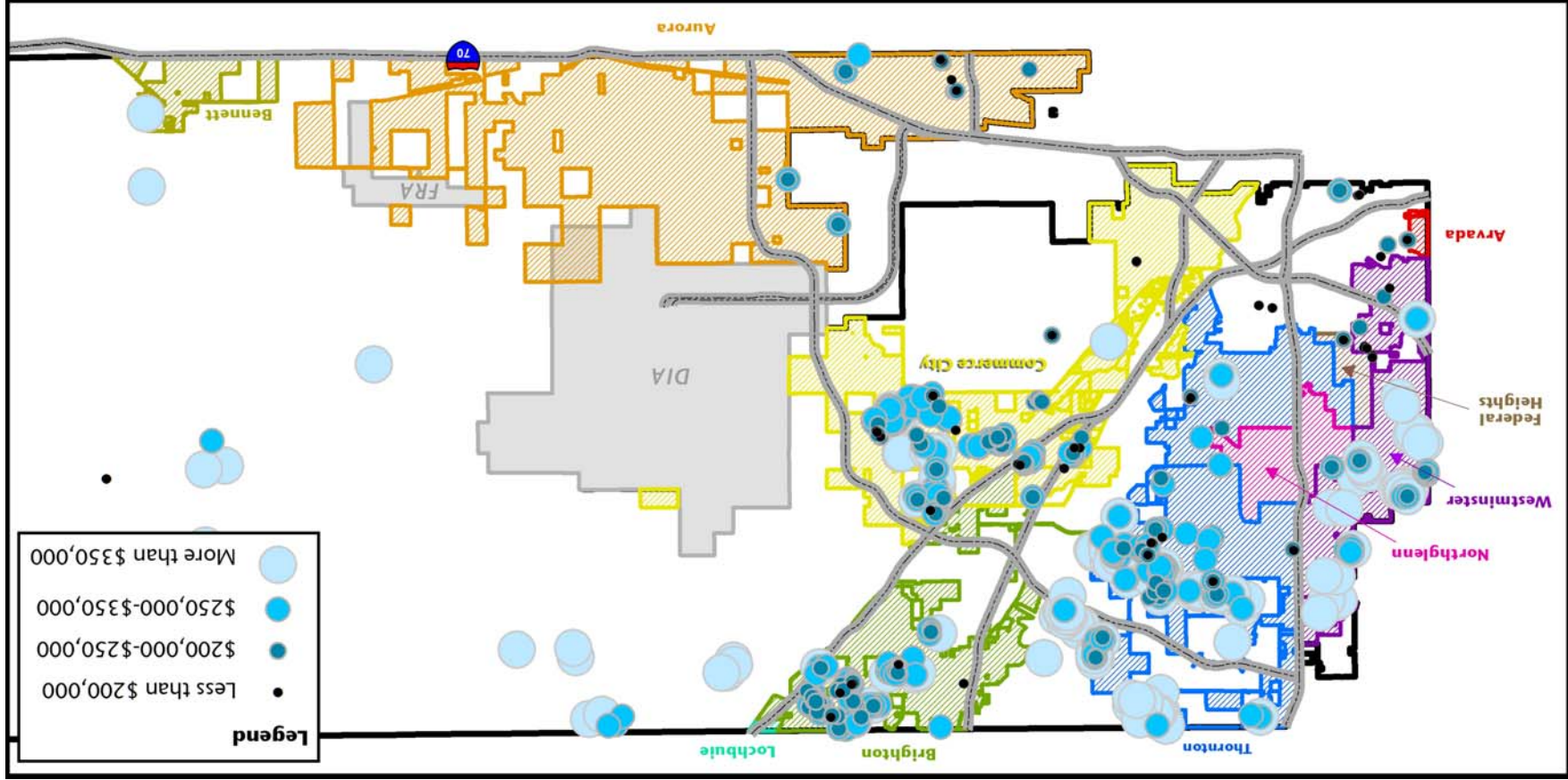
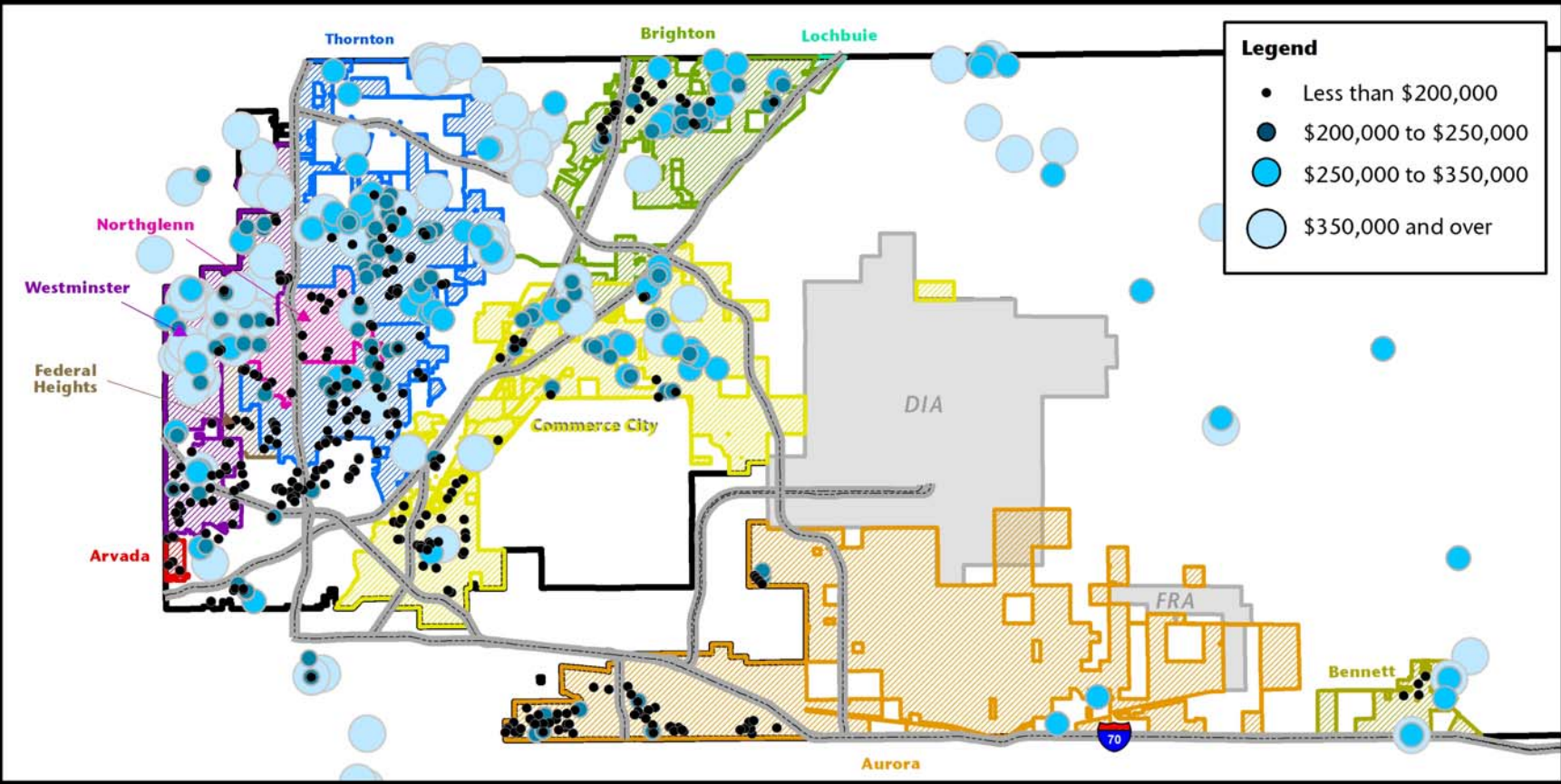


Exhibit III-27. New Construction by Price for MLS Listings, Adams County, 2007

Source: The Genesis Group and BBC Research and Consulting.

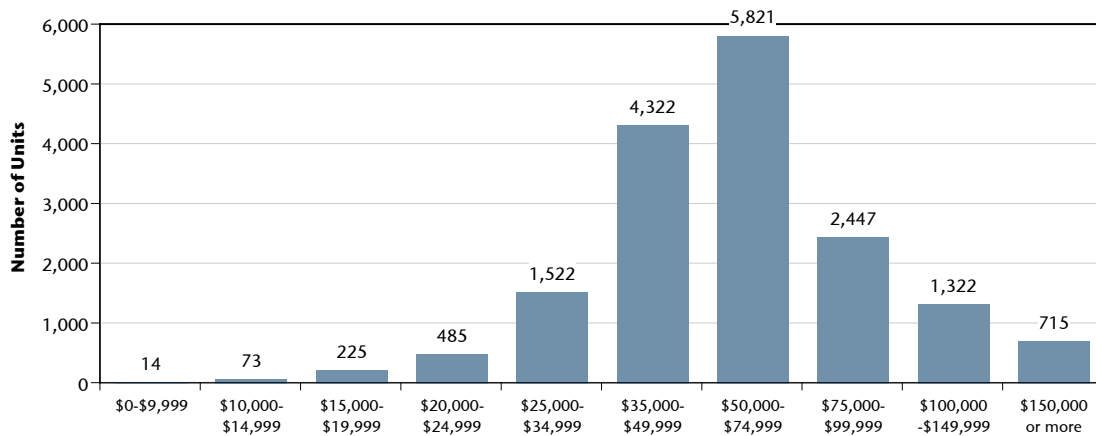
**Exhibit III-28.
Houses on the Market for Over One Year for MLS Listings, Adams County, 2007**



Source: The Genesis Group and BBC Research and Consulting.

How easy is it to buy in Adams County? Exhibit III-29 below shows the number of units for sale in Adams County in 2007 by the incomes at which they are affordable. Households making between \$50,000 and \$75,000 had 34 percent of the units fall into their affordable price range. It is important to note that households can afford homes in their affordability price range *in addition* to homes priced below that range. Thus, not only can households earning between \$50,000 and \$75,000 afford the 6,000 homes falling within their price range, but they could afford all homes priced beneath that threshold, as well. Thus, households earning between \$50,000 and \$75,000 could afford 77 percent of the housing stock available in Adams County in 2007.

Exhibit III-29.
Distribution of Housing Units Available to Buy by Income Range, Adams County, 2007



Source: The Genesis Group and BBC Research and Consulting.

Based on 2007 data, an estimated 32 percent of Adams County’s renters and 66 percent of current owners could afford to purchase the median priced, single family, *detached* home without being cost burdened. Approximately 54 percent of renters and 85 percent of current owners could afford to purchase the median priced, single family, *attached* home without being cost burdened. Exhibit III-30 summarizes these data.

Exhibit III-30.
Affordability of Single family Housing Stock, Adams County, 2007

Source:
 BBC Research & Consulting and
 The Genesis Group.

Affordability	Single Family, Detached	Single Family, Attached
Median Price, 2007	\$199,900	\$144,900
Number of renters who could afford to buy	13,804	23,299
<i>Percent of renters who could afford to buy</i>	<i>32.0%</i>	<i>54.0%</i>
Number of owners who could afford to buy	67,334	86,747
<i>Percent of owners who could afford to buy</i>	<i>66.0%</i>	<i>85.0%</i>

Exhibit III-31 examines affordability of units in 2007’s MLS listings by income level. Sixty-seven percent of attached product and 33 percent of detached product on the market in 2007 were priced for households earning between \$35,000 and \$75,000. In addition, given that the median home price for homes listed for more than 1 year was \$211,000, there appears to be an overabundance of homes available within this price point.

Exhibit III-31.
Affordability of Housing Stock For Sale by Income Category, Adams County, 2007

Income Ranges		Maximum Affordable Price	Attached			Detached		
			Number	Percent	Cumulative Percent	Number	Percent	Cumulative Percent
Low	High							
Less than \$10,000		\$33,304	12	0%	0%	2	0%	0%
\$10,000	\$14,999	\$49,958	55	2%	2%	18	0%	0%
\$15,000	\$19,999	\$66,612	123	4%	6%	102	1%	1%
\$20,000	\$24,999	\$83,266	180	6%	12%	305	2%	3%
\$25,000	\$34,999	\$116,573	526	17%	28%	996	7%	10%
\$35,000	\$49,999	\$166,534	1,238	39%	67%	3,084	22%	33%
\$50,000	\$74,999	\$249,803	788	25%	92%	5,033	37%	69%
\$75,000	\$99,999	\$333,072	192	6%	98%	2,255	16%	86%
\$100,000	\$149,999	\$499,610	64	2%	100%	1,258	9%	95%
Greater than \$150,000		More than \$499,610	9	0%	100%	706	5%	100%
Total			3,187			13,759		

Source: BBC Research & Consulting and The Genesis Group.

Exhibit III-32 presents similar affordability data by income ranges based on AMI. HUD divides low- and moderate-income households into categories, based on their relationship to the AMI: extremely low-income (earning 30 percent or less of the AMI), very low-income (earning between 31 and 50 percent of the AMI), low-income (earning between 51 and 80 percent of the AMI) and moderate-income (earning between 81 and 95 percent of the AMI). The 2007 AMI for the seven-county Denver region was \$71,400.

Exhibit III-32 also shows that 6 percent of attached units and 1 percent of detached units for sale were affordable to households earning less than 30 percent of the AMI (less than \$21,420). Very low-income households (31 to 50 percent of AMI) could afford 28 percent of attached units and 10 percent detached units. Although there is not much available for households at these low-income levels, the existence of any units at all is impressive. These are difficult market segments to serve because of affordability needs.

Exhibit III-32
Affordability of Single Family Housing Stock For Sale by AMI, Adams County, 2007

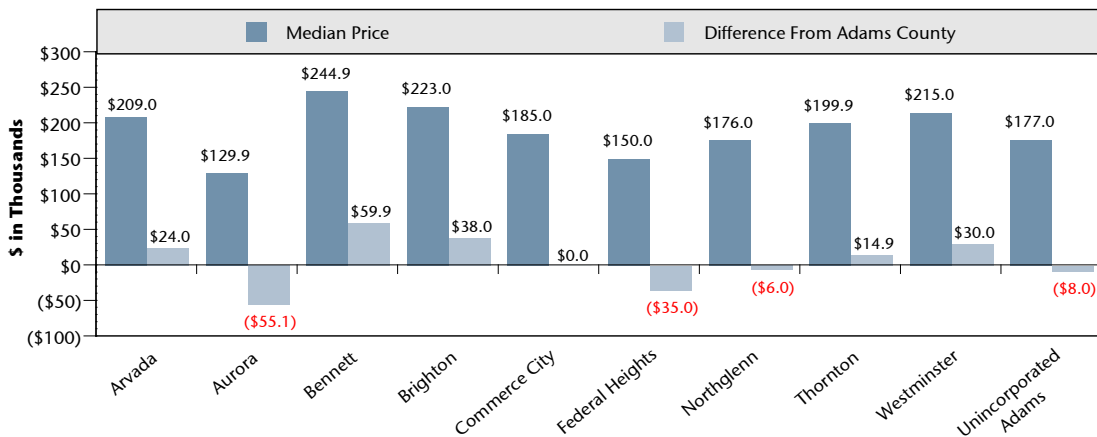
	Attached			Detached		
	Number	Percent	Cumulative Percent	Number	Percent	Cumulative Percent
<30% AMI or \$21,420	182	6%	6%	115	1%	1%
31-50% AMI or \$21,421-\$35,700	706	22%	28%	1,287	9%	10%
51-80% AMI or \$35,701-\$57,120	1,551	49%	77%	4,642	34%	44%
81-95% AMI or \$57,120-\$67,830	338	11%	87%	2,199	16%	60%
96-120% AMI or \$67,831-\$85,680	260	8%	95%	2,511	18%	78%
121-150% AMI or \$85,681-107,100	108	3%	99%	1,372	10%	88%
>150% of AMI or \$107,101	42	1%	100%	1,633	12%	100%

Source: BBC Research & Consulting and The Genesis Group.

Community affordability. Communities within Adams County have carved out housing market niches, offering different types of housing stocks for residents. Westminster's median home price of \$215,000, which is \$30,000 higher than the county's overall average, reveals its stock of higher-end homes available for higher-income households. Brighton and Thornton had a substantial for sale stock in 2007, revealing their high rates of growth. Brighton's attached stock is homogenous, following closely with county median prices. However, their detached stock had a median price of \$234,900, which was \$35,000 higher than the county's overall average.

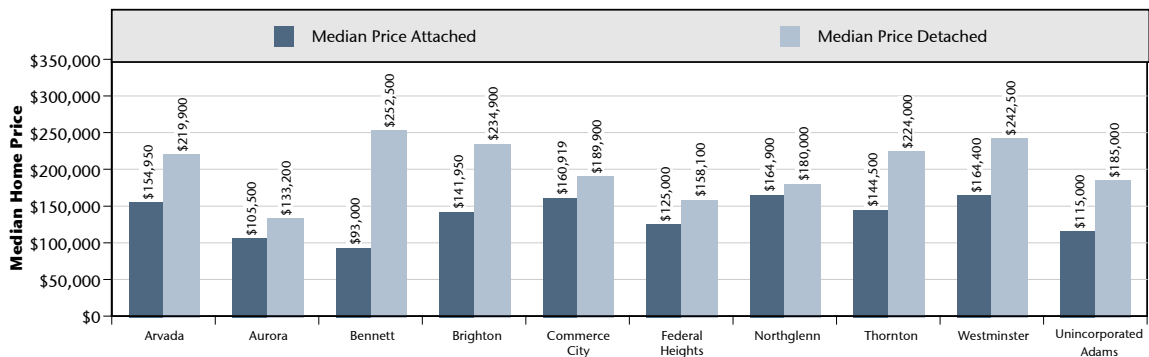
Thornton's stock is similar to Brighton, with a lower priced detached housing stock. Much of Bennett's housing stock consists of single family, detached homes on large lots. Northglenn's homes are more expensive than the average in Adams County, and they are also older, as homes on the market in 2007 in Northglenn averaged 31 years old. Federal Heights, Commerce City and Aurora all offer the most affordable housing options in Adams County. Exhibit III-33 displays median home prices by community, as well as a comparison of community median home prices to the county's median average. Exhibit III-34 displays the median prices for attached and detached units by community.

Exhibit III-33.
Median Home Price by Community Compared to Adams County, 2007



Source: The Genesis Group.

Exhibit III-34.
Median Home Price by Community for Attached and Detached Units, 2007



Source: The Genesis Group.

Location of housing by affordability. Exhibits III-35 through III-42 s show where housing is located that is affordable for households falling in the following percentage of AMI: 50 to 80 percent, 80 to 120 percent, 120 to 150 percent, and 150 percent and more.

For detached housing, the most affordable units are located largely in the central and southwest portions of the county. Conversely, the most expensive units are located in the northern and western portions of the county. Affordable attached units are more evenly distributed countywide. Very few attached units exist at the highest price level.

Note: Units are \$115,000 to \$185,000.
Source: BBC Research & Consulting and The Genesis Group.

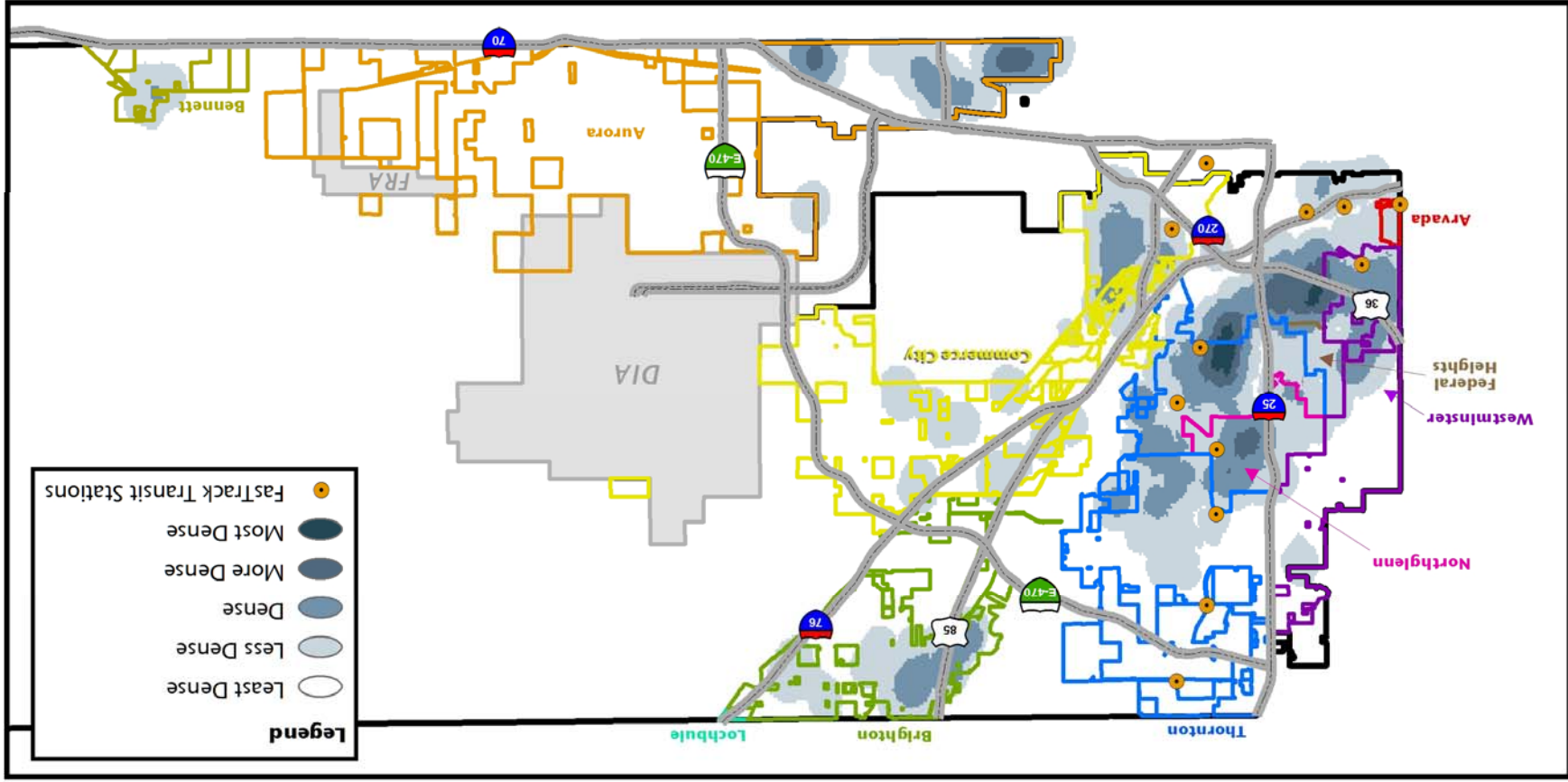
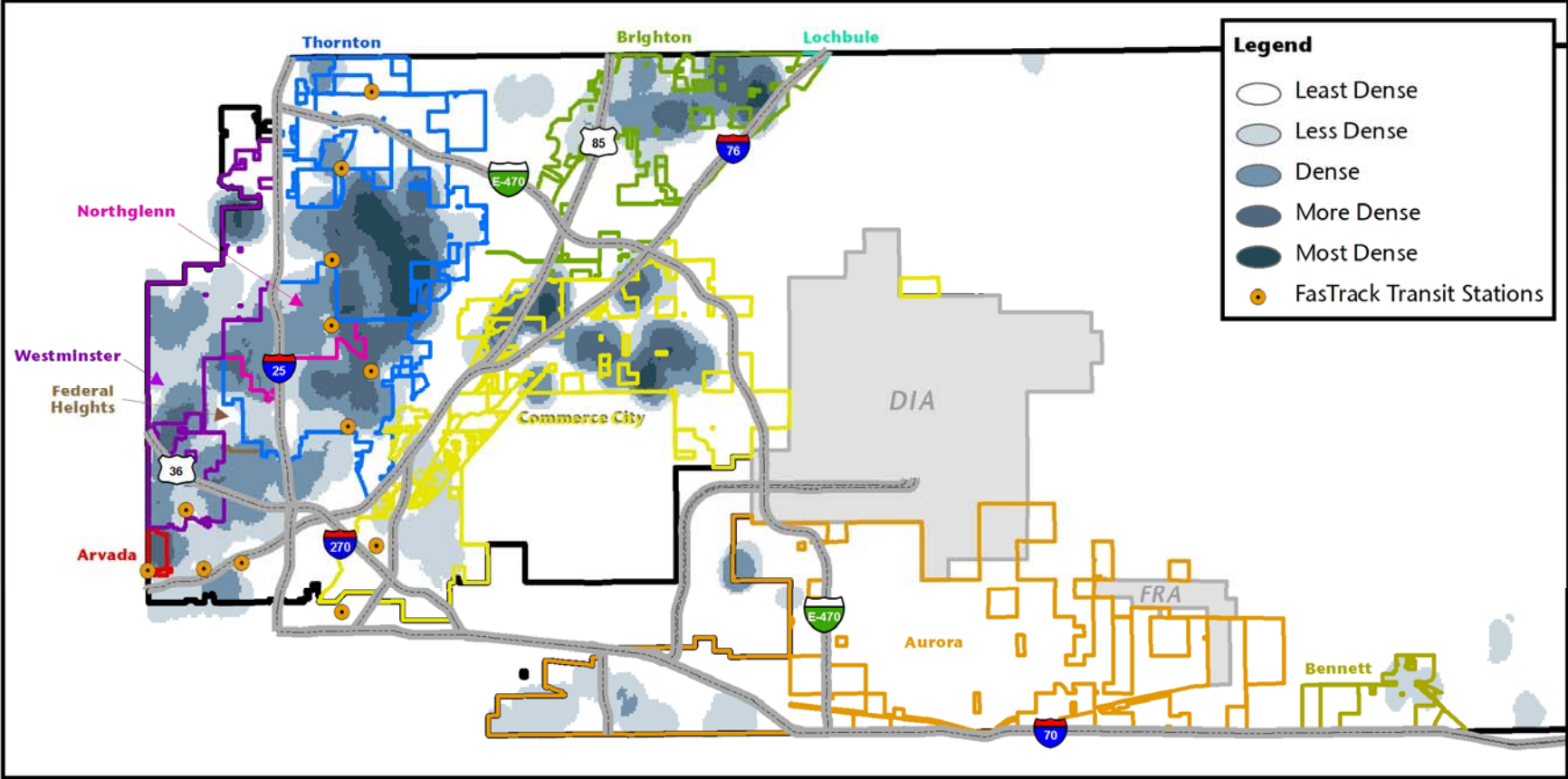


Exhibit III-35. Location of Detached Units Affordable to 50-80% AMI (\$35,701 to \$57,120), Adams County, 2007

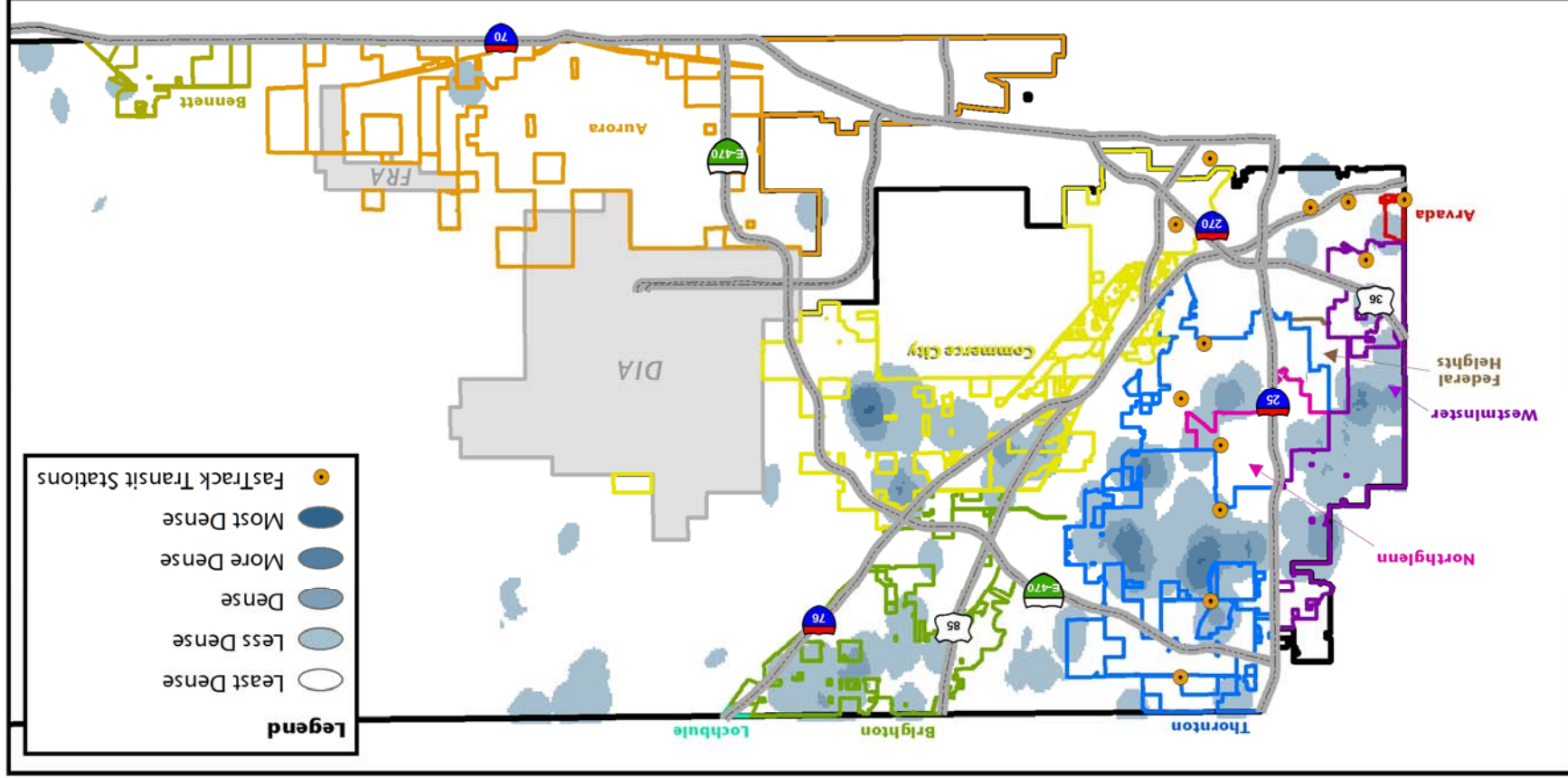
Exhibit III-36.
Location of Detached Units Affordable to 80–120% AMI (\$57,121 to \$85,680), Adams County, 2007



Note: Units are \$185,001 to \$280,000.
 Source: BBC Research & Consulting and The Genesis Group.

Exhibit III-37.

Location of Detached Units Affordable to 120-150% AMI (\$85,681 to \$107,100), Adams County, 2007

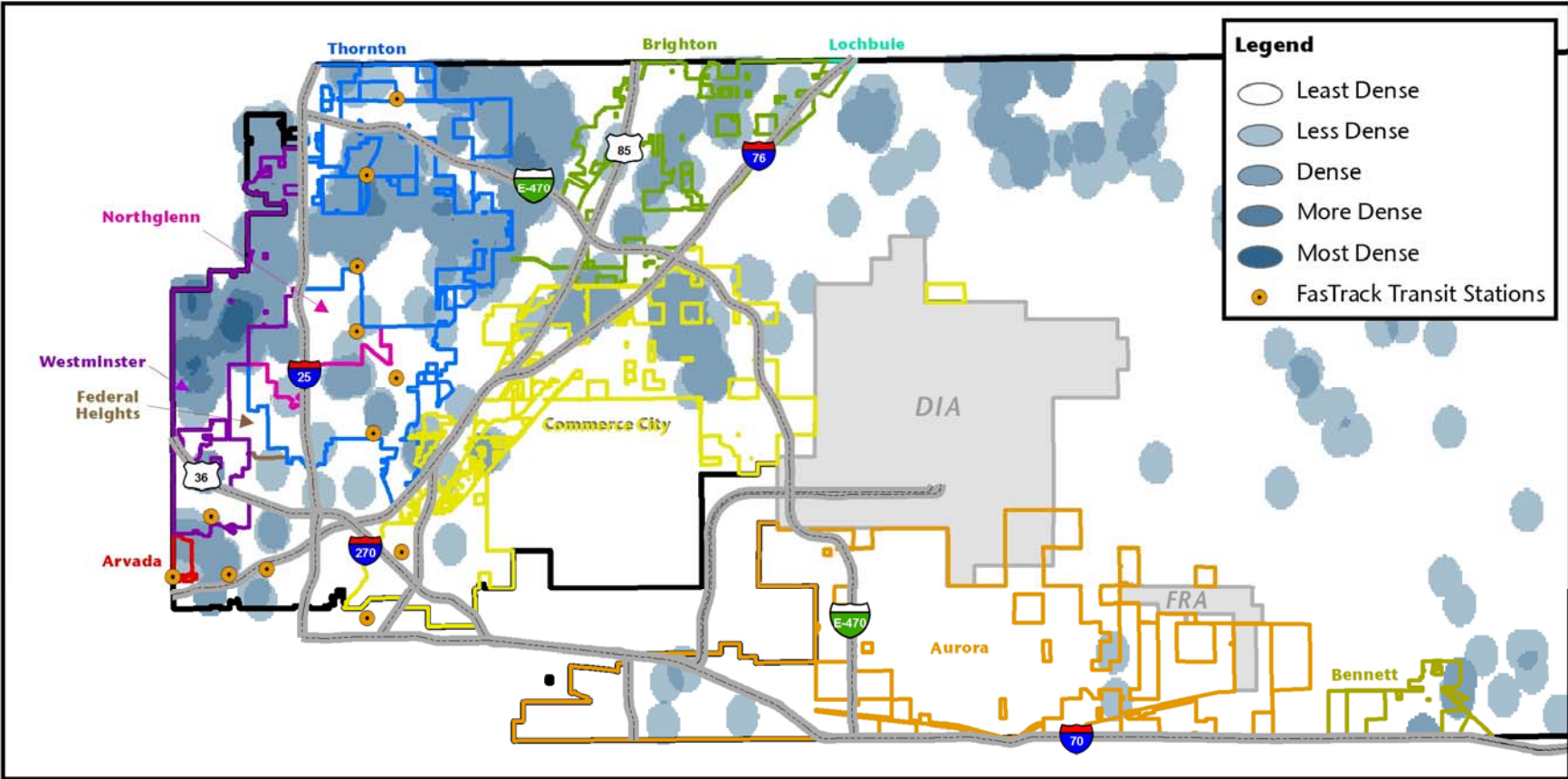


Note: Units are \$280,001 to \$350,000.

Source: BBC Research & Consulting and The Genesis Group.

Exhibit III-38.

Location of Detached Units Affordable to more than 150% AMI (greater than \$107,101), Adams County, 2007



Note: Units are greater than \$350,000.
Source: BBC Research & Consulting and The Genesis Group.

Note: Units are \$115,000 to \$185,000.
Source: BBC Research & Consulting and The Genesis Group.

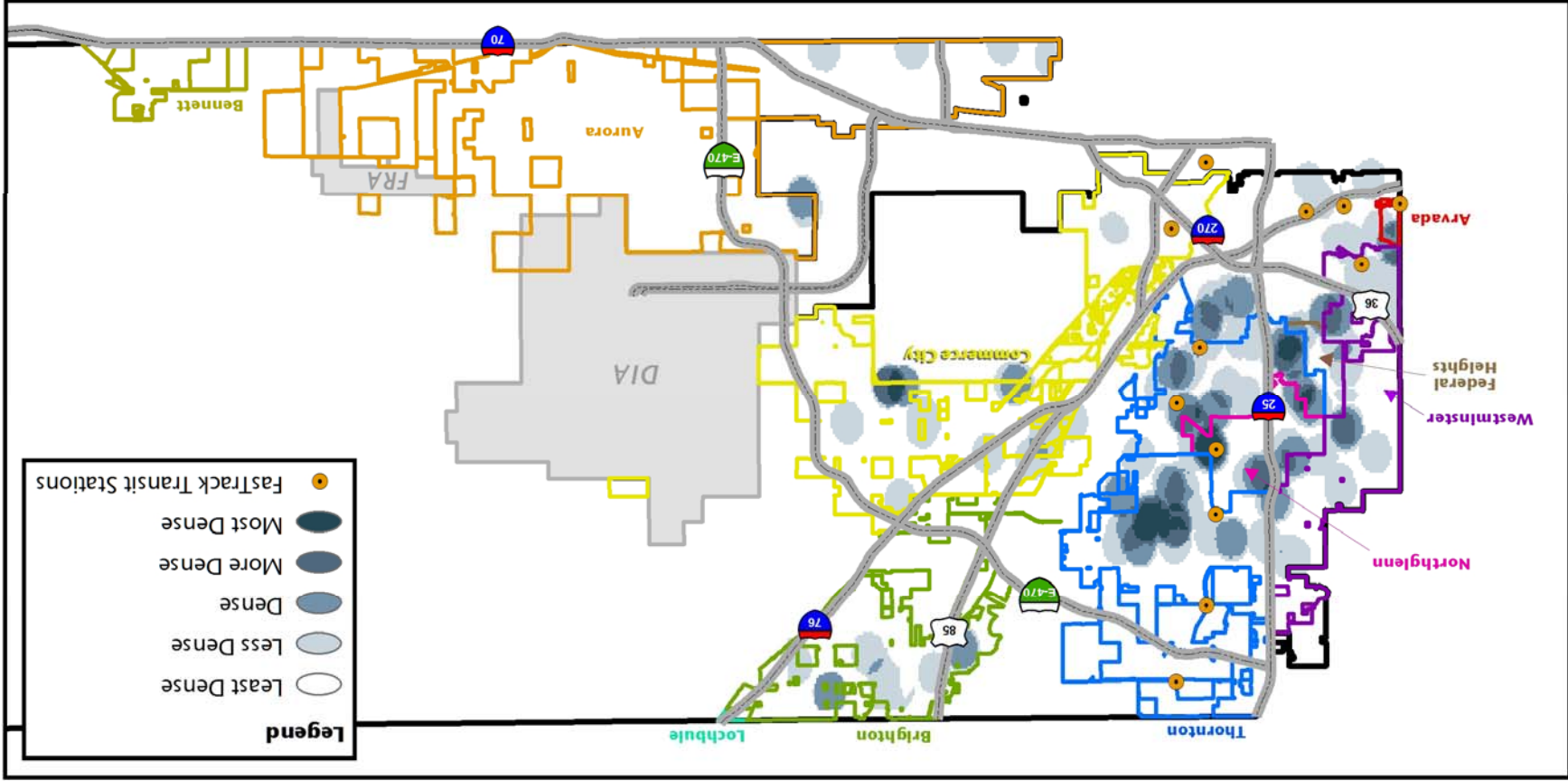
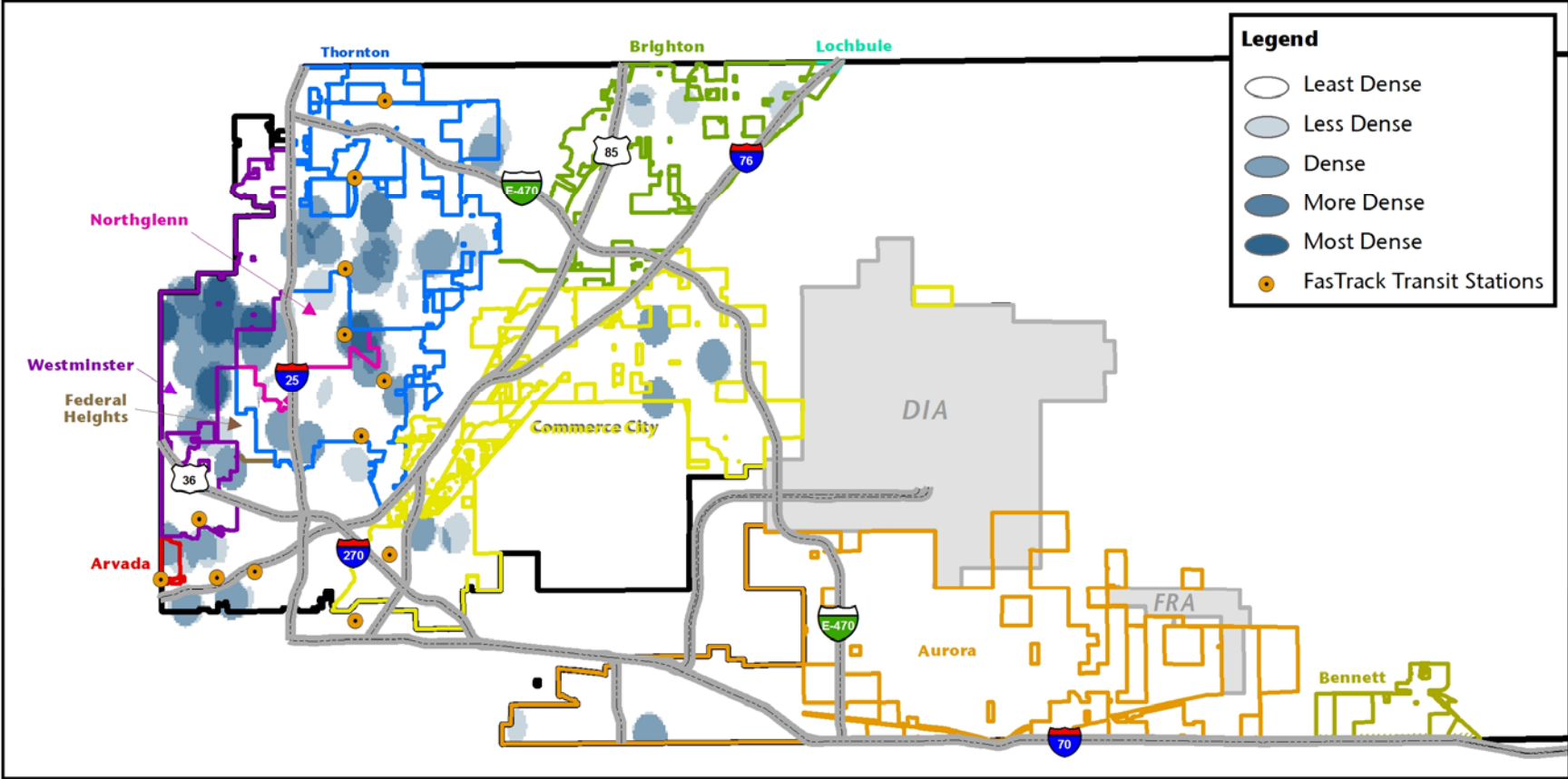


Exhibit III-39. Location of Attached Units Affordable to 50–80% AMI (\$35,701 to \$57,120), Adams County, 2007

Exhibit III-40.
Location of Attached Units Affordable to 80–120% AMI (\$57,121 to \$85,680), Adams County, 2007



Note: Units are \$185,001 to \$280,000.
 There are also a handful of units in Montbello and Green Valley Ranch (not shown at this projection).
 Source: BBC Research & Consulting and The Genesis Group.

Note: Units are \$280,001 to \$350,000.
Source: BBC Research & Consulting and The Genesis Group.

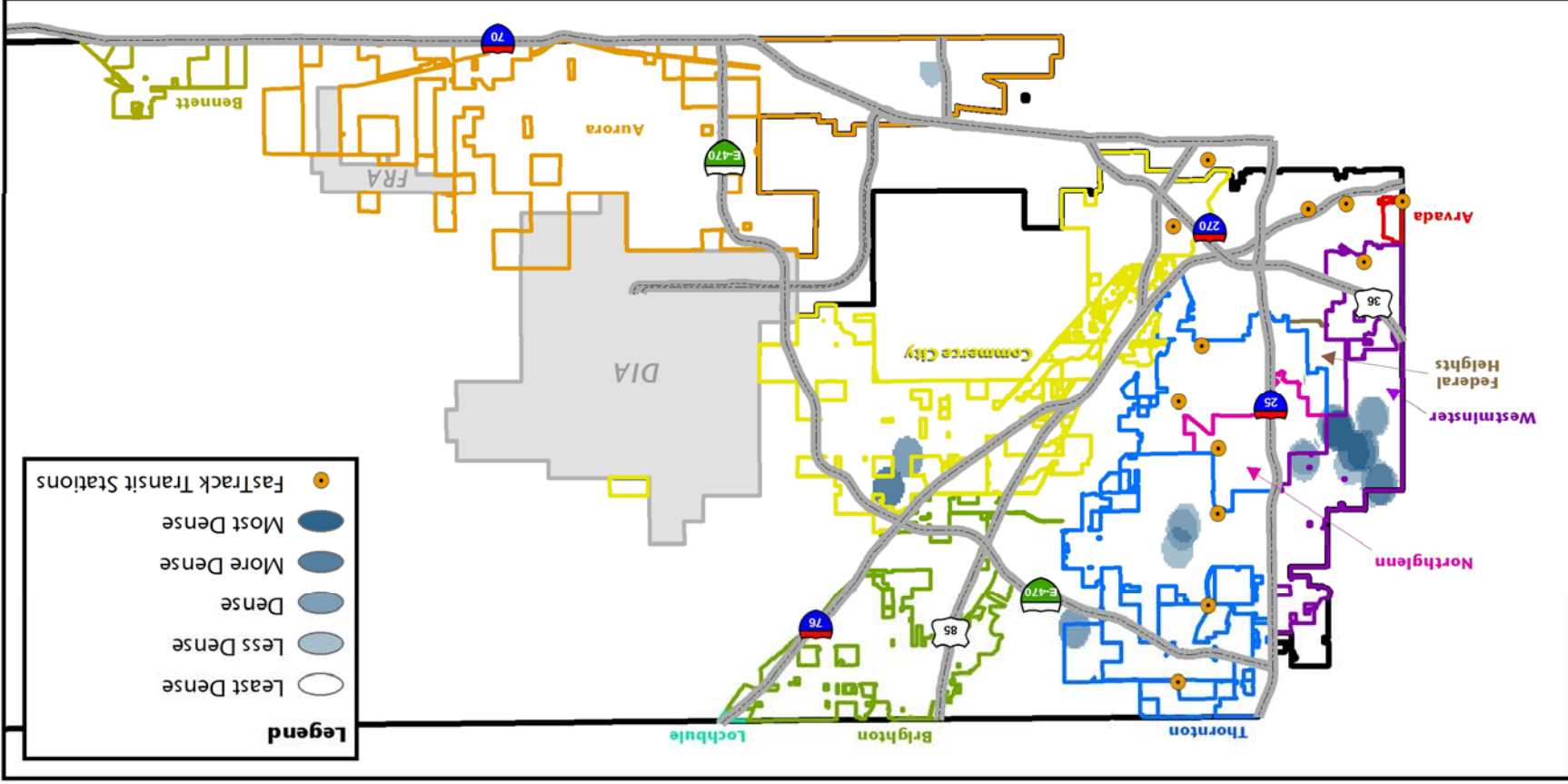
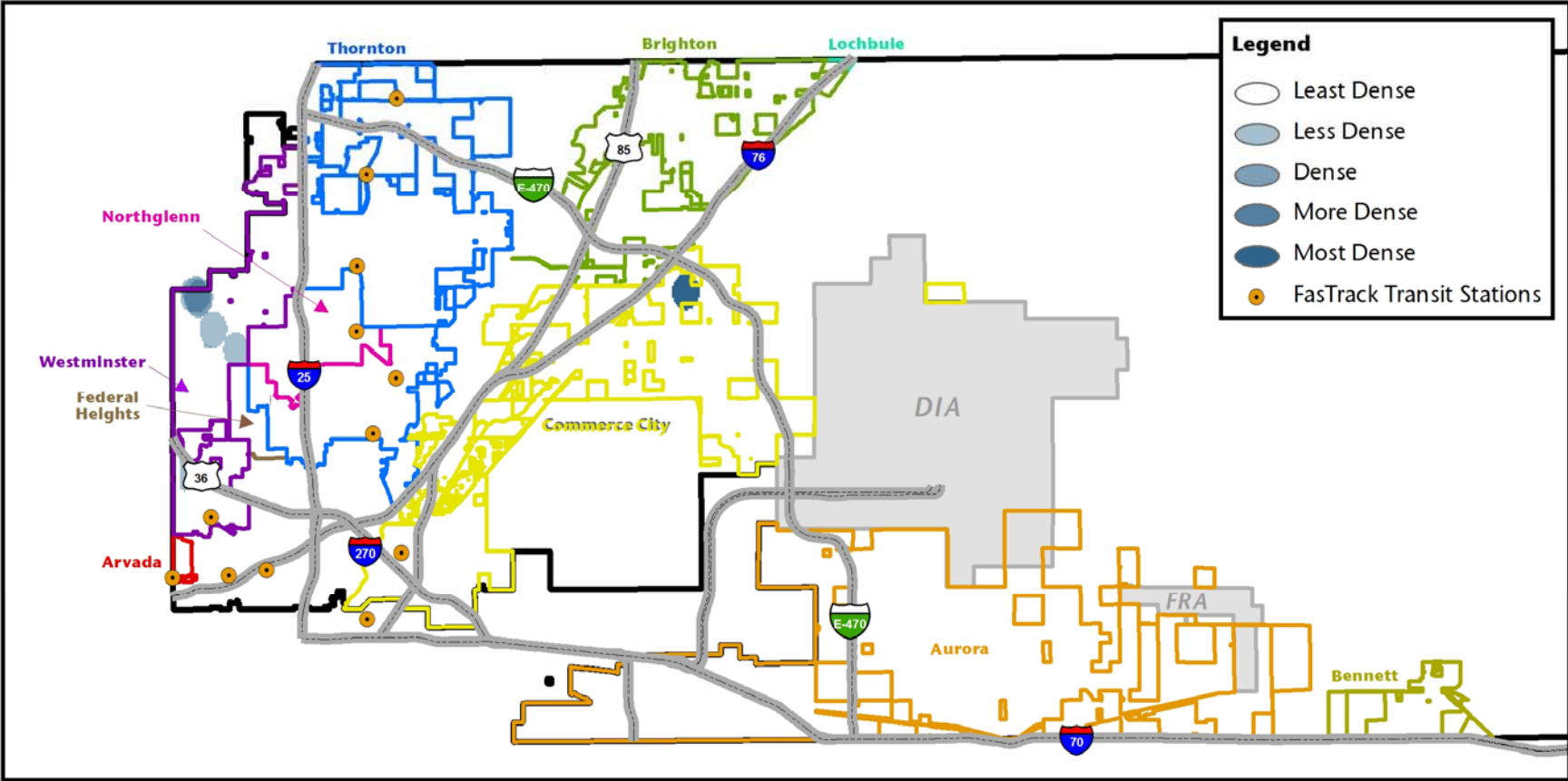


Exhibit III-41. Location of Attached Units Affordable to 120-150% AMI (\$85,681 to \$107,100), Adams County, 2007.

Exhibit III-42.

Location of Attached Units Affordable to more than 150% AMI (greater than \$107,101), Adams County, 2007



Note: Units are greater than \$350,000.
Source: BBC Research & Consulting and The Genesis Group.

Special Topics of Interest in Adams County

Foreclosures. Adams County has struggled with foreclosures like many communities in the U.S. In the 2007 MLS data, nearly 1,813 of the listings—more than 10 percent—were sold by banks, which is an indication of a foreclosed property. Foreclosure properties in the MLS database consisted of all types of homes, ranging in price from \$25,000 to \$965,000. The average price for properties listed by the bank was \$153,949. The median price of the foreclosed properties was \$140,900. Most properties were attached units (1,524).

Exhibit III-43 displays prevalence of foreclosures by Census Tract. High-levels of foreclosures in Adams County occurred in older portions of Thornton and Westminster, as well as in the portion of Aurora in Adams County.

Related to the rise in foreclosures is a growing concern about predatory and, in some cases, subprime lending. Subprime loans are—as the name would suggest—mortgage loans that carry higher interest rates than those priced for “prime,” or less risky borrowers. Initially, subprime loans were marketed and sold to customers with blemished or limited credit histories who would not typically qualify for prime loans. In theory, the higher rate of interest charged for subprime loans reflects increased credit risk of subprime borrowers.

Subprime lending has fallen under increased scrutiny with the increase in foreclosures and the decline in the housing market. Some argue that because minorities are more likely to get subprime loans than White or Asian borrowers, and since subprime loans have a greater risk of going into foreclosure, minorities are disproportionately harmed by subprime lending.

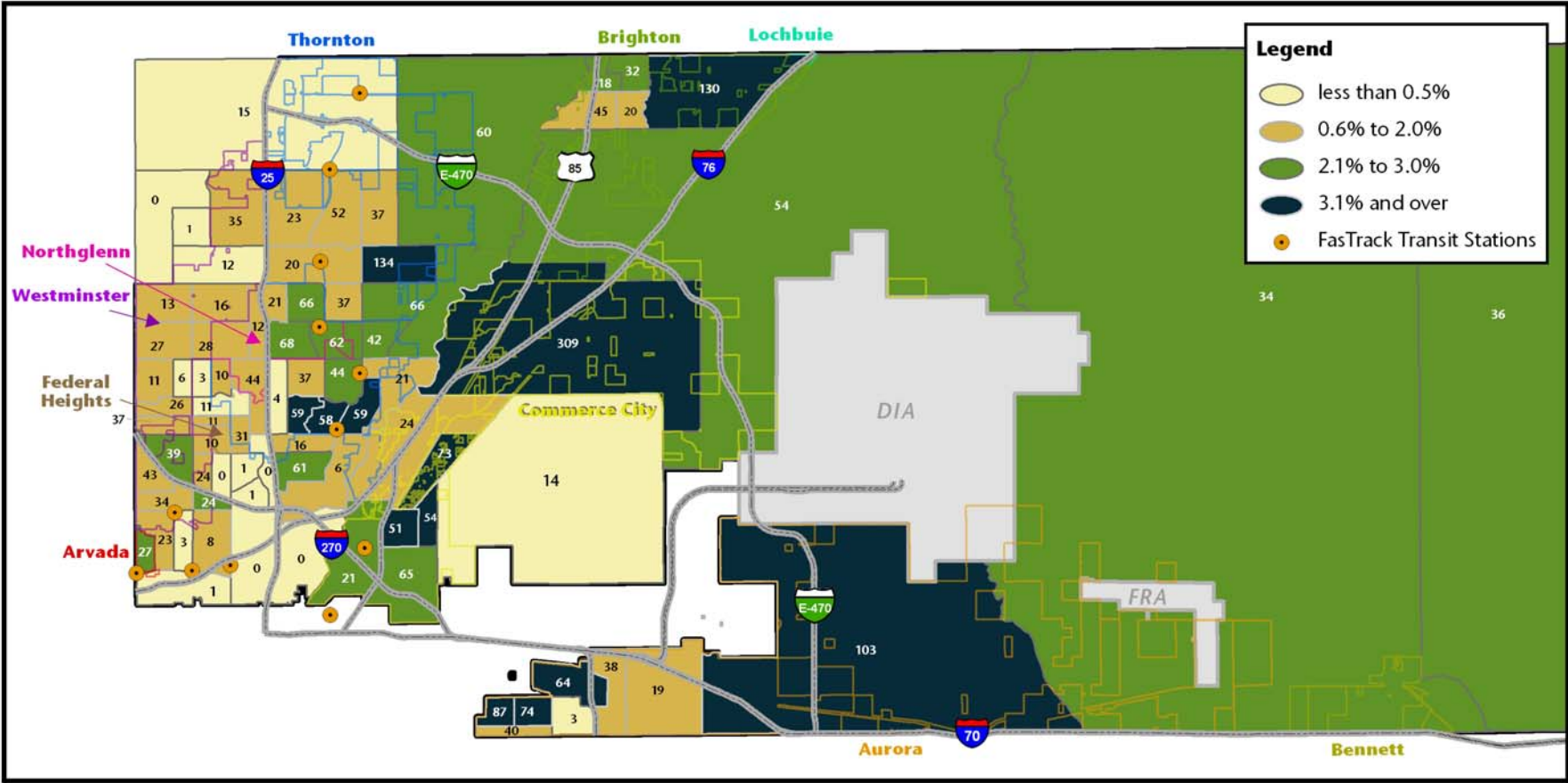
In 2006, according to a public dataset on home mortgage transactions (HMDA), there were 6,819 subprime loans made to residents of Adams County⁴. These loans were all for home purchases or refinances on owner-occupied properties (i.e., no second homes or investment properties). Almost 6 percent of the loans (390 loans) had very high interest rates, with annual percentage rates (APRs) exceeding 11 percent.

The subprime loans represented 33 percent of the 20,837 mortgage loans made to Adams County residents in 2006. This proportion is much higher than the statewide average of 24 percent.

Exhibit III-43 shows where subprime lending occurred in Adams County during 2006.

⁴ Subprime loans are defined as loans with Annual Percentage Rates (APRs) of more than 3 percentage points above comparable Treasury securities priced at the time the loan is made. This is consistent with the Federal Reserve definition when they began requiring APRs as part of HMDA reporting.

Exhibit III-43.
Percent Foreclosures by Adams County Census Tract



Note: The number of foreclosures is labeled for each Census Tract.

Source: BBC Research & Consulting, 2008.

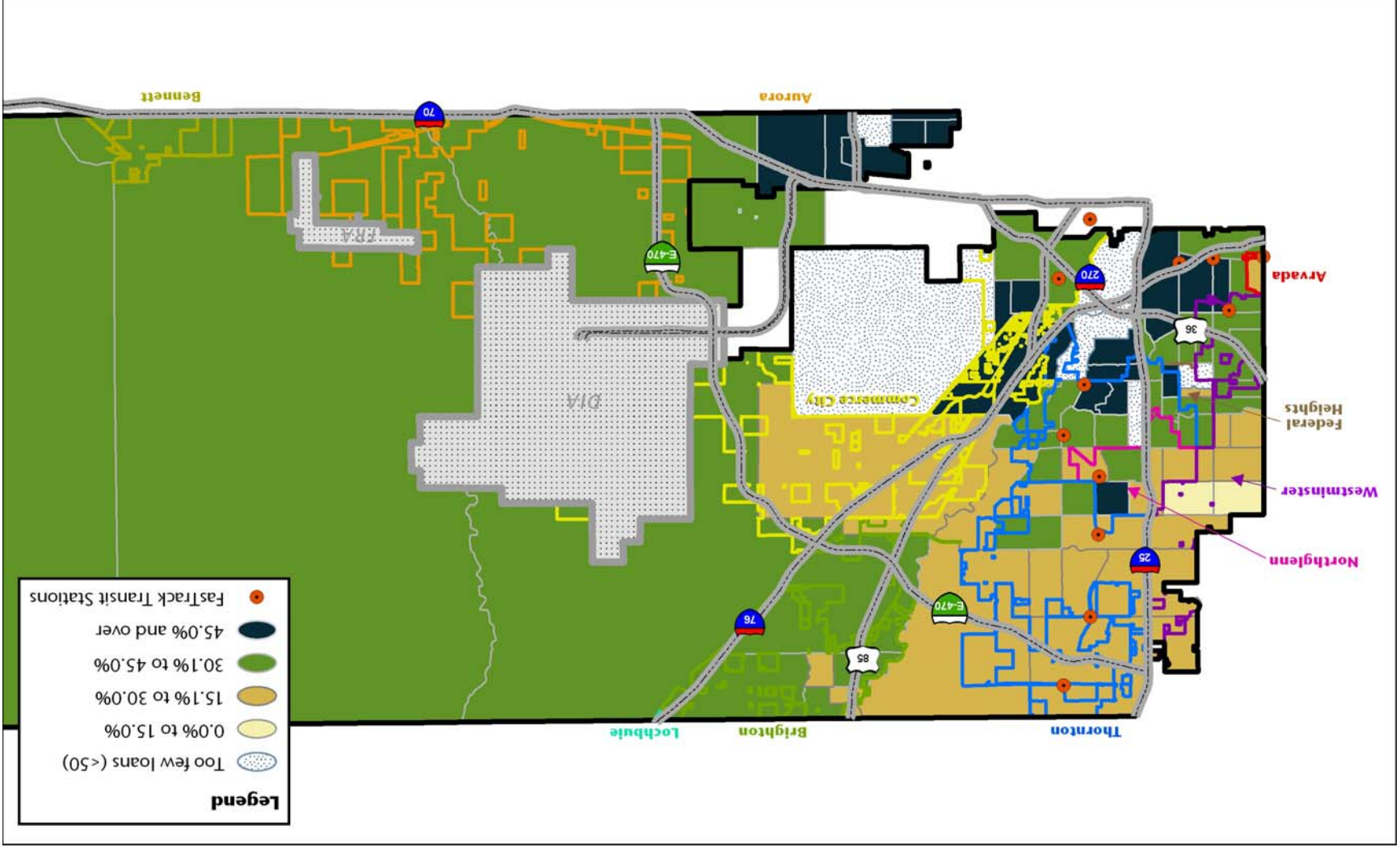


Exhibit III-44.
Adams County Subprime Lending, 2006

Exhibit III-45 shows the disparities in subprime lending by race and ethnicity. As the exhibit demonstrates, residents who were White or Asian were much less likely to get a subprime loan in 2006 than residents who were African American, Hispanic or American Indian.

The “disparity index” shows how many more times non-Whites are to get a subprime loan compared to Whites.

**Exhibit III-45.
Subprime Loans by Race/Ethnicity, as a
Percentage of All Mortgage Loans, 2006**

Source:
2006 HMDA, Federal Financial Institutions Examination Council and
BBC Research & Consulting.

Race/Ethnicity	Percent Subprime Loans	Disparity Index
Asian	23%	0.84
Black/African American	47%	2.07
Hispanic	47%	2.03
White	27%	N/A

Predatory lending. Predatory lending is defined as the unfair, deceptive or fraudulent practices used during the loan original process. In general, predatory loans are those in which borrowers are faced with payment structures and/or penalties that are excessive and which set up the borrowers to possibly fail in making their required payments. Subprime loans could be considered as predatory if they do not accurately reflect a risk inherent in a particular borrower.

Although there is not a consistent definition of “predatory loans,” there is significant consensus as to the common loan terms that characterize predatory lending. There is also the likelihood that these loan features may not be predatory alone. It is more common that predatory loans contain a combination of the features described below.

Most legislation addressing predatory lending seeks to curb one or more of the following practices:

- Excessive fees;
- Prepayment penalties;
- Balloon payments;
- Debt packaging;
- Yield spread premiums;
- Unnecessary products; and/or
- Mandatory arbitration clause.

It is difficult to identify and measure the amount of predatory lending activity in a market, largely because much of the industry is unregulated and the information is unavailable. For example, HMDA data do not contain information about loan terms. In addition, predatory activity is difficult to uncover until a borrower seeks help and/or recognizes a problem in their loan. As such, much of the existing information about predatory lending is anecdotal.

Mobile homes. The 2006 Census reported 10,747 mobile home units in Adams County, representing 7 percent of Adams County’s total housing stock. This number has decreased since the 2000 Census, which reported 13,003 mobile units, or 10 percent of Adams County’s total housing stock at that time.

Despite the Census reporting a decreasing mobile housing stock in the county as a whole, for some communities in Adams County, mobile homes still comprise a larger portion of local housing stock. And, in many communities, this stock is aging and is in disrepair.

Nearly 50 percent of Federal Heights' 5,311 occupied units were mobile units or trailers, per the 2000 Census; in 2007, 49 percent of its housing stock were mobile homes (2,644). In the last 7 years, the overall proportion of mobile homes in Federal Heights has remained consistent.

In Adams County, mobile homes are typically owner-occupied (87 percent), as opposed to renter-occupied (13 percent). They are occupied by all age groups, with households headed by 34 to 44 years olds (24 percent), representing the largest age cohort of mobile home dwellers.

Despite being substantially less valuable than other types of housing stock, mobile homes can offer an affordable alternative like none other: The median value of a mobile unit in Adams County in 2000 was \$24,800. They can be a very affordable rental option as well, as 54 percent of all mobile home renters paid less than 30 percent of their monthly income in rent, per the 2000 Census.

However, mobile homes can have significant drawbacks: Most mobile homeowners do not own the land on which their unit is placed, which means residents are required to pay land lease costs on top of their mortgage. Because of the shortage of mobile home parks, park owners are able to raise prices more rapidly than in other rental developments, where competition can keep prices down. If mobile homeowners cannot move their unit easily because it is older or they have few choices among mobile home parks, they can be subjected to raises in lease costs that they cannot control. Finally, mobile homes are not seen as a good long-term investment, as mobile homeowners do not own the land they occupy, which is often the resource that appreciates with time.

Because of the many drawbacks of mobile homes listed above, the Colorado Division of Housing does little to encourage or promote residents to move into mobile units. Thus, no official program is in place for mobile home park development or rehabilitation. Minimal local redevelopment has occurred in mobile home parks. One project in Boulder-Boulder Mobile Manor-oversaw the redevelopment of the infrastructure of the park and a replacement of all mobile units with modular units. An additional Boulder mobile home park, Mapleton, was purchased by Thistle Community Housing, which vowed to keep the property as an affordable housing option within Boulder.

Adams County in a Regional Context

Many of the residents in Adams County work in other communities throughout the Denver region. If a worker finds it undesirable or cannot find a housing product they can afford or prefer near their place of work, they will look to surrounding communities for their housing.

Adams County's primary competitors for attracting residents are Broomfield, Arapahoe County and the southwest portion of Weld County. Weld County is evolving from its large lot agricultural past into a suburban county, housing residents commuting to Denver, Boulder and Fort Collins for work. One factor in drawing residents to these counties is proximity to their place of employment. However, without knowing specifically where residents are working and what their tolerance is for a home-based work commute, analyzing Adams County's level of competitiveness in attracting suburban residents is primarily based on available housing stock.

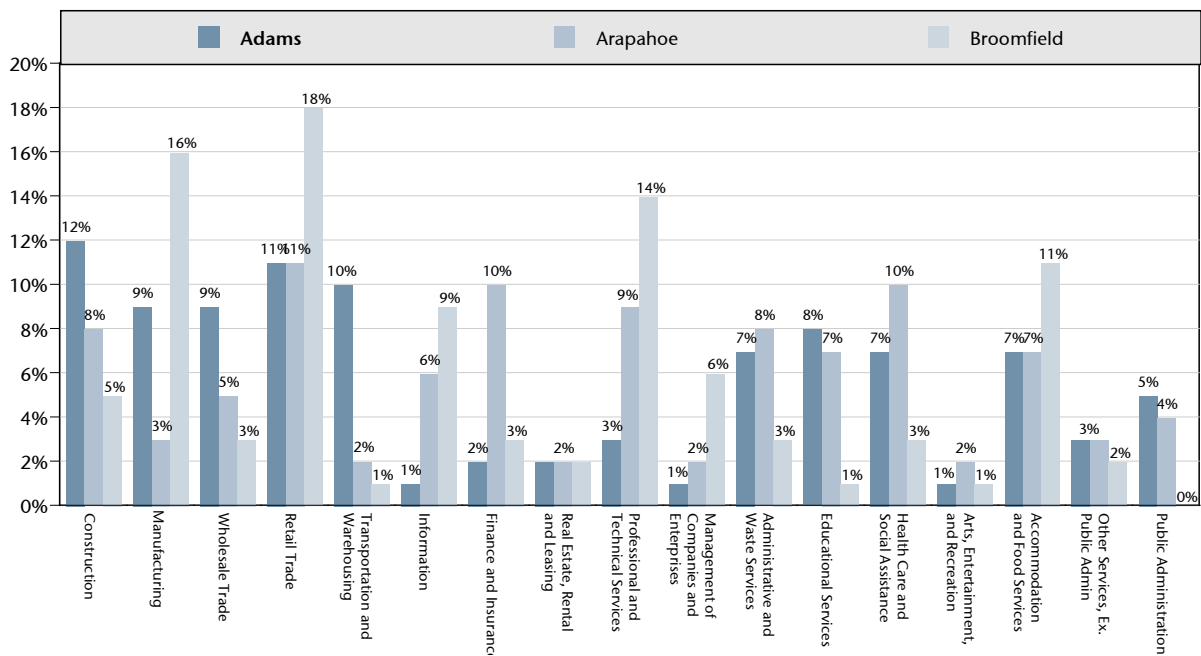
Adams, Arapahoe, Broomfield and southwest Weld counties all have similar qualities, while providing their own niche to the region. However, one thing they have in common is their responsibility to absorb future regional growth, as geography and limited available land prevent substantial growth west and north of Denver.

This section examines Adams County's employment and housing stock characteristics compared with these peer counties.

Employment. The 2006 employment estimates for Arapahoe and Broomfield counties were 276,078 and 28,669, respectively. Much of Broomfield's employment is located in the Interlocken business park, whereas Arapahoe's employment is scattered throughout the large county.⁵ Broomfield and Arapahoe counties differ from Adams County in that they both have high-tech employment centers, which generally house higher paying professions.

Figure III-46 provides the overall employment distribution for jobs located in Adams, Arapahoe and Broomfield counties. Figure III-47 provides average annual wages for jobs in those counties.

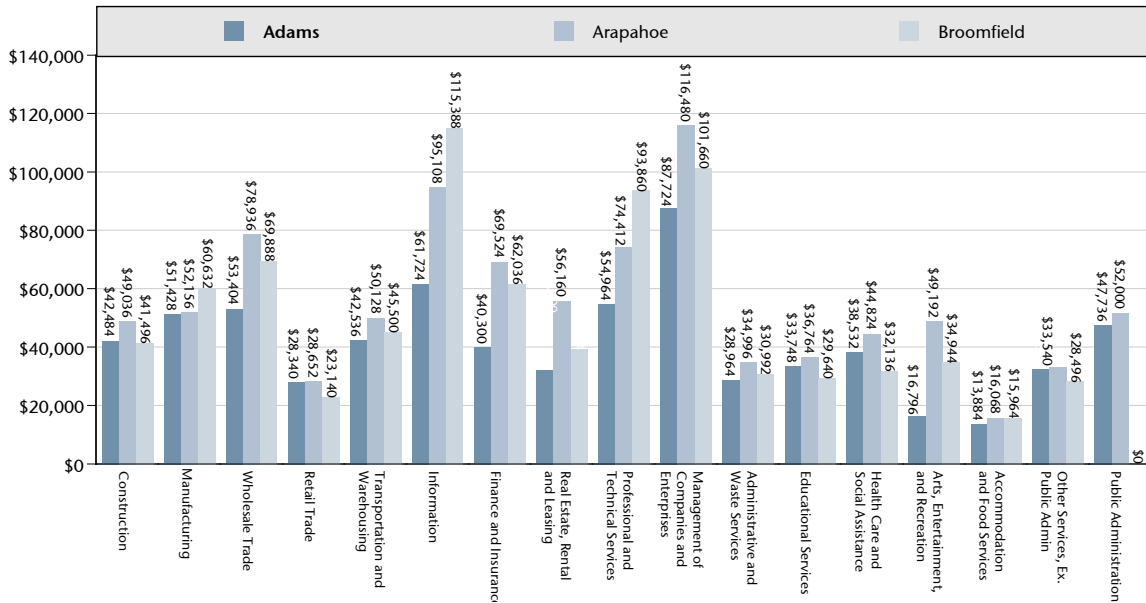
Exhibit III-46.
Employment Distribution, Adams, Arapahoe and Broomfield Counties, 2006



Note: Percentages do not equal 100 percent, as industries contributing less than 1 percent to the overall employment distribution were omitted
Source: Colorado Department of Labor and Employment QCEW, 2006.

⁵ Employment data for Weld County was not included, as QCEW data is presented at the county-level and this analysis only considers the southwest portion of Weld County.

Exhibit III-47.
Average Annual Wages, Adams, Arapahoe and Broomfield Counties, 2006



Source: Colorado Department of Labor and Employment QCEW, 2006.

Without the influence of well paying finance and management jobs that are present in Broomfield and Arapahoe counties, Adams County is the lowest paying county in the eastern portion of the Denver region. Adams County pays substantially less in industries that do not comprise a large portion of its employment, such as Information and Finance and Insurance. However, Adams County also has lower wages in jobs they have a comparative advantage in attracting, such as manufacturing, wholesale trade, and transportation and warehousing.

Housing. As a newly incorporated county, Broomfield County has the luxury of having one of the youngest housing stocks among eastern Denver region counties. The median construction year of the current housing stock is as follows: Arapahoe-1979, Broomfield-1983, Adams-1975 and southwest Weld-1981.

Adams County's neighboring counties also attract residents interested in purchasing homes. High levels of homeownership dominate tenure in southwest Weld (82 percent), Broomfield (78 percent) and Arapahoe County (69 percent).

Detached single family homes also dominate the housing composition in Broomfield, Arapahoe and southwest Weld. In southwest Weld County, 77 percent of the housing stock consists of detached, single family units. In Broomfield, 73 percent of the housing stock consists of detached, single family homes. Arapahoe County's housing stock is more diverse, as only 57 percent of their units consist of detached, single family units.

Exhibit III-48 displays the median price of homes for sale in 2007 in Adams, Broomfield, Arapahoe, and the southwest portion of Weld County.⁶

**Exhibit III-48.
Median Home Prices,
Adams, Broomfield,
Weld and Arapahoe
Counties, 2007**

Source:
2007 MLS.

	Adams	Broomfield	Weld	Arapahoe
Total Median Price	\$ 185,000	\$ 279,900	\$ 249,900	\$ 209,000
Detached				
Median Price	\$ 199,900	\$ 294,450	\$ 249,950	\$ 239,900
Percent	81%	87%	95%	68%
Attached				
Median Price	\$ 144,900	\$ 218,500	\$ 171,450	\$ 139,000
Percent	19%	13%	5%	32%

Adams County is the most affordable county in the eastern portion of the Denver region. Per the 2007 MLS listings, Adams County had the lowest median home price by nearly \$25,000. Median home prices in Broomfield and Weld exceeded Adams' median home price by \$95,000 and \$65,000, respectively.

Adams County also has the smallest price differential between detached and attached units. This primarily indicates that single family units are extremely affordable in Adams County, as compared to its neighboring communities. In general, increases in home values are tied to characteristics of the actual product or proximity to amenities. The extreme affordability of Adams County's single family units indicates that Adams County is most likely compromising density to ensure that households are able to own a single family unit, as the small price differential indicates that single family unit products are probably not much larger than multifamily units. Low density makes transportation planning more difficult and may present challenges as transit will soon be introduced to Adams County.

Exhibit III-49 presents the distribution of housing units in Adams, Broomfield, Arapahoe and Weld counties. In 2007, Broomfield and southwest Weld County had the largest percentage of units priced between \$200,000 and \$300,000, as compared to Adams and Arapaho counties, who had the largest percentage of units priced between \$100,000 and \$200,000.

⁶ Southwest Weld is defined by the MPO boundaries, established by DRCOG, the region's MPO.

**Exhibit III-49.
For Sale Home Price
Distribution, Adams,
Broomfield, Weld
and Arapahoe
Counties, 2007**

Source:
2007 MLS

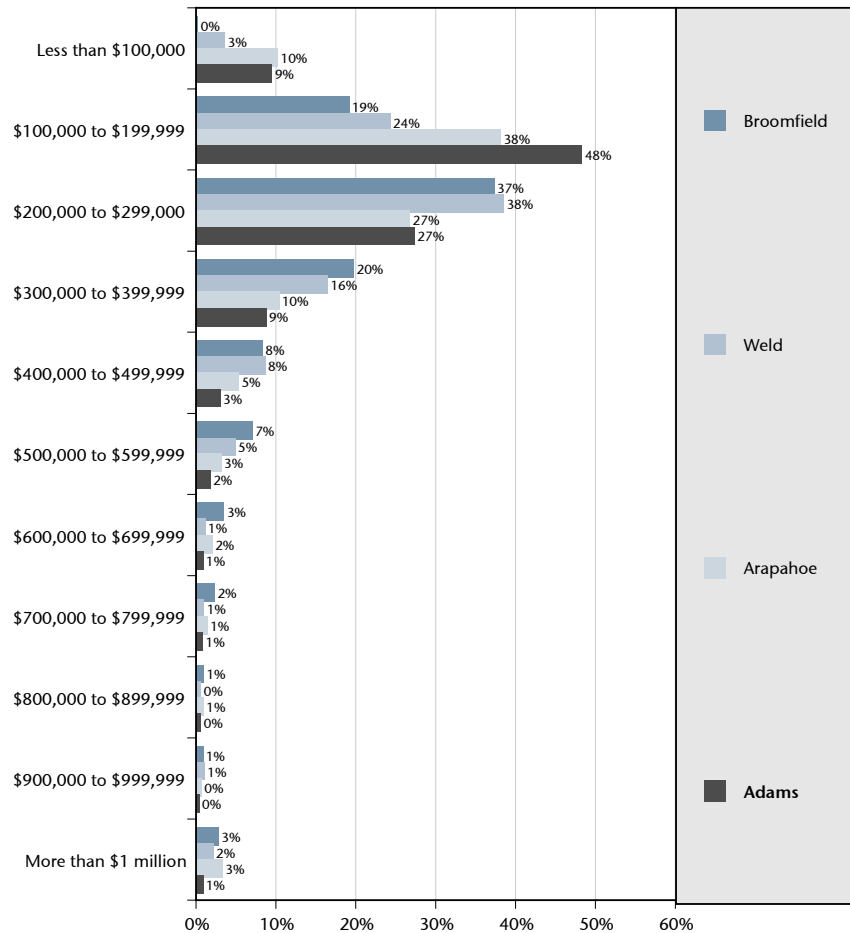


Exhibit III-50 presents affordability analysis for Adams, Arapahoe, Broomfield and Weld counties for the various levels of affordability. Adams County is the most affordable county in the eastern portion of the Denver region. Households earning less than \$50,000 could afford nearly 40 percent of all for sale units in 2007 in Adams County, as compared to 34 percent in Arapahoe County, 6 percent in Broomfield and 14 percent in southwest Weld. Conversely, only 4 percent of the for sale units in Adams County were affordable to households earning greater than \$150,000, as compared to Arapahoe (11 percent), Broomfield (17 percent) and southwest Weld (10 percent) counties.

**Exhibit III-50.
Affordability by Household Income, Adams, Arapahoe, Broomfield and Weld Counties, 2007**

	Adams		Arapahoe		Broomfield		Weld	
	Percentage	Cummulative	Percentage	Cummulative	Percentage	Cummulative	Percentage	Cummulative
Less than \$10,000	0%	0%	0%	0%	0%	0%	0%	0%
\$10,000 to \$14,999	0%	1%	1%	1%	0%	0%	1%	1%
\$15,000 to \$19,999	1%	2%	2%	3%	0%	0%	1%	2%
\$20,000 to \$24,999	3%	5%	3%	6%	0%	0%	1%	2%
\$25,000 to \$34,999	9%	14%	7%	14%	0%	0%	2%	4%
\$35,000 to \$49,000	26%	39%	20%	34%	6%	6%	9%	14%
\$50,000 to \$74,999	34%	74%	30%	64%	33%	40%	36%	50%
\$75,000 to \$99,999	14%	88%	14%	78%	23%	63%	21%	71%
\$100,000 to \$149,999	8%	96%	11%	89%	20%	83%	19%	90%
Greater than \$150,000	4%	100%	11%	100%	17%	100%	10%	100%

If Adams County were to construct expensive homes to meet the needs of high-income households, they would inevitably be competing against Broomfield and southwest Weld counties to attract residents to these homes, as Arapahoe County's high-end housing stock is located in the southern portion of the county. Adams County has a strong advantage over Broomfield County, simply because Broomfield County is space-limited and landlocked and has a much smaller housing market than Adams County. For example, in 2007, Broomfield County had approximately 1,200 MLS listings, as compared to Adams County's 17,000 listings. Because Broomfield's market is much smaller, Adams County can supplement Broomfield's high-end housing market, particularly for employees in DIA and the airport corridor.

Weld County is not landlocked. However, as development moves further north, accessibility to Denver becomes more difficult. Therefore, Adams County has a strong accessibility advantage over southwest Weld County for households sending employees to Denver.

SECTION IV.
Adams County Workforce

SECTION IV.

Adams County Workforce

An examination of Adams County's workforce requires a consideration of the socioeconomic characteristics of the county, economic vitality of Adams County and the current housing stock available for current and future workforce participants, all of which were previously examined in Sections II and III. This section provides a more in-depth analysis into Adams County's economy, including industry-level employment opportunities and wages available within the county, in an effort to draw a more direct relationship between employment and housing stock. Other factors will affect Adams County's need for housing stock, which include housing other communities' workforce. As such, an examination of commuting patterns is included in this chapter to determine the relationship between residents' place of work and their primary residence.

Summary

Adams County has historically been the Denver region's manufacturing, trade and transportation hub. Although these jobs are crucial to a regional economy, many traditionally higher paying occupations have located to other counties, such as Denver, Broomfield and Boulder, creating lower wages in Adams County, as compared to Colorado overall and neighboring counties. Adams County is expected to absorb a large portion of the Denver region's future employment and population growth; however, it is unclear how the employment composition in Adams County will evolve. If similar types of industries continue to locate within Adams County, the county's moderate-wage base will continue, creating an even greater demand for housing stock affordable to middle- to low-wage jobs. If Adams County strategically plans to capitalize on its comparative advantages, which include proximity to DIA, access to major highway arteries and an abundance of developable land, it could balance its concentration of middle-wage industries by attracting higher wage employment opportunities.

What Jobs Currently Exist in Adams County?

Employment base in Adams County. As mentioned in Section II, Adams County is a major provider of construction, manufacturing, trade and transportation jobs to the seven-county Denver region. Much job growth is forecasted to occur in Adams County; however, the overall composition of employment could very likely remain the same, thereby attracting similar types of jobs that currently exist within the county.

Exhibit IV-1 shows employment in Adams County by industry and subset.¹ In 2006, 86 percent of the jobs in Adams County were in the private sector and 14 percent were in the public sector. Retail and wholesale trade (20 percent), construction (12 percent), manufacturing (9 percent) and transportation (9 percent) were the dominant industries in Adams County. As shown in Exhibit IV-1, the county's top industries offer moderate wages. On average, workers in these industries are higher paid than those employed in tourism-related occupations, but they are paid much lower than workers in management, information and professional service fields. These three industries make up about 5 percent of the county's workforce combined.

¹ The data report jobs for employers who provide unemployment insurance and, as such, exclude certain employers.

Exhibit IV-1.
Adams County Employment by Industry and Subset, 2006

Industry	Average Employment	Average Weekly Wage	Equivalent Annual Salary
Private Sector Employment	132,033	\$ 754	\$39,208
Agriculture, Forestry, Fishing & Hunting	1,225	\$ 464	\$24,128
Crop Production	928	544	28,288
Animal Production	23	407	21,164
Forestry and Logging	0	-	-
Fishing, Hunting and Trapping	0	-	-
Agriculture & Forestry Support Activity	0	-	-
Mining	238	\$1,518	\$78,936
Oil and Gas Extraction	35	1,888	98,176
Mining (except Oil and Gas)	135	1,068	55,536
Support Activities for Mining	67	2,253	117,156
Utilities	616	\$1,299	\$67,548
Utilities	616	1,299	67,548
Construction	18,685	815	\$42,380
Construction of Buildings	837	833	43,316
Heavy and Civil Engineering Construction	3,234	959	49,868
Specialty Trade Contractors	14,615	782	40,664
Manufacturing	14,103	\$ 989	\$51,428
Food Manufacturing	1,600	743	38,636
Beverage & Tobacco Product Manufacturing	0	-	-
Textile Mills	0	-	-
Textile Product Mills	111	614	31,928
Apparel Manufacturing	0	-	-
Leather and Allied Product Manufacturing	12	725	37,700
Wood Product Manufacturing	1,288	715	37,180
Paper Manufacturing	439	875	45,500
Printing and Related Support Activities	758	812	42,224
Petroleum & Coal Products Manufacturing	637	1,648	85,696
Chemical Manufacturing	494	1,087	56,524
Plastics & Rubber Products Manufacturing	1,037	766	39,832
Nonmetallic Mineral Product Mfg	972	803	41,756
Primary Metal Manufacturing	131	1,017	52,884
Fabricated Metal Product Manufacturing	1,748	784	40,768
Machinery Manufacturing	524	908	47,216
Computer and Electronic Product Mfg	2,150	1,765	91,780
Electrical Equipment and Appliances	416	887	46,124
Transportation Equipment Manufacturing	748	928	48,256
Furniture and Related Product Mfg	864	753	39,156
Miscellaneous Manufacturing	158	623	32,396
Wholesale Trade	14,279	\$1,027	\$53,404
Merchant Wholesalers, Durable Goods	8,108	1,101	57,252
Merchant Wholesalers, Nondurable Goods	5,328	914	47,528
Electronic Markets and Agents/Brokers	839	1,028	53,456

Note: Subcategories do not add to industry total due to nondisclosure of some industry subcategories.

Source: Colorado Department of Labor & Employment, QCEW data.

Exhibit IV-1. (CONT'D)**Adams County Employment by Industry and Subset, 2006**

Industry	Average Employment	Average Weekly Wage	Equivalent Annual Salary
Retail Trade	16,120	\$ 546	\$28,392
Motor Vehicle and Parts Dealers	2,572	854	44,408
Furniture and Home Furnishings Stores	1,000	683	35,516
Electronics and Appliance Stores	459	576	29,952
Building Material & Garden Supply Stores	1,581	610	31,720
Food and Beverage Stores	3,033	501	26,052
Health and Personal Care Stores	512	552	28,704
Gasoline Stations	990	390	20,280
Clothing and Clothing Accessories Stores	633	333	17,316
Sporting Goods/Hobby/Book/Music Stores	617	352	18,304
General Merchandise Stores	3,201	390	20,280
Miscellaneous Store Retailers	1,244	521	27,092
Nonstore Retailers	278	665	34,580
Transportation and Warehousing	13,546	\$ 791	\$41,132
Air Transportation	49	952	49,504
Rail Transportation	N/A	-	-
Water Transportation	N/A	-	-
Truck Transportation	6,323	859	44,668
Transit and Ground Passenger Transport	1,101	585	30,420
Pipeline Transportation	39	3,464	180,128
Scenic and Sightseeing Transportation	0	-	-
Support Activities for Transportation	884	914	47,528
Postal Service	51	716	37,232
Couriers and Messengers	4,029	694	36,088
Warehousing and Storage	1,069	761	39,572
Information	2,059	\$1,214	\$ 63,128
Publishing Industries	327	1,172	60,944
Motion Picture & Sound Recording Ind	102	234	12,168
Broadcasting (except Internet)	0	-	-
Internet Publishing and Broadcasting	6	2,187	113,724
Telecommunications	1,285	1,289	67,028
ISPs, Search Portals, & Data Processing	333	1,266	65,832
Other Information Services	N/A	-	-
Finance and Insurance	3,031	\$ 775	\$40,300
Monetary Authorities - Central Bank	N/A	-	-
Credit Intermediation & Related Activity	2,166	730	37,960
Financial Investment & Related Activity	131	1,158	60,216
Insurance Carriers & Related Activities	732	831	43,212
Funds, Trusts & Other Financial Vehicles	0	-	-
Real Estate and Rental and Leasing	2,868	\$ 626	\$32,552
Real Estate	1,803	551	28,652
Rental and Leasing Services	1,053	751	39,052
Lessors, Nonfinancial Intangible Assets	13	824	42,848
Professional and Technical Services	3,996	\$1,057	\$54,964
Professional and Technical Services	3,996	1,057	54,964
Management of Companies and Enterprises	1,569	\$1,687	\$87,724
Management of Companies and Enterprises	1,569	1,687	87,724

Note: Subcategories do not add to industry total due to nondisclosure of some industry subcategories.

Source: Colorado Department of Labor & Employment, QCEW data.

Exhibit IV-1. (CONT'D)
Adams County Employment by Industry and Subset, 2006

Industry	Average Employment	Average Weekly Wage	Equivalent Annual Salary
Administrative and Waste Services	10,751	\$ 557	\$28,964
Administrative and Support Services	9,239	494	25,688
Waste Management and Remediation Service	1,513	942	48,984
Educational Services	1,685	\$ 639	\$33,228
Educational Services	1,685	639	33,228
Health Care and Social Assistance	10,090	\$ 741	\$38,532
Ambulatory Health Care Services	4,008	944	49,088
Hospitals	1,708	927	48,204
Nursing and Residential Care Facilities	2,475	575	29,900
Social Assistance	1,899	363	18,876
Arts, Entertainment, and Recreation	958	\$ 385	\$ 20,020
Performing Arts and Spectator Sports	0	-	-
Museums, Parks and Historical Sites	N/A	-	-
Amusement, Gambling & Recreation Ind	767	271	14,092
Accommodation and Food Services	11,323	\$ 267	\$13,884
Accommodation	1,155	341	17,732
Food Services and Drinking Places	10,167	259	13,468
Other Services, Ex. Public Admin	4,877	\$ 626	\$32,552
Repair and Maintenance	3,156	734	38,168
Personal and Laundry Services	1,258	358	18,616
Membership Organizations & Associations	412	639	33,228
Private Households	51	422	21,944
Unclassified	14	\$ 492	\$25,584
Unclassified	14	492	25,584
Government Employment	20,696	\$ 761	\$39,572
Federal Government	2,616	1,139	59,228
State Government	1,727	716	37,232
Local Government	16,353	706	36,712

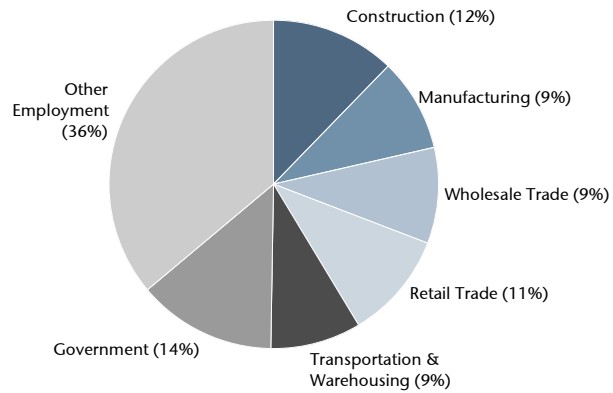
Note: Subcategories do not add to industry total due to nondisclosure of some industry subcategories.

Source: Colorado Department of Labor & Employment, QCEW data.

Exhibit IV-2 presents the employment composition in Adams County in a way to display the strong presence of its core industries: construction, manufacturing, wholesale and retail trade, transportation and public sector opportunities.

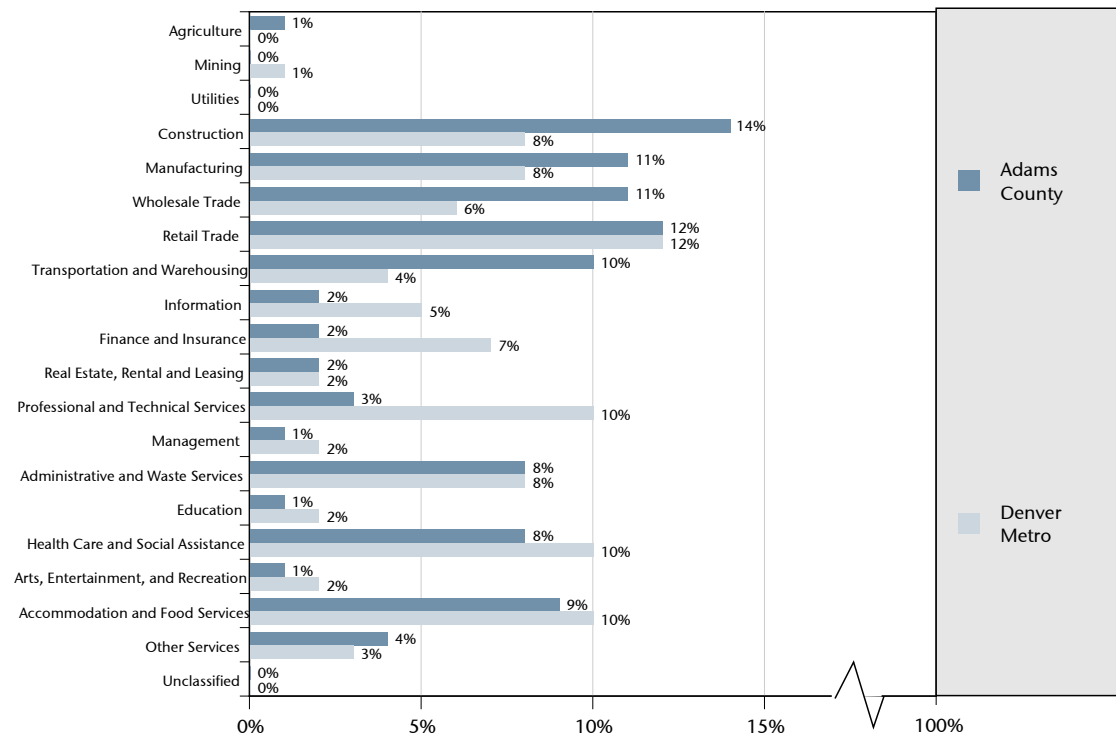
**Exhibit IV-2.
Workforce by Industry, 2006**

Source: Colorado Department of Labor and Employment, QCEW.



As shown in Exhibit IV-3, compared to the seven-county Denver region, Adams County has a larger proportion of jobs in the construction, manufacturing, wholesale trade and transportation sectors. Additionally, Adams County contains fewer business, personal and professional service jobs than the rest of the region.

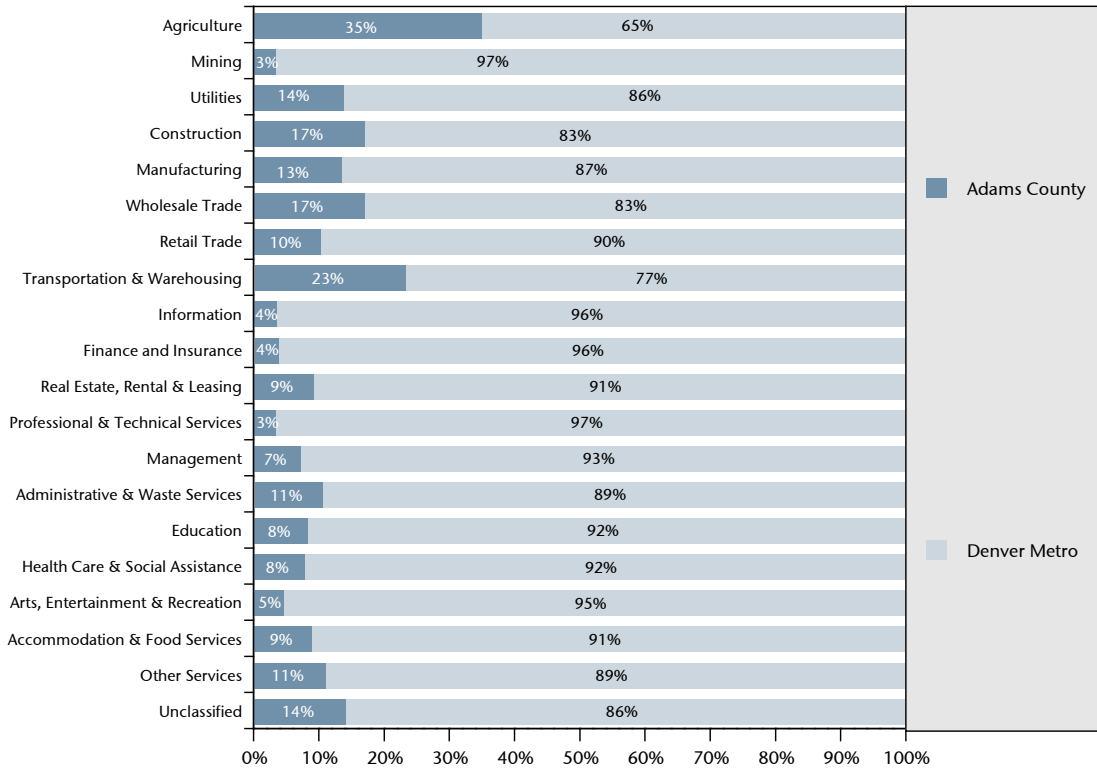
**Exhibit IV-3.
Comparison of the Denver Region and Adams County Employment by Industry in the Private Sector, 2006**



Source: Colorado Department of Labor and Employment, 2006. Denver region defined as aggregation of the following counties: Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas and Jefferson counties.

Exhibit IV-4 shows how Adams County’s employment contributes overall to each employment sector. Adams has a relatively small presence in the high paying industries of professional and technical services, information and mining. As seen previously in Section II, these industries have grown minimally in the last 5 years in Adams County.

Exhibit IV-4.
Adams County Employment by Industry as a Percentage of the Seven-County Denver Region Total, 2006



Source: Colorado Department of Labor and Employment, 2006. Denver region defined as aggregation of the following counties: Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas and Jefferson.

Unemployment. As mentioned in Section II, Adams County unemployment rates have been higher than surrounding counties and Colorado as a whole. Industries that contribute a large proportion of jobs to Adams County have experienced recent job losses, creating higher unemployment rates. Exhibit IV-5 displays unemployment rates in Adams County compared to other counties, as well as Colorado and the U.S. as a whole.

Exhibit IV-5.
Unemployment Rate Comparison, 2002-2006

	2002	2003	2004	2005	2006
Adams	6.3	7.2	6.5	5.8	5.0
Arapahoe	5.8	6.3	5.6	5.1	4.3
Douglas	5.3	5.3	4.6	4.2	3.6
Colorado	5.7	6.1	5.6	5.1	4.3
USA	5.8	6.0	5.5	5.1	4.6

Source:
Colorado Department of Labor and Employment.

What Do Jobs In Adams County Pay?

Wages and earnings. Exhibit IV-6 shows a 5-year trend in average weekly wages by industrial category for employees in Adams County and Colorado overall. In nearly all industries, weekly average wages in Adams County trail Colorado averages, most notably in high-paying professional service jobs. Adams County jobs in finance and insurance trail Colorado averages by over 60 percent. Professional service, real estate, rental and leasing and information jobs all pay substantially less. Of Adams County's top 5 industries, retail trade was the only industry in Adams County with average wages exceeding Colorado's average.

Exhibit IV-6.

Average Weekly Wages by Industry, Adams County and Colorado, 2002-2006

	Adams County					Colorado				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Agriculture	\$ 487	\$ 523	\$ 532	\$ 472	\$ 464	\$ 436	\$ 449	\$ 463	\$ 470	\$ 488
Mining	1,009	986	1,116	1,196	1,518	1,246	1,282	1,611	1,600	1,621
Utilities	1,324	1,302	1,522	1,742	1,226	1,110	1,122	1,215	1,239	1,485
Construction	768	751	784	804	817	758	760	778	801	834
Manufacturing	877	936	983	961	989	936	978	1,012	1,033	1,055
Wholesale Trade	847	871	926	970	1,027	1,004	1,035	1,080	1,115	1,185
Retail Trade	511	526	549	548	545	465	472	482	488	497
Transportation & Warehousing	727	731	765	787	818	779	774	804	809	846
Information	1,063	978	1,060	1,180	1,187	1,201	1,262	1,246	1,298	1,439
Finance & Insurance	730	813	789	743	775	1,059	1,115	1,136	1,193	1,250
Real Estate, Rental and Leasing	589	580	592	607	625	656	684	712	747	789
Professional Services	886	914	986	1,018	1,057	1,167	1,180	1,238	1,297	1,373
Management	1,059	1,108	1,652	1,732	1,687	1,356	1,431	1,687	1,918	1,957
Administrative & Waste Services	470	518	534	530	557	532	547	561	573	587
Education	574	600	624	631	649	624	640	656	666	688
Health Care & Social Assistance	676	690	713	709	741	690	712	740	757	781
Arts, Entertainment & Recreation	258	279	274	303	323	513	527	497	503	549
Accommodation & Food Services	245	251	260	264	267	268	275	284	290	300
Other Services	549	550	578	591	626	506	511	540	552	578
Non-classifiable	1,694	540	870	414	492	1,120	1,103	909	843	851
Government	793	826	859	883	918	829	857	891	921	950

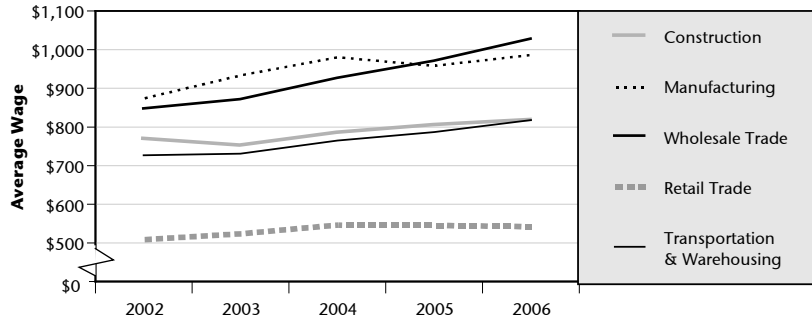
Source: Colorado Department of Labor and Employment QCEW.

It is difficult to speculate why Adams County wages are substantially lower than State averages. However, one explanation may be that because Adams County has a less educated workforce than neighboring counties, businesses may be moving to Adams County to capitalize on an abundance of less costly labor. Additionally, perhaps small businesses are locating to Adams County to capitalize on commercial rental rates that are lower than surrounding counties. In essence, some may not view lower wages in Adams County as a negative attribute, but rather, as a comparative advantage over other counties.

Wages for Adams County top 5 industries. Exhibit IV-7 displays the 5-year wage trend for the top 5 employment industries in Adams County. Wages in retail trade have largely been flat; transportation and warehousing and construction have had small increases, while the strongest growth has been in the wholesale trade industry.

**Exhibit IV-7.
Average Weekly
Wages for the Top 5
Industries, Adams
County, 2002-2006**

Source:
Colorado Department of
Labor and Employment,
QCEW.



Wages by industry categories. Exhibit IV-8 separates the wage data into low-, moderate- and high-wage categories. The average weekly wage in Adams County for all industries combined is \$755, which equates to an average yearly wage of approximately \$39,260. For purposes of this exhibit, low-wage jobs are defined as those paying less than 80 percent of the average wage; moderate-wage jobs are defined as between 80 and 120 percent of the average wage; and high-wage are jobs paying 120 percent or more of the average wage. Nearly half of all jobs located in Adams County are considered medium-waged jobs. Additionally, 75 percent of all jobs in Adams County are considered low- or medium -wage jobs.

This distribution differs from a county that is considered an employment hub, like Denver, because Adams County is supporting a larger number of medium-wage paying jobs. Denver’s overall average wage in 2006 was over \$52,000, which is higher than Adams County’s average wage. Of Denver’s employment, nearly 28 percent of their jobs are considered high-wage; 39 percent are considered medium-wage; and, the remaining 33 percent are considered low-wage jobs.

**Exhibit IV-8.
Jobs by Low-, Medium-,
and High-Wages,
Adams County, 2006**

Source:
Colorado Department of Labor &
Employment, QCEW data.

	Average Annual Wage	Percentage of Employment
Low-wage Industries	\$ 23,495	26%
Agriculture	\$ 24,128	1%
Retail Trade	\$ 28,392	11%
Administrative & Waste Services	\$ 28,964	7%
Arts, Entertainment & Recreation	\$ 20,020	1%
Accommodation & Food Services	\$ 13,884	7%
Non-classifiable	\$ 25,584	0%
Medium-wage Industries	\$ 37,531	49%
Construction	\$ 42,380	12%
Transportation & Warehousing	\$ 41,132	9%
Finance & Insurance	\$ 40,300	2%
Real Estate, Rental and Leasing	\$ 32,552	2%
Education	\$ 33,228	1%
Health Care & Social Assistance	\$ 38,532	7%
Other Services	\$ 32,552	3%
Government	\$ 39,572	14%
High-wage Industries	\$ 65,305	24%
Mining	\$ 78,936	0%
Utilities	\$ 67,548	0%
Manufacturing	\$ 51,428	9%
Wholesale Trade	\$ 53,404	9%
Information	\$ 63,128	1%
Professional Services	\$ 54,964	3%
Management	\$ 87,724	1%

How Are Workers Traveling To And From Work?

Commuting patterns. Commuting patterns reveal information about the dynamics of a community’s economy and its residents. As seen in the previous chapter, many communities in Adams County have low jobs to housing ratios (lower than 1), indicating that these communities have more residents than job opportunities. Thus, Adams County housing needs must not only address residents remaining in Adams County for work, but also individuals working in other counties and residing in Adams. Additionally, communities with a large influx of commuting workers, or an “out-migration” of residents, most often are adversely affected by road congestion and other transportation-related challenges within county borders.

Commuter data shows that residents of Adams County typically leave the county for work. According to the 2000 Census Transportation Planning Package (CTPP) data, 70,244 workers who lived in Adams County also worked in Adams County. Per the 2000 U.S. Census, there were 178,572 labor-force participants over the age of 16. The CTPP revealed that 39 percent of Adams County residents remain within Adams County for work, and 61 percent of labor-force participants work outside Adams County. Additionally, 49,339 (28 percent) of Adams County residents commuted to Denver for work, and other residents travel outside of Adams County to Arapahoe (8 percent) and Douglas (2 percent).

Exhibit IV-9 summarizes by jurisdiction where residents commute for work. The cities that are the biggest exporters of workers to Denver include Aurora (35 percent of residents commute to Denver), Commerce City (33 percent) and Brighton (30 percent).

Exhibit IV-9. Municipal Commuting Patterns, Adams County, 2000

		Place of Work													
		Unincorporated Adams	Denver	Arvada	Aurora	Brighton	Broomfield	Boulder	Commerce City	Unincorporated Jefferson	Lakewood	Northglenn	Thornton	Westminster	Out of Region
Place of Residence	Unincorporated Adams	14%	28%	3%	4%	2%		3%	6%		1%	2%	7%	7%	
	Arvada	3%	25%	20%	2%		2%	3%	2%	7.0%	8%	0%	2%	6%	
	Aurora	2%	35%	<1%	31%			<1%	<1%	<1%					
	Bennett	15%	25%		19%	3%	0%		4%			0%		2%	3%
	Brighton	12%	20%	1%	3%	30%	2%	3%	5%		2%	2%	4%	3%	5%
	Commerce City	11%	33%	0%	6%	1%		0%	28%		1%	1%	3%	2%	2%
	Federal Heights	8%	26%	4%	4%		4%	3%	4%	3.0%		3%	7%	10%	
	Northglenn	7%	27%		3%		4%		3%			12%	10%	9%	
	Thornton	10%	28%		3%		4%		4%			5%	16%	7%	2%
	Westminster	6%	24%	6%	2%		6%	7%	2%	3%		2%	3%	17%	2%

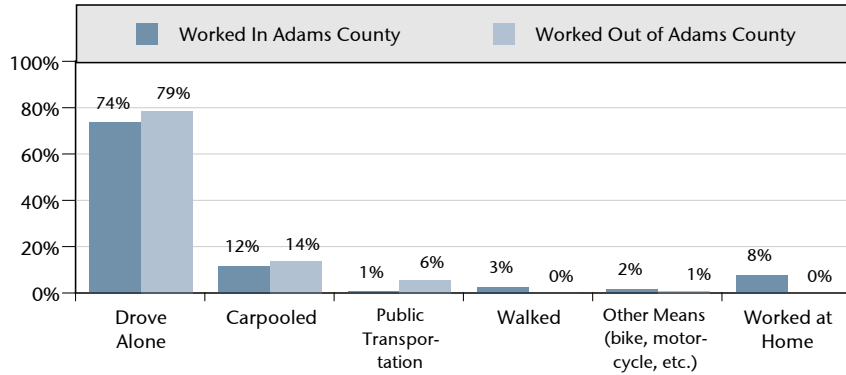
Source: 2000 CTPP and DRCOG. This table includes the entire portion of the jurisdiction and not just the portion within Adams County.

Note: Rows will not sum to 100 percent, as not all communities receiving workers were included in this table.

Regardless of work location, most Adams County residents drive alone to work. When residents reported that they worked outside of Adams County, they were more likely to carpool or take public transportation than if they worked within Adams County. Exhibit IV-10 displays mode of transportation for residents of Adams County.

Exhibit IV-10.
Mode of Transportation
to Work, Adams
County, 2006

Source:
 American Community Survey, 2006.



What occupations commute out of Adams County for work? 2000 PUMS data was used to determine which occupations had the longest “to work” travel times out of each PUMA. The listed occupations had an average commute time of at least 2X greater than the average travel time for each PUMA and are the highest paying occupations with long commutes.

The data reveals two key findings. Adams County appears to be the place of residence for many entry- and mid-level positions within the engineering and technical fields. Because Boulder and Douglas counties contain a large proportion of these occupations within the region, it is likely that individuals within these occupations live in Adams County until they can afford to move closer to their place of work.

Secondly, Adams County’s proximity to DIA creates a strong comparative advantage over other counties. Although a high travel time was cited for aviation-related occupations, it reveals that a large number of residents are affiliated with aviation. Exhibit IV-11 displays the highest paying occupations most likely to commute out of Adams County.

**Exhibit IV-1.
Highest Paying Occupations with Longest Commute Times, Adams County, 2000**

Occupation	Average Income	Occupation	Average Income
Arvada		East Westminister & Northglenn	
Engineering Managers	\$92,769	Computer Hardware Engineers	\$70,000
Dentists	\$80,370	Aerospace Engineers	\$57,000
Elevator Installers and Repairers	\$75,000	Broadcast and Sound Engineering Techs	\$52,857
Environmental Engineers	\$68,235	Brokerage Clerks	\$42,000
Statistical Assistants	\$63,637	Appraisers and Assessors of Real Estate	\$39,000
Aircraft Mechanics and Service Technicians	\$61,727	Environmental Scientists and Geoscientists	\$33,750
Power Plant Operators, Distributors, and Dispatchers	\$61,000	Gaming Services Workers	\$33,000
Maintenance Workers, Machinery	\$52,000	Credit Authorizers, Checkers, and Clerks	\$30,000
Transportation Inspectors	\$46,000	Bus and Truck Mechanics and Diesel Engine Specialists	\$29,310
Editors	\$39,824	Credit Analysts	\$29,000
Aurora		Northwest Metro	
Insulation Workers	\$140,000	Photographic Process Workers and Processing Machine Operators	\$117,684
Hazardous Materials Removal Workers	\$87,000	Astronomers and Physicists	\$75,944
Chemical Technicians	\$50,000	Aircraft Pilots and Flight Engineers	\$73,364
Detectives and Criminal Investigators	\$47,278	Producers and Directors	\$70,000
Automotive Glass Installers and Repairers	\$45,000	Management Analysts	\$59,903
Industrial Engineers	\$43,611	Administrative Services Managers	\$55,620
Highway Maintenance Workers	\$42,000	Other Business Operations Specialists	\$49,997
Statistical Assistants	\$40,300	Sheet Metal Workers	\$47,632
Computer Hardware Engineers	\$40,000	Property, Real Estate, and Community Associations	\$42,500
Supervisors, Protective Service Workers, All Other	\$33,400	Payroll and Timekeeping Clerks	\$31,600
Commerce City & Brighton		Thornton & Federal Heights	
Aircraft Pilots and Flight Engineers	\$64,290	Architects, Except Naval	\$59,294
Environmental Scientists and Geoscientists	\$60,000	Glaziers	\$53,000
Computer Software Engineers	\$50,526	Mining Machine Operators	\$50,000
Interviewers, Except Eligibility and Loan	\$39,500	Editors	\$38,000
Dietitians and Nutritionists	\$39,000	Private Detectives and Investigators	\$35,000
Advertising Sales Agents	\$31,467	Financial Specialists, All Other	\$34,000
Gaming Services Workers	\$30,556	Eligibility Interviewers, Government Programs	\$31,400
Bailiffs, Correctional Officers, and Jailers	\$29,716	Extruding, Forming, Pressing, and Compacting Machine Setters, Operators, and Tenders	\$27,458
Therapists, All Other	\$29,500	First-Line Supervisors/Managers of Food Preparation	\$21,983
Coin, Vending, and Amusement Machine Servicers and Repairers	\$26,500	Sewing Machine Operators	\$18,820
East Aurora & Plains		West Aurora	
Economists	\$68,000	Aircraft Pilots and Flight Engineers	\$94,769
Advertising Sales Agents	\$64,567	Compliance Officers, Except Agriculture, Health and Safety, and Transportation	\$57,182
Sales and Related Workers, All Other	\$58,333	Operations, Research Analysts	\$57,000
Operations, Research Analysts	\$49,870	Chemical Processing Machine Setters, Operators, and Tenders	\$55,000
Chemists and Materials Scientists	\$47,467	Database Administrators	\$46,594
Gaming Managers	\$45,000	Industrial Engineers	\$45,000
Transportation Attendants	\$36,068	Physical Scientists, All Other	\$45,000
Other Installation, Maintenance, and Repair Workers	\$30,278	Construction and Building Inspectors	\$43,300
Other Education, Training, and Library Workers	\$30,000	Mining Machine Operators	\$30,000
Welding, Soldering, and Brazing Workers	\$28,975	Small Engine Mechanics	\$29,000

Source: 2000 PUMS.

Housing the Adams County Workforce

Housing needs by occupation. The following section explores affordability and housing options for individuals and households employed in Adams County. These occupations were selected for two reasons. First, these occupations fall within industries prevalent in Adams County. Second, these occupations fall in industries that Adams County has a comparative advantage over other counties of attracting due to its proximity to DIA. Examining the types of housing demanded by these professions will help bridge the gap between Adams County’s housing needs and economic development activities.

Affordability is considered for households with 1, 1.5 and 2 workers. In the case of households with 1.5 or 2 workers, for simplicity, the assumption is made that the 2nd worker, either part-time or full-time, has the same average wage as the primary worker in the household, either because they have the same occupation or because they have an occupation with similar wages.

The following exhibit displays the purchasing power of households earning the average yearly wage for Adams County workers. In other words, Exhibit IV-12 displays affordability for 1, 1.5 and 2 worker households holding common jobs in Adams County.

**Exhibit IV-12.
Affordability by 1, 1.5, and 2 Earner
Households, Adams County, 2006**

Affordability	
Average Annual Wage = \$37,200	
1.0 Earner Household	\$129,067
1.5 Earner Household	\$193,600
2.0 Earner Household	\$258,133

Source:
Colorado Department of Labor & Employment, QCEW data and
BBC Research and Consulting.

The exercise above is completed for specific occupations: teacher, retail worker, air traffic controller and transportation manager.

TEACHER

What can a teacher household afford in Adams County?

1 worker household:

- Affordability: \$135, 961
- Examples of housing options:
 - \$119,000 2 bedroom, 3 bathroom, attached townhome in Brighton.
 - \$129,900, 3 bedroom, 2 bathroom, 1,200 square foot, single family detached home in Commerce City.



1.5 worker household:

- Affordability: \$203,942
- Examples of housing options:
 - 10-year old house in Thornton, \$199,000, 1,482 square feet.



2 worker household:

- Affordability: \$271,923
- Examples of housing options:
 - \$258,500 house in Thornton, 3,260 square feet, 3 bedrooms and 2 baths

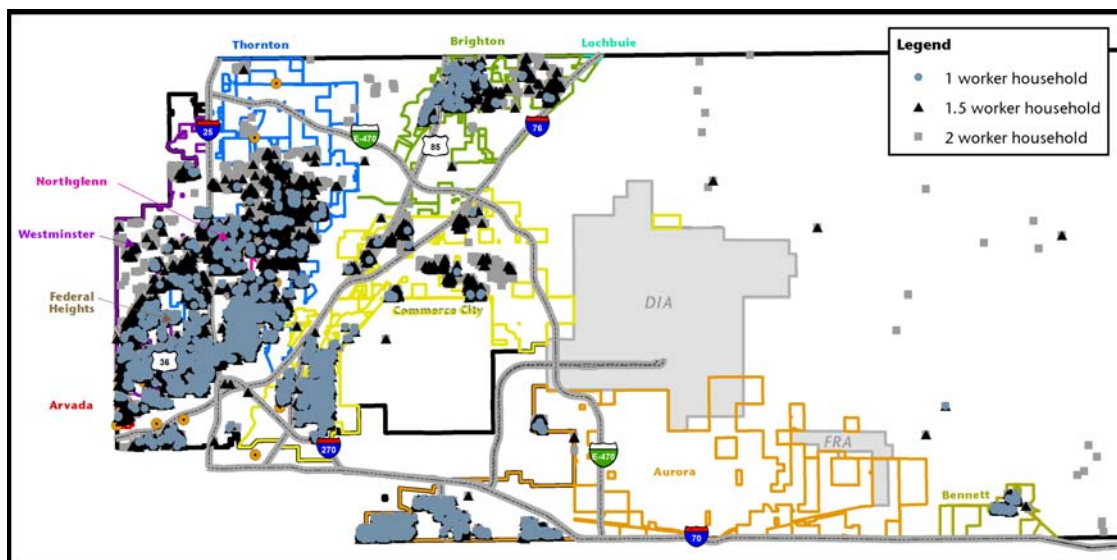


What can teacher households not afford in Adams County?

- Most affordability problems occur with 1 worker teacher households, which will have difficulty buying in newer portions of Westminster, as well as difficulty finding homes that are larger than 1,200 square feet (90 percent less than 1,200 square feet) in Westminster.
- Difficulty buying large 3 and 4 bedroom, detached homes with amenities such as finished basements.

Exhibit IV-13.

Affordability of 1, 1.5 and 2 person Teacher Households, Adams County, 2007



RETAIL WORKER

What can a retail worker afford in Adams County?

1 worker household:

- Affordability: \$70,812

1.5 worker household:

- Affordability: \$106,218
- Examples of housing options:
 - \$82,000 single family, detached house in Federal Heights built in 1972 with 672 square feet, 1 bedroom and 1 bath.



2 worker household:

- Affordability: \$141,240

What can a retail worker not afford in Adams County?

- Geographically limited to houses located in southern Westminster, Federal Heights, Commerce City and Aurora.
- Difficulty affording newer, detached units, as most affordable parts of town include older housing stock in older portions of Adams County.
- Difficulty affording anything larger than 2,000 square feet.
- Difficulty affording a unit constructed after 2000 that is detached and larger than 1,000 square feet.

AIR TRAFFIC CONTROLLER

What can an air traffic controller afford in Adams County?

1 worker household:

- Affordability: \$433,931

1.5 worker household:

- Affordability: \$650,896
- Examples of housing options:
 - \$600,000 single family, detached unit in Brighton, built in 2004 with 3,394 square feet, 4 bedrooms, 4 baths, finished basement, 3 car garage, 1 acre lot



- **2 worker household:**

- Affordability: \$867,861
- Examples of housing options:
 - \$800,000 single family detached house in Westminster built in 2005 with 4 bedrooms, 3 bathrooms, 4,484 square feet.

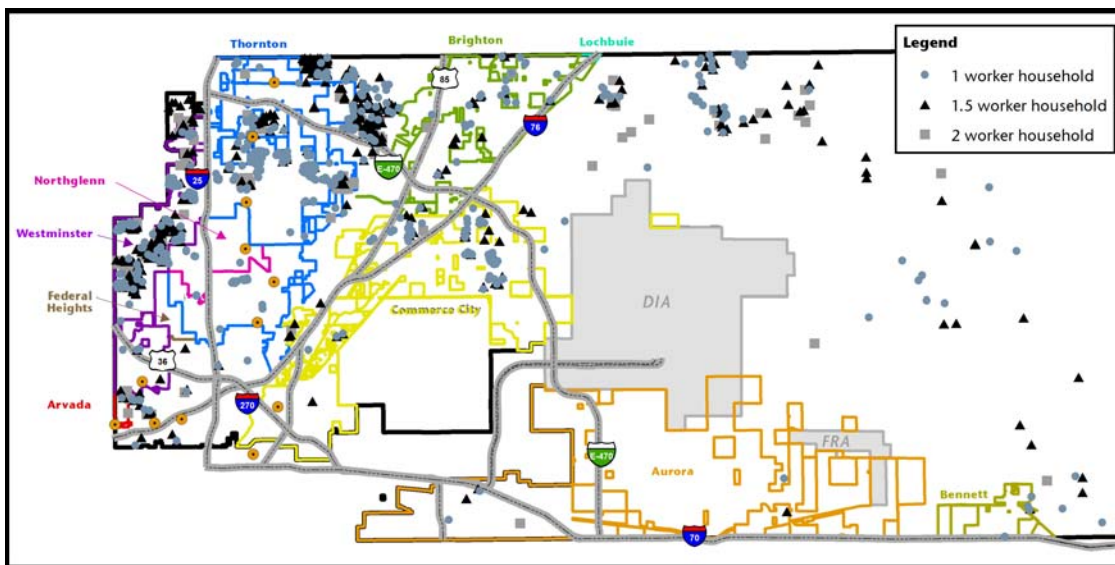


What can an air traffic controller not afford?

- Air traffic controller and higher paid employees can afford nearly all housing products in Adams County.
- Options are limited by geography, as most high-end products are located within Westminster and northern portions of Thornton, Brighton and unincorporated Adams County.
- Options are limited by age of housing stock. High-end housing stock is very new, so only buyers interested in high-end new homes will purchase these units.
- Limited by proximity to future FasTrack transit stations and limited highway access to DIA.

Exhibit IV-14.

Affordability of 1, 1.5 and 2 person Air Traffic Controller Households, Adams County, 2007



Note: Because of the high-level of affordability of this occupation, nearly all listings in the MLS were available. For the purpose of targeting a smaller housing stock, smaller ranges were selected to present a more realistic housing stock for higher-paid occupations. The ranges are as follows: 1 worker household: \$350,000-\$433,931, 1.5 worker household: \$433,932-\$650,896, 2 worker household: \$651,897-\$867,861.

Source: The Genesis Group and BBC Research and Consulting.

TRANSPORTATION MANAGER

What can a transportation manager afford in Adams County?

1 worker household:

- Affordability: \$260,998

1.5 worker household:

- Affordability: \$391,497
- Examples of housing options:
 - \$335,000, 3,546 square foot house in Brighton, built in 1990 with 7 bedrooms and 5 bathrooms.
 - \$400,000 single family detached home in Bennett with 2,280 square feet, 4 bedrooms, 3 bathrooms and a large lot.



2 worker household:

- Affordability: \$521,996

What can a transportation manager not afford in Adams County?

- A transportation manager could afford most housing options in Adams County.
- Ample housing options in Westminster, Thornton, Brighton, Commerce City and unincorporated Adams County.
- Limited housing options in Federal Heights, Aurora and the southern portion of Adams County.

Housing needs by industry. Examining job growth by industry and wage category can assist with determining housing needs, as employment opportunities can attract new residents to the community and create a new demand for a specific type of housing. For example, if high-paying jobs in the business services sector are expected to increase in Adams County in the near future, then a market for higher cost housing stock may arise.

Obviously, one limitation of this exercise is that not all new employment opportunities in Adams County will attract a new household or new residents. Employees may decide to reside elsewhere due to preferences met by other communities. However, potential demand is created when new employment is introduced and, thus, should be acknowledged.

Exhibit IV-15 presents potential housing demand by potential future employees. The Colorado Department of Labor and Employment provides industrial forecasts for MSAs, but not for counties. The percentage of employment that Adams County had of each industry category in 2006 was held constant into the forecast year to gauge the potential capture rate Adams County may have on new MSA employment between 2006 and 2015. The wages from 2006 were then applied to determine the type of housing future employers could afford within Adams County.

As shown in the exhibit, the occupations with the strongest growth in numbers—trade, transportation, utilities and construction—could afford homes priced at around \$173,000, assuming a 1 worker household. Today, these worker households can afford to buy 43 percent of the housing stock in Adams County. Assuming households have additional part-time or full-time workers contributing additional income, these affordability levels increase, thereby making an even greater percentage of homes affordable. If current trends continue, the county is well-positioned to provide housing for workers in its fastest growing professions through 2015.

**Exhibit IV-15.
Expected Job Growth, Adams County, 2006 through 2015**

	2005	2015	Growth	Adam County's Capture Rate	Potential New Employees	Average Wage	Affordability	
							Rent	Ownership
Natural Resources & Mining	5,926	11,443	5,517	3%	166	\$78,936	\$2,400	\$346,950
Construction	84,696	128,268	43,572	20%	8,714	\$42,380	\$1,175	\$173,473
Manufacturing	72,291	81,506	9,215	16%	1,474	\$51,428	\$1,800	\$260,212
Trade, Transportation & Utilities	235,019	281,868	46,849	30%	14,055	\$41,132	\$1,175	\$173,473
Information	48,537	49,505	968	4%	39	\$63,128	\$1,800	\$260,212
Financial Activities	99,277	119,499	20,222	4%	809	\$40,300	\$1,175	\$173,473
Professional & Business Services	192,131	263,951	71,820	3%	2,155	\$54,964	\$1,800	\$260,212
Education & Health Services	193,121	264,520	71,399	9%	6,426	\$38,532	\$1,175	\$173,473
Leisure & Hospitality	121,407	159,321	37,914	5%	1,896	\$20,020	\$ 575	\$ 86,735

Note: This table is a consolidation of CES and QCEW data from the Department of Labor and Employment. Industrial categories in the CES and QCEW were matched as closely as possible so BBC could determine the wages applicable to future employees and the potential housing stock they may demand.

Source: Colorado Department of Labor and Employment and BBC Research & Consulting.

Housing needs for employment outside Adams County. There are some industries and occupations that Adams County will have difficulty attracting. For example, the counties of Boulder and Broomfield will continue to attract technology-related jobs, and Denver and Douglas will continue attracting finance and professional service jobs. However, Adams County could attract these workers as residents, simply because workers may desire the newer and larger homes that Adams County can offer.

Adams County’s wages are less than surrounding communities for many industries and occupations. Thus, for residents living in Adams County and working in Denver or Broomfield, their level of affordability increases. Exhibit IV-16 presents affordability levels for occupations more prevalent in other communities.

**Exhibit IV-16.
Affordability by Occupation
and Number of Workers per
Household, Adams County,
2006**

Source:

Colorado Department of Labor and Employment
Occupational and Employment Statistics, QCEW, and
BBC Research and Consulting.

	Number of Workers in household		
	1.0	1.5	2.0
Teacher	\$135,961	\$203,942	\$271,923
Police Officer	\$198,580	\$297,869	\$397,159
Construction Worker	\$93,328	\$139,992	\$186,655
Retail Worker	\$70,812	\$106,218	\$141,624
Financial Manager	\$435,396	\$653,094	\$870,792
Air Traffic Controller	\$433,931	\$650,896	\$867,861
Transportation Manager	\$260,998	\$391,497	\$521,996
Truck Driver	\$128,034	\$192,051	\$256,068
Industrial Engineer	\$250,273	\$375,409	\$500,546

SECTION V.
Housing Balance Analysis

SECTION V.

Housing Balance Analysis

This section of the report describes the results of an analysis of affordability for renter- and owner-occupied housing in Adams County, and presents the greatest housing needs, as identified through this analysis.

Summary

This section compares Adams County's availability of rental and for sale housing at different price levels by household income ranges. This exercise was conducted to examine:

- If rents are appropriate to meet the affordability needs of the county's renters;
- If renters can find housing to purchase that is affordable to them at their current income level; and
- The choices current owners have if they were to move within Adams County.

The analysis found the following:

Rental needs. The rental market in Adams County is tailored towards households earning between \$25,000 and \$50,000 in annual wages. Once households begin earning \$50,000, homeownership becomes more viable and many households become owners. Additionally, high-end rental units, such as those that exist in downtown Denver, are not yet available in Adams County.

- A shortage of 11,300 units exists for Adams County households earning less than \$25,000 and seeking apartments renting for \$225 to \$575 per month. Because not all of these households are homeless, many households are cost burdened while renting units at higher rental rates.
- Although a gap exists for high-end apartment units, most high-income residents of Adams County will own their own home, thereby decreasing the demand for units at that price range. Higher-income households may also opt for more affordable rental units to save money for purchasing a home.
- Most affordable rental units are located in older portions of Adams County, including Aurora and Federal Heights and the southern portions of Thornton and Brighton.

Homeownership needs. Adams County households consist primarily of homeowners. Renter households in Adams County will most likely become homeowners once it is financially feasible for them to do so. Additional homeowners will either come from job creation; households residing in the Denver region earning between \$50,000 and \$100,000 looking for an affordable house (perhaps their first house); or existing residents looking to upgrade to a larger or more expensive home.

Currently, the for sale market is out of balance at the most extreme ends of the income spectrum. Units are lacking for households earning less than \$25,000 (although these households are unlikely to become owners in most markets) and households earning greater than \$100,000. However, an abundance of homes exists for households earning between \$50,000 and \$100,000.

- In 2007, there were 13,759 detached residential units and 3,187 attached residential units on the market or sold in Adams County. Renters earning less than \$25,000 per year were able to afford 3 percent of the detached homes and 12 percent of the attached units. It is unusual to be able to purchase a home with an income of less than \$25,000, but it is possible in Adams County. In many cases, the sellers in the MLS were listed as banks or government entities, indicating the potential for a foreclosure. Homes that are affordable to these renters were often attached units with less than 1,000 square feet.
- Current owners who earn less than \$35,000 would find it difficult to move within Adams County's market and not be cost burdened, unless they have significant equity in their homes.
- Fifty-seven percent of Adams County's homeowners earn between \$35,000 and \$100,000. The housing market has been built to accommodate such households. Thus, these households would have little difficulty purchasing another affordable home within Adams County.
- Households earning more than \$100,000, which currently comprise 19 percent of Adams County's population, would have difficulty finding high-end homes if they are looking to upgrade within the county.

Methodology

The analysis in this section examines housing need across all income levels to identify mismatches in supply and demand for all households in Adams County. It reports the results of a modeling effort called a "gaps analysis", which compares housing affordability for households at different income levels to the supply of housing units affordable at these income levels.

The analysis used the most recent comprehensive data, which includes the following:

- Household projections from the Colorado Department of Local Affairs (DOLA) and household income ranges from the 2006 American Community Survey (ACS);
- The Apartment Association of Metro Denver, 4th Quarter 2007 (4Q07) Vacancy and Rent Survey;
- Data on subsidized rental units from the Adams County Housing Authority (ACHA) and individual municipalities; and
- Data on home resale from The Genesis Group-a consulting firm that maintains Metrolist data.

Defining affordability. Housing is "affordable" if no more than 30 percent of a household's monthly income is needed for rent, mortgage payments and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered cost burdened.

Housing programs generally focus on assisting lower-income populations. HUD divides low- and moderate-income households into categories, based on their relationship to the AMI: extremely low-income (earning 30 percent or less of the AMI), very low-income (earning between 31 and 50 percent of the AMI), low-income (earning between 51 and 80 percent of the AMI) and moderate-income (earning between 81 and 95 percent of the AMI). This section presents housing needs by both income range (e.g. \$25,000 to \$50,000) and AMI level.

Rental Affordability

The distribution of rental units by price for Adams County was based on the 4Q07 Apartment Association Vacancy and Rent Survey, which captured 13,085 units. Because the survey does not capture all of the subsidized units in the county, we obtained data on the affordability of ACHA units and affordable units overall from ACHA. A few assumptions were necessary to complete the rental distribution:

- The Apartment Association survey does not include detached, single family homes that are rented. However, the single family vacancy survey performed by Gordon Von Strogh for the Division of Housing reported a vacancy rate of 5.9 for single family homes for rent in Adams County for the 4th quarter of 2007, and an average monthly rent of \$1,095. Unfortunately, Gordon Von Strogh's survey did not present the number of units sampled to incorporate into the overall distribution of rental units in Adams County. Therefore, for the purpose of this analysis, it is assumed that rental rates for these single family homes are similar to the rates represented by the survey sample. Single family home rents are likely to be slightly higher than rents for an apartment of the same size, as shown by the average monthly rental rate of \$1,095. If the gaps analysis is affected by this assumption, it would occur at the higher end of the rent scale. Hence, the gaps analysis may have overestimated the mismatch between rental units and higher-income renter households.
- Market-rate units rented to tenants with Section 8 vouchers were adjusted to reflect the Section 8 subsidy making these units more affordable.
- The vacancy rate for all rental units—market-rate and subsidized—was assumed to be 6.8 percent.

What can households afford? Exhibit V-1 shows the affordability of rental housing by price range. Units are affordable if no more than 30 percent of a household's income is required to pay rent and utilities. For example, households earning less than \$10,000 per year could afford to pay a maximum of \$210 in rent each month (accounting for utility costs) to avoid being cost burdened.

**Exhibit V-1.
Affordable Rents by
Household Income Range,
Adams County, 2007**

Income Ranges		Maximum Affordable Rent
Low	High	
\$0	\$9,999	\$ 225
\$10,000	\$14,999	325
\$15,000	\$19,999	450
\$20,000	\$24,999	575
\$25,000	\$34,999	800
\$35,000	\$49,999	1,175
\$50,000	\$74,999	1,800
\$75,000	\$99,999	2,400
\$100,000	\$149,999	3,650
\$150,000 or More		3,651

Source:
BBC Research & Consulting.

Exhibit V-2 shows the estimated number of renter households in each income category in 2007, as well as with the number and proportion of rental units affordable to them.

**Exhibit V-2.
Households Compared to Rental Units, Adams County, 2007**

Income Ranges		Maximum Affordable Rent	Renters		Renter-Occupied Units	
Low	High		Number	Percentage	Number	Percentage
\$0	\$9,999	\$ 225	4,268	10%	1,375	3%
\$10,000	\$14,999	325	5,052	12%	1,375	3%
\$15,000	\$19,999	450	3,176	7%	283	1%
\$20,000	\$24,999	575	3,611	8%	1,720	4%
\$25,000	\$34,999	800	7,993	19%	14,981	37%
\$35,000	\$49,999	1,175	7,610	18%	16,775	42%
\$50,000	\$74,999	1,800	7,544	18%	3,474	9%
\$75,000	\$99,999	2,400	1,894	4%	83	0%
\$100,000	\$149,999	3,650	1,162	3%	0	0%
\$150,000 or more		3,651	693	2%	0	0%

Note: There are no market rate rental units affordable to households earning between \$0 and \$19,999. Units affordable to those income classes include Section 8 vouchers and Adams County Housing Authority (ACHA) units, which were then evenly distributed to the \$0 to \$9,999 and \$10,000 to \$14,000 income categories.

Source: BBC Research & Consulting.

Rental mismatch summary. Exhibit V-3 on the following page compares the supply of rental units to the number of renter households in each income category. The rental gap column identifies the shortages and excesses in the market—i.e., the rental unit mismatch. The gap analysis shows the following:

- In 2007, 4,268 renter households—10 percent of all renter households in Adams County—earned less than \$10,000. These households could only afford to pay a maximum \$225 per month in rent without being cost burdened. Adams County has approximately 1,375 units affordable to these renters and rental assistance vouchers—leaving a gap of 2,893 underserved households.
- Another 5,052 renter households (12 percent) need apartments with rents of less than \$325 to avoid being cost burdened. These households earn between \$10,000 and \$15,000 per year. In 2007, these renters had approximately 1,375 affordable units and vouchers available to them, leaving a gap of 3,677 underserved households.
- Households earning between \$15,000 and \$25,000 were underserved by almost 4,800 units priced between \$450 and \$575 per month.
- The rental market in Adams County has an abundance of units priced appropriately for households earning \$25,000-\$49,999 per year. In some cases, households earning less than \$25,000 are renting these units and paying more than 30 percent of their incomes to reside in them. This may be a preference or a necessity, because affordable units are unavailable.
- The market is also lacking for households earning more than \$50,000 per year. The rental market has not been developed to accommodate for this price point, contrary to the housing market, which is adequately stocked for this price point.

**Exhibit V-3.
Rental Gaps Analysis, Adams County, 4Q07**

Income Ranges		Maximum Affordable Rent	Number of Renters		Renter-Occupied Units		Rental Gap
Low	High		Number	Percentage	Number	Percentage	
\$0	\$9,999	\$ 225	4,268	10%	1,375	3%	-2,893
\$10,000	\$14,999	325	5,052	12%	1,375	3%	-3,677
\$15,000	\$19,999	450	3,176	7%	283	1%	-2,893
\$20,000	\$24,999	575	3,611	8%	1,720	4%	-1,891
\$25,000	\$34,999	800	7,993	19%	14,981	37%	6,988
\$35,000	\$49,999	1,175	7,610	18%	16,775	42%	9,165
\$50,000	\$74,999	1,800	7,544	18%	3,474	9%	-4,070
\$75,000	\$99,999	2,400	1,894	4%	83	0%	-1,811
\$100,000	\$149,999	3,650	1,162	3%	0	0%	-1,162
\$150,000 or more		3,651	693	2%	0	0%	-693

Note: There are no market rate rental units affordable to households earning between \$0 and \$19,999. Units affordable to those income classes include Section 8 vouchers and Adams County Housing Authority (ACHA) units, which were then evenly distributed to the \$0 to \$9,999 and \$10,000 to \$14,000 income categories.

Source: BBC Research & Consulting.

Single Family Affordability

This gaps analysis for the affordability of homes for sale was conducted to examine two facets of the for sale market:

- How easily renters at different income levels can afford to buy a home; and
- How easily current owners could afford to sell their current home and buy another home in Adams County.

The distribution of for sale units by price for Adams County was based on 2007 listings and sales of homes on the market in Adams County.

What can households afford? Exhibit V-4 shows what households at different income levels could afford to buy by price range¹. Units are affordable if no more than 30 percent of a household's income is required to pay both the mortgage payment, including taxes and insurance and utilities. For example, households earning less than \$10,000 per year could afford a home costing no more than \$33,304 (a tough price range within which to find a home).

Exhibit V-4.
Affordable Home Prices
by Household Income
Range, Adams County,
2007

Source:
BBC Research & Consulting.

Income Ranges		Affordable price
Low	High	
\$0	\$9,999	\$33,304
\$10,000	\$14,999	\$49,958
\$15,000	\$19,999	\$66,612
\$20,000	\$24,999	\$83,266
\$25,000	\$34,999	\$116,573
\$35,000	\$49,999	\$166,534
\$50,000	\$74,999	\$249,803
\$75,000	\$99,999	\$333,072
\$100,000	\$149,999	\$499,610
\$150,000 or More		\$499,611

← **Median Home Price: \$185,000**

Renter/for sale mismatch. Exhibit V-5 shows the estimated number of renter households in each income category in 2007, along with the number and proportion of homes affordable to them at that time. This shows how the overall market is able to serve Adams County renter households looking to buy, which is important, as renters in Adams County are likely candidates to become Adams County homebuyers.

A renter household, earning at least \$50,000, has an abundant choice of housing stock in the county. A maximum home price for renters earning between \$50,000 and \$75,000 per year is \$249,803. Households able to afford a \$250,000 home could purchase 69 percent of detached units and 92 percent of attached units in Adams County in 2007.

However, nearly 75 percent of Adams County renters earn less than \$50,000. For households earning less than \$20,000, virtually no detached products are available, and only 6 percent of all attached products are available at their affordability level. Households earning between \$20,000 and \$35,000

¹ Mortgage loan terms are assumed as 30-year fixed, 6.50 percent, 5 percent downpayment. The affordable mortgage payment is also adjusted to incorporate hazard insurance, and property taxes.

would most likely purchase an attached unit. Households earning between \$35,000 and \$50,000 could afford one-third of all detached units and two-thirds of all attached units. Although there is a mismatch between the percentage of renters at the lowest income level and the percentage of available units, Adams County offers an advantage over many Denver metro area communities in having many units available.

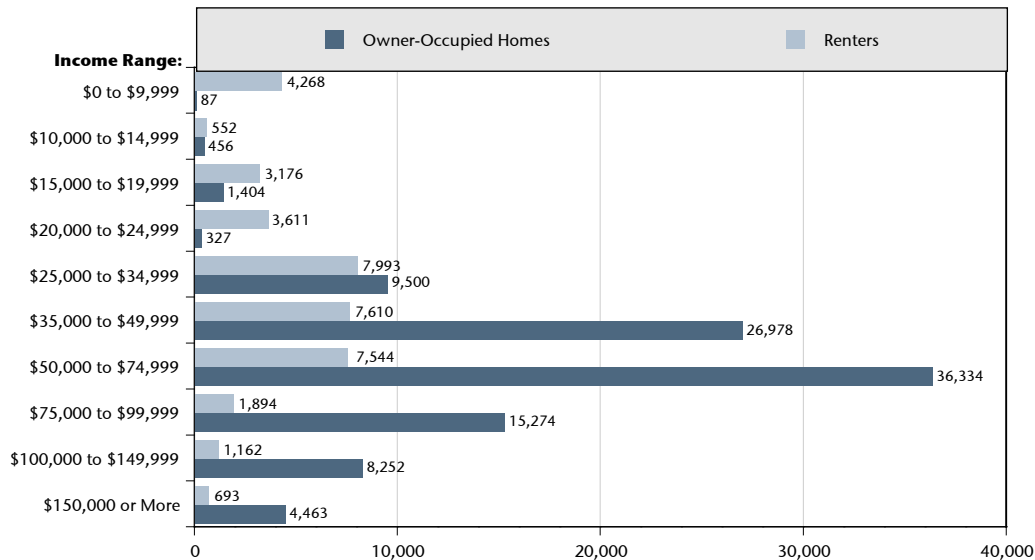
Exhibit V-6 shows how the renter population matches up with prices of all units, for sale and not for sale units, in Adams County's owner-occupied housing market². As demonstrated by the exhibit, once renter households begin earning \$35,000 or more, ample housing stock exists in Adams County. In addition, as seen in previous tenure data, \$50,000 triggers a shift from renter- to owner-occupied housing units. With such an abundance of homes priced for this income level, that is where renter households are able to find affordable homes to purchase.

**Exhibit V-5.
Comparison of Renters' Incomes to Affordable Ownership Housing, 2007**

Income Ranges		Max Affordable Price	Affordable Detached Homes				Affordable Attached Homes			
Low	High		Renters	Percentage	Number	Percentage	Cummulative Percentage	Number	Percentage	Cummulative Percentage
\$0	\$9,999	\$ 33,304	4,268	10%	2	0%	0%	12	0%	0%
\$10,000	\$14,999	\$ 49,958	5,052	12%	18	0%	0%	55	2%	2%
\$15,000	\$19,999	\$ 66,612	3,176	7%	102	1%	1%	123	4%	6%
\$20,000	\$24,999	\$ 83,266	3,611	8%	305	2%	3%	180	6%	12%
\$25,000	\$34,999	\$ 116,573	7,993	19%	996	7%	10%	526	17%	28%
\$35,000	\$49,999	\$ 166,534	7,610	18%	3,084	22%	33%	1,238	39%	67%
\$50,000	\$74,999	\$ 249,803	7,544	18%	5,033	37%	69%	788	25%	92%
\$75,000	\$99,999	\$ 333,072	1,894	4%	2,255	16%	86%	192	6%	98%
\$100,000	\$149,999	\$ 499,610	1,162	3%	1,258	9%	95%	64	2%	100%
\$150,000 or More		\$ 499,611	693	2%	706	5%	100%	9	0%	100%

Source: BBC Research & Consulting.

**Exhibit V-6.
Affordability of For Sale Market to Adams County's Renters, 2007**



Note: "Affordable owner-occupied housing" represents the price distribution of all owner-occupied units if these units were to be available for sale to renters.

Source: BBC Research & Consulting.

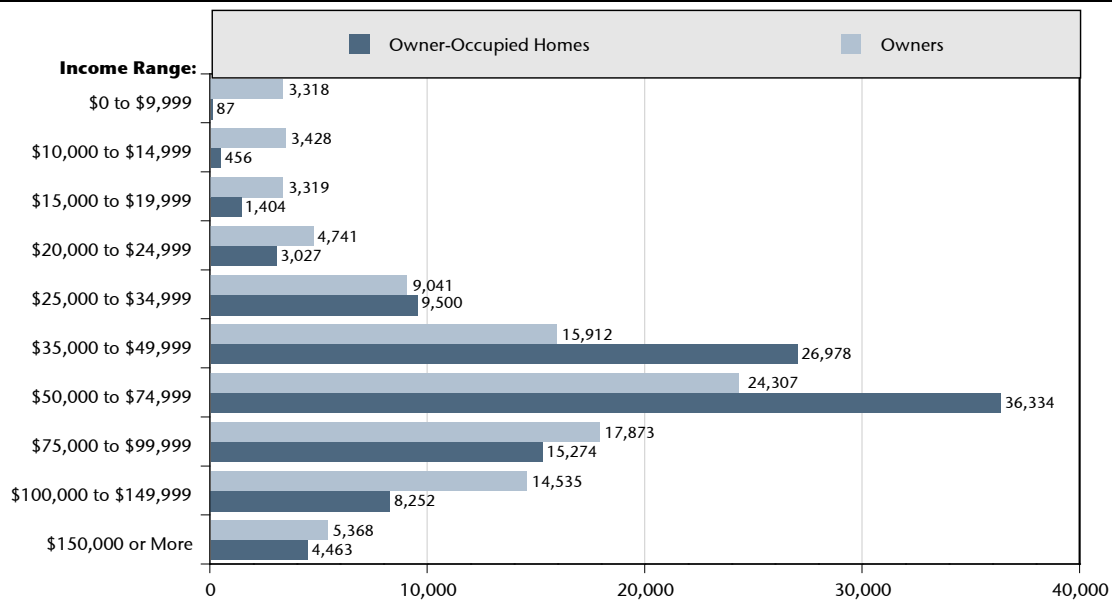
² This assumes the for sale market in 2007 was representative of the overall price distribution of owner-occupied housing.

Homeownership mismatch. Exhibit V-7 (table and graph) shows how Adams County’s owner population matches up with prices of all units in the county’s owner-occupied housing market. This analysis examines how easily current owners could move within Adams County. Low-income homeowners and high-income homeowners have little choice in available housing stock. Households earning between \$35,000 and \$75,000 have a sufficient supply from which to choose.

Because there are so many homes priced at approximately \$200,000 in Adams County, the issue for many households is not finding another similar affordable home, but rather, finding “upgrades” in the county that will provide additional space and amenities for their growing households. Thus, once a household earning \$75,000 that moved to Adams County to purchase their first home begins earning an income of more than \$100,000, they may opt to leave Adams County to find a greater supply of high-end housing stock elsewhere. Moreover, if the household’s jobs are not in Adams County, they have less reason to continue residing there.

**Exhibit V-7.
Homeownership Gaps Analysis**

Income Ranges		Max Affordable Price	Owners	Percentage	Owner-Occupied Homes	Percentage	Ownership Gap
Low	High						
\$0	\$9,999	\$ 33,304	3,318	3%	87	0%	-3,231
\$10,000	\$14,999	\$ 49,958	3,428	3%	456	0%	-2,972
\$15,000	\$19,999	\$ 66,612	3,319	3%	1,404	1%	-1,915
\$20,000	\$24,999	\$ 83,266	4,741	5%	3,027	3%	-1,714
\$25,000	\$34,999	\$ 116,573	9,041	9%	9,500	9%	459
\$35,000	\$49,999	\$ 166,534	15,912	16%	26,978	26%	11,066
\$50,000	\$74,999	\$ 249,803	24,307	24%	36,334	34%	12,027
\$75,000	\$99,999	\$ 333,072	17,873	18%	15,274	14%	-2,599
\$100,000	\$149,999	\$ 499,610	14,535	14%	8,252	8%	-6,283
\$150,000 or More		\$ 499,611	5,368	5%	4,463	4%	-905



Source: BBC Research & Consulting.

Homeownership mismatch summary. The homeownership gaps analysis exercise identified the following mismatches in Adams County’s current market:

- In 2007, there were 13,759 detached units and 3,187 attached units on the market for Adams County renters to purchase. A renter household earning less than \$25,000 would most likely purchase an attached unit, as only 3 percent of detached units would be affordable to a household at this income level, compared to 12 percent of attached units. Once a household began earning \$50,000 or more, both detached and attached units become amply available (69 percent of detached units and 92 percent of attached units are affordable).
- Current owners who earn less than \$25,000 would find it difficult to move within Adams County’s market and not be cost burdened, unless they have significant equity in their homes.
- An abundance, and perhaps an oversupply, of homes are available for households earning between \$35,000 and \$75,000. However, once households begin earning more than \$75,000, or an affordability level of \$333,000, their options decrease. Once homeowners reach a higher level of affordability, their desire for a newer or larger home with more space may become greater.

Mismatch by AMI. Exhibit V-8 presents the gaps/mismatch analysis using the AMI categories for income ranges. It shows data for both rental and homeownership housing.

Exhibit V-8.
Gaps Analysis by AMI, Adams County, 2007

	Renters	Percentage	Rental Units	Percentage	Rental Gap
Area Median Income (AMI) = \$71,400					
0-30% (0 to \$21,420)	13,522	31%	916	2%	-12,605
31-50% (21,421 to \$35,700)	10,933	25%	19,104	49%	8,170
51-80% (\$35,701 to \$57,120)	9,403	22%	16,394	42%	6,990
81-95% (\$57,121 to \$67,830)	3,232	8%	1,491	4%	-1,741
96-120% (\$67,831 to \$85,680)	2,973	7%	1,035	3%	-1,938
121-150% (85,681 to \$107,100)	1,250	3%	46	0%	-1,203
151% and above (more than \$107,100)	1,690	4%	0	0%	-1,690
	Owners	Percentage	Ownership Units	Percentage	Ownership Gap
Area Median Income (AMI) = \$71,400					
0-30% (0 to \$21,420)	11,412	11%	1,854	2%	-9,558
31-50% (21,421 to \$35,700)	13,178	13%	12,440	12%	-738
51-80% (\$35,701 to \$57,120)	22,092	22%	38,656	37%	16,564
81-95% (\$57,121 to \$67,830)	10,414	10%	15,836	15%	5,422
96-120% (\$67,831 to \$85,680)	14,606	14%	17,296	16%	2,690
121-150% (85,681 to \$107,100)	12,301	12%	9,238	9%	-3,063
151% and above (more than \$107,100)	17,839	18%	10,455	10%	-7,384

Source: BBC Research & Consulting.

Affordability by Community

Adams County is comprised of a number of communities whose parts or entirety is confined by the county's borders. Each community has carved out a housing niche with which it serves the county's residents. Exhibit V-9 displays median home prices for the incorporated municipalities in Adams County.

Exhibit V-9. Median Re-sales, Attached and Detached Housing by Municipality, Adams County, 2007

	Total Median Price	Difference from Adams County	Median Price Attached	Difference from Adams County	Median Price Detached	Difference from Adams County
Arvada	\$ 209,000	\$ 24,000	\$ 154,950	\$ 10,050	\$ 219,900	\$ 20,000
Aurora	\$ 129,900	\$ (55,100)	\$ 105,500	\$ (39,400)	\$ 133,200	\$ (66,700)
Bennett	\$ 244,900	\$ 59,900	\$ 93,000	\$ (51,900)	\$ 252,500	\$ 52,600
Brighton	\$ 223,000	\$ 38,000	\$ 141,950	\$ (2,950)	\$ 234,900	\$ 35,000
Commerce City	\$ 185,000	\$ -	\$ 160,919	\$ 16,019	\$ 189,900	\$ (10,000)
Federal Heights	\$ 150,000	\$ (35,000)	\$ 125,000	\$ (19,900)	\$ 158,100	\$ (41,800)
Northglenn	\$ 179,000	\$ (6,000)	\$ 164,900	\$ 20,000	\$ 180,000	\$ (19,900)
Thornton	\$ 199,900	\$ 14,900	\$ 144,500	\$ (400)	\$ 224,000	\$ 24,100
Westminster	\$ 215,000	\$ 30,000	\$ 164,400	\$ 19,500	\$ 242,500	\$ 42,600
Unincorporated Adams	\$ 177,000	\$ 8,000	\$ 115,000	\$ (29,900)	\$ 185,000	\$ (14,900)

Source: BBC Research & Consulting.

Despite having the least expensive attached median price, Bennett had the highest overall median home price, as Bennett's single family, detached units had a median price that exceeded the county's by over \$50,000. Bennett's proximity in eastern Adams County allow for larger lots, which most likely increase the sales price for many of its homes.

Westminster, Thornton and Brighton provide the county with a mix of high-end, detached units in the northern (and newer) portions of their jurisdictions, as well as a higher quality attached product. Aurora, Commerce City, Northglenn and Federal Heights are seen as the county's provider of affordable housing options.

However, when looking at the total volume of affordable units, Westminster and Thornton provide Adams County with a substantial portion of the county's affordable housing options. Of the detached units affordable to households earning 80 percent or less of the AMI (\$51,120) in the nine communities in Adams County, 67 percent of those units were located in Thornton and Westminster. Although Thornton and Westminster are seen as the provider of high-end housing stock in Adams County, they have a large housing stock comprised of a variety of products available to lower-income segments of the population as well. Exhibit V-10 presents the location by municipality of affordable units.

**Exhibit V-10.
Location of
Attached
and Detached
Affordable Units,
Adams County,
2007**

Source:
BBC Research & Consulting.

	Affordable to 50% AMI		Affordable to 80% AMI	
	Number of Units	Percent of Total Affordable	Number of Units	Percent of Total Affordable
Detached Units				
Arvada	1	0%	3	0%
Aurora	422	31%	121	7%
Bennett	24	2%	5	0%
Brighton	62	5%	28	2%
Commerce City	419	30%	36	2%
Federal Heights	32	2%	7	0%
Northglenn	7	1%	27	1%
Thornton	152	11%	264	14%
Westminster	43	3%	214	12%
Unincorporated	215	16%	1143	62%
	Affordable to 50% AMI		Affordable to 80% AMI	
	Number of Units	Percent of Total Affordable	Number of Units	Percent of Total Affordable
Attached Units				
Arvada	24	0%	32	1%
Aurora	1083	22%	180	8%
Bennett	84	2%	5	0%
Brighton	497	10%	181	8%
Commerce City	907	18%	177	8%
Federal Heights	80	2%	18	1%
Northglenn	445	9%	177	8%
Thornton	1081	22%	919	39%
Westminster	523	11%	471	20%
Unincorporated	216	4%	177	8%

SECTION VI.
Recommendations

SECTION VI.

Recommendations

This section contains recommendations for how Adams County and the municipalities within the County can better address unmet housing needs. Development of these recommendations was a collaborative effort, involving the Balanced Housing Plan Committee (Steering), comprised of representatives from every municipality in Adams County and Adams County overall, and BBC Research & Consulting (BBC), the authors of the Balanced Housing Plan.

The Steering Committee met monthly, and provided the project team with data and suggestions for the overall direction of the study, in addition to substantial contribution in developing the study's recommendations. The organizations represented on the Committee include:

- Adams County Community Development;
- Adams County Economic Development;
- Adams County Planning and Development;
- Adams County Housing Authority;
- Adams County Workforce and Business Center
- City of Aurora;
- Commerce City Housing Authority;
- City of Brighton;
- City of Commerce City;
- City of Federal Heights;
- City of Thornton;
- City of Northglenn;
- City of Westminster;
- Regional Economic Advancement Partnership (REAP); and
- Town of Bennett.

The committee also worked with the Home Builders Association of Metro Denver (HBA) to ensure recommendations did not present barriers to the development community. The HBA provided additional recommendations to the committee, which were considered and incorporated into this study.

Why address needs?

Adams County is poised to be a major player in the Denver metro area's future employment and population growth. It should capitalize on this opportunity by creating a truly sustainable environment for residents who both live and work in the County.

If current trends continue, the county is well positioned to provide housing for most of its new workers through 2015, assuming Adams County's employment distribution remains the same. Workers with the lowest paying jobs—retail, services, housekeeping—will struggle to find affordable rentals, however.

One option for any city or county is to not address existing needs and be content with the status quo. In Adams County, the consequence of the “do nothing” scenario would be that the County's future workforce may struggle to find a place to live—both on the lowest and highest ends of the income spectrum.

To the extent that the county would like to create a better housing balance by “closing the gap” of existing housing needs and encouraging shorter commutes for residents, it will need a different development strategy in the future. This means developing deeply subsidized rentals, as well as executive-style housing, along with creating more “lifestyle” communities where residents can live, work and shop within a reasonable radius.

This section of the study outlines our recommendations to better meet existing and future housing needs through a variety of means, including housing production goals, identifying housing opportunity areas, revisions to development policies and implementing new tools for affordable housing.

Not all recommendations will be applicable to all Adams County communities. Recommendations were presented to the county, and individual communities are encouraged to choose the recommendations that best meet their needs.

Current and Future Needs

The housing stock in Adams County is currently geared towards middle-income households that reside in Adams County and either work within moderately-waged industries present in Adams County, or who have begun careers in surrounding counties. The greatest *existing* needs are twofold:

Rental needs. The rental market in Adams County is tailored towards households earning between \$25,000 and \$50,000 in annual wages. Once households begin earning \$50,000, homeownership becomes more viable and many households become owners. Additionally, high-end rental units, such as those that exist in downtown Denver, are not yet available in Adams County.

A shortage of 11,300 units exists for Adams County households earning less than \$25,000 and seeking apartments renting for \$225 to \$575 per month. Because not all of these households are homeless, many households are cost burdened while renting units at higher rental rates.

Homeownership needs. Currently, the for sale market is out of balance at the most extreme ends of the income spectrum. Units are lacking for households earning less than \$25,000 (although these households are unlikely to become owners in most markets) and households earning greater than \$100,000. However, an abundance of homes exists for households earning between \$50,000 and \$100,000.

The primary scenarios likely to exist for **current residents** in the future include:

- Many middle-income households residing in Adams County will stay in similarly priced housing for the duration of their homeownership tenure. Unless these households have substantial equity in their homes and use this equity to buy more expensive homes, they are likely to stay put, as surrounding communities fail to offer competitive housing products at the price points they need.
- Renters earning less than \$35,000 per year wanting to buy in Adams County will have trouble finding affordable, detached, single family homes to buy. However, they are more likely to find affordable housing in Adams County than in surrounding counties. Renters earning \$50,000 will have more options, and future buyers earning more than \$50,000 will have broad choices in the for sale market.
- Another scenario exists for households that moved to Adams County to purchase an affordable home while working in jobs in higher-paying industries located in Broomfield and Denver counties. If these households advance to higher-waged positions, their desire to graduate to more expensive housing units may follow. Currently, a shortage of higher-end housing exists to serve households in this situation.

Future residents will rent or purchase housing in Adams County to be close to work, to move to a community in which they have a connection (family, schools) and/or because the county offers a housing product that is harder to find in surrounding communities. Many factors influence household preferences to live in a community. The overriding constraint, however, is affordability. Adams County offers an ample supply of housing stock priced to serve households earning an annual income of between \$50,000 and \$100,000, which is likely to be adequate to serve future workforce if current development trends continue. The county's gaps are in providing higher-end housing to residents who want to move up, as well as to its lowest income renters who need housing subsidies for housing to be affordable, given their low-wage jobs.

In the future, the amenities and future job opportunities Adams County offers to its residents will create a comparative advantage over counties like Denver and Broomfield if higher-end housing stock is erected to match that of nearby counties and is done-so in a more affordable way. On the other end of the spectrum, if the county narrows its gap in providing affordable rental housing to its lowest income residents and workers, it can achieve a better housing balance for all residents—regardless of income, education and occupation.

The full extent of the current downturn in the housing market and economic recession is unknown. Homeownership and rental needs will be affected by the downturn and recovery of the housing market; however, it is unlikely that prices will drop so much that all households that currently have needs will be able to afford a home or apartment.

Recommendations

1. Set rental production goals. The County should set a goal for production of affordable rental units in the next 10 years. It should monitor these goals annually.

To reduce its current rental gap of 11,000 units by up to 50 percent and meet future needs (especially given employment growth in lower paying retail and service sector jobs), the County should produce an average of 500 affordable rental units per year.

In the past, the Adams County Housing Authority has had a goal of producing 200 units per year; this goal, combined with the efforts of others, indicates that an average of 500 units per year is ambitious, but doable.

Opportunity areas for rental units. The County needs to be strategic in its placement of deeply affordable rental units. We recommend the following guidance for location of deeply affordable rental units:

- Avoid areas with existing concentrations of low income residents
- Utilize infill to the extent that sites are not located in existing areas of low income concentration. Infill areas would be appropriate for rental developments that are mixed income.
- Utilize existing use consisting of dilapidated commercial properties which neighborhood groups want to see revitalized.
- Place near transit sites.
- Integrate deeply subsidized rentals into mixed income housing in areas with moderate to high revitalization needs.
- Make deeply subsidized rentals part of new developments in high growth areas near employment growth areas close to DIA and commercial growth with jobs in services, retail and food/beverage.

2. Target development opportunities to meet housing needs. As part of the housing study, Clarion Associates analyzed the development opportunities in Adams County related to meeting the County's housing needs determined in this study. These areas were identified through interviews with planning and housing professionals in the County and municipalities in the County. These areas were mapped on a broad scale, comprised of general areas and corridors, rather than specific parcels of property.

We grouped the development opportunities into three categories:

1) Opportunities to spur economic growth and revitalization—*underutilized areas*¹. These locations, as shown on Map 1, are where mixed income housing and low cost rentals should occur. These sites contain existing structures that are underutilized and are ripe for redevelopment and/or are near future FasTrack stations.

Many of the redevelopment sites are historically commercial properties located in the cores of existing communities such as Commerce City, Northglenn, and Thornton. Specific efforts should be made to incorporate a mix of uses, including medium to higher density housing (with a mix of low cost and market rate units), as part of future redevelopment efforts.

Sites within a half mile of future FasTrack stations are projected to grow tremendously as transit-oriented developments. Higher density mixed income housing and low cost rentals should be located in these areas because of their convenient locations adjacent to future transit.

The areas south of 88th Avenue contain higher concentrations of existing lower income housing. As such, infill in these areas should contain a mix of low cost and market rate housing. Adding households to these areas, particularly those with moderate incomes, will increase the demand for services and spur economic growth and neighborhood revitalization.

2) Opportunities to address workforce housing needs—*future employment growth areas*². Areas identified on Map 2 as “New High-Growth Development Areas” are high growth residential areas that are located in close proximity to centers of future employment growth.

Much of the projected new growth in residential and employment is located along the fringe of urban areas, such as the E-470 corridor. Development of these areas should incorporate a mix of housing types and prices to reduce traffic congestion and build balanced communities around employment centers. Since these are areas of new construction, the mix of housing, product and style and range of price points can be planned in advance. For example, a development might contain lower cost and subsidized rentals along high density corridors along with higher-priced, executive housing on larger lots adjacent to amenities.

As demonstrated in Section IV of this report, it will be difficult for workers employed in retail and services to afford new housing unless a range of prices are available. It is therefore critical that areas of new employment growth include lower cost housing; otherwise, workers in essential and lower paid professions will drive across the County because they will be unable to live near their workplaces.

¹ See Exhibit VI-1: Low Income overlaid with Prime Redevelopment opportunities and high Growth FasTrack areas.

² See Exhibit VI-2: Employment growth overlaid with new high growth areas.

3) Opportunities to diversify housing stock and spur revitalization—*high growth residential areas*³. Map 3 identifies areas that provide opportunities for newly constructed, mixed income housing. These are sites that are projected to experience new high residential growth or are prime for redevelopment. Development or redevelopment of these sites with mixed-income housing will support the revitalization of lower income areas with high redevelopment potential **and** build balanced housing communities for all income levels in new growth areas. Again, new development and redevelopment projects in high growth and redeveloping areas should incorporate a mix of uses, including medium to high density housing.

3. Establish a land bank. Land banking is a program whereby land is acquired by a division of government or nonprofit with the purpose of developing affordable/workforce housing or engaging in revitalization activities. After a holding period, the land is sold to a nonprofit or private developer, often at a price lower than market, who agrees to specified land use conditions (e.g., creation of affordable/workforce housing).

Land bank programs can serve dual purposes. While some programs are created solely for the acquisition of land for future affordable housing development, others have broader long-term community planning goals. In distressed communities, land banking programs allow cities to acquire vacant and underperforming parcels to be catalysts for redevelopment, and to benefit from increased tax revenues from the properties. In communities with rapidly rising land costs, land banking programs promise a long-term savings to taxpayers: for example, when public buildings need to be constructed, they can be built at less than the current market cost due to the earlier acquisition of the property by the land bank.

The County should establish a regional land bank to which private property may be donated (with potential tax benefits) and public property may be purchased and held for future affordable housing development. The County can also purchase appropriate parcels to add to the land bank as they become available. The County should explore partnerships with the school district, municipalities, utility companies and other public landowners to donate the land for affordable housing in exchange for a certain proportion of the units that have first right of refusal to public sector employees (e.g., teachers).

4. Consider the following changes to development policies. In interviews conducted with planners during the course of this study, several barriers to affordable housing development in Adams County communities were identified. The common themes included:

- Limited use of incentives and tools for affordable housing;
- Restrictions on accessory dwelling units (ADUs) and challenges with integrating them into existing developments;
- Improving code enforcement and the overall perception of affordable housing; and
- Lack of successful examples of mixed income, workforce housing developments.

³ See Exhibit VI-3: Low Income overlaid with new high growth areas and prime redevelopment opportunities.

The development community also weighed in on development policies, and in addition to echoing the themes listed above (especially the need for incentives), they recommended that Adams County communities promote predictability and transparency in the development approval process, and give advance notification of fee increases so that they can prepare for increased costs.

To help reduce and remove these barriers to affordable housing development, a variety of development policy tools and successful examples are described in the following sections.

Tools for affordable housing. It is important for the County and its municipalities to review basic governmental regulations to ensure that they are not inadvertently preventing affordable housing opportunities. It is also important for them to explore incentives that could spur production of more affordable housing. The following tools for affordable housing range from removal of regulatory barriers that can be tailored to each community's development regulations, to mandatory requirements that could apply to all development within a community. It is suggested that the County and its municipalities begin with removing regulatory barriers and offering incentives to promote affordable housing, before imposing mandatory regulations.

Removing Regulatory Barriers

- Add provisions for Accessory Dwelling Units (ADUs) in residential and mixed-use districts;
- Remove or reduce restrictions on housing types in residential zone districts;
- Allow small lot development (with design standards) in appropriate districts;
- Add provisions for staff waivers (administrative review) for minor adjustments of use, density, and dimensional standards for workforce and affordable housing projects;
- Remove or reduce dimensional standards that restrict affordable housing (e.g. lot widths, large minimum lot sizes);
- Rezone to allow mixed-use development by-right in appropriate locations near public transportation and within activity centers;
- Permit manufactured housing in residential districts;
- Develop flexible design standards (e.g. provide a list of options for developers to “select” from rather than mandatory requirements); and
- Encourage low-water use and xeric landscaping to reduce water costs, possibly through incentives such as reduced tap fees for irrigation purposes or other methods.

Development Incentives

- Reduce, offset or waive development impact fees based on the percentage of affordable units (some communities set an annual limit or “cap” to the amount of fee reduction for increased predictability);
- Expedite the development review and building permit process for affordable housing projects;

- Donate or sell publicly owned land at a discount;
- Utilize CDBG support for infrastructure costs; and
- Allow affordable units and ADUs as bonus density units when included within projects (e.g., do not count against permitted density).

Mandatory Requirements

- Link fees and/or requirements to non-residential development that generates additional workforce housing demand;
- Require a variety of unit sizes in multi-family developments;
- Impose inclusionary housing requirements on residential development to construct or pay a fee in-lieu for affordable units.

Integration of accessory dwelling units. Accessory Dwelling Units (commonly referred to as ADUs, carriage houses, and granny flats) are self-contained apartments that are incidental to single-family homes. They can either be attached to the principal dwelling (either inside or linked together) or in located in a separate structure on the same property. ADUs can provide living quarters for family members or caretakers, or depending on regulations, can be rented out to provide additional income to homeowners. In such instances, ADUs not only make homeownership more affordable, but they can also provide low-cost rental opportunities within existing neighborhoods, in locations convenient to employment and community amenities.

Through the interviews we heard that many communities are interested in Accessory Dwelling Units (ADUs), but they do not have the information or tools to initiate conversations about changing existing regulations to allow them. While it may be unrealistic to revise development regulations to permit ADUs in all zoning districts, considerations should be made to allow them in mixed-use districts and residential districts with medium to high densities, at a minimum. Incorporation of ADUs into existing lower density districts (especially those without alleys) can be challenging, but with appropriate design standards they can be integrated successfully and provide additional housing in convenient locations. For example, on suburban lots with street-loaded driveways it may work to permit ADUs in basement apartments or remove off-street parking requirements for ADUs to prevent additional driveways.

Some Colorado communities that allow ADUs in one or more zoning districts are Arvada, Grand Junction, Denver, Fort Collins, Longmont, and Boulder.

Arvada recently adopted regulations permitting ADUs and has a nice video outlining the community benefits of ADUs and the city's application process. The video is available at: http://arvada.org/about-arvada/videoshow/?v=LlDb2iG5p04&f=gdata_videos

In Grand Junction, there are two categories of accessory dwellings: accessory dwelling units and residential sub-units. Residential sub-units are located entirely within the principal structure, while accessory dwelling units are either free-standing units or attached to the principal structure. Standards for regulating such units include a requirement for owner occupancy in the principal or accessory unit, minimum lot size, shared utility meters, off-street parking, minimum and maximum

floor area, locational requirements, and site plan review. More information about Grand Junction accessory dwelling units can be found at: <http://www.gjcity.org/CityDeptWebPages/CommunityDevelopment/DevelopmentServices/Code/UpdateOct2008/Chapter%204.pdf>.

Similar to Grand Junction, Fort Collins also divides ADUs into two categories, which are permitted in a limited number of zone districts: accessory buildings without habitable space and accessory buildings with habitable space. “Habitable space” is defined as any building with water and/or sewer services or intended for human occupancy. Accessory buildings without habitable space are not permitted to have cooking facilities (thus they are incidental to the principal dwelling unit) while accessory buildings with habitable space can function as stand-alone dwelling units. Standards to regulate accessory buildings include maximum floor area, building and eave height, off-street parking, shared utilities, landscaping, and access. Information about Fort Collins accessory buildings is located at: <http://www.colocode.com/ftcollins/landuse/article4.htm#div4d8>.

Attached or detached ADUs are permitted in several zone districts in Denver, subject to standards regarding occupancy, floor area, locational requirements, lot coverage, shared utilities, and architectural compatibility. More information about Denver ADU requirements can be accessed at: <http://www.municode.com/resources/gateway.asp?pid=10257&sid=6>.

When developing ADU regulations, Adams County communities should pay specific attention to utility metering and building code requirements. Most successful ADU programs allow shared water, sewer and/or electric utilities between the principal and accessory dwelling units, because the tap fees associated with new dwelling units often render separate utility services for ADUs as cost-prohibitive. Likewise, building code regulations need to be reviewed to and incorporated to ensure compatibility between unit design and construction requirements.

Additional online resources for the development of ADU regulations include:

- ***Massachusetts Smart Growth/Smart Energy Toolkit***—http://www.mass.gov/envir/smart_growth_toolkit/pages/links.html#ADU;
- ***City of Santa Cruz***—<http://www.ci.santa-cruz.ca.us/pl/hcd/ADU/adu.html>; and
- ***www.HousingPolicy.org Toolbox***—http://www.housingpolicy.org/toolbox/strategy/policies/diverse_housing_types.html?tierid=42.

Improving public perception and code enforcement. One of the major barriers to providing affordable housing is overall community resistance when workforce and affordable housing is proposed in or near existing neighborhoods. Much of this resistance centers on perceptions about lower income households, and issues with code enforcement and property maintenance.

In our investigations, we heard that workforce housing often carries a negative connotation or stigma when identified as a housing “project”. Therefore, it may be helpful to consider ways to market workforce housing in a positive manner, with steps to create a positive image and identification in the community.

In order to improve public perception of affordable housing it may be necessary for the County to undertake an outreach campaign. One successful example public outreach is the “Faces and Place of Affordable Housing” campaign by the City of Fort Collins, Colorado www.fcgov.com/affordablehousing⁴. A series of posters were developed, which feature pictures wages, and stories of the community’s teachers, retail workers, firefighters and others. This campaign is intended to help the larger community understand local affordable housing issues and the people impacted.

A successful outreach campaign should not only highlight the “faces” of affordable and workforce housing, but it also needs to emphasize the benefits the community for providing balanced housing, and the steps that must be taken in order to achieve that balance. Community-wide benefits for providing balanced housing include:

- Reduced transportation congestion (allows people to live closer to their places of work)
- Economic development (employers can draw from a diverse workforce, and are attracted by locations with a range of housing options for workers)
- Economic stability and strength (people who live and work in the same community spend their money locally)
- Economic and social diversity and integration
- Community engagement (living and working in the same community promotes a sense of belonging, and less time devoted to transportation to/from employment means more time for community volunteering and involvement)

To address code enforcement concerns, the City of Northglenn has instituted the “Clean Sweep” program since 2005 —www.northglenn.org⁵. This program involves house by house inspections for code violations for the entire community. While larger communities may find comprehensive property inspections unrealistic, the program could be tailored to select areas, rotated to different areas annually, or be transformed into a community partnership with neighborhood groups or homeowners’ associations.

The City of Thornton started a pilot program for graffiti removal that will remove graffiti from residential property at no cost to the owner. Residents that have graffiti on residential fences, retaining walls, garages and sheds that are adjacent to City streets, alleys, parks and trails are eligible for this program.

Other successful code enforcement and property maintenance initiatives include graffiti removal task forces and hotlines, landlord/tenant training to prevent problems that may arise with rental housing, neighborhood clean-up events and grants, and rental housing registration programs.

⁴ <http://www.fcgov.com/affordablehousing/faces-places-posters.php#2>

⁵ <http://www.northglenn.org/p369.html>

Providing successful mixed-income workforce housing. Many of the planners interviewed noted that while they understand the need to incorporate mixed-use development with mixed-income and workforce housing, they face challenges due to a lack of private financing for projects and lack of successful regional examples.

Fort Collins, Colorado has some nice examples of small-scale mixed-use and mixed-income infill developments which include:

- Mason Street North;
- Cherry Street Lofts; and
- West Park Apartments.

Another good resource to use for guidance of mixed-use and mixed-income infill and redevelopment is the Refill Fort Collins report, available online at www.fcgov.com⁶. This document examines eight case studies and provides lessons learned and recommendations for future projects.

Recommended course of action. To this end, we recommend that the County develop the “gold standard” of incentives to encourage affordable housing development. This gold standard should include deep incentives for the provision of the most affordable housing units, ideally integrated into market rate developments. The County should then work with its municipalities and encourage them to adopt similar incentives so all municipalities are on a level playing field and to support the dispersion of affordable housing throughout the County. In addition, the County should revise its regulations to encourage mixed-use development and ADUs in most zone districts, and also promote such revisions in its municipalities. Finally, the County may need to amplify its efforts in improving the perception of affordable housing and proactively encourage code enforcement throughout the County and all municipalities.

5. Establish a housing trust fund. A top priority of the County should be to establish a housing trust fund in the next two to three years. Housing trust funds are specific funds that are developed by legislation, ordinance or resolution to dedicate a source of public revenues to affordable housing activities. There are now more than 500 housing trust funds at the local and state level.

Housing trust funds determine how the funds generated will be used (e.g., downpayment assistance v. new construction). The trust funds are usually governed by a board of directors, which has a role in determining the allocation process.

The two main benefits of housing trust funds are: 1) The cost of affordable housing is shared throughout the community, supporting the idea that affordable housing is a community benefit; and 2) The dollars can be used for a variety of affordable housing activities and can be tailored and changed to meet the needs of the market.



Figure 1: Mason Street North (Wonderland Hill Development)



Figure 2: Cherry Street Lofts (Lockwood Architects)



Figure 3: West Park Apartments (Maxiimo Development)

⁶ <http://www.fcgov.com/currentplanning/pdf/refill-final.pdf>

Housing trust funds can be established through a variety of revenue sources. In recent years, the most successful trust funds have been those that have been funded by community wide sources (e.g., taxpayer dollars) such as general fund contributions, general obligation bonds or property tax increases.

- **General fund contributions**—Annual contributions from a local or state general fund.
- **General obligation bonds**—General obligation bonds (GO bonds) are bonds issued by municipalities that are repaid through a variety of revenue sources, mostly tax revenues. The benefit of GO bonds for affordable housing projects (rather than revenue bonds) is that the projects they fund are not expected to generate the revenue necessary to repay the debt. Therefore, the funds raised through a GO bond issue can be used for grants to develop affordable housing, enabling greater subsidies.
- **Property tax**—A dedication of residential and commercial property taxes to trust fund revenues.
- **Real estate transfer tax**—A percentage imposed on the sale of real estate, sometimes only imposed on high-cost homes. For example, a ¼ of a percent fee would mean that \$1,250 is added to closing costs of a \$500,000 home. Who pays the fee (buyer or seller) is usually negotiated as part of the sale.
- **Sales tax**—A dedication of a portion of sales tax to trust fund revenues.
- **User taxes/fees** (parking garage, hotel)—Fees tacked on to parking or lodging costs.
- **Document recording fees**—Fees tacked on to the recording of real estate documents (e.g., deed of trust).
- **Cash-in-lieu payments**—Made by developers to satisfy inclusionary zoning requirements on new development. Usually, the per unit amount paid is equal to the subsidy required to “buy down” a market rate unit to make it affordable. This is multiplied by the number of units the developer is required to include in its development plan. For example, if 10 percent of units were required to be affordable and the developer built a 200 unit development, he/she would pay 20 (10 percent of 200) multiplied by the cash-in-lieu amount per unit.
- **Permit fees on development/development impact fees**—Lump sum fees paid on a per unit basis by developers of new residential housing. Often waived for affordable units.
- **Linkage impact fees**—Fees paid by construction of new commercial property to mitigate the housing needs of the employees that will be needed when the commercial property is built. Usually applied on an employee per square feet of commercial space basis. Requires a “nexus” study, or a demonstrated connection between the construction of the commercial property and the need for employee housing.

The Trust Fund should be structured so it can accept donations and enable the contributor to receive a tax benefit. The Trust Fund should also contain a revolving component (e.g., low interest loans that are repaid) in addition to offering grant funds so that a portion of the Fund is replenished over time.

6. Strengthen the network of housing assistance. The County currently has a variety of rehabilitation and weatherization programs available to residents. In the housing condition survey we did for this study, it became apparent that residents are confused about which programs are available to them. The County could use a central brochure and/or website that describes the various rehab programs, eligibility criteria and give contact information for the program managers. This could also be used for other housing programs, such as subsidized rentals and downpayment assistance programs.

The County should take the lead on designing such a brochure and website and work with its municipalities to put information about each of their programs on the website, along with links to their applications. The brochure/website should also include a matrix that compares each of the programs and provides summary information on eligibility/income levels, allowed improvements, jurisdiction boundaries, etc.

The San Diego Housing Commission has nice examples of both brochures⁷ and website resources⁸ at www.sdhc.org.

The County and cities that have rehab programs need to explore leveraging opportunities—e.g., partnering with Home Depot, Lowe’s or other major suppliers to sponsor rehab programs in exchange for advertising on the website and/or brochure. At the time this report was being produced, a group was being formed to explore home rehabilitation needs and resources. The County should have a member attend these meetings regularly. As the economy improves, the County or this committee, if appropriate, should approach major suppliers to investigate sponsorship opportunities.

7. Explore water and energy efficient products and cost savings. Reducing utility costs of low income renters and homeowners can go a long way to helping them have more affordable housing costs, and retrofitting and increasing the efficiency of existing dwelling units can be less expensive than constructing new units. Likewise, the construction of new dwelling units should incorporate the latest water and energy efficiency technologies and best practices to establish low rates of usage for individual units and common areas.

The County (with the help of participating municipalities) should develop and maintain a comprehensive resource list of programs and funding mechanisms (e.g. Xcel energy rebates, tax credits, mortgage interest reductions) available to county residents, developers, and governmental agencies for increasing efficiency and promoting conservation. In addition, the County and its municipalities should actively promote the retrofitting of existing developments, and/or integration these technologies into new developments. The Colorado Governor’s Energy Office has a wealth of information about energy efficiency and renewable energy programs available to communities and homeowners: <http://www.colorado.gov/energy/>. A good list of state, local, utility, and federal incentive programs is online at: <http://www.dsireusa.org/index.cfm?EE=1&RE=1>.

⁷ <http://www.sdhc.org/pdfdocs/AffordableHousingResourcesGuide.pdf>

⁸ <http://www.sdhc.org/hahelpfix1.shtml>.

The recent Federal stimulus package (Recovery Act) includes \$16.8 billion for the Department of Energy (DOE) Office of Efficiency and Renewable Energy, most of which will be funneled to state and local governments for a variety of energy efficiency and conservation programs. A complementary provision of the Recovery Act provides \$6 billion from DOE and the Department of Housing and Urban Development (HUD) to weatherize and undertake energy retrofits of public housing to improve energy efficiency. Both of these funding programs offer tremendous opportunities for local governments to undertake innovative programs to develop energy efficiency and conservation strategies, upgrade their building and development codes, undertake energy efficiency assessments of their programs and buildings, and energy retrofit affordable housing. A significant amount of these funds will be allocated by formula directly to local governments while others will be competitive or will be channeled through state energy programs. While these programs are new and details are still emerging, they should be monitored and explored, in addition to the sources referenced above.

Other Potential Funding Sources

As part of this study, the Steering Committee explored other potential funding sources for affordable housing. As the County moves forward to address its housing needs, it should be mindful of these other potential funding opportunities:

- Leverage funding and be creative, potentially through private foundations.
- Use of the Section 108 Loan Guarantee Program.
- Private Activity Bonds (already used to some extent).
- Colorado Housing and Finance Authority (CHFA).
- Reprioritization of funding if CDBG/HOME budgets change and/or a housing trust fund is established. For example, the County may choose to use CDBG for community development activities or dedicate more funding to special needs housing if other revenue sources alleviate some of the demand for this resource.
- Mineral Impact Fees.
- Neighborhood Revitalization Areas. County has targeted southwest portion for neighborhood revitalization. Is working with neighborhoods to identify and fund revitalization opportunities.

Community Resources and Financial Tools

This section discusses services and programs offered to Adams County residents for mortgage availability, downpayment assistance, counseling programs and home rehabilitation. These programs should be continued and used in conjunction with the recommendations above to address housing needs.

Adams County municipalities rely heavily on the Adams County Housing Authority and the Metro Mayors Caucus to provide residents with services and information pertaining to homeownership. However, due to the pressing need for home rehabilitation within the county, many municipalities have local rehabilitation programs for home repairs.

Mortgage availability. Adams County benefits from being part of a metropolitan region, where a large market of local and national chartered banks reside. Although the ability to obtain mortgage capital may not be difficult within metropolitan counties like Adams, the prevalence of home foreclosures in Colorado has shed light on the quality of mortgage products available to some homeowners.

Nontraditional and subprime loan products became popular financing options for interested homebuyers who may not have previously qualified for more traditional loan packages. Unfortunately, as adjustable rate mortgages (ARM) readjusted at higher rates and overextended homeowners became unable to make payments on homes with little to no appreciation in value, homes went into foreclosure.

Downpayment assistance. The most widely used county downpayment assistance program is sponsored by the Adams County Community Development Office using Home (HOME) Investment Partnership funds. It is administered by the Adams County's Housing Authority (ACHA). The program provides information sessions and counseling, below market interest rate financing and downpayment and closing cost assistance for first time homebuyers who earn 80 percent or less of Area Median Income. Downpayment and closing cost assistance is offered to homebuyers as a second mortgage with no monthly payment required. The loan is forgiven over a period of time. Additional mechanisms are in place to lower the principle of the loan during the length of occupancy. Year-to-date in 2008, ACHA has assisted with the closing costs of 28 home purchases and averages approximately 4 closings a month.

The Metro Mayor's Caucus provides a region-wide service to new homebuyers that is utilized and supported by regional communities. Communities such as Northglenn participate by assigning its private activity bond authority to Metro Mayor's Caucus for the first-time homebuyer program.

Many communities have also assigned their private activity bonds to CHFA. Thornton often uses CHFA's program.

Family, townhome and condominium units in Westminster.

The Commerce City Housing Authority also offers downpayment assistance loans to homeowners within its municipality.

Counseling programs. Adams County Housing Authority provides the county's primary counseling program, which is utilized by all communities. Areas of counseling include the following: foreclosure prevention and foreclosure sale program, mortgage default, homeownership and pre-purchase, pre-rental, rent delinquency, home equity conversation, home improvement and rehabilitation, displacement and relocation, money management and debt management.

Housing rehabilitation. A number of Adams County communities have individual rehabilitation programs to combat an ageing housing stock.

The Adams County Community Development department currently allocates \$300,000 per year through the federal HOME grant for their major home repair program. Low-interest loans of up to \$25,000 per year are provided to residents, which provides up to 12 loans to Adams County residents each year.

Funding is also available through CDBG for minor home repairs. Up to \$10,000 is available through this loan program to Adams County residents for minor home repairs. It is estimated that approximately 48 households per year receive minor home repair loans.

Most loan recipients are located within unincorporated Adams County, particularly within target neighborhoods. Through intergovernmental agreements (IGAs) with Westminster and Thornton, approximately 11-15 loans per year are awarded to households within these communities.

The city of Brighton partners with Brothers Redevelopment, Inc. to provide \$10,000 annually to rehab 10 owner-occupied homes (\$1,000 per home) owned by elderly or disabled residents. Unfortunately, due to limited funding, only small projects can be done with \$1,000 per home.

Northglenn also contracts with Brothers Redevelopment, Inc. to administer its Help for Homes program, which provides funding for households earning 80 percent or less of AMI. \$3,500 in funding is available for minor home repairs and \$1,000 is available for minor exterior home repairs. By the end of 2008, Northglenn anticipates funding 40 homes. Unfortunately, funding for Help for Homes comes from CDBG and varies annually, dependent on approval from Northglenn's city council. Its approval each year is not guaranteed.

Thornton also contracts with Brothers Redevelopment for their Help for Homes program. Rehab projects of up to \$4,000 can be funded through this program. Thornton has several other rehabilitation programs, including a housing rehabilitation and minor home repair program funded by CDBG money and a weatherization program.

Commerce City Housing Authority provides low-interest loans to qualifying homeowners for repair and improvement projects such as electrical rewiring and plumbing, and furnace or roof repairs. There is currently no waiting list for these loans and they are available.

How can Adams County Communities Implement These Recommendations?

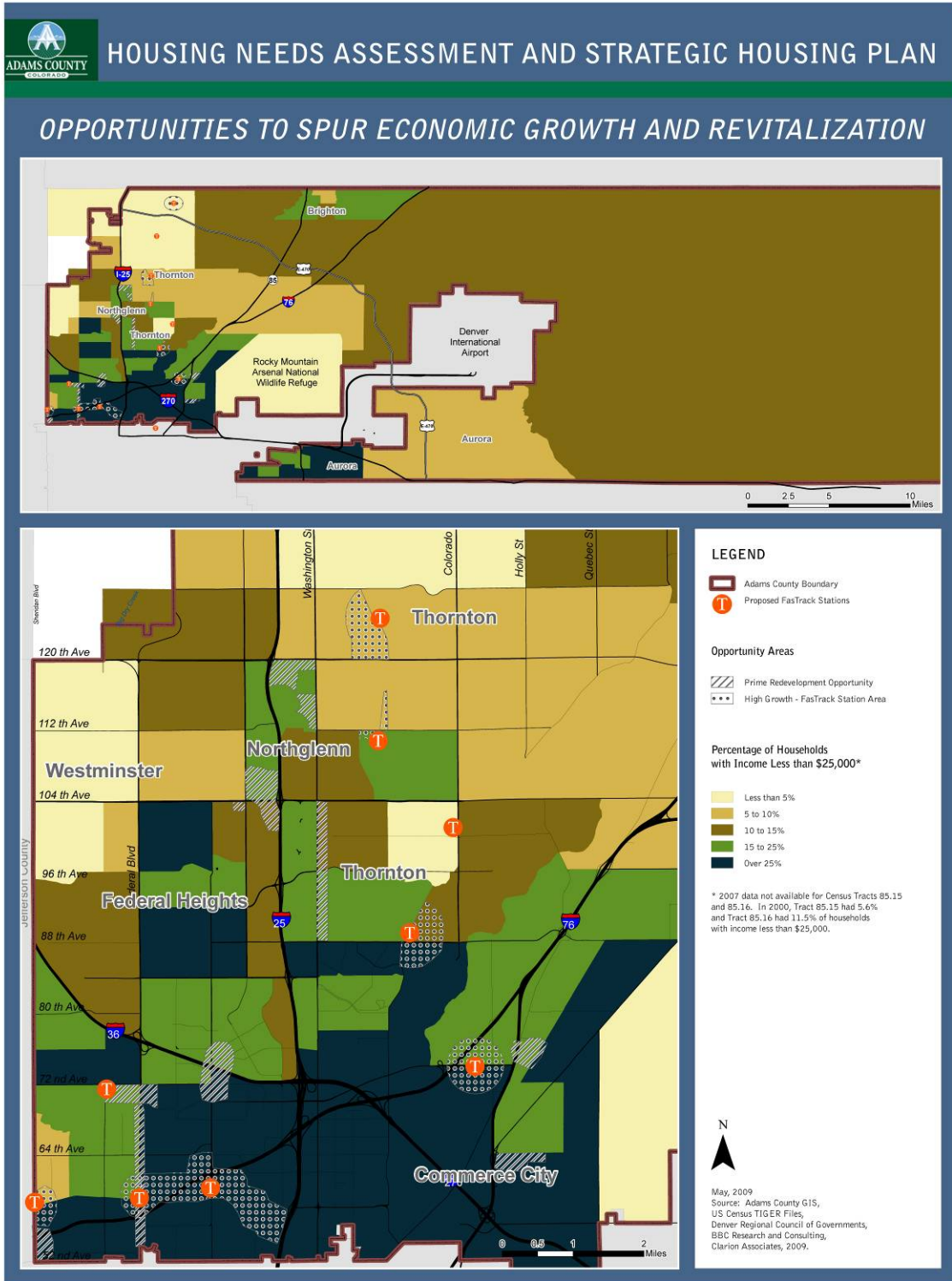
Not all recommendations are feasible within all Adams County communities, for a variety of reasons. The ability to implement development incentives and mandatory development requirements, as well as to remove regularly barriers varies from community to the next.

Many of the aforementioned recommendations are intended to help Adams County and its communities provide rental housing for Adams County's lowest income households (those earning less than \$25,000), as it is often not economically viable for the private market to produce units as such low price points. The specific product type (size, attached vs. detached, etc) that is produced and is feasible for households earning less than \$25,000 per year will vary from one community to the next. Ultimately, it takes political will to create affordable housing, particularly at the more affordable levels.

The matrix provided on the following page will help Adams County communities better understand which tools may work within their communities—working within the confines of available land, redevelopment potential, local subsidies and political will.

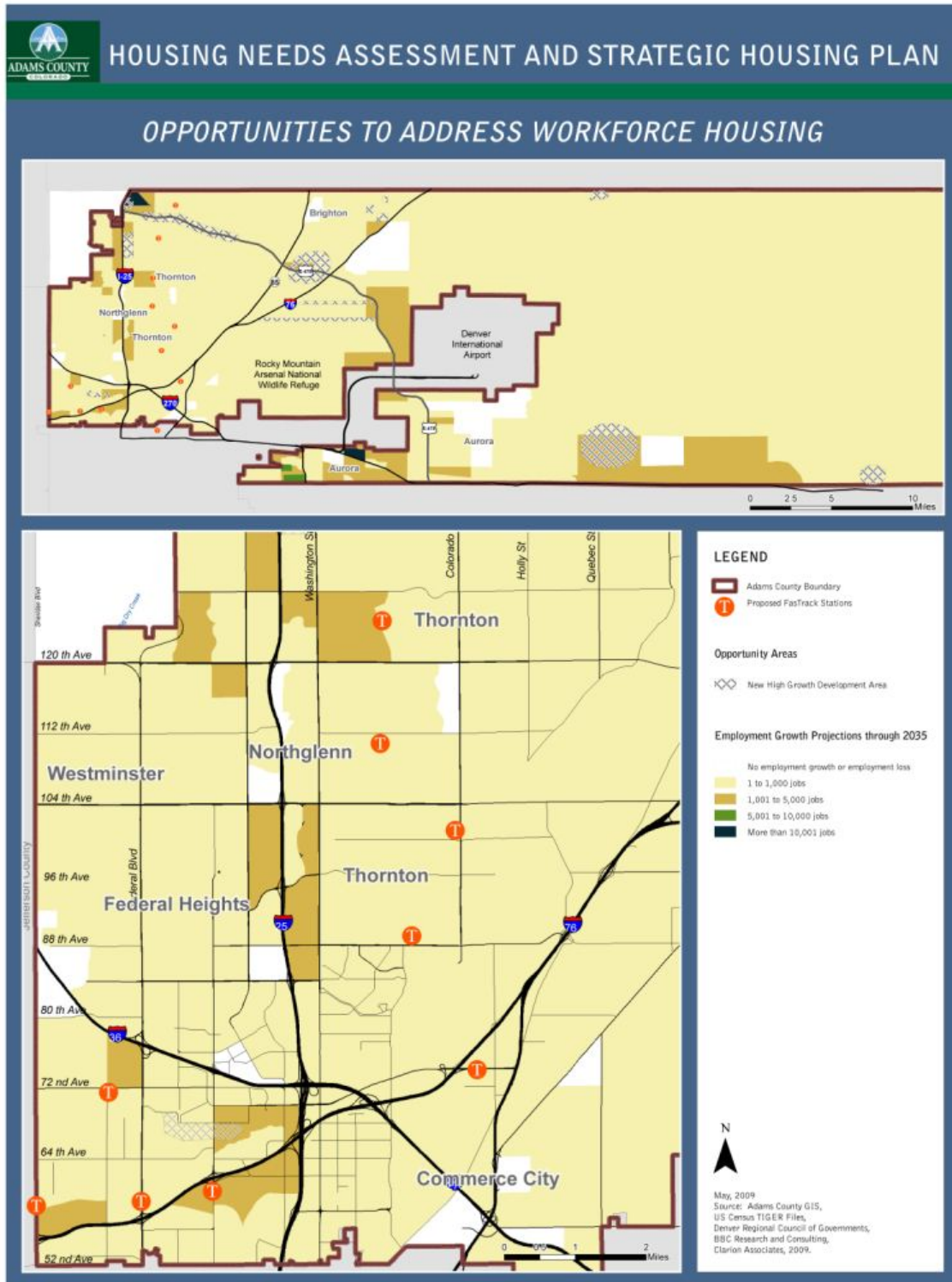
	What types of communities can these serve well?	Additional Comments
Removing Regulatory Barriers		
Add provisions for Accessory Dwelling Units (ADUs) in residential and mixed-use districts	<ul style="list-style-type: none"> ■ Areas close to public transit and urban areas where multiple vehicles are not required ■ Neighborhoods served by alleys ■ Communities with aging populations 	<ul style="list-style-type: none"> ■ Provides additional rental units within established neighborhoods. ■ Requires appropriate regulations to avoid neighborhood compatibility issues
Remove or reduce restrictions on affordable/workforce housing types in residential zone districts	<ul style="list-style-type: none"> ■ Communities with stringent design standards for homes 	<ul style="list-style-type: none"> ■ Increases housing stock variety and options for affordable products.
Allow small lot development (with design standards) in appropriate districts	<ul style="list-style-type: none"> ■ New growth communities and areas of infill 	<ul style="list-style-type: none"> ■ Provides increased housing options and affordability in established zone districts.
Add provisions for staff waivers (administrative review) for minor adjustments of use, density, and dimensional standards for workforce and affordable housing projects	<ul style="list-style-type: none"> ■ All communities 	<ul style="list-style-type: none"> ■ Expedites the review process to encourage workforce and affordable options. ■ Provides flexibility to accommodate needed workforce housing with minimal administrative cost/procedure
Remove or reduce dimensional standards that restrict affordable housing (e.g., lot widths, large minimum lot sizes)	<ul style="list-style-type: none"> ■ New growth areas or areas suitable for infill 	<ul style="list-style-type: none"> ■ Provides increased options to develop affordable housing.
Rezone to allow mixed-use development by-right in appropriate locations near public transportation and within activity centers	<ul style="list-style-type: none"> ■ Communities with access to public transportation ■ Infill areas near activity centers (employment or commercial) ■ Communities undergoing redevelopment 	<ul style="list-style-type: none"> ■ Encourages and facilitates mixed-use developments in transit-ready or active locations.
Permit manufactured housing in residential districts	<ul style="list-style-type: none"> ■ All communities 	<ul style="list-style-type: none"> ■ Provides increased housing options and affordability in established zone districts.
Develop flexible design standards	<ul style="list-style-type: none"> ■ Communities with rigid design standards for homes 	<ul style="list-style-type: none"> ■ Increases options for affordable housing while maintaining standards for high quality development.
Encourage low-water use and xeric landscaping to reduce water costs	<ul style="list-style-type: none"> ■ New growth communities ■ Redeveloping areas 	<ul style="list-style-type: none"> ■ Reduces costs for installing irrigation systems and water utility bills.
Development Incentives		
Reduce, offset or waive development review and/or impact fees based on the percentage of affordable units	All communities	<ul style="list-style-type: none"> ■ Some communities set an annual limit or “cap” to the amount of fee reduction for increased predictability.
Expedite the development review and building permit process for affordable housing projects;	All communities	<ul style="list-style-type: none"> ■ Some communities move affordable housing development proposals “to the top of the stack” while others reduce turnaround times for review comments.
Donate or sell publicly owned land at a discount	Growth constrained communities with high land costs	<ul style="list-style-type: none"> ■ Many communities work in partnership with non-profit or for-profit developers
Utilize CDBG support for infrastructure costs	<ul style="list-style-type: none"> ■ Communities receiving CDBG funds ■ Infill development areas requiring infrastructure upgrades 	<ul style="list-style-type: none"> ■
Allow affordable units and ADUs as bonus density units when included within projects	<ul style="list-style-type: none"> ■ Communities with residential growth near higher-density residential and commercial development 	<ul style="list-style-type: none"> ■ Bonus density units (or a percentage of those units) could be excluded from density calculations.
Mandatory Requirements		
Link fees and/or requirements to non-residential development that generates additional workforce housing demand	<ul style="list-style-type: none"> ■ Areas with rapid commercial and/or employment development. 	<ul style="list-style-type: none"> ■ Works well in ski resort communities and other high cost communities.
Require a variety of unit sizes in multi-family developments	<ul style="list-style-type: none"> ■ All communities, but better for communities with little housing stock diversity. 	<ul style="list-style-type: none"> ■ Creates a mix of products for varying income levels and family types.
Impose inclusionary housing requirements on residential development to construct or pay a fee in-lieu for affordable units.	<ul style="list-style-type: none"> ■ High cost communities to ensure price differential between deed restricted properties and market-rate units 	<ul style="list-style-type: none"> ■ Could be community wide or project-specific through PUD zoning.

Exhibit VI-1.



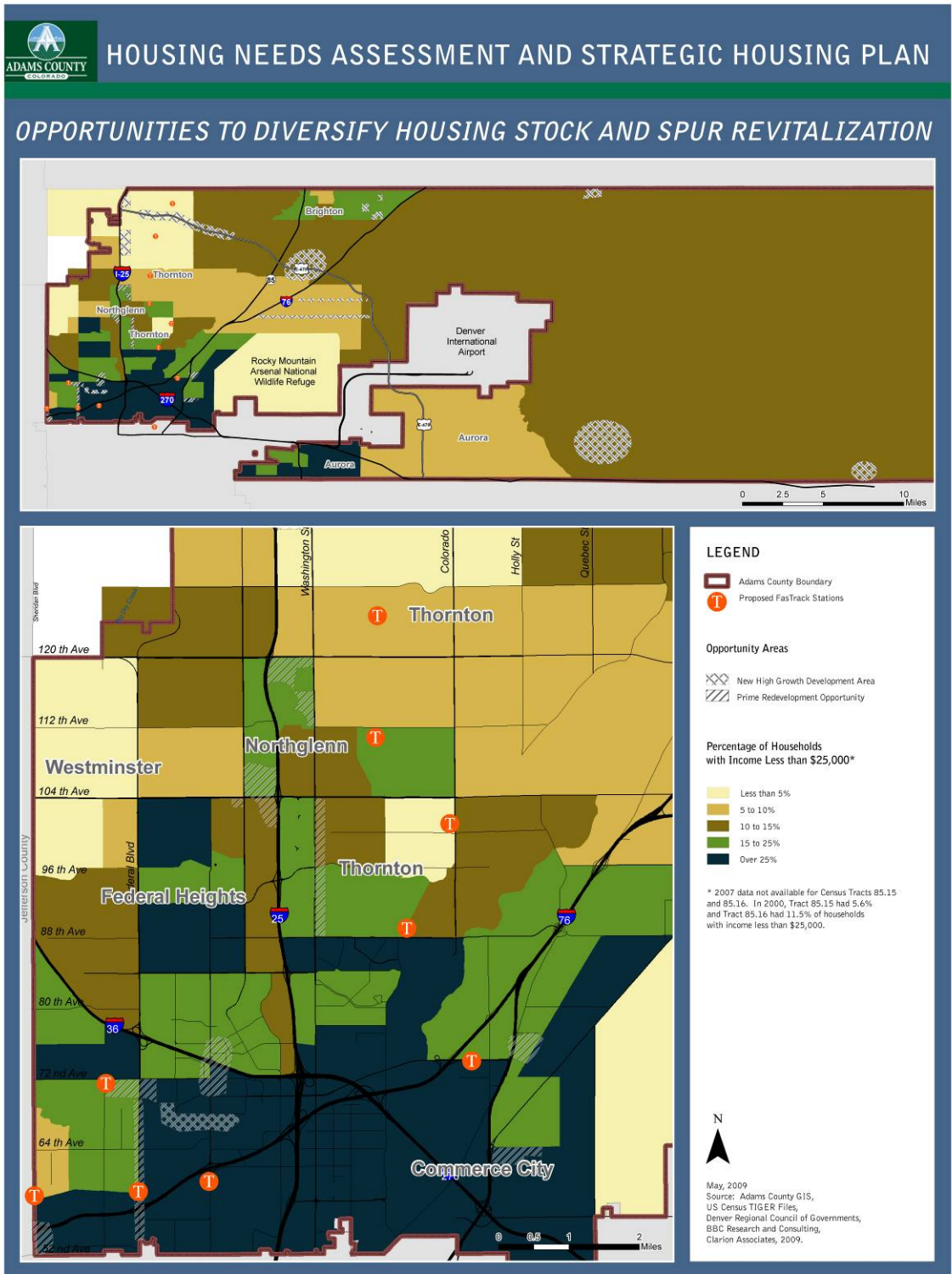
Source: Clarion.

Exhibit VI-2.



Source: Clarion.

Exhibit VI-3.



Source: Clarion.