communitystrategiesinstitute

Larimer County Housing Needs Assessment

Prepared for:
Cities of Fort Collins and Loveland, Colorado
September 2009

The Community Strategies Institute was formed in 2003 to provide fiscal and economic analysis, education and training to individuals and groups wishing to better understand and improve the economic and social factors influencing affordable housing development, housing conditions and community infrastructure as those elements influence the economic mobility of low-income populations. The Institute Directors and Members have diverse backgrounds in housing development, finance, management, policy and research. The Institute can be your partner in designing research, programs, and investments for expanding opportunities for individuals to become economically stable members of caring communities.

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DEMOGRAPHIC TRENDS AND FORECASTS

This section of the report will analyze population, households and key demographic characteristics of Larimer County, Colorado. The information will provide a framework for understanding current and future housing conditions and needs.

Larimer County is located in north central Colorado. It is the seventh largest county in Colorado based on population. The county extends to the Continental Divide, includes several mountain communities and Rocky Mountain National Park, and encompasses 2,640 square miles including farmland, ranch lands, forests and high mountain peaks. Over 50% of Larimer County is publicly owned, most of which is land within Roosevelt National Forest and Rocky Mountain National Park. The largest City in Larimer County is Fort Collins, home to Colorado State University and many other large employers. The City of Loveland is Larimer County's second largest City, followed in size by Berthoud, Estes Park, Wellington, and Timnath.

Population

The Colorado Department of Local Affairs (DOLA) Demographics Section estimated the 2007 population in Larimer County, while Claritas Data provides estimates of population for 2009. Growth rates have been highest in the smaller communities since 2000, as much new development occurred in the outlaying areas of the county. Loveland grew 24.4% this decade, while Fort Collins grew 17.7%. CSI has used Claritas as the base to make 2009 population estimates, a different source than the Colorado Department of Local Affairs Demography section.

Table 1: Population Estimates, Larimer County, 2009

	Demography Office								Claritas/CSI
	2000	2001	2002	2003	2004	2005	2006	2007	2009
Larimer County	251,494	261,208	266,789	269,061	273,883	276,755	282,052	288,244	291,754
Berthoud	4,823	5,100	5,076	4,999	4,999	4,988	5,085	5,186	5,039
Estes Park	5,413	5,599	5,632	5,651	5,808	5,821	6,021	6,165	5,917
Fort Collins	118,652	122,986	125,793	127,155	129,151	129,951	131,711	134,186	139,694
Johnstown (MCP)	0	64	64	65	65	65	81	89	107
Loveland	50,608	54,242	56,159	57,355	59,198	60,407	62,114	64,166	66,808
Timnath	223	231	232	229	229	227	228	231	421
Wellington	2,672	2,906	3,243	3,365	3,784	4,478	5,126	5,445	3,462
Windsor (MCP)	284	665	1,056	1,183	1,446	1,968	2,360	2,373	2,399
Unincorp. Area	68,819	69,415	69,534	69,059	69,203	68,850	69,326	70,420	78,414

Source: Colorado Department of Local Affairs Demographics Section, Claritas Data, CSI
MCP – Multi-County Places, and population estimates are provided for only the Larimer County portion of the jurisdiction

Table 2: Percent Change in Population, Larimer County, 2000 – 2009

	% Change '00 - '09
Larimer County	16.0%
Berthoud	4.5%
Estes Park	9.3%
Fort Collins	17.7%
Loveland	24.4%
Timnath	88.8%
Wellington	29.6%
Unincorp. Area	13.9%

Source: Colorado Department of Local Affairs Demographics Section, Claritas Data, CSI

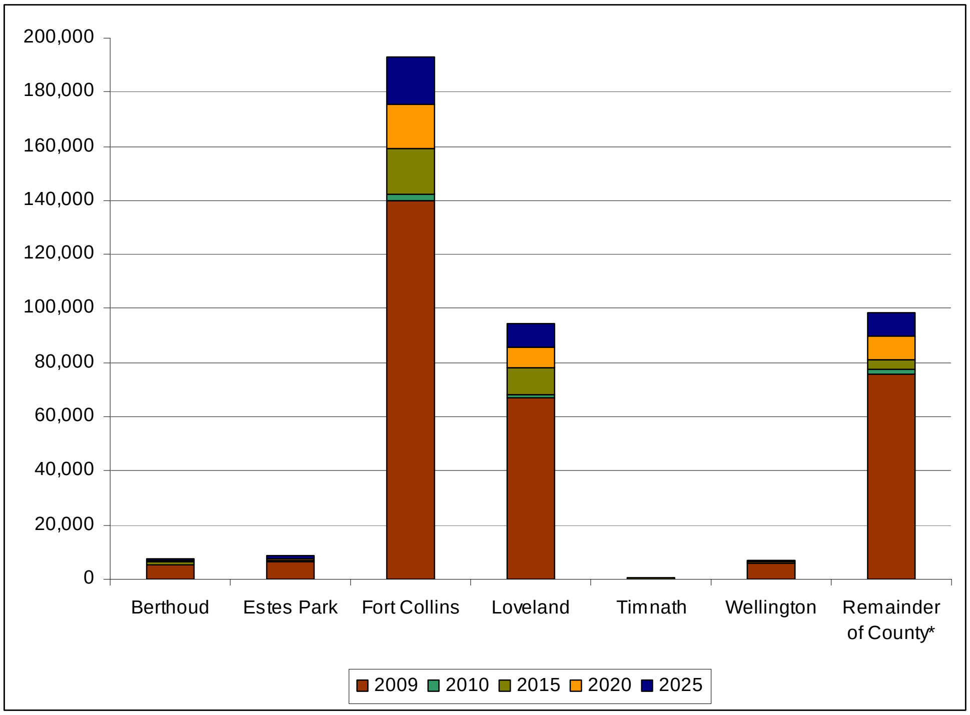
Larimer County is expected to grow steadily during the next five years and beyond. CSI anticipates growth in Larimer County will occur throughout the county, though Fort Collins and Loveland will see a higher percentage gain in population than most other areas. While the Colorado Department of Local Affairs Demography Section projects growth between 2007 and 2010 of 4,410 and between 2010 and 2015 of 7,932, these projections may need to be adjusted down as current U.S. economic conditions affect the migration of population from other areas of the country to Larimer County.

Table 3: Population Forecast, Larimer County, 2009 - 2025

	2009	2010	2015	2020	2025	% Chg '09-'25
Larimer County	300,113	306,182	338,545	373,472	410,994	36.9%
Berthoud	5,400	5,509	6,432	7,096	7,809	44.6%
Estes Park	6,419	6,549	7,109	7,843	8,631	34.5%
Fort Collins	139,694	142,519	159,116	175,532	193,167	38.3%
Loveland	66,808	68,159	77,865	85,899	94,529	41.5%
Timnath	241	245	339	373	411	70.9%
Wellington	5,669	5,784	5,078	5,602	6,165	8.7%
Remainder of County*	75,883	77,418	81,251	89,633	98,639	30.0%

Source: Colorado Department of Local Affairs Demography Section and CSI

Figure 1: Total Population Forecast, 2000 - 2025



Source: Colorado Department of Local Affairs Demography Section and CSI

Between 2000 and 2005, Larimer County grew at the same pace as the state overall, and less than neighboring Weld County. Larimer County grew more than other nearby Front Range counties like Boulder, Jefferson, and Morgan, according to Colorado Department of Local Affairs Demography Section population estimates. Weld and Douglas Counties are expected to be the fastest growing counties on the Front Range from 2010 to 2035.

Table 4: Percent Change in Population for Larimer and Front Range Counties, 2000 - 2035

	Average Annual Percent Change						
County	**00-05**	**05-10**	**10-15**	**15-20**	**20-25**	**25-30**	**30-35**
Adams	2.7%	2.5%	2.3%	2.0%	1.8%	1.5%	1.3%
Arapahoe	1.7%	1.8%	1.7%	1.6%	1.5%	1.2%	1.1%
Boulder	0.9%	1.0%	1.1%	1.2%	1.1%	0.8%	0.6%
Broomfield	4.2%	3.7%	2.1%	1.8%	1.7%	1.4%	1.1%
Denver	0.7%	1.5%	0.8%	0.7%	0.6%	0.6%	0.6%
Douglas	6.6%	4.1%	3.4%	3.1%	2.2%	1.5%	1.2%
El Paso	1.8%	1.8%	2.3%	1.6%	1.5%	1.4%	1.6%
Jefferson	0.2%	0.7%	0.8%	1.0%	1.1%	0.8%	0.6%
Larimer	**1.8%**	**2.0%**	**2.0%**	**2.0%**	**1.9%**	**1.7%**	**1.5%**
Morgan	0.9%	0.4%	1.7%	2.4%	2.3%	2.1%	1.9%
Weld	4.4%	3.3%	3.0%	3.1%	3.1%	2.9%	2.6%
COLORADO	**1.9%**	**1.9%**	**1.8%**	**1.7%**	**1.5%**	**1.3%**	**1.2%**

Source: Colorado Department of Local Affairs Demography Section

From 2000 to 2007, population change was due, in most part, to people moving into Larimer County. Natural increases-- the difference between births and deaths-- have accounted for 35% of population growth during this time.

Table 5: Components of Population Change, 2000-2007 Estimates

	2000	2001	2002	2003	2004	2005	2006	2007
Total Population	253,137	261,208	266,789	269,061	273,883	276,755	282,052	288,244
Births	3,228	3,311	3,289	3,358	3,500	3,318	3,511	3,516
Deaths	1,431	1,523	1,516	1,531	1,551	1,530	1,540	1,532
Net Migration	5,184	6,283	3,808	445	2,873	1,084	3,326	4,208
Population Change	6,981	8,071	5,581	2,272	4,822	2,872	5,297	6,192

Source: Colorado Department of Local Affairs Demography Section

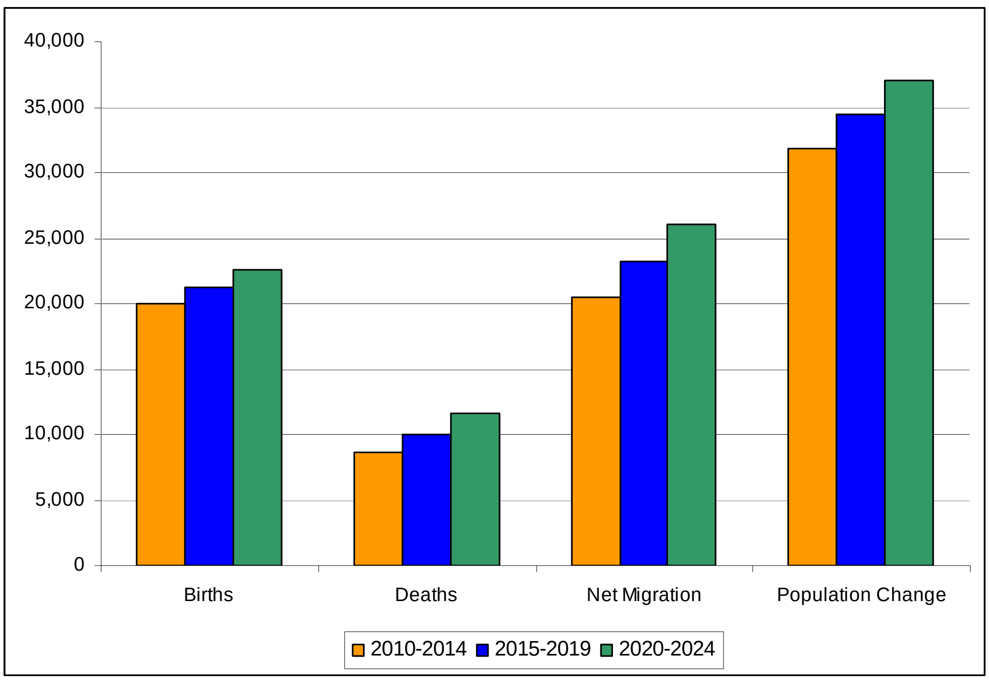
The trend of in-migration as the largest source of population growth is expected to continue in the county, as natural increases as a total percentage of population growth will decline until 2025. Net migration of new residents will most likely slow given the current economy and the housing market nation-wide. Migration into Larimer County is forecast to grow during the next decade.

Table 6: Components of Population Change, 2010-2024 Forecast

	2010-2014	2015-2019	2020-2024
Births	19,989	21,239	22,562
Deaths	8,686	9,980	11,548
Net Migration	20,549	23,167	26,065
Population Change	31,850	34,424	37,079

Source: Colorado Department of Local Affairs Demography Section

Figure 2: Components of Population Change, 2010–2024 Forecast



Source: Colorado Department of Local Affairs Demography Section

The largest number of seniors lives in Fort Collins, according to the U.S. Census Bureau American Community Survey for 2007. Wellington, Timnath, and areas of the county with newer developments have higher concentrations of youth.

Table 7: Larimer County Population By Age, 2007

	Larimer County	Berthoud	Estes Park	Fort Collins	Loveland	Timnath	Wellington	Remainder
Under 5 years	17,398	353	263	7,784	4,686	14	536	3,823
5 to 9 years	16,207	347	273	7,278	4,410	14	473	3,453
10 to 14 years	18,194	351	284	7,471	4,150	17	436	5,580
15 to 17 years	11,206	258	193	4,206	2,859	18	300	3,448
18 to 20 years	17,106	204	127	12,040	2,442	5	132	1,874
21 to 24 years	22,653	294	232	15,727	3,089	14	282	2,689
25 to 34 years	44,064	714	693	24,928	10,143	14	911	6,393
35 to 44 years	39,134	754	707	16,781	9,224	36	992	10,798
45 to 49 years	22,366	448	406	9,060	4,693	30	381	7,427
50 to 54 years	21,313	415	537	8,224	4,506	20	291	7,407
55 to 59 years	17,696	325	571	6,175	3,790	16	223	6,703
60 to 64 years	11,511	235	495	3,881	2,520	12	178	4,274
65 to 74 years	15,298	268	750	4,872	4,181	13	187	5,115
75 to 84 years	10,101	158	469	3,735	2,639	4	91	3,024
85 years and over	3,998	62	165	2,007	832	4	31	873
Total:	288,244	5,186	6,165	134,169	64,166	231	5,445	72,882

Source: Colorado Demography Section, American Community Survey, CSI

Estes Park has a much older population than other areas of the county. As a percent of total population, Loveland also has a higher percentage of seniors than Fort Collins, which is home to over 25,000 college students.

Table 8: Distribution of Population by Age Group and Area, 2007

	Larimer County	Berthoud	Estes Park	Fort Collins	Loveland	Timnath	Wellington	Remainder
20 and Under	28%	29%	18%	29%	29%	30%	34%	25%
21 - 24	23%	19%	15%	30%	21%	12%	22%	12%
35 - 54	29%	31%	27%	25%	29%	37%	31%	35%
55 - 74	15%	16%	29%	11%	16%	17%	11%	22%
75 +	5%	4%	10%	4%	5%	4%	2%	5%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: Colorado Demography Section, American Community Survey, CSI

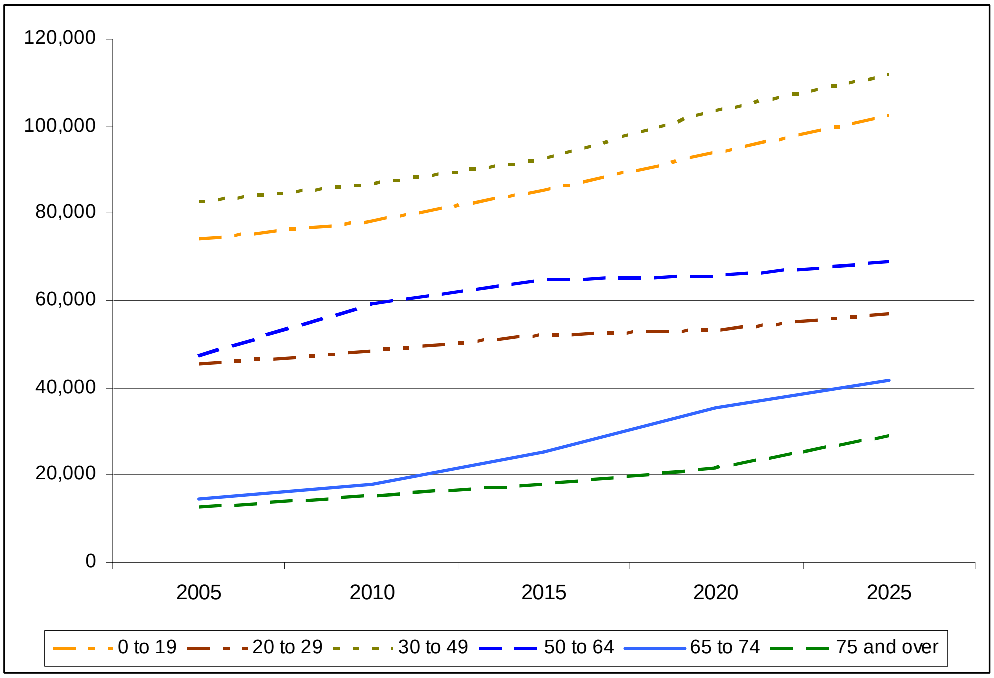
The following table shows the Larimer County population forecast through 2025 by age group. The increase in younger residents represents both natural increases, or births, in Larimer County, and in-migration of young people and families into the county. Persons age 30 – 49 and those ages 0 – 19 are the largest population groups, and will remain so through 2025.

Table 9: Larimer County Population Projections by Age, 2005 - 2025

Age Group	2005	2010	2015	2020	2025
0 to 19	74,315	78,399	85,344	93,978	102,385
20 to 29	45,434	48,607	52,316	53,353	57,000
30 to 49	82,617	86,749	92,570	103,784	111,783
50 to 64	47,278	59,181	64,836	65,590	69,091
65 to 74	14,420	17,780	25,413	35,262	41,683
75 and over	12,693	15,460	18,069	21,504	29,048

Source: Colorado Department of Local Affairs Demography Section, CSI

Figure 3: Larimer County Population Projections by Age, 2005 - 2025



Source: Colorado Department of Local Affairs Demography Section, CSI

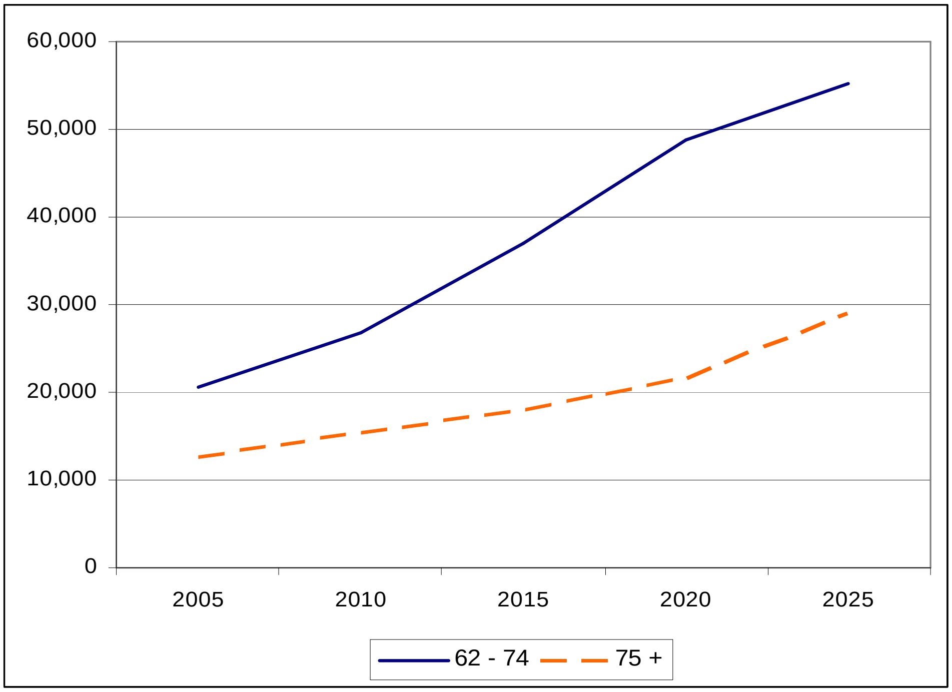
Larimer County's elderly population has been growing and is expected to continue to grow between 2010 and 2025. The county is projected to gain over 35,000 residents age 62 – 75 between 2005 and 2025, and over 16,000 residents age 75+. While the total gain in senior population is not as great as in some other age groups during this time period, it will greatly affect the housing market and senior housing choices. Larimer County has become a destination for seniors, due to the lower cost of living compared to other areas of the country, and the amenities available to seniors.

Table 10: Larimer County Elderly Population Projections, 2000 - 2025

	2005		2010		2015	
	62 to 74	75 and over	62 to 74	75 and over	62 to 74	75 and over
Larimer County	20,513	12,693	26,721	15,460	37,013	18,069
Berthoud	524	274	578	303	801	354
Estes Park	611	320	687	360	952	420
Fort Collins	6,677	5,561	7,323	6,099	10,143	7,128
Loveland	5,321	3,268	6,004	3,687	8,317	4,310
Timnath	24	12	26	13	36	16
Wellington	470	246	607	318	841	371
Remainder of County	6,886	3,012	11,495	4,680	15,923	5,470

	2020		2025	
	62 to 74	75 and over	62 to 74	75 and over
Larimer County	48,766	21,504	55,124	29,048
Berthoud	1,055	421	1,193	569
Estes Park	1,255	500	1,418	676
Fort Collins	13,364	8,483	15,107	11,459
Loveland	10,958	5,129	12,386	6,928
Timnath	47	19	53	25
Wellington	1,108	442	1,253	597

Figure 4: Larimer County Senior Population Growth, 2005 - 2025



Source: Colorado Department of Local Affairs Demography Section, CSI

Claritas data provides an estimate of the group quarters populations in Larimer County. In 2009, an average of 7,224 persons lives in some sort of group quarters. Group quarters include nursing homes, group homes, prison, jail, or college dorms. Most of Larimer County's group home population is students living in on-campus housing at Colorado State University in Fort Collins.

Table 11: Group Quarters Population, Larimer County, 2009

Larimer County	7,224
Berthoud	6
Estes Park	44
Fort Collins	6,138
Loveland	403
Timnath	0
Wellington	6
Remainder of County	627

Source: Claritas Data

Household Trends and Characteristics

In 2007, CSI estimates a total of 111,617 households in Larimer County. Tenure -- whether a household rents or owns their home -- is an important factor to identify when creating an analysis of future housing demand and needs. While many households prefer to own their home, others may never be able to afford to purchase a home or may prefer to continue renting.

In Larimer County, the majority of households are owners. The homeownership rate varies greatly by community, from 57.6% in the City of Fort Collins to 85.9% in the unincorporated areas of the county. Renters comprise 28 percent of households -- this is a decrease of 4% since 2000. Not surprisingly, the percentage of renters is higher in the City of Fort Collins than in the unincorporated areas or in any other incorporated jurisdiction, due to a high student renter population from CSU. Estes Park also has a low homeowership rate, while Berthoud and Wellington have the highest homeownership rates of all incorporated areas.

Table 12: Households by Tenure, Larimer County, 2007

	Total Households	Owner Households	Renter Households	Homeownership Rate
Larimer County	111,617	76,497	35,120	68.5%
Berthoud	1,950	1,566	384	80.3%
Estes Park	2,898	1,763	1,135	60.8%
Fort Collins	52,192	30,072	22,120	57.6%
Loveland	25,075	17,776	7,299	70.9%
Timnath	91	73	18	79.8%
Wellington	1,900	1,602	298	84.3%
Remainder of County *	27,511	23,645	3,866	85.9%

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

The majority of households in Larimer County are family households, mostly married couples, who are also more likely to be owners than non-family households. In Fort Collins, the distribution of households looks different than in the rest of the county, as nonfamily student renters make up a large number of households in the City.

Table 13: Households by Tenure by Family Type, 2007

	Larimer County		Berthoud		Estes Park		Fort Collins	
	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied
Family households	55,910	14,030	1,246	194	1,293	480	21,342	7,266
Married-couple family	48,845	7,120	1,107	110	1,231	300	18,387	3,598
Other family	7,065	6,910	138	84	62	180	2,954	3,668
Male householder, no wife	1,975	2,188	34	20	21	76	884	1,206
Female householder, no husband	5,090	4,722	104	64	41	104	2,070	2,462
Nonfamily households	20,587	21,091	320	190	471	655	8,730	14,854
Total Households	76,497	35,120	1,566	384	1,763	1,135	30,072	22,120

	Loveland		Timnath		Wellington		Remainder of County	
	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied	Owner occupied	Renter occupied
Family households	12,843	3,975	52	7	1,214	198	17,920	1,910
Married-couple family	11,022	1,847	51	6	1,007	114	16,039	1,146
Other family	1,821	2,128	1	2	207	84	1,881	764
Male householder, no wife	562	651	1	2	76	20	396	215
Female householder, no husband	1,259	1,478	0	0	131	65	1,485	549
Nonfamily households	4,933	3,324	21	11	388	100	5,725	1,957
Total Households	17,776	7,299	73	18	1,602	298	23,645	3,866

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

The number of households in Larimer County has been growing during the past decade, and will continue to grow as new households move to the area. The average household size is not expected to change significantly during this time period. The average household size in Larimer County in 2007 was 2.47. Owner households are slightly larger at 2.56 persons than renter households with 2.25 persons.

Most Larimer County homeowners moved to their current housing unit since 1990, reflecting both new residents moving into the county and long term resident turnover in the for-sale market to newer or higher priced housing units. Renters have moved at a higher rate than owners. Just over 90% of renters moved between 2000 and 2008.

Table 14: Year Household Moved into Unit by Tenure, Larimer County, 2007

	Larimer County		Berthoud		Estes Park		Fort Collins	
	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:
Moved in 2005 or later	10,544	18,568	187	46	211	136	4,636	12,150
Moved in 2000 to 2004	27,882	13,347	500	123	563	362	11,615	8,857
Moved in 1990 to 1999	23,993	2,430	546	134	615	396	8,852	970
Moved in 1980 to 1989	7,709	465	179	44	202	130	2,938	69
Moved in 1970 to 1979	4,545	181	121	30	136	87	1,380	11
Moved in 1969 or earlier	1,824	129	33	8	37	24	650	64
Total:	76,497	35,120	1,566	384	1,763	1,135	30,072	22,120

	Loveland		Timnath		Wellington		Remainder of County	
	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:
Moved in 2005 or later	2,467	3,806	9	2	191	104	2,843	2,325
Moved in 2000 to 2004	7,080	2,544	23	6	512	95	7,589	1,360
Moved in 1990 to 1999	5,178	804	25	6	559	34	8,217	86
Moved in 1980 to 1989	1,503	145	8	2	183	36	2,696	39
Moved in 1970 to 1979	973	0	6	1	124	23	1,806	29
Moved in 1969 or earlier	576	0	2	0	33	6	493	27
Total:	17,776	7,299	73	18	1,602	298	23,645	3,866

Source: U.S. Census Bureau American Community Survey

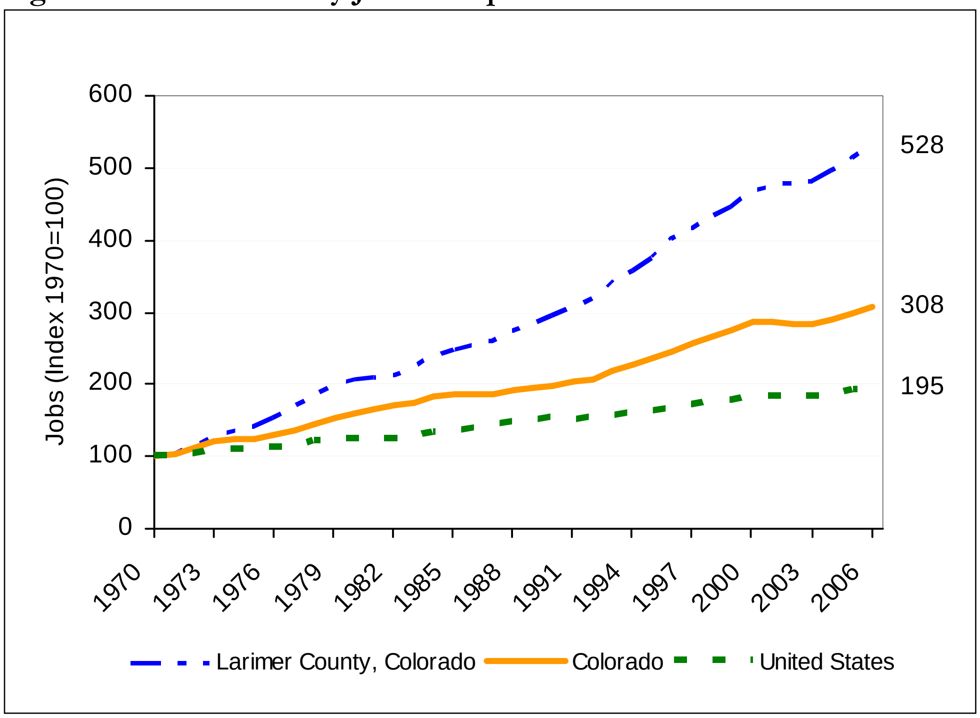
LOCAL ECONOMY AND EMPLOYMENT

This section of the report will examine employment trends and wage data for Larimer County. This information is used to estimate the number and type of new housing units needed as well as price ranges necessary to meet the housing needs of the area workforce.

Labor Force

The following tables and charts provide an employment overview for Larimer County. Between 1970 and 2006, job growth in Larimer County has risen at a pace higher than the state and higher than the nation. During this 36-year period, the number of jobs increased five fold in Larimer County. The following graphic shows the number of jobs each year in comparison to the number of jobs in 1970. In Larimer County, there were 528 jobs in 2006 for every 100 jobs in 1970, much higher than the state or nation. As Larimer County has grown, so has its labor market.

Figure 5: Larimer County Jobs Compared to the State and the Nation



Source: BEA REIS 2006, Sonoran Institute

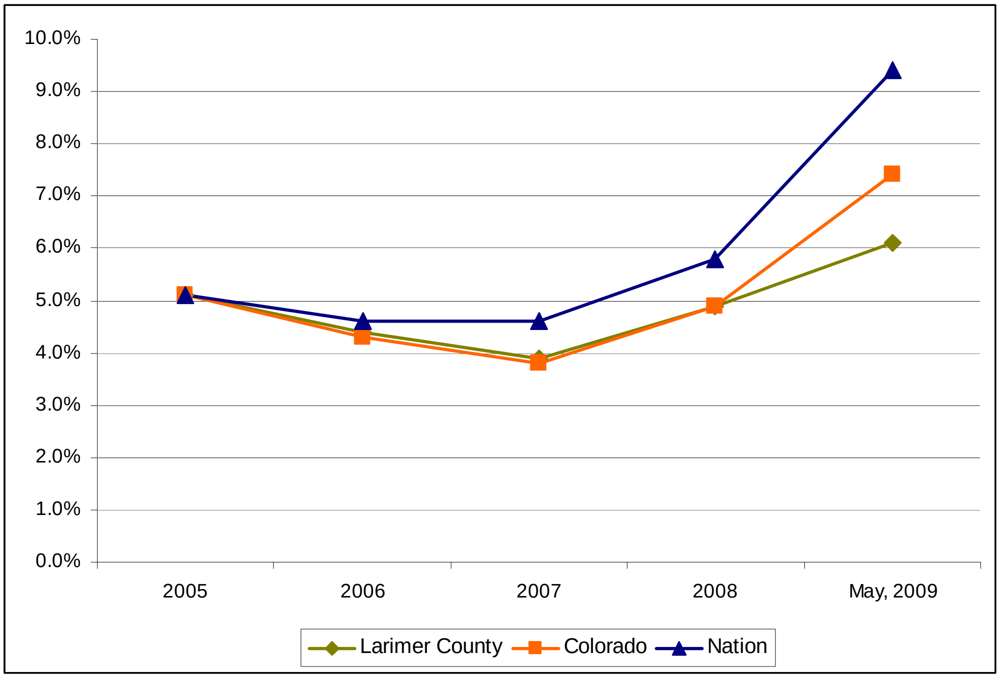
The May 2009, Department of Labor and Employment non-seasonally adjusted unemployment rate for Larimer County was 6.1%. Reflecting the state and national economic downturn, Larimer County has had a large jump in the unemployment rate in 2009. Unemployment in Larimer County is still lower than Colorado at 7.3% statewide or the nation where unemployment is over 8%. The labor force in Larimer County continues to increase, though employment has taken a dip in 2009 to the 2007 employment level. Economists both in the state and nationally hold up the Larimer County economy as one of the strongest for job growth and employment in 2009/2010.

Table 15: Larimer County Annual Average Labor Force, Employment and Unemployment

Year	Civilian Labor Force	Employment	Unemployment	Larimer County Unemployment Rate (%)	Colorado Unemployment Rate (%)
2005	167,010	159,546	7,464	4.5%	5.1%
2006	170,658	163,814	6,844	4.0%	4.4%
2007	173,400	167,341	6,059	3.5%	3.9%
2008	176,537	168,995	7,542	4.3%	4.9%
April, 2009	178,097	167,223	10,874	6.1%	7.3%

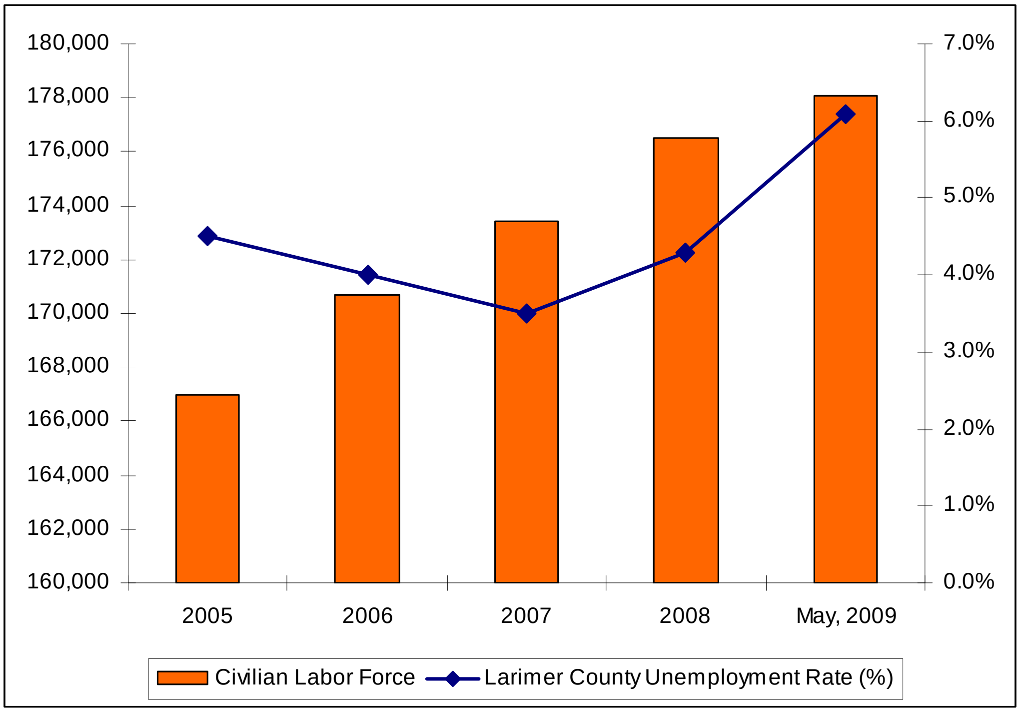
Source: Labor Market Information, LAUS Unit & US Bureau of Labor Statistics

Figure 6: Larimer County Unemployment Rates Over Time



Source: Labor Market Information, LAUS Unit & US Bureau of Labor Statistics

Figure 7: Labor Force and Unemployment Rate, 2005-2009



Source: Labor Market Information, Colorado Department of Labor & Employment

Employment and Wages

Larimer County's employment base is a mix of public and private sector jobs. CSU is the largest employer in the county. Other largest employers include Hewlett-Packard, the Poudre R-1 School District, the Poudre Valley Health System, and Agilent Technologies. Most of the largest employers had stable employment between 2007 and 2008. The City of Fort Collins expects job growth to happen at the Poudre Valley Hospital Harmony Campus, and the Harmony Technology Plaza, as well as at CSU. Loveland job growth is especially concentrated in the health industry, with the opening of the new Medical Center of the Rockies hospital at Centerra, expansion of the McKee Medical Center, and the Heska Corp (manufacturer of pharmaceuticals for companion animals) locating in Centerra. Commercial, retail and residential growth in Centerra is also bringing new retail and service jobs to Loveland.

Table 16: Major Employers in Larimer County, 2002 - 2008

	Number of Employees					
	2002	**2003**	**2004**	**2006***	**2007**	**2008**
LSI Logic	283	341	290	341	n/a	341
First National Bank	356	367	355	367	487	367
US Postal Service	n/a	412	438	412	412	412
Waterpik Technologies	550	585	460	585	n/a	585
Front Range Community College	595	481	480	481	481	481
Celestica	500	650	650	n/a	n/a	n/a
Center Partners	n/a	n/a	n/a	n/a	700	700
City of Loveland	n/a	890	678	890	643	890
Anheuser-Busch	740	760	743	760	760	760
Hach Chemical Company	n/a	550	793	550	900	550
Advanced Energy	775	825	800	825	594	825
Woodward Governor	575	650	800	650	1,200	650
Wal-Mart Super Center	600	909	900	909	n/a	909
McKee Medical Center	n/a	950	950	950	950	950
Larimer County	1,700	1,467	1,394	1,467	1,500	1,467
City of Fort Collins	1,400	1,864	1,400	1,864	1,884	1.864
Thompson School District	n/a	1,888	2,000	1,888	1,890	1,888
Agilent Technologies	1,850	2,454	2,800	2,800	2,800	2,800
Poudre Valley Health System	2,610	861	2,800	3,020	3,488	3,020
Hewlett-Packard	3,000	3,182	3,000	3,182	3,250	3,182
Poudre R-1 School District	3,014	3,014	3,732	3,014	3,325	3,014
Colorado State University	6,950	7,945	6,948	6,948	7,945	6,948

Source: Larimer County

County-level employment data is available from the Bureau of Economic Analysis through 2007. Industries with the highest employment in 2007 were government, retail trade, professional, scientific and technical services, utilities, and information. These industries and most others have stayed stable in employment levels from 2003 to 2007. The most recent data on employment by industry from the Colorado Department of Labor ES202 indicates that the total number of jobs has not declined in Larimer County, though industries such as construction, finance and insurance, and professional and technical services showed declines in the number of employed persons. There were 600 new jobs created in Larimer County between August of 2007 and August of 2008.

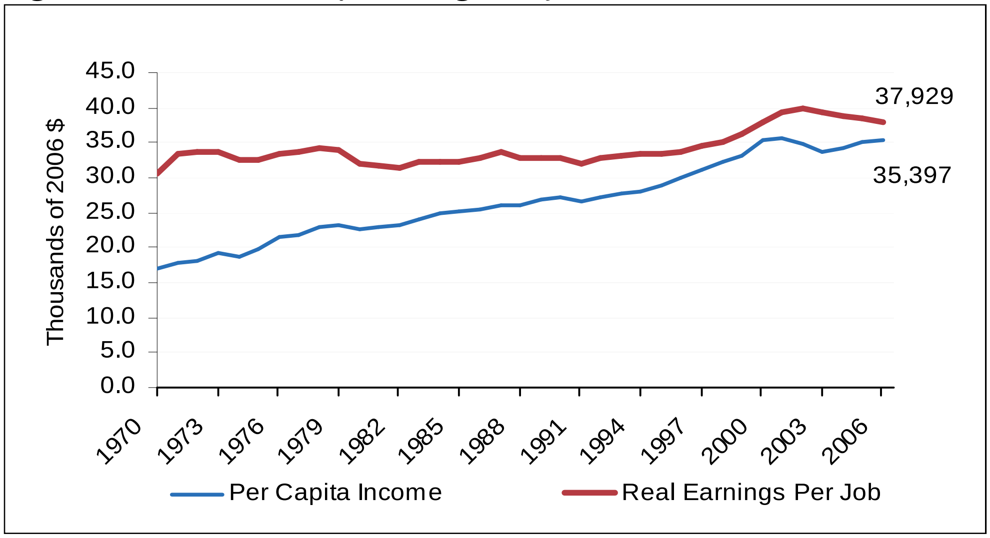
Table 17: Five Year Trend in Employment by Industry, Larimer County

	2003	2004	2005	2006	2007
Total employment	172,851	179,052	183,459	186,976	191,396
Forestry, fishing, related activities, and other **	535	608	583	601	609
Mining	717	717	793	870	888
Utilities	230	235	242	258	266
Construction	14,303	14,758	15,706	16,023	16,267
Manufacturing	13,723	13,530	13,525	13,060	13,180
Wholesale trade	3,496	3,782	3,810	3,917	3,931
Retail trade	20,916	21,222	21,992	22,527	22,917
Transportation and warehousing	3,065	3,284	3,392	3,232	3,186
Information	3,096	3,133	3,241	3,322	3,341
Finance and insurance	6,459	6,741	6,744	7,018	6,942
Real estate and rental and leasing	8,335	9,302	9,800	10,171	11,001
Professional, scientific, and technical services	14,599	15,806	16,471	16,793	17,019
Management of companies and enterprises	193	318	588	610	583
Administrative and waste services	9,751	10,322	9,883	10,377	10,713
Private educational services	2,175	2,319	2,494	2,542	2,689
Health care and social assistance	15,042	15,649	15,850	16,398	17,671
Arts, entertainment, and recreation	4,124	4,356	4,468	4,625	4,870
Accommodation and food services	13,988	14,305	14,617	15,115	15,304
Other services, except public administration	9,604	10,140	10,217	10,335	10,377
Government and government enterprises	26,349	26,456	26,971	27,108	27,654
Federal, civilian	2,478	2,485	2,467	2,452	2,439
Military	771	739	671	697	728
State and local	23,100	23,232	23,833	23,959	24,487
State government	11,135	10,970	11,285	11,259	11,624
Local government	11,965	12,262	12,548	12,700	12,863

Source: US Bureau of Economic Analysis

Average earnings per job and per capita income, adjusted for inflation, have risen since 1970 in Larimer County, from $30,666 to $37,929 in 2006, the most recent year with available data. Average wages adjusted for inflation have also risen since the 1990s. While wages have been on the rise in Larimer County, in 2006, average earnings per job in Larimer County ($37,929) were lower than the State of Colorado ($47,882) and the nation ($47,286).

Figure 8: Larimer County Earnings Per Job



Source: BEA REIS Data, 2006, Sonoran Institute

Wages in Larimer County rose steadily between 2003 and 2007 for almost all industries, according to the US Bureau of Economic Analysis. Bureau of Economic Analysis data for 2008 from the Colorado Department of Labor shows that wages did not drop in 2008 for most industries, and any drops were minor.

Table 18: Five Year Trend in Average Wages by Industry, Larimer County, 2003 – 2007

	2003	2004	2005	2006	2007
Farm employment	9,361	10,403	11,521	11,462	12,842
Forestry, fishing, related activities, and other **	5,075	4,980	6,995	8,012	9,039
Mining	21,785	26,944	25,636	26,410	26,154
Utilities	62,674	87,434	68,335	68,097	70,752
Construction	30,855	30,396	31,899	32,708	33,328
Manufacturing	69,153	68,646	73,546	77,228	79,417
Wholesale trade	42,072	42,600	43,393	45,536	49,056
Retail trade	20,440	20,636	21,057	21,195	21,656
Transportation and warehousing	29,531	30,630	28,828	29,237	30,292
Information	39,160	39,717	41,087	44,331	47,164
Finance and insurance	27,227	26,549	26,641	27,707	29,232
Real estate and rental and leasing	7,989	7,540	7,850	8,244	7,781
Professional, scientific, and technical services	43,163	41,697	43,270	46,506	48,861
Management of companies and enterprises	49,964	56,069	59,832	69,139	71,202
Administrative and waste services	21,527	23,740	23,414	23,873	23,567
Private educational services	14,167	13,577	12,389	12,188	12,464
Health care and social assistance	32,994	34,195	36,375	37,439	40,211
Arts, entertainment, and recreation	7,334	7,073	7,116	8,160	8,380
Accommodation and food services	13,975	14,337	14,782	15,084	16,063
Other services, except public administration	17,638	17,996	18,378	19,380	20,505
Government and government enterprises	44,906	47,160	48,962	50,279	51,183
Federal, civilian	77,999	86,271	94,494	99,796	103,476
Military	34,310	36,517	42,835	40,753	40,960
State and local	41,710	43,315	44,422	45,488	46,279
State government	40,558	42,778	43,475	44,619	44,511

Source: US Bureau of Economic Analysis

While dated, a 2006 study by the Northern Front Range Metropolitan Planning Organization (MOP) *Economic and Demographic Forecast for the North Front Range Modeling Area and It's Sub-Regions* estimated that employment would grow by 32,600 in the Fort Collins area, 38,800 in the Loveland area, 57,700 in the Greeley area, and 58,000 in surrounding areas between 2005 and 2035. The October 2008 *Primary Employers Research Project* conducted by the Northern Colorado Economic Development Corporation indicates a continuation in job growth in Larimer County, even during the national economic downturn. Of the 50 primary employers surveyed, 74% plan to expand over the next three years. Of the 74% of the businesses planning expansion, 62% are in manufacturing, 11% in information and 11% in professional, scientific and technical services. The next largest industry sector predicting growth is wholesale trade.

Larimer County's adult population has a higher percentage of people with an associates, bachelor's or post-graduate degree compared to the state. The same is true for the City of Fort Collins, the only jurisdiction in Larimer County with available 2007 ACS data. Forty-eight percent (47.8%) of Larimer County's adult population has a bachelor degree or higher. Another 30.8% have some college education, compared to 30.0% for the state as a whole. Larimer County has a high percentage of jobs requiring advanced education, especially in Fort Collins, home to CSU. Employers surveyed for the 2008 *Primary Employers Survey* stated that, though Larimer County has a highly educated workforce, of the 68% of respondents that were having trouble recruiting employees, 44% indicated having trouble recruiting for white collar jobs, while 41% were having trouble recruiting for blue collar jobs.

Table 19: Educational Attainment for the Population 25 Years and Over, 2007

	Larimer County		Fort Collins		Colorado	
	Number	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Owners	78,737		32,405		1,280,207	
Less than high school graduate	2,722	3.5%	723	2.2%	87,050	6.8%
High school graduate (including equivalency)	14,126	17.9%	4,362	13.5%	264,640	20.7%
Some college or associate's degree	24,268	30.8%	8,675	26.8%	384,625	30.0%
Bachelor's degree or higher	37,621	47.8%	18,645	57.5%	543,892	42.5%
Renters	34,111		20,848		579,758	
Less than high school graduate	2,294	6.7%	728	3.5%	85,003	14.7%
High school graduate (including equivalency)	6,828	20.0%	2,557	12.3%	162,781	28.1%
Some college or associate's degree	14,318	42.0%	9,659	46.3%	187,666	32.4%
Bachelor's degree or higher	10,671	31.3%	7,904	37.9%	144,308	24.9%
Total	112,848		53,253		1,859,965	

Source: U.S. Census Bureau American Community Survey

Commuting patterns have changed in Larimer County during the past eight years as economic opportunities in other counties have increased commuting from Larimer County to other surrounding areas. In 2000, the census reported that 84% of residents also worked in Larimer County. In 2006, this percentage had dropped to 67.6%. Thirty-two percent of those who work in Larimer County commute in from other places, including Weld, Boulder, and Jefferson Counties. LED On the Map data also shows that Larimer County residents commute to jobs around the county, and choose to live in their local community often for reasons other than job location.

Table 20: Place of Residence for Larimer County Employees, 2006

Larimer County	68.0%
Weld County	11.1%
Boulder County	3.4%
Jefferson County	3.3%
Arapahoe County	2.8%
Denver County	2.5%
Adams County	2.3%
El Paso County	1.8%
Douglas County	1.1%
Laramie County, WY	0.6%
All Other Locations	2.9%

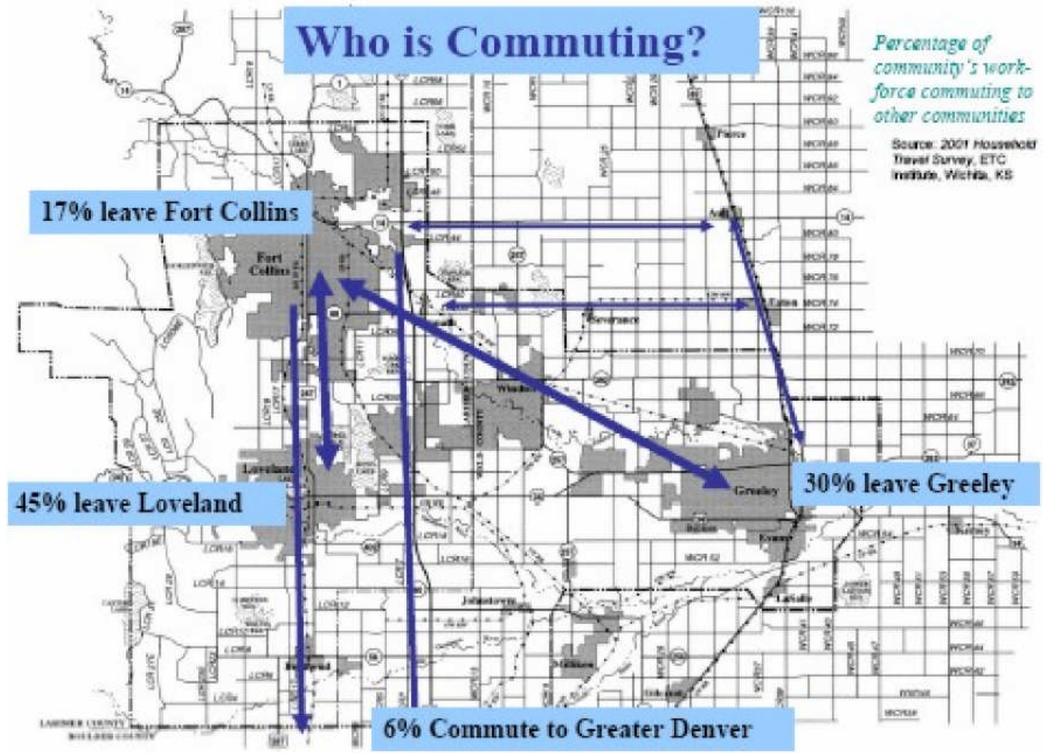
Source: U.S. Census Bureau LED On the Map

Table 21: Place of Work for Larimer County Residents, 2006

Larimer County	67.6%
Weld County	6.8%
Boulder County	6.4%
Denver County	4.6%
Arapahoe County	3.2%
Adams County	2.9%
Jefferson County	2.8%
Douglas County	1.1%
El Paso County	0.9%
Broomfield County	0.6%
All Other Locations	3.0%

Source: U.S. Census Bureau LED On the Map

Figure 9: Regional Commuting Patterns, 2008



Source: City of Loveland Advanced Planning Annual Data Report, North Front Range MPO, 2008

Having housing with a range of prices and types for the local work force is important for all communities. With 67.6% of Larimer County residents working within their own county, it appears that a live/work balance is possible, yet commuting between communities has risen this decade. The increase in earnings from jobs in Larimer County flowing to other counties indicates that some workers are choosing to live in other communities and commuting to Larimer County, perhaps because housing prices have risen higher in the county than in some surrounding communities such as Weld County. The 2006 Northern Front Range Metropolitan Planning Organization (MOP) *Economic and Demographic Forecast for the North Front Range Modeling Area and It's Sub-Regions* estimates that 12,000 people in the north Front Range area worked at home in 2006. A continued trend towards working at home will cut back on commuting. Based on Bureau of Labor Statistics information, MOP estimates that as many as 27,000 people will work at home at least part time by 2035 on the north Front Range.

HOUSING PRODUCTION

This section of the report will focus on the current housing stock as well as recent housing construction by unit type and price range for the county, for-sale and for-rent units, housing conditions, housing types and other characteristics. This data will be used to estimate new housing production needs in Larimer County.

Number and Type of Housing Units

The following table shows the estimated number of housing units in each community in Larimer County, as well as those in the non-municipal areas of the county. New development in the unincorporated areas of the county during the past decade has increased the number of housing units outside any incorporated town or city. In Larimer County, cities annex land into incorporated municipalities in the Growth Management Areas (GMA)s of the county, and includes agriculture as the highest and best use of land in the unincorporated areas of the county. Residential development is allowed, but lots must be 35 acres in size unless part of a subdivision. Despite a policy of encouraging development around incorporated areas, the number of housing units in the unincorporated areas of the county now number more than the number of units within City of Loveland municipal boundaries.

Table 22: Total Number of Housing Units, 2007

	Housing Units
Larimer	128,404
Berthoud	2,143
Estes Park	4,029
Fort Collins	57,768
Johnstown (part)	33
Loveland	27,377
Timnath	101
Wellington	2,125
Windsor (part)	1,037
Unincorporated	33,791

Source: State of Colorado Demography Section

The majority of occupied housing units in Larimer County are single-family, stick-built, detached homes. Another 7.1% of units in Larimer County are attached townhomes or duplexes, and 4.7% are manufactured housing units or mobile homes. The remainder is in multi-unit properties. Seventy percent of all multi-unit properties are located in Fort Collins. Denser housing is usually located in the largest community in a county, and this is especially true in Larimer County and the concentration of college students in Fort Collins.

Table 23: Units in Structure, Larimer County, 2007

	Larimer County		Berthoud		Estes Park		Fort Collins	
	Owner-occupied	Renter-occupied	Owner-occupied	Renter-occupied	Owner-occupied	Renter-occupied	Owner-occupied	Renter-occupied
1, detached	64,547	11,383	1,283	167	1,303	326	24,475	6,112
1, attached	4,807	3,169	70	16	317	92	2,781	1,789
2 units	503	2,371	4	49	17	115	171	1,341
3 to 19	2,271	12,818	13	137	111	525	1,547	9,151
20 to 49	124	1,965	0	5	6	51	118	1,590
50 or more	123	2,263	0	0	0	0	104	1,765
Mobile home	4,056	1,152	171	30	11	21	876	372
Boat, RV, van, etc.	65	0	6	0	3	0	0	0
Total:	76,497	35,120	1,546	404	1,768	1,130	30,072	22,120
	Loveland		**Timnath**		**Wellington**		**Remainder of County**	
	Owner-occupied	Renter-occupied	Owner-occupied	Renter-occupied	Owner-occupied	Renter-occupied	Owner-occupied	Renter-occupied
1, detached	15,476	2,301	70	17	1,513	122	20,427	2,340
1, attached	1,078	1,000	0	0	31	51	529	220
2 units	287	689	0	4	0	67	24	105
3 to 19	379	2,569	0	0	0	21	220	414
20 to 49	0	231	0	0	0	0	0	88
50 or more	17	466	0	0	0	4	2	28
Mobile home	538	44	0	0	61	29	2,400	656
Boat, RV, van, etc.	0	0	0	0	0	0	56	0
Total:	17,776	7,299	70	21	1,605	295	23,659	3,852

Source: Colorado Demography Section, Census 2000, American Community Survey, Claritas Data, CSI

Most of the housing stock in Larimer County has been built since the 1960s. Twenty percent of all housing units in Larimer County were built in 1969 or earlier. Though construction of new housing has been concentrated in Fort Collins and Loveland since 1999, the smaller communities of Berthoud, Estes Park, Timnath and Wellington have grown substantially during this decade when total new units developed are compared to the total housing stock. Each is poised for more growth when the housing market recovers.

Rental units range in age. The Cities of Fort Collins and Loveland have seen in increase in rental housing production since 2000 in response to population growth, and the need for more affordable and senior housing units.

Table 24: Tenure by Year Structure Built, Larimer County, 2007

	Larimer County		Berthoud		Estes Park		Fort Collins	
	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:
Built 2005 or later	2,128	321	124	8	58	8	740	97
Built 2000 to 2004	13,264	4,136	401	16	341	143	5,477	2,431
Built 1990 to 1999	18,468	5,054	211	11	228	46	7,987	3,573
Built 1980 to 1989	11,954	5,585	254	145	310	210	5,597	3,849
Built 1970 to 1979	15,904	10,793	210	72	281	167	5,063	6,672
Built 1960 to 1969	5,629	3,952	48	61	148	137	2,033	2,410
Built 1950 to 1959	3,204	1,724	7	9	147	132	1,106	922
Built 1940 to 1949	1,392	574	24	6	153	71	511	322
Built 1939 or earlier	4,554	2,979	287	56	98	221	1,558	1,843
Total	76,497	35,120	1,566	384	1,763	1,135	30,072	22,120

	Loveland		Timnath		Wellington		Remainder of County	
	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:
Built 2005 or later	785	166	2	0	257	0	162	42
Built 2000 to 2004	3,936	1,171	2	0	403	12	2,704	364
Built 1990 to 1999	3,598	640	5	0	92	0	6,347	784
Built 1980 to 1989	2,026	894	8	6	158	41	3,601	440
Built 1970 to 1979	3,569	2,462	7	2	374	125	6,402	1,292
Built 1960 to 1969	1,197	901	4	2	29	67	2,169	374
Built 1950 to 1959	932	475	4	3	35	4	972	181
Built 1940 to 1949	521	157	0	2	6	16	178	0
Built 1939 or earlier	1,211	433	40	4	249	33	1,111	388
Total	17,776	7,299	73	18	1,602	298	23,645	3,866

Source: U.S. Census Bureau, 2000 Census, Claritas, CSI

Housing Production

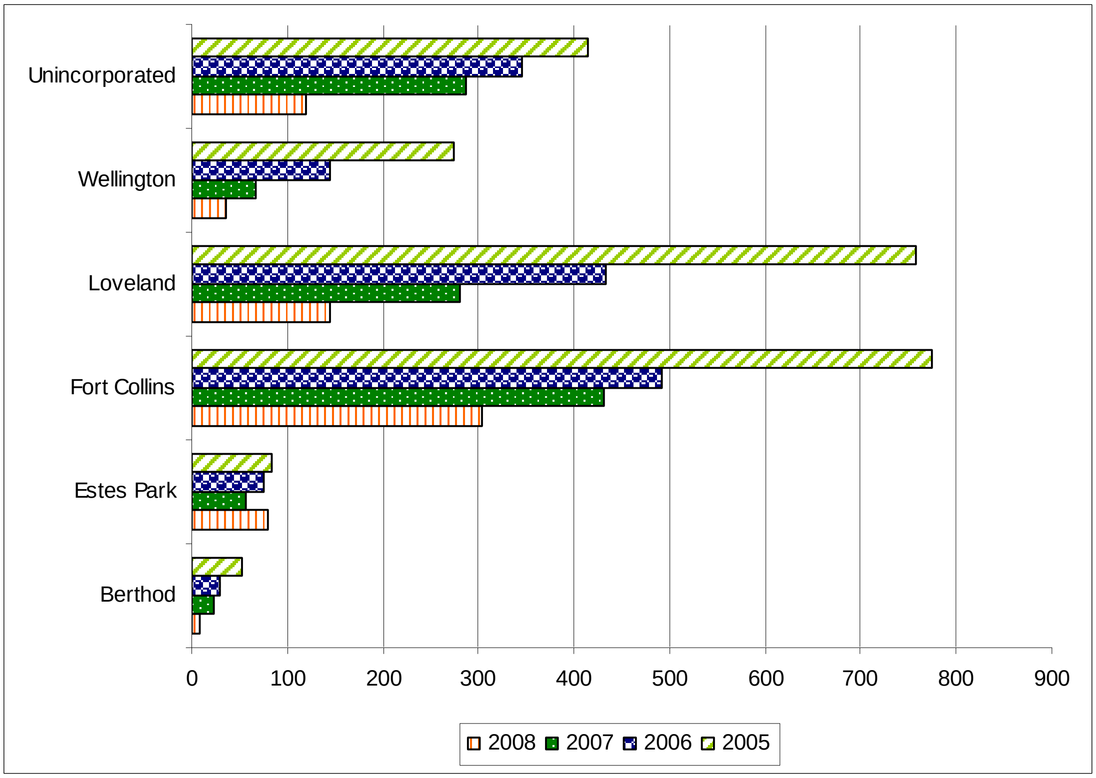
Applications for building permits in Larimer County have declined dramatically since their peak in 2005 and 2006. The downturn in the national real estate market has affected Larimer County communities, most of which have been growing at a fast pace, and development of new units has slowed county wide, as it has across the nation. Much of this slowdown is due to consumer confidence, new lending requirements, and the residual effects of severe declines in property values in other areas of the country. As is true across the nation, much of the existing housing inventory currently on the market must be absorbed before many new homes will be built in Larimer County. When this happens and credit begins to flow, development activities will pick up again.

Table 25: Residential Building Permits and Unit Counts

		2005 Units	2006 Units	2007 Units	2008 Units
Berthoud					
	Single Family	52	30	23	9
	Two Family	0	0	0	0
	Three and Four Family	0	0	0	0
	Five or More Family	0	0	0	0
	Total	52	30	23	9
Estes Park					
	Single Family	73	73	52	80
	Two Family	0	0	2	0
	Three and Four Family	3	2	1	0
	Five or More Family	8	0	2	0
	Total	84	75	57	80
Fort Collins					
	Single Family	732	464	408	267
	Two Family	6	7	3	4
	Three and Four Family	19	9	4	9
	Five or More Family	18	11	16	23
	Total	775	491	431	303
Loveland					
	Single Family	730	397	280	139
	Two Family	12	24	0	0
	Three and Four Family	0	0	0	4
	Five or More Family	16	12	0	1
	Total	758	433	280	144
Wellington					
	Single Family	275	124	66	35
	Two Family	0	0	0	0
	Three and Four Family	0	17	1	0
	Five or More Family	0	4	0	0
	Total	275	145	67	35
Unincorporated					
	Single Family	409	344	287	119
	Two Family	3	1	0	0
	Three and Four Family	2	0	0	0
	Five or More Family	0	0	0	0
	Total	414	345	287	119

Source: US Census Bureau

Figure 10: Declining Building Permits and Units in Larimer County, 2005 – 2008



Source: US Census Bureau

Land Inventory

In some communities, a lack of developable land can lead to housing shortages or sharp increases in housing costs as development costs rise with land costs. This is not the case in Larimer County, though land availability zoned appropriately for various residential uses varies by community. Both the City of Fort Collins and the City of Loveland have conducted vacant land inventories in the past few years.

The City of Fort Collins Advanced Planning Department *2008 Buildable Lands Inventory Report* has determined that most vacant land that can be developed for housing and commercial uses is located in the northeastern portion of the City's Growth Management Area (GMA). Smaller residential and commercial parcels are scattered throughout the GMA. Taking both vacant undeveloped land and redevelop able parcels into consideration, Fort Collins estimates that there is total build out capacity for 95,000 new residential units and 143,000 new jobs. These figures represent approximately 40% growth in population and 47% increase in jobs. Available buildable parcels will accommodate new development until 2030 for housing and 2026 for jobs, or 17 – 21 years of growth.

The City of Loveland is growing, and has planned for growth in the eastern part of the City, where a large Centerra annexation along I-25 will accommodate growth in commercial and residential building for years to come. Loveland is also concentrating efforts in their downtown, to bring new housing units within walking distance of downtown jobs and amenities. City planners are working to attract dense, multi-unit projects in the downtown area, as well as redevelopment of existing buildings into mixed use commercial and residential properties. Lincoln Place, a new mixed use development downtown with 200 housing unit, retail space and a parking garage, is an example of they type of project being encouraged by the City of Loveland. The City estimates that there are 956 building sites ready for single family residential development, and total of 1,895 additional vacant lots that are not ready for building permits. City staff say that for the short term, there is plenty of developable land for both single family and multi-family housing in Loveland.

Other smaller communities in Larimer County have annexed land for large new commercial and residential developments. Timnath, for example, located directly east of Fort Collins, grew 2,200 acres through five large annexations, with a golf course and residential area already under construction.

There are currently 599 residential lots or vacant properties zoned for residences with 5 acres or less for sale through the Multi-List Service (MLS) in Larimer County. This number does not include any farm land with residences, or land that could be used for residential and commercial use. Lot sales have dropped in the past four years and continue to do so, according to local Realtors and MLS data. Many developed lots in subdivisions are being sold without use of the MLS banks to developers. Other bank-owned lots show up on the foreclosure lists provided by services such as Realtytrac.com. In July of 2009, Realtytrac listed 60 bank owned lots for auction, located in Loveland, Windsor, Timnath, Wellington and Berthoud.

Lot prices are dropping, as shown in Table 27. The median price for a lot with five acres or less in Fort Collins is $159,000, $87,000 in Loveland and $8,900 in Wellington. There are many lots on the market in Berthoud, Estes Park, Timnath, and Fort Collins that have up to five acres, have access to open space, boat ramps, private recreation facilities, etc. These lots skew the median price of lots upwards. Average city lots are currently listed between $55,000 and $100,000 in Fort Collins, and $55,000 - $89,000 per lot in Loveland.

Table 26: Lot Listings, July 2009

	# On Mkt	Median Price
Berthoud	50	$189,900
Estes Park	85	$182,500
Fort Collins	217	$159,000
Loveland	198	$87,000
Timnath	23	$217,500
Wellington	26	$8,900

Source: Larimer County MLS, CSI

In the past three years, sales of lots with five or less acres have steadily declined in all Larimer County communities. Sold prices have also declined, though price fluctuations in many of the smaller communities are due in part to the type of lots offered during each 12 month time period. For instance, many luxury developments came on the market and sold out during one year, while a development of smaller lots might sell out the next year.

Table 27: Sold Lots, Three Year Sales Data

	2005		2006		2007		2008	
	Number	Med Price	Number	Med Price	Number	Med Price	Number	Med Price
Berthoud	36	$187,500	67	$185,000	20	$140,000	14	$139,000
Estes Park	41	$163,000	36	$160,000	23	$170,950	26	$165,000
Fort Collins	161	$119,900	132	$140,000	72	$107,000	39	$89,500
Loveland	102	$131,500	45	$141,150	36	$160,000	19	$142,500
Timhath	NA	NA	3	$320,000	46	$109,900	20	$95,900
Wellington	38	$51,596	22	$53,500	12	$50,000	3	$50,000

Source: Larimer County MLS, CSI

Housing Sales Data

The number of single family home sales decreased between 2007 and 2008, and continues to decline as borrowers remain skeptical of the local and national housing markets and credit markets remain tight.

Price Trends

Currently, there are 2,533 single family and 634 attached housing units on the market in Larimer County. The following table shows the profile of the current listings that are included in the local MLS. Complete information about listings not in the MLS is not available. Only units listed in the MLS were used to estimate the average square footage, average year built, and average days on the market. Housing units located outside Fort Collins or Loveland, on average, are priced higher than in either city, and are on average larger. More larger new high end homes are located in new growth areas of smaller communities, while many older, more modest homes are located in the two largest cities. On average, units in Fort Collins and Loveland are similar in size, age, and price, with Fort Collins homes demanding slightly higher prices than those in Loveland. Single family homes in Loveland have been on the market a bit longer than in other areas of the county. The average number of days that homes currently listed for sale are on the market is between three to five months.

Table 28: Current Listings, Larimer County

	Avg Price	Avg Bdrms	Avg Baths	Avg s.f.	Avg Garage Spaces	Avg Year Built	Avg Days on Market	Avg Price Per sf
Fort Collins								
Single Family	$391,285	3	3	3,010	2.2	1985	118	$130
Condos/Attached	$192,832	2	2	1,611	1.2	1994	138	$120
Loveland								
Single Family	$380,560	3	3	2,984	2.3	1987	150	$128
Condos/Attached	$178,824	3	2	1,745	1.3	1998	109	$102
Larimer County all								
Single Family	$410,684	4	3	2,997	2.3	1987	141	$137
Condos/Attached	$211,543	2	2	1,580	1.0	1995	154	$134

Source: MLS Data, CSI analysis

The bulk of current listings are in the $150,000 - $300,000 price range in Larimer County, and in both Fort Collins and Loveland. Over 20% of listings in the county are priced at $450,000 and above. Condos have lower prices, with the majority priced from $100,000 - $250,000.

Table 29: Current Listings by Price Range, Larimer County

Fort Collins		Single Family	Condos/ Attached	% of Total
<$74999		1	7	0.5%
$75,000 -	$100,000	5	32	2.3%
$100,001 -	$150,000	52	100	9.3%
$150,001 -	$200,000	164	130	18.1%
$200,001	$250,000	257	75	20.4%
$250,001	$300,000	162	33	12.0%
$300,001	$350,000	124	7	8.0%
$350,001	$400,000	103	2	6.4%
$400,001	$450,000	52	2	3.3%
>$450,000		303	17	19.7%
Total Listings		1,223	405	1,628
Loveland		**Single Family**	**Condos/ Attached**	**% of Total**
<$74999		3	0	0.3%
$75,000 -	$100,000	9	2	1.2%
$100,001 -	$150,000	40	47	9.8%
$150,001 -	$200,000	165	49	24.2%
$200,001	$250,000	142	16	17.9%
$250,001	$300,000	92	3	10.7%
$300,001	$350,000	54	2	6.3%
$350,001	$400,000	50	2	5.9%
$400,001	$450,000	42	0	4.8%
>$450,000		165	1	18.8%
Total Listings		762	122	884
Larimer County		**Single Family**	**Condos/ Attached**	**% of Total**
<$74999		6	8	0.4%
$75,000 -	$100,000	16	34	1.6%
$100,001 -	$150,000	161	121	8.9%
$150,001 -	$200,000	378	211	18.6%
$200,001	$250,000	456	115	18.0%
$250,001	$300,000	321	54	11.8%
$300,001	$350,000	223	28	7.9%
$350,001	$400,000	194	22	6.8%
$400,001	$450,000	120	12	4.2%
>$450,000		658	29	21.7%
		2,533	634	3,167

Source: MLS Data, CSI analysis

Newer units built in the past few years are higher priced than those that were built pre-2006. This is true for both single family units and condos and townhomes. New condos are listed for the highest price per square foot in areas other than Fort Collins or Loveland. New single family homes have higher prices per square foot than existing units in Fort Collins, though the opposite is true in Loveland and the rest of the county.

Table 30: Price Comparison of New vs. Older units, Current Listings

Fort Collins	Price Per Square Foot		Average Price	
	Pre-2006	2006 - 2008	Pre-2006	2006 - 2008
Single Family	$129	$136	$375,621	$493,152
Condos/Attached	$114	$135	$171,413	$275,928
Loveland	**Price Per Square Foot**		**Average Price**	
	Pre-2006	**2006 - 2008**	**Pre-2006**	**2006 - 2008**
Single Family	$130	$119	$374,410	$405,732
Condos/Attached	$100	$125	$174,224	$214,915
Larimer County	**Price Per Square Foot**		**Average Price**	
	Pre-2006	**2006 - 2008**	**Pre-2006**	**2006 - 2008**
Single Family	$137	$136	$396,475	$482,044
Condos/Attached	$128	$153	$192,346	$291,114

Source: MLS Data, CSI analysis

The following chart shows that single family homes sold in 2008 have lower prices than units currently on the market. It appears that some average asking prices in Larimer County have not dropped, though owners may not be getting offers at the prices asked, and lower priced units are selling better than higher priced units. Movement in the higher priced home range has slowed tremendously during 2009 across the state and nation. Prices in the Cities of Fort Collins and Loveland declined between 2007 and 2008, while the average single family home price in Estes Park rose.

Table 31: Units Sold 2008

	2004		2005		2006		2007		2008	
	# Sold	Median Price	# Sold	Median Price	# Sold	Median Price	# Sold	Median Price	# Sold	Median Price
Fort Collins										
Single Family	3,103	$220,500	3,102	$229,865	2,927	$230,000	2,807	$235,000	2,359	$233,000
Condos/Attached	999	$158,000	912	$157,500	785	$156,000	725	$155,000	682	$151,000
Loveland / Berthoud										
Single Family	2,054	$220,625	2,081	$233,000	1,795	$239,000	1,595	$228,000	1,428	$219,000
Condos/Attached	266	$161,900	278	$164,000	233	$157,900	194	$153,000	162	$146,000
Estes Park										
Single Family	186	$280,000	228	$281,500	235	$320,000	264	$312,000	190	$339,000
Condos/Attached	75	$234,000	120	$247,000	99	$245,000	125	$265,000	99	$264,500

Source: Larimer County MLS, CSI

Foreclosures

Colorado's foreclosure woes are part of a national surge in foreclosures during the past few years. Much of Colorado's foreclosure problem is centered along the Front Range and in the Denver metro suburbs. However, as the national and metro sales markets cool, the effect is found across the state. A slow market and the impact of variable rate and subprime mortgages can be seen in Larimer County. The Colorado Division of Housing *1st Quarter 2009 Foreclosure Report* shows that auctions of foreclosed homes are down 8% in Colorado from the 4th quarter of 2008. However, filings of new foreclosures are up 13%. The 12 most populous counties in Colorado account for

95% of foreclosure filings, according to the Division of Housing report. Counties with the highest foreclosure rates tend to be concentrated on the Front Range. Larimer County had a 24% drop in foreclosure sales between the 1st Quarter of 2008 and the 1st Quarter of 2009, which, while good news, was not as large as the drop in many other Front Range counties in the state. The overall number of foreclosures in Larimer County is much smaller than most counties with larger declines.

Table 32: Year-Over-Year Changes in 1st Q Foreclosure Sales in Metropolitan Counties

County	2008	2009	Year-over-year % change
Adams	935	628	-33%
Arapahoe	970	611	-37%
Boulder	134	100	-25%
Broomfield	35	22	-37%
Denver	1399	731	-48%
Douglas	320	219	-31%
El Paso	509	522	+3%
Jefferson	455	391	-14%
Larimer	228	174	-24%
Mesa	24	44	+83%
Pueblo	206	151	-27%
Weld	442	349	-21%

Source: Colorado Division of Housing

While foreclosure sales declined, Larimer County had an increase of 10% in foreclosure filings between the first quarters of 2008 and 2009. Adjacent Weld County had a 5% decrease in filings. Many large Front Range counties saw drops in the number of foreclosure filings during this time period.

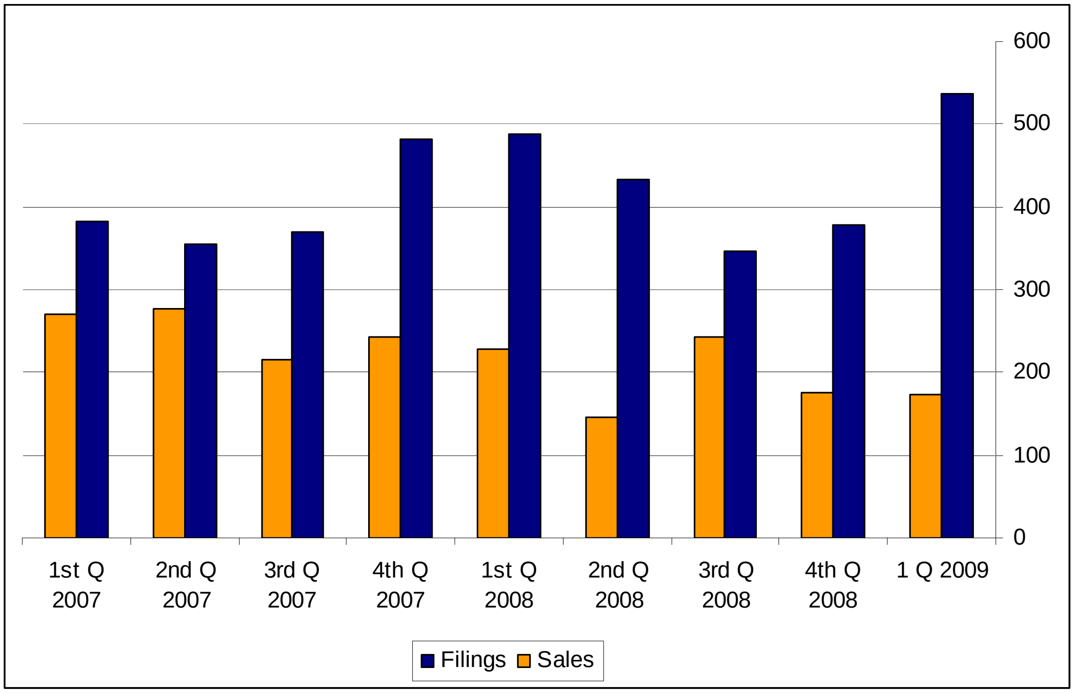
Table 33: Year-Over-Year Changes in 1st Q Foreclosure Filings in Metropolitan Counties

County	2008	2009	Year-over-year % change
Adams	1704	1327	-22%
Arapahoe	1851	1334	-28%
Boulder	278	291	+5%
Broomfield	79	70	-11 %
Denver	2042	1524	-25%
Douglas	665	575	-14%
El Paso	1216	1292	+6%
Jefferson	1010	926	-8%
Larimer	487	536	+10%
Mesa	119	175	+47%
Pueblo	383	421	+10%
Weld	813	770	-5%

Source: Colorado Division of Housing

Foreclosure filings in Larimer County are at their highest level since the beginning of 2007, while sales are down from their highest level the second quarter of 2007.

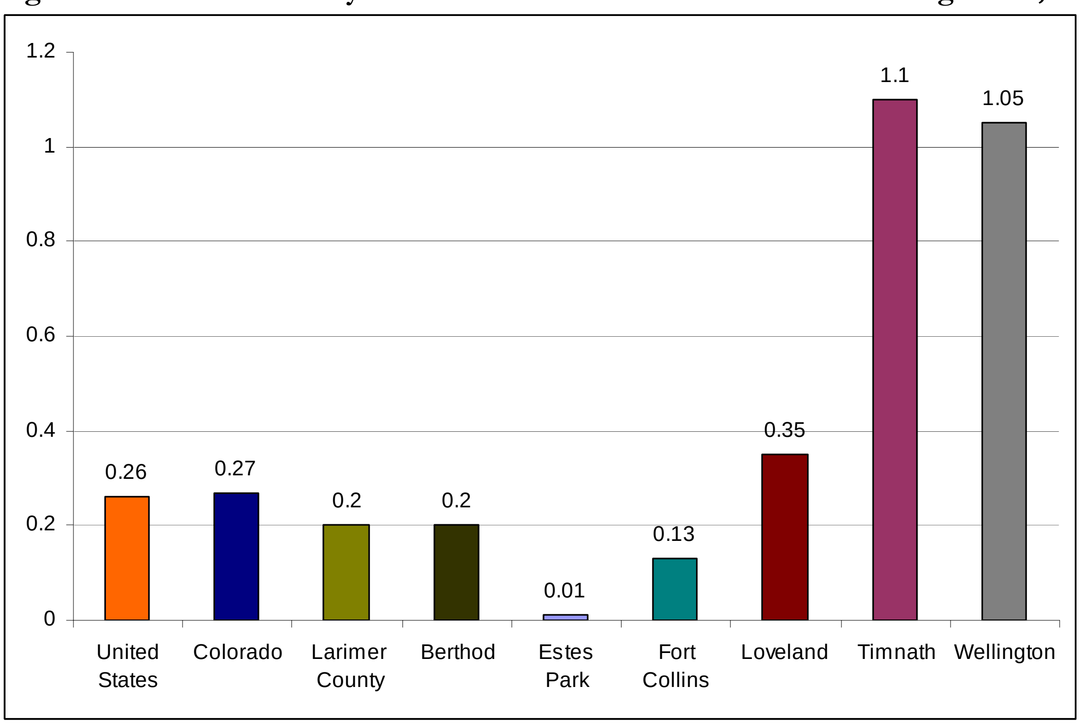
Figure 11: Foreclosure Filings and Sales Over Time in Larimer County



Source: Colorado Division of Housing

The communities of Loveland, Timnath, and Wellington all have a higher percentage of housing units in Foreclosure than other communities in Larimer County, the State of Colorado, and the US. Fort Collins, Berthoud, and Estes Park all have lower rates, according to RealtyTrac.

Figure 12: Larimer County Foreclosures as a Percent of Total Housing Units, 2009

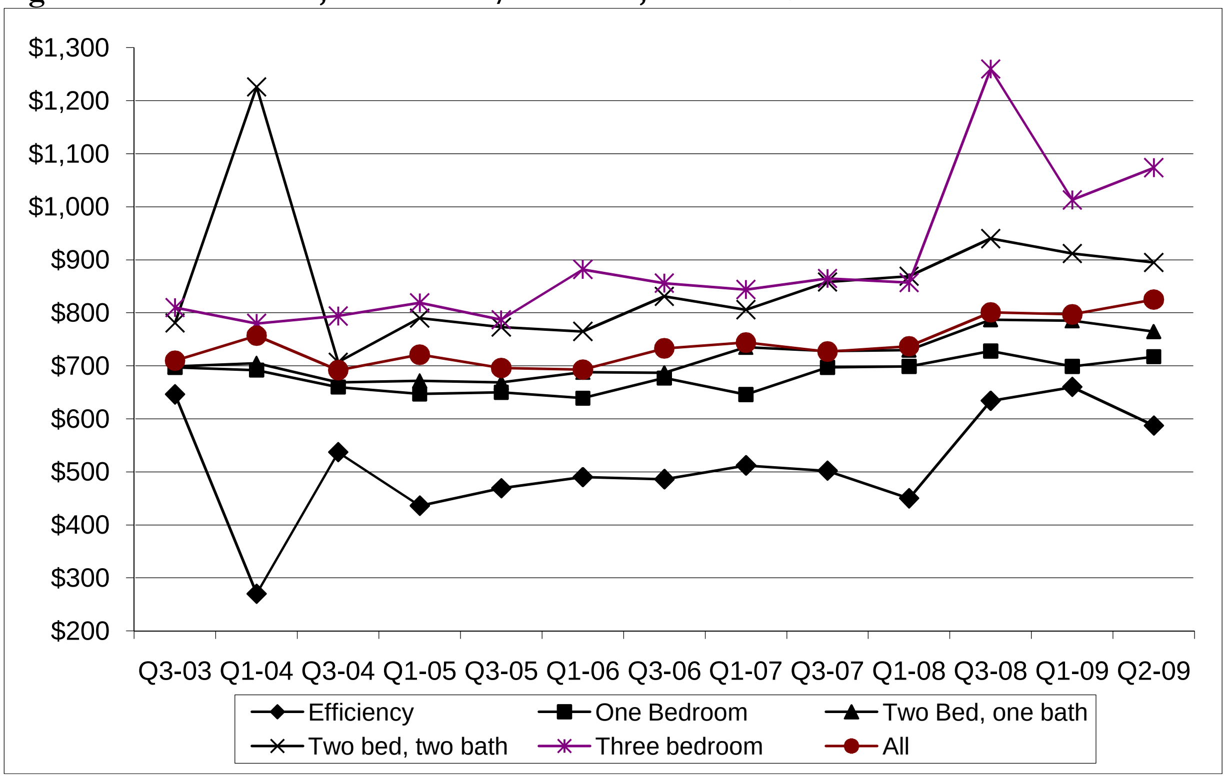


Source: RealtyTrac

Rental Housing Cost and Condition

Fort Collins and Loveland are part of the Colorado Division of Housing (DOH) bi-annual survey of rents and vacancy rates. The rents in Fort Collins and Loveland have increased slightly in the past 4 years, according to the Colorado Division of Housing Rent and Vacancy Survey, for the second quarter of 2009. The survey captures multi-unit properties in both Fort Collins and Loveland. The survey does not capture single family homes and duplexes. The following charts show rent trends by unit type for multi-family units captured in the Division of Housing survey in the study areas during the past five years. Steady rent rates have given renters more choice and a chance to stabilize housing payments compared to the decade before, when rent rates rose much higher than incomes.

Figure 13: Median Rent, Fort Collins/Loveland, 2003 - 2009



Source: Colorado Division of Housing Rent and Vacancy Survey, 2nd Quarter 2009

Table 34: Median Rents over Time, Fort Collins/Loveland

	Efficiency	One Bedroom	Two Bed, one bath	Two bed, two bath	Three bedroom	All
Q3-03	$646	$697	$699	$781	$810	$710
Q1-04	$270	$692	$705	$1,226	$780	$757
Q3-04	$537	$660	$669	$707	$794	$692
Q1-05	$436	$647	$672	$790	$819	$721
Q3-05	$469	$650	$669	$773	$787	$696
Q1-06	$490	$639	$688	$765	$882	$693
Q3-06	$486	$677	$687	$831	$856	$733
Q1-07	$512	$646	$735	$806	$844	$744
Q3-07	$502	$697	$728	$858	$865	$727
Q1-08	$450	$699	$730	$869	$857	$737
Q3-08	$634	$728	$787	$940	$1,260	$801
Q1-09	$660	$699	$785	$912	$1,013	$797
Q2-09	$587	$717	$765	$895	$1,074	$825

Source: Colorado Division of Housing Rent and Vacancy Survey, 2nd Quarter 2009

Table 35 below shows the number of units reported during the 1st Quarter 2009 survey by bedroom size, the range of rents reported for each type of unit, and the median rent by type. Some data in the survey is reported separately for Fort Collins and Loveland, while some data is combined for the two cities. In both cities, the majority of units surveyed had one or two bedrooms.

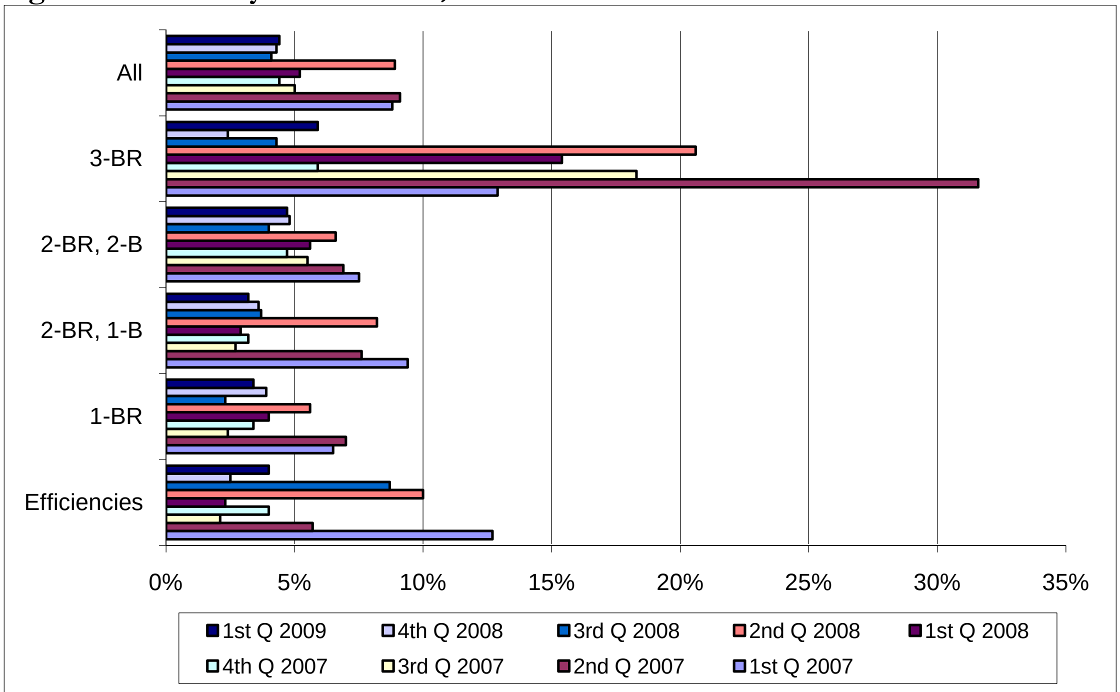
Table 35: Survey Results, Fort Collins/Loveland, 2nd Quarter 2009

Fort Collins	# Reported	% of Total	Approx. Range of Net Rents	Med Net Rent
Efficiency	134	3.2%	$351-$775	$522
1 BR	1,095	26.2%	$451-$1,000	$722
2 BR, 1 B	1,480	35.4%	$526-$1,200	$780
2 BR, 2 B	924	22.1%	$526-$1,125	$891
3 BR	296	7.1%	$751-$1,375	$974
4 BR+	251	6.0%	$700-$1,800	$798
Total	4,180	100.0%		
Loveland	**# Reported**	**% of Total**	**Approx. Range of Net Rents**	**Med Net Rent**
Efficiency	0	0.0%	NA	$522
1 BR	235	37.6%	$476-$850	$722
2 BR, 1 B	39	6.2%	$576-$1,100	$780
2 BR, 2 B	256	41.0%	$676-$1,200	$891
3 BR	66	10.6%	$672-$1,650	$974
4 BR+	29	4.6%	$776-$950	$798
Total	625	100.0%		

Source: Colorado Division of Housing Rent and Vacancy Survey, 2nd Quarter 2009

Vacancy rates for multi-family units have stayed stable over the past quarters. The overall vacancy rate was 4.4% in the first quarter of 2009. This rate is low compared to the metro Denver area, where vacancy rates have risen to 8.4% for the 1st quarter of 2009. A rate of 5% represents market equilibrium, or the point at which a unit that is vacated is re-leased within a month. A rate higher than 5% indicates that there are empty rental units sitting on the market, and a rate below 5% indicates that units may already be leased upon vacancy.

Figure 14: Vacancy Rate Trends, 2000 – 2009



Source: Colorado Division of Housing, 2nd Quarter 2009

Vacancy rates for three bedroom units in the survey area were highest at 5.9%, while rates for one bedroom and two bedroom/one bath units were 3.4% and 3.2% respectively.

Table 36: Vacancy Rates Over Time, Fort Collins/Loveland

	1st Q 2007	2nd Q 2007	3rd Q 2007	4th Q 2007	1st Q 2008	2nd Q 2008	3rd Q 2008	4th Q 2008	1st Q 2009	2nd Q 2009
Efficiencies	13%	6%	2%	4%	2%	10%	9%	2.5%	4.0%	9.7%
1-BR	6.5%	7.0%	2.4%	3.4%	4.0%	5.6%	2.3%	3.9%	3.4%	7.7%
2-BR, 1-B	9.4%	7.6%	2.7%	3.2%	2.9%	8.2%	3.7%	3.6%	3.2%	10.0%
2-BR, 2-B	7.5%	6.9%	5.5%	4.7%	5.6%	6.6%	4.0%	4.8%	4.7%	8.0%
3-BR	12.9%	31.6%	18.3%	5.9%	15.4%	20.6%	4.3%	2.4%	5.9%	17.4%
All	8.8%	9.1%	5.0%	4.4%	5.2%	8.9%	4.1%	4.3%	4.4%	9.9%

Source: Colorado Division of Housing, 2nd Quarter 2009

Affordable Rental Properties in Larimer County

Table 37 shows the inventory of affordable rental properties in Larimer County, as well as the total number of units in the property, the type of households served, the number of units with rental assistance, income restrictions by Area Median Income (AMI) levels, and the number of households on the waiting list. There are currently 3,799 affordable rental units in Larimer County. There is a mix of units targeting families and those serving seniors and persons with disabilities. CSI has identified properties with rental assistance and income restrictions at each when information was available.

Table 37: Affordable Properties

Property Name	# of Units	Households Served	Rental Assist.	Income Restrictions
Berthoud				
Hamilton Part Apartments	48	Seniors	48	48 @ 30%
Estes Park				
Cleve Street	10	Families		1 @ 30% AMI, 3 @ 50% AMI, 6 @ 60% AMI
Lone Tree Village	57	Families		13 @ 40%, 32 @ 50%, 12 @ 60%
Park Ridge Apartments	32	Families	11	32 @ 30% AMI
South St. Vrain Apartments	12	Families	11	11 @ 30% AMI
Talons Pointe Apartments	44	Families		40 - 60% AMI
Trail Ridge Apartments	24	Seniors	23	11 @ 30%

Fort Collins				
Accessible Spaces	22	Disabled	22	All at 50% AMI
Bethaphage	5	Disabled	5	5 @ 30% or below
Buffalo Run	144	Families		13@40%; 73 @ 50%; 58 @ mkt
Bull Run	176	Families		35 @ 50%; 141 @ 60%
Caribou Apartments	192	Families		162 below 60%
Cherry Street Lofts	1	Families		1 @ 80%
Country Ranch	117	Families		117 @ 60%
DMA Plaza	126	Seniors,/Disabled	126	126 @ 30%
Eagle Tree	36	Families		14 @ 40%, 5 @ 45%, 17 @ 50%
Fairbrooke	36	Families		21 @ 40%, 14 @ 50%
FCHA – S. Bryan Ave.	27	Families	27	27 @ 30%
FCHA - Vista Montana	15	Families/Disabled	15	15 @ 30%
FCHABryan Street	1	Families	1	1 @ 30%
FCHA Jamith Units	14	Families	14	14 @ 30%
FCHA Scattered Site	200	Families/Disabled	200	118@ 30%
FCHC - Villages on Plum	95	Families	95	10@ 50%, 85 @ 90%
FCHC 1st St. Units	13	Singles	13	13 @ 0-30%
FCHC Cowan St. Units	20	Families	20	20 @ 30%
FCHC Hill Crest Units	3	Families	3	3 @ 30%
FCHC Leisure Dr. Units	26	Seniors	26	26 @ 30%
FCHC Linden St. Units	16	Families/Seniors	16	16 @ 0-30%
FCHC Mountain Ave. Units	6	Families	6	6 @ 30%
FCHC Myrtle Court Units	16	Singles	16	16 @ 0-30%
FCHC Second St. Units	3	Families	3	3 @ 30%
FCHC Swallows Nest	44	Families/Disabled	44	44 @ 30%
Fox Meadows	62	Families		50 to 60%
Fund. Part - Northern Hotel	47	Seniors,/Disabled	47	47 below 50%
Greenbriar	40	Families		31 @ 50%, 9 @ 60%
Hickory Hill	91	Families		91 @ 60%
Mosaic Housing III	18	Disabled	18	18 @ 50% AMI
NTN Azalea Drive	8	Families		50% or below
NTN Aztec Drive	4	Families		30 or below
NTN Clearview Dr.	8	Families		4 @ below 50%, 4 @ 30%
NTN Coachlight Plaza	68	Families	68	68 @ 30% or below
NTN Conifer St.	4	Special Needs		4 @ below 50%
NTN Crabtree Dr.,	8	Families	8	30% or below
NTN Palm St.	4	Families	4	4 @ 30% or below
NTN Ponderosa	8	Families		1 @ 30%, 3 @ 50%, 4 @ 60%
Oakbrook I	107	Seniors		107 @ 50% or below
Oakbrook II	100	Seniors		100 @ 50% AMI or below
Penny Flats	7	Families		7 @ 80%
Reflections	72	Seniors		50% to 60%
Residence of Oakridge	22	Assisted Living		22 @ 30-50%
Rose Tree Village	120	Families		120 @ 60% or below
Springfield Court	63	Families		Below 50%
Swallow	40	Families		13 @ 40%, 20 @ 50%, 7 @ 60%
Villages on Elizabeth	48	Families		6 @ 30%, 23 @ 40%, 13 @ 50%, 6 @ 60%
VOA, Kunz Court	60	Seniors		60 @ 50% or below
Willow Grove Village	54	Families		54 @ 60%
Windtrail	50	Families/Seniors		5 @ 30%, 25 @ 40%, 16 @ 50%, 4 @ 60%
Woodbridge Apartments	50	Seniors		50 @ 40% or below

Loveland				
Big Thompson Manor I	58	Seniors		30% AMI
Big Thompson Manor II	60	Seniors		30% AMI
Brookstone Apartments	72	Families		40-50% AMI
Cornerstone Apartments	16	Families		'≤50% - ≤80% of AMI
Creekside Gardens	50	Families		≤30% of AMI
Harvest Pointe	80	Seniors	80	80 at 50% AMI
Maple Terrace	130	Families	52	'≤80% of AMI
Mirasol Senior Living	56	Seniors		≤60% of AMI
NTN Eastbrook Community	11	Singles, Families		≤30 - ≤50% of AMI
NTN Fifth Street Apartments	4	Families		≤30 - ≤50% of AMI
NTN Sixth Street Condominiums	4	Families		≤10%, ≤40%, ≤50% of AMI
NTN The Willows Senior Community	11	Seniors and Disabled		≤40 - ≤50% of AMI
NTN Triplex Condominiums	3	Families		≤50% of AMI
Reserve at Centerra	152	Families		≤60% of AMI
Rock Crest Apartments	56	Families		30-50% AMI
Silver Leaf I	50	Seniors		30% AMI
Silver Leaf II	72	Seniors		30% AMI
The Meadows	60	Families		35-55% AMI
Waterford Place Apartments	77	Families		'≤40 - ≤50% of AMI
Willow Place	20	Families	20	'≤185% of Poverty Level
Total Units	**3,799**		**913**	

Source: Community Strategies Institute

Affordable rental construction continues in Larimer County. The Loveland Housing Authority is building a senior housing campus in Loveland that includes affordable rentals and units for sale. There are a number of new affordable single family homes being built in Loveland as well. CARE Housing has received Low Income Housing Tax Credits for a new development Provincetown, which will have 85 units in Phase I and a total of 168 units when built out. Care is also looking at building new units in Windsor, on a site that has the potential for up to 68 units. Care has a 0% vacancy rate for existing units, and feels that that need for more affordable rental units is strong.

The Fort Collins Housing Authority also administers the Section 8 Voucher program in Fort Collins, Wellington, and in unincorporated Larimer County, while the Loveland Housing Authority serves Loveland, Berthoud, and Estes Park. Section 8 Vouchers are rental vouchers that tenants can take to landlords, in which a portion of their rent is paid for by the Federal Government. There are currently 844 Section 8 Vouchers administered by the Fort Collins Housing Authority and 470 administered by the Loveland Housing Authority to serve households at 50 percent or less of the area median income. Most of these vouchers are used by households earning 30 percent AMI or less, and many are elderly or disabled.

The Fort Collins Housing Authority currently has a waiting list of over 600 households for vouchers and public housing, while Loveland has 1,900 households on their waiting list for all housing programs. Some households are turning in their vouchers because they are having a hard time finding properties that will take a voucher or that have rents below the HUD rent limits for voucher use.

HOUSING NEEDS ASSESSMENT

In this section of the report, an analysis of the need for more housing development will be presented. Household income, what households can afford for housing, and how the existing and planned housing stock meets the needs of current residents will be discussed. Gaps in the housing stock will be identified based upon current household structure and income, housing prices, locations and conditions.

Households by Income

The following table breaks Larimer County households into U.S. Department of Housing and Urban Development (HUD) income ranges by tenure. These income ranges are used by affordable housing providers to target affordable rental properties and homeownership programs to different income ranges. CSI has taken census and other data to estimate the number of households that are renters and owners by HUD Area Median Income (AMI) ranges.

Subsidized rental housing is targeted to households at 60 percent or less of AMI. Homebuyer programs usually target households with incomes higher than 60 percent AMI, usually up to a maximum of 100 percent AMI. There are a total of 26,243 renter households in Larimer County in 2009 with incomes at 60 percent AMI or below. CSI estimates that 4,180 of these households are student households living in private apartments. There are a total of 4,114 renter households in Larimer County with incomes between 60 and 80 percent of AMI, who are good candidates for homebuyer assistance programs.

Table 38: Household Incomes, Larimer County 2009

		Larimer County		Fort Collins		Loveland	
% of AMI	Income Range	owner	renter	owner	renter	owner	renter
0-29%	0-$22,559	8,118	13,918	3,065	9,568	1,892	2,413
30-49%	$22,560-37,599	8,332	8,651	3,187	5,539	2,100	1,685
50-59%	$37,600 - $45,119	6,286	3,674	2,095	2,082	1,720	1,067
60-79%	$45,120-$60,159	9,982	4,114	3,687	2,468	2,720	1,002
80-99%	$60,160-$75,199	9,931	3,018	3,839	1,871	2,723	639
100% and up	$75,200 and up	37,034	3,208	15,556	1,590	7,318	779
Total Households		79,684	36,583	31,429	23,118	18,472	7,585

Source: US Census American Community Survey, CHAS, CSI

Existing Housing Needs

Some households in Colorado have been able to stabilize housing payments during the recent real estate downturn by taking advantage of low interest rates to buy homes. Others, however, have lost jobs, and seen a reduction in hours or have wages so low that prevailing market rate rents are still unaffordable. Many low income households are forced to pay much more than they can afford for housing. The following section identifies the existing housing needs in Larimer County.

Rental Housing Needs

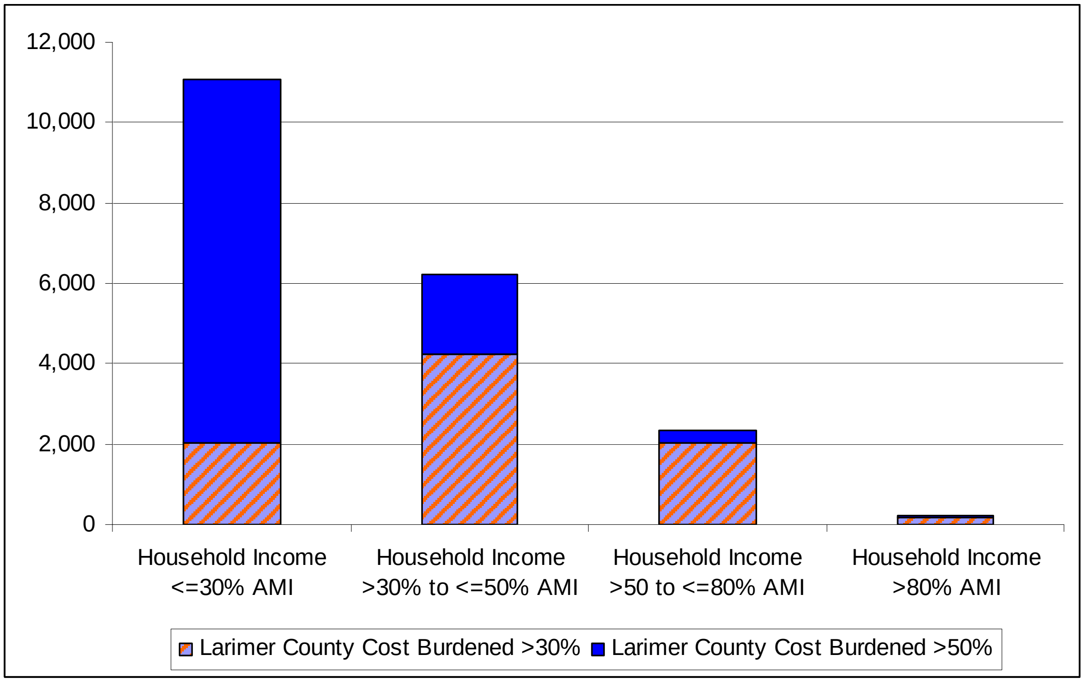
An important indicator of affordable housing need is the number of rent burdened households in the study area. The 2000 census provides information regarding the percent of household income used to pay for housing expenses. Those that pay more than 30 percent of their income for housing expenses (rent/mortgage payment and utilities) are considered "cost burdened." Table 39 and Figure 15 show the estimated number of renter households by income range that were cost burdened in 2009 in Larimer County. Because rent burden data is only available at the county level for 2000, CSI has estimated cost burdened households living in the municipal areas of Larimer County using the same ratios as for the county. As is usually the case, the majority of renters earning 30 percent of AMI ($22,559) are cost burdened. Over half of owner households and 70% of renter households earning between 30 and 50 percent of the AMI are also cost burdened.

Table 39: Cost Burdened Households, Larimer County, 2009

	Larimer County		Fort Collins		Loveland	
Owner Occupied Households	Cost Burden > 30%	Cost Burden > 50%	Cost Burden > 30%	Cost Burden > 50%	Cost Burden > 30%	Cost Burden > 50%
Household Income <=30% AMI	6,024	4,619	2,491	2,004	1,264	978
Household Inc. >30% to <=50% AMI	4,241	2,266	1,673	918	1,010	611
Household Income >50 to <=80% AMI	7,581	2,001	2,555	636	2,167	462
Household Income >80% AMI	5,307	517	2,133	116	994	50
	Larimer County		**Fort Collins**		**Loveland**	
Renter Occupied Households	Cost Burden > 30%	Cost Burden > 50%	Cost Burden > 30%	Cost Burden > 50%	Cost Burden > 30%	Cost Burden > 50%
Household Income <=30% AMI	11,065	9,047	8,076	6,851	1,481	1,016
Household Inc. >30% to <=50% AMI	6,229	2,007	4,076	1,379	1,203	352
Household Income >50 to <=80% AMI	2,336	312	1,524	227	573	81
Household Income >80% AMI	205	31	125	17	60	17

Source: HUD CHAS Databook, CSI

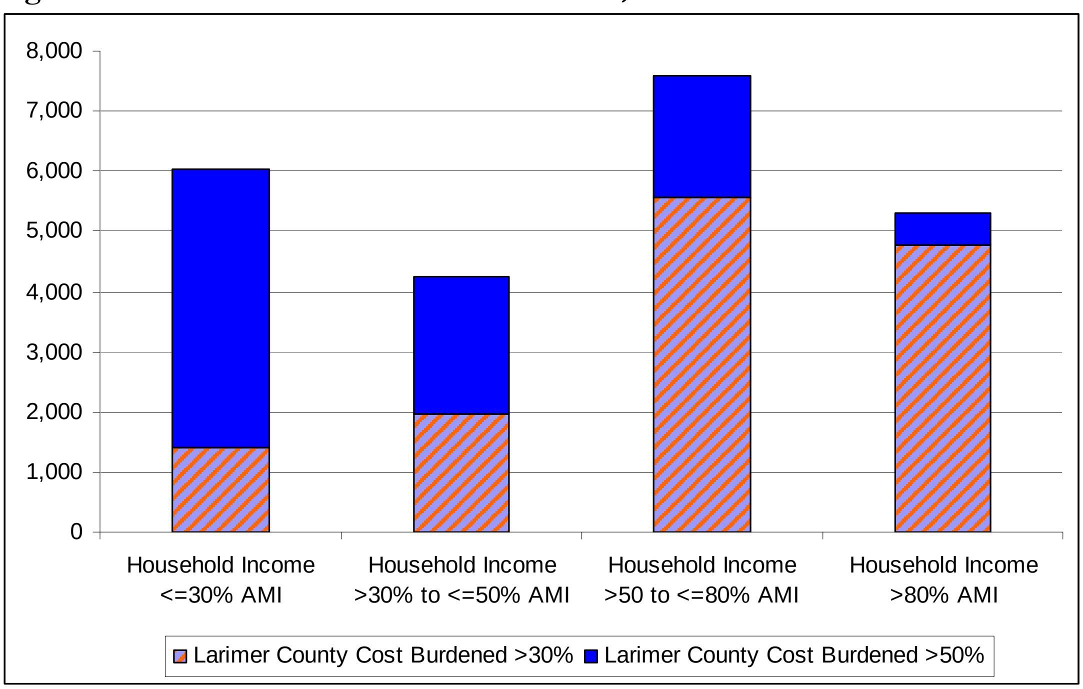
Figure 15: Cost Burdened Renter Households, 2009



Source: HUD CHAS Databook, American Community Survey, CSI

There are also many owner households who are cost burdened in Larimer County -- including 7,581 low income households earning between 51 and 80 percent of Area Median Income (AMI). High cost burden can lead some owners to foreclosure. These households can also have a hard time paying for upkeep and rehabilitation on their homes.

Figure 16: Cost Burdened Owner Households, 2009



Source: HUD CHAS Databook, American Community Survey, CSI

Housing Problems

Housing needs go beyond just the measure of cost burden. Housing needs can include the need for rehabilitation of the existing housing stock, overcoming a lack of basic safety and sanitation conditions in existing housing units, and minimizing overcrowding in the case of large families or those doubled up trying to save money.

The census provides information about the condition of the existing housing stock and overcrowded households. In Larimer County, there are many housing units built before 1960. Often these units need health and safety repairs. Older units may also be smaller than newer housing units, leading residents to build additions for extra space.

Table 40: Proportion of Older Pre-1960 Units by Community

	Occupied Units Built Before 1960	
Larimer County	14,428	12.9%
Berthoud	389	21.0%
Estes Park	821	32.8%
Fort Collins	6,262	11.8%
Loveland	3,729	14.9%
Timnath	53	60.6%
Wellington	343	36.8%
Remainder of County	2,831	10.1%

Source: US Census Bureau, CSI

Households earning 80 percent or less of the median income in Larimer County can qualify for low-interest housing rehabilitation loans offered through the Loveland Housing Authority, which can be used to make upgrades, fix health and safety concerns, and make additional repairs.

Low income owners and landlords can also access weatherization services through the program operated by Longs Peak Energy Conservation (LPEC) out of Boulder The program can provide free energy saving repairs and upgrades to decrease resident utility bills. The new economic stimulus plan has added much needed funding to this program in Colorado to weatherize more homes throughout the state.

The Census Bureau asks a series of questions about housing conditions to help communities gauge the condition of units. The following chart regarding the lack of indoor plumbing and kitchen facilities shows that in 2007 few respondents in the county had a lack of complete plumbing or kitchen facilities.

Table 41: Select Housing Conditions, 2007

	Larimer County		Berthoud		Estes Park		Fort Collins	
	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:
Lacking plumbing facilities	229	68	0	0	0	0	46	20
Lacking complete kitchen facilities	143	310	0	0	0	0	14	198
Total	76,497	35,120	1,566	384	1,763	1,135	30,072	22,120
	Loveland		**Timnath**		**Wellington**		**Remainder of County**	
	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:
Lacking plumbing facilities	0	48	0	0	0	0	183	0
Lacking complete kitchen facilities	0	108	0	0	0	4	129	0
Total	17,776	7,299	73	18	1,602	298	23,645	3,866

Source: US Census Bureau American Community Survey, 2007

Another measure of housing problems used by HUD is overcrowding. Households with over 1.0 persons per room are considered overcrowded by HUD. Areas of the county with smaller, older, housing units or higher numbers of poor households show a higher proportion of households that are overcrowded. In some cases, households choose to live in smaller quarters for cultural reasons as well. Renters across Larimer County tend to be more overcrowded than owners, following national trends. Many renters are lower income households who choose housing units for price above size. In the smaller towns in Larimer County, there are more limited affordable housing options, and some households must live in smaller, older, housing units.

Table 42: Overcrowded Households, Larimer County, 2007

	Larimer County		Berthoud		Estes Park		Fort Collins	
	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:
1.00 or fewer occupants/room	76,073	34,095	1,543	368	1,763	1,027	30,015	21,634
1.01 or more occupants/room	423	1,086	22	16	0	108	57	486
Total:	76,497	35,120	1,566	384	1,763	1,135	30,072	22,120
	Loveland		**Timnath**		**Wellington**		**Remainder of County**	
	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:	Owner occupied:	Renter occupied:
1.00 or fewer occupants/room	17,575	6,868	73	18	1,547	264	23,557	3,915
1.01 or more occupants/room	201	431	0	0	55	33	88	12
Total:	17,776	7,299	73	18	1,602	298	23,645	3,866

Source: US Census Bureau American Community Survey, 2007

Special Populations Housing Needs

In 2009, there were 61,480 people with a disability in Larimer County. The most common disability is a physical disability. There are many services for people with disabilities in Larimer County.

Table 43: Disability Status, 2009

	Larimer County	Fort Collins	Loveland
With a sensory disability	8,795	3,675	2,220
With a physical disability	17,284	7,128	4,591
With a mental disability	12,649	6,424	2,743
With a go-outside-home disability	8,036	3,862	1,975
With an employment disability	9,500	4,758	2,352

Source: U.S. Census Bureau, American Community Survey, Claritas, CSI

Often persons with self-care limitations cannot participate fully in the workforce, have low incomes and need housing assistance. CSI estimates that there are almost 14,000 households with a household member with a self care limitation in Larimer County.

Table 44: Self Care Limitations, Larimer County, 2007

	Larimer County		Berthoud		Estes Park		Fort Collins	
	Renter Occupied	Owner Occupied	Renter Occupied	Owner Occupied	Renter Occupied	Owner Occupied	Renter Occupied	Owner Occupied
Disabled HH Member	4,165	9,794	62	241	127	263	2,231	3,111
Total Households	35,120	76,497	384	1,566	1,135	1,763	22,120	30,072
% Disabled	11.9%	12.8%	16.3%	15.4%	11.2%	14.9%	10.1%	10.3%

	Loveland		Timnath		Wellington		Remainder of County*	
	Renter Occupied	Owner Occupied	Renter Occupied	Owner Occupied	Renter Occupied	Owner Occupied	Renter Occupied	Owner Occupied
Disabled HH Member	1,224	2,816	5	6	89	229	428	3,129
Total Households	7,299	17,776	18	73	298	1,602	3,866	23,645
% Disabled	16.8%	15.8%	28.6%	7.8%	29.8%	14.3%	11.1%	13.2%

Source: HUD Special Census Tabulations of CHAS Data, CSI

Some population groups require specialized housing choices to meet specific physical and other needs. Seniors, for example, may require more accessible housing, or need housekeeping and personal care support. Persons with physical disabilities often need wheelchair-accessible units. Those with developmental disabilities or with mental health concerns also require housing tailored to their needs.

This section of the report will analyze the existing housing options for these populations and unmet needs that exist in Larimer County.

Seniors

Larimer County will experience an increase in the number of senior residents during the next five years. In 2005, the county was home to just under 9,900 residents over the age of 62; by 2015 this number will increase to 21,393. Many will begin to have limitations in mobility and self care as they age.

Table 45: Senior Households in Larimer County by AMI Level, 2007

% of AMI	Income Range	Larimer County	Fort Collins	Loveland
0-29%	0-$22,559	5,236	2,041	1,598
30-49%	$22,560-37,599	3,472	1,268	1,126
50-59%	$37,600 - $45,119	1,532	403	421
60-79%	$45,120-$60,159	1,982	639	502
80-99%	$60,160-$75,199	1,636	588	383
100% and up	$75,200 and up	3,155	1,021	693
Total Householders 65+		17,013	5,959	4,723

Source: HUD, US Census Bureau 2007 American Community Survey, CSI

The definition of mobility or self-care limitations used to create the following tables includes all households in which one or more persons has:

(1) A long-lasting condition that substantially limits one or more basic physical activity, such as walking, climbing stairs, reaching, lifting, or carrying; and/or

(2) A physical, mental, or emotional condition lasting more than six months that creates difficulty with dressing, bathing, or getting around inside the home.

Many senior housing properties cater to seniors that are experiencing these limitations, either by providing services on site, or by bringing in service providers to allow seniors as much independence as possible.

There are 1,119 affordable rental units in Larimer County that are targeted to seniors and the disabled. Most of the properties provide rental assistance and have waiting lists to get in. Seniors tend to live in the projects for many years. The Loveland Housing Authority is building a senior campus in Loveland called Mirasol, which includes independent and congregate care housing units both for rent and for sale. Other newer senior low income housing tax credit projects have been built in Fort Collins. Many seniors prefer to stay in their own homes as long as possible and use home health care services to maintain independence. Interviews for this study with senior service providers in Larimer County indicate that the need for senior supportive housing has increased in the past few years.

The following table shows the number of senior households in Larimer County, Fort Collins, and Loveland by income range that were cost burdened in 2007. The table show those senior households paying more than 30% of their income for housing, and those paying more than 50% of their income for housing expenses. More than 50% of seniors with incomes of 30% AMI or less ($22,559) are cost burdened.

Table 46: Cost Burdened Senior Households, Larimer County, 2007

	Larimer County			Fort Collins			Loveland		
	Cost Burden > 30%	Cost Burden > 50%	Total Senior HH	Cost Burden > 30%	Cost Burden > 50%	Total Senior HH	Cost Burden > 30%	Cost Burden > 50%	Total Senior HH
0 - 30% AMI	3,126	1,909	5,236	1,390	850	2,041	857	571	1,598
31% - 50% AMI	1,299	516	3,472	552	211	1,268	418	186	1,126
51 - 80% AMI	925	253	3,514	363	94	1,042	199	50	923
>80% AMI	351	46	4,791	117	12	1,609	86	16	1,077

Source: HUD, US Census Bureau 2007 American Community Survey, CSI

Persons with Disabilities

The Disabled Resource Services (DRS) is a consumer run nonprofit agency serving the physically disabled population in Larimer County. The agency provides an array of independent living services, and has offices in Fort Collins and Loveland. DRS will serve any person with a disability. The agency's two programs--Case Management and Access to Independence--provide financial assistance, peer counseling, independent living skills training, advocacy, employment training, vision services, and housing. Seventy-five percent of clients are adults. DRS operates a Nursing Home Transition program, which takes people who do not need to live in nursing homes and transitions them to subsidized units. However, a lack of rental assistance and accessible units keeps many clients in nursing homes that do not need to be there.

DRS has 15 Section 8 Vouchers through the State Human Services Department (SHHP), and a set aside of vouchers through the Loveland Housing Authority. Both local housing authorities have a preference for persons with disabilities, but DRS staff indicates a need for 200+ more vouchers to serve their clients and persons with disabilities in Larimer County. DRS uses local CDBG, General Fund, and private dollars to provide emergency rent and utility assistance to keep clients in their homes. Demand for very low income accessible housing units is going up, and agency funding for housing has been going down, according to DRS staff. Many DRS clients do not meet the income or work criteria established by local nonprofit housing providers to live in their units, and cannot access some of the affordable inventory in Larimer County. DRS is seeing an increase in the number of homeless persons with disabilities, who are sent to the Sister Alice Murphy Center for services.

There is one new HUD 811 project located in Fort Collins for persons with disabilities with 23 units operated by Accessible Services, Inc. out of Minneapolis. However, this property is not designed for persons who could live independently with some support services.

The Northern Colorado AIDS Project provides medical case management, prevention programs, and mental health services to persons with HIV/AIDS in Logan, Morgan, Weld and Larimer Counties, and serves 140 – 160 clients at a time. The agency has an on-site food bank, as well as insurance available for clients. Ten clients have long-term HOPWA funded tenant based rental assistance (TBRA), which can be used while they are on housing authority waiting lists. The Cities of Fort Collins and Loveland provide funding for direct services, including utility assistance and short term housing assistance. Many clients have received Section 8 vouchers through the local housing authorities, though they have no preference on the program waiting lists. The TBRA waiting list is currently at 20, and agency staff indicates a need for 20 long term rental assistance vouchers to serve clients. Housing Authority waiting lists are long, as is the waiting list for the Fort Collins Housing Authority owned SRO. Once clients have rental assistance, they can find units in the market.

Foothills Gateway provides and coordinates services for nearly 1,200 people with developmental disabilities in Larimer County. The agency provides child development services, residential, vocational, and day programs. Foothills Gateway helps clients live independently in apartments or with host families, and also administers Section 8 Vouchers for clients. Other agencies that serve persons with developmental disabilities in Larimer County include Abacus Care, Altra Services, the Carmel Community Living Corporation, and Mosaic. These agencies provide a range of services including independent living skills, group home living, and vocational and day programs.

Larimer Center for Mental Health provides services for persons with mental illness in Larimer County. They have one seven unit apartment complex where clients can live independently, using HUD supportive housing vouchers. The agency also has two residential facilities, Shelter Plus Care rental assistance vouchers, an 8 unit treatment facility called Choice House, and an independent transitional housing facility called Promise House.

Homeless Populations

It can be difficult to estimate the number of homeless people in any community. The following chart shows an estimate of the number of homeless people in Larimer County from the 2007 Point in Time survey. Not all respondents answered each question, so numbers do not tally.

Table 47: Homeless Count in Larimer County, 2007

	Number	Percentage
Total Homeless	**556**	**NA**
Number of Households with Children	322	58.90%
Number of Households without Children	225	41.10%
Number of Sheltered Homeless	476	86.90%
Number of Unsheltered Homeless	72	13.10%
Newly Homeless	144	25.90%
Have Been Homeless Before	412	74.10%

Source: MDHI& United Way. "Homelessness in Metropolitan Denver: Eighth Annual Point-in-Time Study, 2007

Local data, however, shows a much higher number of homeless people in the county. A new homeless initiative has been started in Fort Collins by UniverCity Connections, called Homeward 2020. The goal of Homeward 2020 is to identify homeless needs in Fort Collins, and develop an action plan to solve the homeless problem in Fort Collins. The homeless task force is made up of community members with a broad range of backgrounds. The group published the report *Building Blocks to Ending Homelessness in Fort Collins: A Community Blueprint*. The following table from the report shows the latest count of homeless persons in Larimer County. Homeless families are the largest percentage of homeless in Larimer County. Almost 60% of the homeless in Larimer County are families, and almost a quarter do not have access to a shelter.

The following narrative is from this study:

> [Larimer County's] rate of homelessness is about twice that of Metro Denver with a population of 250,000 compared with Denver's 2.7 million, but only one

> fifth the homeless population (10,600[2] in Denver compared to approximately 2,000 in Larimer County). The most notable feature about Larimer County's homeless population is that it is an invisible population. Transitional homeless are far more likely to find temporary shelter including living with others until they can find more housing while the chronically homeless tend to avoid shelters and other places where they can be accounted for and assisted because of requirements such as breathalyzer tests. Rather, they tend to take advantage of college centers for housing such as public libraries and student centers[7]. While concerns about lack of shelter are being addressed, this lack of visibility of the population is still a significant concern when it comes to the shape of Larimer County's homeless problem.

The study found evidence that many homeless in Larimer County have a mental health issue, and are impacting the criminal justice system. The task force identified a need for more deeply subsidized affordable housing, perhaps using a Housing First model that takes homeless people off the street, places them in housing, and surrounds them with the services needed to gain independence. A lack of shelter beds was also identified, and a lack of services for the homeless.

Homeless persons in Larimer County are currently served by a variety of small agencies and churches. The Mission is a shelter run by Catholic Charities Northern in Fort Collins. The shelter has 28 beds, 6 for women, 4 family rooms, and 3 transitional rooms. The shelter is always full, and Catholic Charities does not have overflow services for those turned away. In severe weather, there is an emergency overflow shelter, but not one to serve chronically homeless individuals in Larimer County, according to staff from Catholic Charities. Staff stated that there is a great need for more Single Room Occupancy (SRO) units in Larimer County to serve the chronically homeless and disabled homeless persons.

The Open Door Mission can house up to 65 persons per night with shelter in Fort Collins, and also provides meals, a soup kitchen, and counseling.

The Sister Mary Alice Murphy Center for Hope in Fort Collins is a new facility that provides case managers to work very closely with clients and connect them with the appropriate community resources for their particular needs. The Center also provides a variety of complementary services such as: employment resources, housing resources, financial counseling, transportation assistance, job training and educational opportunities, mental health and substance abuse counseling, and access to a telephone and computer for making employment contacts. These services are provided at the Center by a variety of local human services agencies. This facility is the base where these resources are linked together and people find the support they need to make changes in their lives. The center also has mailboxes and voicemail for homeless people who find it hard to network for jobs or acquire necessary documents to get their jobs, homes and public services.

The House of Neighborly Services provides homeless services in Loveland. The agency uses FEMA and Emergency Shelter Grant funds to operate an inclement weather shelter, provide motel vouchers, food and clothing to homeless families in Loveland. The Director stated that demand for emergency housing is up 225% over a year ago. The Interfaith Hospitality Network in Loveland operates the ANGLE House, a day shelter for the homeless that provides services. Interfaith also provides shelter for up to 4 families through host churches, and owns three transitional housing units. The agency has 12 TBRA vouchers through the Colorado Division of Housing, but the vouchers will soon expire.

Neighbor to Neighbor provides homeless prevention services in Larimer County, including emergency rent and utility assistance, and first month's rent assistance, using Emergency Shelter Grant (ESG), Fort Collins CDBG and private funds.

Crossroads Safehouse is the domestic violence service provider in Fort Collins. The agency operates a 14 bed safe house in Fort Collins, and serves a total of 325 – 375 people per year with crisis intervention, counseling and intervention, youth groups and housing. Crossroads master leases 15 units of federally funded housing, and is in the process of trying to fund 10 additional transitional housing units for clients. Recently, a building was donated to the safe house, and plans are in the works to renovate the building for longer term housing than is currently provided at the safe house. The building will be able to house 140 individuals. The biggest need for Cross Roads clients is "confidential housing" units, that do not require personal information from the victim. The Director indicates a need for 40 units of "confidential housing" for her clients.

Alternatives to Violence provides domestic violence services in Loveland. Services include case management, legal assistance, and therapy for children and adults. The agency does not currently have a safe house shelter, but is planning on building a shelter that will hold 20 – 24 people. Currently, they have to send 60 – 80 women outside the community each year, and provide hotel vouchers for victims in need of emergency housing. Alternatives to Violence also owns a house, ad has six vouchers through the Colorado Coalition for the Homeless for clients.

There is a Continuum of Care collaboration in Larimer County, the Northern Front Range Continuum of Care, that meets once a month to discuss homeless needs and issues and to coordinate services in Larimer, Weld and other Northern Colorado counties. Members include the Loveland and Fort Collins Housing Authorities, Catholic Charities, Interfaith Hospitality Network, United Way, Colorado AIDS Project, Cross Roads Safehouse, Neighbor to Neighbor, Larimer Center for Mental Health, City of Loveland Community Partnerships Office, the City of Fort Collins. There is also a homeless task force that meets to coordinate services between various agencies.

The United Way of Larimer County has begun an initiative called "Pathways Past Poverty" in Larimer County. The initiative deals with eight topic areas, including affordable housing. Pathways working groups are identifying systematic barriers to breaking the cycle of poverty, and plan to develop county-wide strategies for dealing with these barriers. One barrier identified to date is the lack of one intake system in the county for housing and homeless programs, or central references and referrals for assistance. Predatory lending, bad credit and criminal histories are also barriers to breaking out of poverty and accessing housing programs.

Housing Gaps Analysis and Estimated Need

When there is a smaller number of housing units available to households within a certain income range than households within that range, a housing gap exists. The following tables provide a supply/demand analysis of the housing stock in Larimer County.

The supply/demand analysis chart shows the number of renter households in various income ranges in 2009, what a household can afford to pay in rent after consideration for a utility payment, the number of rental units available in the market, the Surplus (+) or Deficit (-) of units, the number of available units that are occupied by households from higher income ranges, the resulting number of affordable and available units, and the Surplus (+) or Deficit (-) of units after those occupied by higher income households are removed from the affordable inventory. Household income is based upon a 4 person household. The formula for calculating the Surplus/Deficit of Affordable/Available Units is:

- Households – Units Available = Surplus/Deficit
- Surplus/Deficit – Units Occupied by Higher Income Renters = Affordable and Available Units
- Households – Affordable and Available Units = Surplus/Deficit of Affordable/Available Units (a negative means that there is a gap)

In Larimer County, the supply/demand analysis below shows a lack of rental housing units affordable in most income ranges. Households at 30% AMI, with the biggest deficit, can only afford a rent of $489 after a utility payment. Not surprisingly, these households are the biggest consumers of rent subsidized housing and Section 8 vouchers. There are only 1,214 Section 8 rental assistance vouchers available in Larimer County to serve the very low income households. The 5,009 (adjusted number after reduction for student households) households in Fort Collins that need a unit priced at 30% AMI or below include some of the households on the waiting list for 844 Section 8 Housing Choice Vouchers in Fort Collins. In Loveland, there is a total gap of 1,035 units at the 30% AMI level. The Loveland Housing Authority has a waiting list of 1,900 for their 477 Section 8 Housing Choice Vouchers and other housing units.

Most rental units within the county are affordable to households earning between 31 and 60 percent of AMI. However, so many higher income households occupy these units, that there is still a gap of 1,187 units at 31 – 50% AMI in Fort Collins, 2,100 in Loveland, and 777 in the county. The 4.4% vacancy rate in Fort Collins and Loveland indicates that more rental production is needed throughout the county. The CSI rental gap chart shows a need for over 10,000 new rental units in the City of Fort Collins. In Loveland, there is a gap of over 6,000 units. This supply gap indicates that, besides a need for more affordable units, there may be a market for higher end rental units offering amenities not currently found in the Larimer County rental market.

Table 48: Supply/Demand Analysis for Rental Housing Units, Fort Collins, 2009

AMI Level	Rent Afford.	Fort Collins Households	Units Available	Surplus/ Deficit	Units Occupied by Higher Income Renters	Adjustment for Rent Burdened Households	Affordable and Available Units	Surplus/ Deficit of Affordable/Available Units	Adjusted Deficit*
0 - 30%	$489	9,568	566	-9,002	187	0	379	-9,189	-5,009
31 - 50%	$865	5,539	13,401	7,862	6,415	2,634	4,352	-1,187	-1,187
51 - 60%	$1,053	2,082	5,685	3,603	999	1,872	2,814	732	732
61 - 80%	$1,429	2,468	1,970	-498	468	475	1,027	-1,440	-1,440
81 - 100%	$1,805	1,871	939	-932	293	722	-76	-1,948	-1,948
over 100%	$1,805	1,590	466	-1,124	0	851	-385	-1,974	-1,974

*student population is included in the demand calculation because they are part of the market, however, CSI has adjusted this demand number so that planning for housing units can be done for non-student households

Source: CSI

Table 49: Supply/Demand Analysis for Rental Housing Units, Loveland and Larimer County, 2009

Loveland

AMI Level	Rent Afford.	Loveland Households	Units Available	Surplus/Deficit	Units Occupied by Higher Income Renters	Adjustment for Rent Burdened Households	Affordable and Available Units	Surplus/ Deficit of Affordable/Available Units
0 - 30%	$489	2,413	1,381	-1,031	4	0	1,377	-1,035
31 - 50%	$865	1,685	3,328	1,643	3,079	664	-415	-2,100
51 - 60%	$1,053	1,067	1,274	208	111	569	594	-473
61 - 80%	$1,429	1,002	917	-85	118	243	556	-446
81 - 100%	$1,805	639	115	-524	54	293	-232	-872
over 100%	$1,805	779	200	-579	0	291	-90	-869

Larimer County

AMI Level	Rent Afford.	Larimer County Households	Units Available	Surplus/Deficit	Units Occupied by Higher Income Renters	Adjustment for Rent Burdened Households	Affordable and Available Units	Surplus/ Deficit of Affordable/Available Units
0 - 30%	$489	13,918	798	-13,120	263	0	535	-9,203
31 - 50%	$865	8,651	22,456	13,805	10,750	3,831	7,875	-777
51 - 60%	$1,053	3,674	8,309	4,635	1,460	2,924	3,925	251
61 - 80%	$1,429	4,114	3,039	-1,075	721	839	1,479	-2,635
81 - 100%	$1,805	3,018	1,413	-1,605	441	1,204	-232	-3,250
over 100%	$1,805	3,208	650	-2,558	0	1,372	-722	-3,930

Source: CSI

The Colorado Division of Housing requires the following additional gap analysis to be conducted for Housing Needs Assessments. This analysis shows the number of senior and other renters in each income range, and vacancy rates by income ranges. Data was not available to estimate the affordable vacancy rates by sub-area, so the county wide rate is shown for both Fort Collins and Loveland. True affordable vacancy rates in each community may be lower or higher.

Table 50: Colorado Division of Housing Rental Gap Analysis, Larimer County, 2009

AMI Level	Income Limit	Senior Renters	Other Renters	Rent Affordable	Vacancy Rate - Afford	Vacancy Rate - Mkt
Fort Collins						
0 - 30%	0-$22,559	2,041	7,528	$489	3.7%	3.7%
31 - 50%	$22,560-37,599	1,268	4,271	$865	3.7%	2.9%
51 - 60%	$37,600 - $45,119	403	1,679	$1,053	11.8%	5.0%
61 - 80%	$45,120-$60,159	639	1,829	$1,429	NA	4.3%
81 - 100%	$60,160-$75,199	588	1,284	$1,805	NA	12.1%
over 100%	Over $75,200	1,021	569	$1,805	NA	0.0%
Loveland						
0 - 30%	0-$22,559	1,598	815	$489	3.7%	0.0%
31 - 50%	$22,560-37,599	1,126	559	$865	3.7%	6.2%
51 - 60%	$37,600 - $45,119	421	646	$1,053	11.8%	9.8%
61 - 80%	$45,120-$60,159	502	500	$1,429	NA	0.0%
81 - 100%	$60,160-$75,199	383	256	$1,805	NA	7.1%
over 100%	Over $75,200	693	86	$1,805	NA	NA
Larimer County						
0 - 30%	0-$22,559	5,236	8,682	$489	3.7%	3.6%
31 - 50%	$22,560-37,599	3,472	5,179	$865	3.7%	3.5%
51 - 60%	$37,600 - $45,119	1,532	2,142	$1,053	11.8%	5.2%
61 - 80%	$45,120-$60,159	1,982	2,132	$1,429	NA	3.7%
81 - 100%	$60,160-$75,199	1,636	1,382	$1,805	NA	11.9%
over 100%	Over $75,200	3,155	54	$1,805	NA	0.0%

Source: Community Strategies Institute

Ownership Housing Needs

Some renter households are paying rents equal to a mortgage payment on a modest home. The softer sales market is an opportunity for renter households with steady income to make the leap to homeownership. Good home buyer counseling, fixed-rate mortgage products and down payment assistance can assure that households can become homeowners for the long term.

Table 51 shows the number of renter households by income range, what these households can afford to pay for a home, and the number of additional affordable housing units needed. Current units on the market are based upon active listings as of June 2009 and projected for a 12-month period using the average number of days on the market for sold properties in the past year.

This analysis reveals a lack of for-sale, affordable units in Larimer County for any renter households earning 100 percent or less of the median income. This analysis does not take into consideration growth in household numbers over time, nor the number of renters able and willing to take the leap to homeownership. As new households move into the community, they will compete for the same housing units as existing renters.

Households with incomes at or below 30 percent of the median can afford only a few homes on the market – mostly small, older units. These households could benefit from self-help housing models such as Habitat for Humanity and the Rural Development Self Help Program, programs that direct funding to very low-income households that spend considerable time building their own homes. There are two active Habitat for Humanity chapters in Larimer County, the Fort Collins Habitat, which builds five homes a year, and the Loveland Habitat for Humanity, which builds 8 units a year.

The households at 31 to 50 percent of the median and those at 51 to 80 percent MFI are perfect candidates for homebuyer assistance programs, such as LAHOP offered through the Loveland Housing Authority, and downpayment assistance loans through the City of Fort Collins. Lenders in Larimer County do utilize affordable mortgage products, which these households are eligible for. With prices falling or staying stable, and an $8,000 federal tax credit, there are some opportunities for renters to buy homes at this time.

Table 51: Supply/Demand Analysis for Sale Housing Units, Larimer County, 2009

Fort Collins					
AMI Level	**Income Limit**	**Affordable Price**	**Fort Collins Households**	**Units Available**	**Gap**
0 - 30%	0-$22,559	$77,460	5,388	13	5,375
31 - 50%	$22,560-37,599	$126,900	5,539	99	5,440
51 - 60%	$37,600 - $45,119	$152,000	2,082	85	1,997
61 - 80%	$45,120-$60,159	$202,750	2,468	293	2,175
81 - 100%	$60,160-$75,199	$253,250	1,871	332	1,539
over 100%	Over $75,200	over $253,250	1,590	804	786
Loveland					
AMI Level	**Income Limit**	**Affordable Price**	**Loveland Households**	**Units Available**	**Gap**
0 - 30%	0-$22,559	$77,460	2,413	4	2,409
31 - 50%	$22,560-37,599	$126,900	1,685	29	1,656
51 - 60%	$37,600 - $45,119	$152,000	1,067	68	999
61 - 80%	$45,120-$60,159	$202,750	1,002	214	788
81 - 100%	$60,160-$75,199	$253,250	639	162	477
over 100%	Over $75,200	over $253,250	779	407	372
Larimer County					
AMI Level	**Income Limit**	**Affordable Price**	**Larimer County Households**	**Units Available**	**Gap**
0 - 30%	0-$22,559	$77,460	13,918	20	13,898
31 - 50%	$22,560-37,599	$126,900	8,651	140	8,511
51 - 60%	$37,600 - $45,119	$152,000	3,674	187	3,487
61 - 80%	$45,120-$60,159	$202,750	4,114	589	3,525
81 - 100%	$60,160-$75,199	$253,250	3,018	574	2,444
over 100%	Over $75,200	over $253,250	3,208	1,655	1,553

Source: Community Strategies Institute

The Colorado Division of Housing requires researchers to conduct the following gap analysis for homeownership in Housing Needs Assessments. This analysis uses formulas from the National Association of Realtors Housing Opportunities Index (HOI), as well as from Neighborworks. The affordability index compares the ability of households at various income levels to afford the median priced home in their market area. In Larimer County, the median price of homes on the market is $241,186 in Fort Collins, $220,665 in Loveland, and $234,354 county-wide. As shown in Table 49, households at 100% of the median income can afford the median priced home, while households below 100% cannot afford the median priced home.

The "gap" is the difference between the mortgage needed to purchase the median home, and the mortgage affordable to households at each income level. As is illustrated in the table below, households in Larimer County do have a gap between what they can afford and the median priced house for households earning up to 80 percent of the AMI. However, households earning above this level can afford to buy the median priced home.

Table 52: Colorado Division of Housing Homebuyer Gap Analysis, Larimer County

Fort Collins					
	Income Limit	**Households in Income Range**	**Affordable Price**	**Affordability Index**	**Gap Analysis**
0-30%	0-$22,559	9,568	77,460	43	$161,402
31-50%	$22,560-37,599	5,539	126,900	72	$110,479
51-60%	$37,600 - $45,119	2,082	152,000	86	$84,626
61-80%	$45,120-$60,159	2,468	202,750	115	$32,354
100% AMI	$60,160-$75,199	1,871	253,250	144	-$19,662
Loveland					
	Income Limit	**Households in Income Range**	**Affordable Price**	**Affordability Index**	**Gap Analysis**
0-30%	0-$22,559	2,413	77,460	47	$140,881
31-50%	$22,560-37,599	1,685	126,900	79	$89,958
51-60%	$37,600 - $45,119	1,067	152,000	94	$64,105
61-80%	$45,120-$60,159	1,002	202,750	126	$11,833
100% AMI	$60,160-$75,199	639	253,250	157	-$40,183
Larimer County					
	Income Limit	**Households in Income Range**	**Affordable Price**	**Affordability Index**	**Gap Analysis**
0-30%	0-$22,559	13,918	77,460	41	$154,570
31-50%	$22,560-37,599	8,651	126,900	68	$103,647
51-60%	$37,600 - $45,119	3,674	152,000	82	$77,794
61-80%	$45,120-$60,159	4,114	202,750	109	$25,522
100% AMI	$60,160-$75,199	3,018	253,250	136	-$26,494

Source: Community Strategies Institute

Housing Needs from Job Growth

Filling current housing gaps during the next 2 -3 years should be the priority for Larimer County communities. However, Larimer County is expected to grow by over 73,359 persons between 2009 and 2020, according to the Colorado Department of Local Affairs Demography Section. Job growth in Larimer County has historically been strong. The current economic climate and downturn in the national housing market make projections of housing demand based upon future population growth difficult. Job losses are up, and construction activity is down. However, the economy in Larimer County is stronger than many other areas, and growth at large employers and the university continue to draw new residents to the area.

Table 53 below shows the total estimated population and household growth in the City of Fort Collins, City of Loveland and County, and broken down by total number of owners and renters.

Table 53: Household Growth by 2020

	Fort Collins	Loveland	Larimer County
Increase in Population	35,838	19,090	73,359
Estimated New Households	13,994	7,446	28,420
Renters	5,931	2,167	8,942
Owners	8,063	5,278	19,478

Source: Colorado Demography Section, 2007 American Community Survey, Claritas, CSI

CSI has estimated the number of new households expected in the Cities of Fort Collins and Loveland, and county-wide by AMI level. These estimates are based upon the distribution of current households by AMI level, population estimates, and current household sizes.

Table 54: Estimated New Households by 2020 by AMI

AMI Level	City of Fort Collins		City of Loveland		Larimer County	
	Owners	Renters	Owners	Renters	Owners	Renters
0 - 30%	786	1,688	541	689	1,984	2,687
31 - 50%	818	1,735	600	481	2,037	2,387
51 - 60%	537	652	492	305	1,537	1,014
61 - 80%	946	773	777	286	2,440	1,135
81 - 100%	985	586	778	183	2,427	833
Over 100%	3,991	498	2,091	223	9,053	885
Total	8,063	5,931	5,278	2,167	19,478	8,942

Source: Colorado Demography Section, 2007 American Community Survey, Claritas, CSI

The Cities of Fort Collins and Loveland should plan for a variety of housing choices for new households moving into the area in the next 12 years, including rentals and units for sale with a variety of price points. While the central cities will attract new professional jobs as it has in the past decade, low paying job growth will accompany any new higher income jobs, including retail clerks, restaurant workers, and administrative assistance. Units currently on the market will meet some demand, but the additional approximately 19,478 owner households and 8,942 renter households in the next 11 years will not be housed in existing housing units.

RECOMMENDATIONS

The Larimer County economy has withstood the national recessionary forces better than the economies of most Colorado counties. The Second Quarter 2009 economic forecast published by the Colorado Legislative Council reports that retail sales have declined over 10 per cent, and both residential and commercial construction starts have decreased substantially. Multifamily housing starts are down by over 80% from the 2008 numbers. Single family starts have decreased by two thirds from the previous year. The unemployment rate has increased somewhat during 2009. The latest published figures from the Colorado Department of Labor, marks the Larimer County number at 6.6% in June, 2009.

While these statistics represent a palpable decline in economic activity in the county, Larimer County will likely experience less impact than other areas of the state. Moody's Economics.Com has forecast that the Colorado economy will move in to the recovery phase earlier than most states. If recent trends are consistent, Larimer County most likely will see gains in economic indicators earlier than other Front Range Counties. The County will continue to see increases in population as a result of new households moving to the area. Both the natural attractions and the quality of life in county communities will continue to attract new residents which will produce growth in economic activity. While a recovery will benefit all sectors of the community, housing demand will remain weak for some time.

With substantial declines in most of the major housing markets in the nation, households moving to Larimer County will have less purchasing power. Larimer home values have benefitted from large numbers of move up buyers who used the equity gained from their previous home sale to afford a house in Larimer County. Those move-up buyers will need to buy less expensive homes in the next few years. While there are some substantial federal incentives for first time home buyers, the rising unemployment rate is making those younger potential purchasers more cautious about making a home investment. While tax credits and low interest rates are making mortgages more affordable, stricter underwriting and down payment requirements are also keeping many younger buyers from a home purchase.

The first wave of foreclosures in Front Range communities preceded the national housing market collapse. Those first foreclosures were the product of affordability issues more than as a result of a major decline in economic activity. For many Front Range residents, housing prices were very expensive and incomes did not grow fast enough to keep up with increases in energy costs and other essentials. Many buyers purchased expensive homes using the variety of alternative lending products available. The loan structures assumed continual home price appreciation and in many cases, buyers were not required to even submit validated income information. As the number of foreclosures rose, the housing values in affected neighborhoods began to decline. As values fell, other owners who were overextended began to default on mortgages. Recent research on the impact of foreclosed properties on neighborhood housing values, shows that a relatively small number of foreclosure sales in a neighborhood, starts prices on a downward trend. Because homebuyers view their home purchase as an investment, when the market value declines in comparison to what is owed on the property, the common conclusion is to cancel the investment agreement by letting the lender repossess the property.

The present recession economy is going to produce another increase in foreclosure activity. In this case, people will be unable to pay their mortgages due to job loss. If the Colorado economy continues to shrink, there will be more foreclosure sales in the Front Range Counties due to employment. Employment rates and economic activity are important factors in assessing demand for both rental and for sale housing. In periods of declining employment, it is difficult for housing developers to obtain both short and long term financing for new product. Demand often exceeds the supply of housing as markets recover from recessionary periods.

Within the larger Larimer County market, there appears to be an adequate supply of both rental and for sale housing to accommodate present demand. Affordability still remains a significant problem for many County households. Unfortunately, the difficulties in the broader housing market are making it difficult to expand the needed supply of housing units affordable to low and very low income households.

Within the larger Larimer County market, there appears to be an adequate supply of both rental and for sale housing to accommodate present demand. Affordability still remains a significant problem for many.

Much of the equity used to leverage development dollars comes from public sources. The local governments and the state government are facing substantial revenue declines. There is little money available for grants and loans to provide an incentive for developers to build new affordable housing. A substantial source of equity for affordable rental properties comes from the Federal Low Income Housing Tax Credit Program. Because some of the largest purchasers of tax credits have fallen into receivership, they are no longer buying credits to apply against their Federal tax liabilities. Other smaller corporate purchasers have left the market because they no longer have a tax liability. Many former corporate purchasers are showing losses, not profits, in their earnings. For the developers of affordable rental properties, the capital raised from the sale of allocated tax credits has fallen over 30% in the last two years. Some developers who have been awarded credits have not been able to syndicate their credits at all. Without tax credit equity, most rental projects become financially unfeasible. There are not many alternative sources for substituting lost tax credit dollars.

Developers wishing to increase the inventory of affordable rental units are also facing challenges in programming rental units to meet demand segmented by income. The HUD Regional Economist, in the most recent Market Watch Report, supports the need for rental housing units affordable to households earning less than 50% of the Area Median Income. The Regional Economist cautions against building units with rents targeted to a higher income grouping because at the higher rent rates, new units would compete with an already adequate supply of market rate units. As a result of market factors influenced by both the economy and the supply of rental units, the market rent rate in the Fort Collins/Loveland housing market is equivalent to the 60%AMI level which is the upper end of the tax credit eligible renter population. For the past twenty years, the economics of affordable rental housing development has relied on gaining revenue on higher income rents as a means of subsidizing the annual operating costs of the units with minimal rent. If a developer projects all rents affordable to incomes below 50% AMI, the necessary equity to minimize debt service increases exponentially.

In creating a set of observations and recommendations for the Larimer County housing market, CSI believes that any recommendation has to be feasible within the current market and economic reality.

Some of the recommended actions will need to be delayed until the conditions necessary for implementation are more favorable. The most realistic estimates for improvement in the housing market, place the recovery starting in 2010. Given the complexity associated with affordable housing finance, it is likely that both public and private equity sources won't be returning to pre-2008 levels for a couple of years after the recovery takes hold in the broader housing market.

While the old institutional and economic arrangements have shifted, causing problems for the producers of affordable housing, there may be new opportunities that emerge as a result of the upheaval in the financial system. Before the 2008 collapse, affordable housing finance was becoming more centralized and increasingly became the domain of large national lenders and Government Sponsored Enterprises (GSEs). In order to move forward, communities are going to have to turn to more decentralized financing methods. These methods will revolve around independent banks which are not part of the Troubled Asset Recovery Program and Community Development Financial Institutions (CDFIs), which have a variety of financing sources from both the public and private sector. In addition to existing sources, Funding Partners, a Larimer County based CDFI has the knowledge base to create some new innovative funding sources such as tax credit equity funds and private placement bonds. While many national and international corporations don't report the profits to justify investment in tax credits, there are individuals and profitable local businesses who could benefit from tax credits if they could purchase them in blocks commensurate with their income tax liabilities. The technical aspects of syndicating tax credits are beyond the scope of this assessment, but community and regional based funds exist in many areas of the country. Models exist which can be modified to meet local conditions. Tax credit proceeds could be used with other public sources including grants and loans. Bonds issued through local tax exempt issuers could also be important components of the new affordable housing finance universe.

In order to move forward, communities are going to have to turn to more decentralized financing methods. These methods will revolve around independent banks which are not part of the Troubled Asset Recovery Program and Community Development Financial Institutions(CDFIs) which have a variety of financing sources from both the public and private sector.

Larimer County collectively, and the communities of Loveland and Fort Collins have substantial affordable housing production capacity. The Larimer community will be able to make the necessary adjustments to their development plans as quickly as any area of the state. It will be necessary to convene many local discussions to define roles, timelines and implementation plans. Until more robust funding sources can be developed, it will be necessary to develop a pipeline of impending projects and prioritize the most needed ones in order to align scarce resources with those priorities. Even among priority projects and actions, timing the start of various efforts will be necessary in order to make sure adequate financing is available when a particular project needs it. This process will entail some painful compromises on the part of government funders and developers and program operators in order to achieve the most effective fund distribution possible.

It is important to understand the term "affordable housing." The current federal guidelines set a standard for housing affordability at 30 percent of monthly household gross income. This means that a homeowner with an income below 80 percent of the median for the county of residence should spend no more than 30 percent of their income for mortgage payments, taxes and insurance (PITI). In the case of a renter household with an income less than 80 percent of the median for the area, no more than 30 percent of that income should be spent on rent and any tenant-paid utilities excluding cable and telephone.

> Example: A family of three wishing to purchase a home in Loveland with 80 percent of the median income ($60,159) could afford to pay up to $202,750. Their payment could be up to $1504 per month for their PITI.

This affordability threshold was established based on consumer expenditure research. For households in the lower segment of the income ladder, funds are limited in comparison to the costs of other essentials such as medical care, child care, food and transportation. In order for a household budget to balance between shelter and other essentials, housing expenditures must be limited to 30 percent of overall income. For many households with incomes exceeding 80 percent of median income, there is adequate money in the domestic budget to afford essentials and also pay more for housing. This affordability standard has changed over time. Following World War II the accepted standard was 25 percent as the upper limit for shelter payments. During the 1950s and 1960s the common wisdom said that a worker should not spend more than a week's wages on monthly shelter expenses. Some financing programs may permit higher incomes than those used in the examples above. HUD makes adjustments to median income figures to determine program eligibility. Some private lenders use Private Mortgage Insurance and utilize slightly different underwriting assumptions on home loans. Many local government programs also use different underwriting ratios to determine credit worthiness. The City of Fort Collins down payment assistance program allows borrowers to devote up to 38% of their household income to PITI expenses.

The same affordability standard applies to families who rent their dwelling. A household should spend no more than 30 percent of their gross income on their rental costs including rent and any utilities that must be paid. If the total shelter expense on a three-bedroom rental unit is $800 per month including all utilities, then the household should have a gross income of $25,920 in order to afford the rent.

In order to provide some structure to the recommendations, they will be organized into broad goals. Under each goal statement, relevant plans and policies will be referenced when they have application to that goal. The narrative and relevant action plan items will identify whether the goal or action has a County-wide application or is directed at a particular municipality in the County. The discussion of the major goals is set in the context of the findings on local housing market conditions resulting from the research and analysis conducted by CSI during the May, June and July of 2009. The earlier sections of the report provide both quantitative and anecdotal data which has been used to formulate the major goals as well as recommendations on action items which could be included in plans and efforts to address the conditions described in this report.

Housing Choices

I. Provide a full range of housing choices in Larimer County. Special efforts should be directed at the housing needs of groups which

are not easily served by the private market. Those groups include moderate and lower income families of various sizes, elderly households on fixed incomes, and those with special challenges.

Rental Housing

There is a strong demand for more affordability in rental units for households with less than 50% of the median income. Such low rental rates can only be achieved with sizeable subsidies either to builders of the units or subsidies targeted to the income qualified renters. The Federal Government provides deep rental subsidies through the Section 8 Voucher Program. Landlords receive a cash payment on behalf of the renter for an amount that equals the extra cost of the rent over the amount paid by the renter. The Section 8 program subsidizes the rent so that the tenant pays no more than 30% of the household income to the landlord. This program is very effective at keeping rents affordable to the lowest income households. However, because its cost rises as the rents continue to rise from market demand, Congress has not increased Section 8 appropriations at a level that allows HUD to issue new vouchers to qualified renters. The Obama Administration has included a budget item for 150,000 new Incremental Rental Vouchers. However, it is too early to determine whether new voucher allocations will be included in the FFY 2010 budget. The Section 8 Vouchers are administered by two Public Housing Authorities, Loveland and Fort Collins. Other human service organizations, including the mental health and homeless agencies also have allocations of various special population vouchers. The housing authorities should continue to seek new voucher allocations from both HUD and the Colorado Division of Housing to accommodate sizeable waiting lists. While new vouchers allocated by Congress would be an overall increase in resources, periodically both HUD and the Division of Housing have underused vouchers that could be reallocated for special uses such as homeless, mental health clients or victims of domestic violence.

The housing authorities and non-profits should continue to seek new voucher allocations from both HUD and the Colorado Division of Housing to accommodate sizeable waiting lists.

There are other sources of funding for tenant-based rental subsidy. The PHAs or one of the non-profit agencies could apply to DOH for HOME funds that could be used for rental assistance subsidies that would function similarly to Section 8 Vouchers. This rental assistance may be used for a period of two years. While this rental assistance is of short term duration, it is probable that some people would be able to receive a regular Section 8 Voucher within two years of receiving rental assistance through HOME. As part of the economic recovery legislation recently signed into law by President Obama, the Emergency Shelter Grant Program received a huge increase in funding. The purpose behind the increase in funding was to prevent families who were suffering a job loss or medical problems from losing their housing. Under the expanded ESG rules, administering agencies such as local housing authorities or non-profits can provide up to 18 months of rental assistance to qualified households to prevent them from becoming homeless. The local housing authorities could form a joint agreement to apply for funding to be used by all the housing authorities to be able to provide rental assistance in a shorter time than typical for their waiting list clients. The Colorado Division of Housing has selected an administrative conduit for the funding. The Rapid Re-housing funds will be administered by the Colorado Coalition for Homeless through the existing Balance of State Continuum of Care system.

CSI analysis indicates that a gap exists in the number of units available with contract rents affordable to households earning less than 30% of the AMI. The shortage of very low rent units exists throughout the county and in the population centers of Loveland and Fort Collins. The Housing Authorities maintain long waiting lists of households waiting on those units. Gaps in the rental supply also exist in Loveland and the County in the 31-50% AMI income range. Fort Collins shows an adequate supply of rental units in the 31-50% AMI income range. It is likely the supply in Fort Collins is the cause of the perception that there are enough units in Larimer County affordable to that income group. However, CSI analysis indicates that there is a need for more units affordable in the 31-50% AMI price range in other communities.

Increasing the supply of apartments affordable to very low income households is a priority need in Loveland and Fort

Increasing the supply of apartments affordable to very low income households is a priority need in Loveland and Fort Collins. The realities of affordable rental housing development make it difficult to produce financially stable projects without having a mix of lower priced units with higher priced units. Affordable developers will need to work with the HUD Regional Economist in planning projects to ensure that project specific market studies and other market updates, show that a positive absorption rate for the higher income units is feasible. Often, the construction start date has a major influence on meeting rent-up projections for new units. In a slow market, it is important that developers work with funders and lenders to time start dates so that there is not an over abundance of new units placed in the market.

Special Needs Housing

Households with special needs often suffer the negative effects of high housing costs. Many who have various physical and mental challenges as well as the elderly often have fixed incomes which limit their ability to keep up with rising rental rates. Key informant interviews in both Fort Collins and Loveland indicated that organization which provide supportive services or housing for their special needs customers do not have enough very low rent options for the numbers of people who need them. The problem can be acute for households which need accessible features in their dwelling.

Homeless groups including agencies which serve domestic violence victims report sizeable numbers of people needing transitional and longer term housing. Crossroads Safe House is working on a proposal to develop ten new transitional units for their population. Both public and private support are needed to bring those units on line in the Loveland area. Municipal and county governments should react to requests for transitional housing developments as the most pressing immediate need.

Expanding the supply of transitional housing will be a key component of the success of the Housing First Initiative-Homeward 20/20 in Larimer County. Following up on the report issued in 2008 by University Connections, the Larimer County United Way and others are formulating strategies for eliminating the homelessness problem in the County. Current estimates place the number of homeless families-primarily single mothers and children-at 500-600. This estimate is higher than the count from the 2007 Point in Time survey. The most recent survey of homeless children enrolled in one of the three school districts that serve Larimer County place the number of homeless children at over 900 students. The homeless definition used by educators, counts children who are temporarily staying with other family members or are "couch surfing" with unrelated hosts.

The Housing First model is an important enhancement to homeless assistance planning. Research results show that the sooner people can enter a stabilized shelter situation, the sooner they can start dealing with the other problems that accompany homelessness. Much analysis which is reflected in the Larimer County Homeless Initiative Task Force report, suggests that it is more costly to allow homeless families to continue to access emergency services than it is to provide stable, decent transitional housing for them. CSI believes that planning for transitional units needs to have a county-wide scope. Loveland and Fort Collins, as the larger population centers, will have more need and resources. However, there may be opportunities for acquisition of smaller rental complexes in some of the other municipalities. A county wide plan should target a production goal of at least 12 transitional units placed in service each year.

A more effective alternative to the mass shelter for the chronically homeless is Single Room Occupancy (SRO)housing

Many communities are turning away from creating new emergency shelter slots. Both neighborhood and management issues make it difficult to operate successful mass shelters on an ongoing basis. Communities generally make emergency plans for housing large numbers of people during extreme weather periods. Beyond that, few new emergency shelters are coming into service. A more effective alternative to the mass shelter for the chronically homeless is Single Room Occupancy (SRO)housing. Traditionally, such housing was available in old hotels and converted homes. As urban renewal and gentrification have caused most of the old hotels and large homes to be converted to other uses, there are very few single room occupancy units. The SRO would be a good housing type to provide both short term and long term very low rent housing to single persons who fall into the chronically homeless category. Many unattached individuals have minimal space requirements. Because there are so few existing outmoded hotels available in either population center, it may be necessary to develop new units in a new structure or in an existing structure that was not originally designed for housing. Both Fort Collins and Loveland have active downtown redevelopment plans in place and SRO residences could enhance the urban diversity required for greater economic activity in the central business area. In addition to formerly homeless individuals, many elderly prefer smaller apartments with rent priced accordingly. There appear to be enough demand for these type of units to encourage potential developers, including homeless service agencies to do further feasibility analysis and property inventories in both Fort Collins and Loveland. Single or multiple projects supplying 24 to 36 SRO units could be absorbed given the existing demand.

Several human service providers receive some Section 8 Rental Assistance for their clients. Rental vouchers are a good tool in a rental where there are vacant units at prices which are greater than what a low income tenant could pay without the assistance. All agencies in Larimer County which would be eligible to apply to some source for Section 8 vouchers, should convene and develop a comprehensive plan for application strategies and coordination to ensure that competing applications to the same source doesn't weaken chances for success nor result in a lower overall

Special needs providers will need to work closely with affordable housing developers to expand the supply of housing that is accessible and affordable for their clients.

allocation than if needs were consolidated into one application. The two public housing authorities in Fort Collins and Loveland have a direct conduit to HUD for receipt of some of the Incremental Vouchers distributed by HUD. However, there are a variety of other special purpose voucher allocations which need to be coordinated in the county.

Special needs providers will need to work closely with affordable housing developers to expand the supply of housing that is accessible and affordable for their clients. Many special needs populations and the homeless share a common challenge: securing decent housing on a limited income. This county-wide need is still a major segment of the affordability problem. The government funders and others who can contribute equity funding for projects should prioritize the goal of creating more rental units affordable to those with very low incomes. It may be necessary to defer other needs and concentrate on making a real impact on this segment of the market.

Elderly households in Larimer County benefit from a diverse supply of housing targeted for seniors. Even with over 1100 units available, there are still many elderly households who are cost burdened because of their housing expenses. Over 2700 senior households earning less than 50% of the AMI are cost burdened. There is also a sizeable segment of the senior population with higher incomes, but who are also cost burdened. It appears that many seniors choose to live in more expensive housing than they can afford. Usually the reasons for causing oneself to be shelter cost burdened are attributable to housing quality and or location issues. Many seniors choose more expensive housing if they have ready access to services such as stores and doctor offices. Senior housing developers will find solid ongoing demand for more senior rentals. Complexes which are mixed income and are located close to amenities will be attractive to seniors. Developers with a charitable mission should be able to take advantage of public financing and also limit rents. This way, not only low income seniors, but moderate income seniors could improve their domestic finances by lowering their rent expense.

Homeownership Opportunities

While the collapse of the housing market in many areas of the country has resulted in price declines and slow sales, the for-sale market in Larimer County has suffered less disruption than many other areas in the country and the State of Colorado. The stability of the Larimer markets is good news for those who own homes but first time homebuyers are not seeing any substantial increases in their purchasing power as a result of market declines. Consumers generally lack confidence and many people are worried they will lose their job if the economy does not improve soon. Consumer pessimism probably is serving as a greater disincentive for home purchase then overall housing prices.

At this point in time, because home prices are not increasing rapidly, salaries are keeping pace with price increases. This is good news for purchasers who have household incomes above 80% AMI. Potential purchasers over the 80% AMI range have nearly enough income to afford the mortgage on the median priced home. Table 52 provides a good index of the amount of equity or subsidy that would be needed to create affordability for different income groupings. Affordability can also be improved by purchasing lower priced homes which still meet quality standards for various lending programs.

The County is well served by two homebuyer assistance programs which can provide low interest second mortgages for down payments on homes. The terms and amount of assistance are tailored to household circumstances. There will be small amounts of state Neighborhood Stabilization (NSP)funds that could be obtained for Larimer County foreclosed homes. Most of the foreclosed homes are in the smaller communities in the County. The NSP funded resales could add to the number of homebuyer opportunities. Another opportunity to expand homeownership without expanded down payment assistance funding is for non-profit housing agencies or contractors to begin reusing the FHA 203K lending program. Currently FHA loans have the lowest down payment requirements. The 203K loan is a one-hundred percent insured loan, and offers lenders some of the highest fee income of any secondary market product. A non-profit housing agency could acquire older properties in need of repair, supervise the repairs using a qualified contractor and then resell the house to any household meeting income and underwriting requirements. Beyond NSP and 203K funding, there is little chance to expand the amount available for down payment assistance loans. HUD has tailored the 203K Loan to provide non-governmental agencies a tool for revitalization. Because of the cost of supervising acquisition/rehab projects, the 203K loans could be used effectively by Larimer County Housing Authorities and non-profits who wish to expand homeownership opportunities.

A low cost investment to encourage homeownership would be the maintenance of a well organized website to provide information on homebuyer programs and financing products

Lower income homebuyers have opportunities by working with the Fort Collins and Loveland Habitat for Humanity organizations. Through community contributions of labor, materials and money, potential homebuyers who are willing and able to help build their home can benefit from the Habitat model. By incorporating so many sources into the "sweat equity" approach, Habitat Chapters are able to make homeownership possible for families with very low incomes. The Colorado Support Office (SSO) of Habitat is developing new finance models in order to produce a more stable source of ongoing capital to support Habitat building projects. By utilizing new forms of finance agreements, the Colorado SSO will attempt to engage local banking organizations in providing a secondary market for Habitat loans. With another capital flow, the Larimer Habitat may be able to secure more buildable sites which is always a challenge in higher priced communities.

Another relatively low cost investment to encourage homeownership would be the maintenance of a well organized website and printed media campaign that would provide accessible information on all homebuyer programs and financing products. CSI key informant interviews revealed a high level of frustration among lenders and Realtors about the confusion and lack of information available to people in the trade as well as potential buyers. The local Realtors organization created such a website, Northern Colorado Homes, some time ago but the information on that website is not current and the site needs to be regularly updated. The Larimer County Board of Realtors could provide an important information tool to the community if it committed to keeping the Homebuyer education website updated.

Housing Preservation

Goal 2. Promote the preservation of the existing housing stock and older neighborhoods by improving the housing and upgrading neighborhood infrastructure and conditions.

Larimer County has the Larimer Home Improvement Program (LAHIP) which offers low interest loans to homeowners wishing to make needed health and safety improvements to their homes. This program offers low income homeowners the opportunity to not only obtain financing but also construction management services for home improvement projects. Because the Loveland Housing Authority has experienced program managers and construction experts, homeowners benefit from good project management which is a very substantial value on any construction project. Because the assistance offered is in the form of amortized loans which can be paid back according to the individual household's budget, the demand for the program is limited. Many lower income households cannot take on more debt even though they may have severe deficiencies in their dwelling. The LAHIP program has done a good job of marketing to low income households and maintains a steady production output of rehabilitated units. Hopefully, the program will continue to get a consistent level of support from local and state sources. It is far more cost effective to maintain the existing housing stock than to have to replace it because it has becomes unusable.

In order to expand the effort to preserve the existing housing stock, the HUD 203K loan program may provide a new source of project financing. There are over 12,000 potential new homeowners in the County who could purchase a home that had been modernized using a 203K loan. The Loveland Housing Authority would have the ability to support the 203K program through fees they could charge to the individual projects. Currently the City of Fort Collins contributes funds for the LAHIP program. Those funds are used to support projects in Fort Collins. The same benefits could accrue to households in Fort Collins who purchased a home modernized through the 203K lending product. The FHA 203K loan has gained renewed interest because the FHA down payment requirements of 3.5% is one of the most liberal in the industry currently. The 203K loan is available to investors, non-profits and individual purchasers.

Loveland and Fort Collins have plans to increase the amount of housing units in their central business districts. Fort Collins has supported both rental and purchase projects that are either in the center of the downtown area or slightly on the perimeter. Both downtown areas need more residential uses in order to provide the base for more stabilized retail activity in the central corridors. In both communities there are buildings in the central district and also in the perimeter areas that could be used for housing.

Loveland is developing a comprehensive downtown redevelopment strategy to entice developers to construct housing in old or new buildings in the core area, the public infrastructure investment should enhance the housing.

Loveland is developing a comprehensive downtown redevelopment strategy that will rely on a combination of public and private funding. In order to entice developers to construct housing in old or new buildings in the core area, the public infrastructure investment should enhance the housing. Important items should include adequate parking available at minimal cost to the resident; a good mass transit node that would include both local and regional transit options; park space including areas for dogs. It will also be important for the municipal government to assess planning and zoning regulations to ensure that issues over the reuse of buildings, density, treatment of infill new construction, historic guidelines, parking requirements, etc. don't create barriers that become deal breakers for residential developers. The city should also establish some guidelines for the inclusion of affordable units in each residential project. Most downtown redevelopment efforts include a mix of office space and retail frontage. Many of those jobs will be service jobs which will not pay enough for employees to afford market rents on urban style units which will be expensive to construct. The income data in this report could be used to develop some ratios as a basis for calculating the number of affordable units.

Partnerships

Goal 3: Create innovative partnerships between government and the private sector by creating ordinances, plans and policies that expand housing opportunities and support economic diversity.

Housing is the most highly regulated commercial activity in our modern economy. Federal monetary policy dictates mortgage rates. Federal laws and regulations govern who lives in the housing, where the timber is harvested, whether there is a secondary market for the mortgage, etc. Local and state laws control where the housing gets built, what it looks like, how many houses or units go on a particular site and who is allowed to build. The decisions made at various levels of government influence the price and availability of housing.

Often government regulations are perceived as arbitrary barriers to the production of more affordable housing types. However, the thoughtful observer quickly determines that government agencies are placed in the role of regulator because their constituents, the local voters, desire government to provide a variety of protections. As the West becomes more populated and land use patterns become more dense, those who invest in property want government to take a firm hand in protecting them from surrounding uses which might devalue property or adversely affect health and quality of life.

A combination of targeted incentives and set-aside requirements should be used to ensure new development accommodates all sectors of housing demand -- not just those with substantial equity. Those incentives can include cash or density bonuses. In existing neighborhoods, denser land use may be achieved by encouraging construction of accessory units attached to existing dwellings.

When there is public investment, subsidies or incentives to lower housing costs, enforcement mechanisms should be in place to insure that public purposes are met.

Adequate public funding to bridge the gap between development costs and affordable consumer payments must be in place. In addition to state and federal equity sources, county and municipal governments often provide cash and non-cash seed money to jump start a project. Utility and impact fees can easily add $10,000 to $20,000 to the cost of every dwelling. If utility authorities can defer up-front fees and allow them to be paid from project cash flows, greater affordability can be achieved. Beyond the "vision" contained in a community comprehensive plan, a careful analysis of the zoning, subdivision, infrastructure, environmental and development standards can yield efficiencies and reforms which streamline the housing production process while at the same time preserve the integrity of the public process designed to protect public health and well-being.

> ***When there is public investment, subsidies or incentives to lower housing costs, enforcement mechanisms should be in place to insure that public purposes are met.***

The challenge the Larimer County municipalities face with affordable housing needs are typical for high growth communities. The larger cities are well positioned from a planning and implementation perspective to significantly increase housing choice. As discussed at the beginning of this section, government funders are under tremendous fiscal stress presently. The City of Fort Collins has diligently made improvements in its development review process to make it more user friendly and to decrease the amount time needed to gain approvals. Fort Collins conducted a study of development fees charged in surrounding jurisdictions to compare their fees with others. Based on the findings of the 2005 Housing Affordability Index Report, Fort Collins ranked in the middle of surrounding communities when comparing development fees.

Unless a variety of tools are created and the municipal government partners with the private development sector, it will be difficult to achieve the needed results. By partnering with developers, the cities can reduce some developer risk. If transaction and carrying costs for a given project are lowered, the final costs can be reduced for the builder. Given the decline in development and construction activity, both Loveland and Fort Collins could use this slow period to perform a review of their processes and fees. New fee structures, or streamlined rules will not return vigor to the construction economy alone, but such actions could help focus community attention on the opportunities to purchase modern housing at a price that hasn't been attainable for a number of years.

Because downtown redevelopment can be easily linked with employment and transportation in both population centers, concentrating on innovative regulatory and development strategies could be a key component of locally instituted economic stimulus in Larimer County. Signs already point to a protracted national recovery and many financing and investment mechanisms that were employed in previous years will no longer be available. Communities that focus on overcoming economic challenges at the local level will be better positioned to maintain healthy employment and economic activity.

Some tools and incentives the Cities and County should consider include:

- Higher densities for a specific number of affordable units.

- Tax exempt financing products provided by the government.
- Local cash and fee waivers/deferrals.
- Coordination with other governmental entities such as the Forest Service, the Colorado State University, state housing agencies, local housing agencies and others.
- City/County-sponsored funding applications to obtain the needed equity from private and public funding agencies.

Community Support

IV. Facilitate and support affordable housing activities carried out by community groups and individuals.

The recessionary economy has not spared charitable groups from the loss of revenue. Non-profit housing organizations have relied on developer fees from tax credit investors. All the national affordable housing revenue sources are in decline and more will have to come from local and state sources. However, new local and state sources will have to be generated since government funds have also been devastated by the 2008-09 Great Recession.

Larimer County benefits from a large group of community based organizations devoted to addressing a host of community needs. Because the County has experienced a high growth rate for the past several years, there are many families and individuals who have not shared equally in the economic benefits of the growth in jobs, households and opportunity. Through generous public and private support, many organizations work daily to create affordable housing and to provide a range of supportive services for individuals who face both social and physical challenges.

The recessionary economy has not spared charitable groups from the loss of revenue. The Loveland and Fort Collins Housing Authorities have experienced cuts to their management fees and program revenues. They have turned to more entrepreneurial business practices as a way of continuing to provide a high quality homes to their low income residents. Non-profit housing organizations have relied on developer fees from tax credit investors. All the national affordable housing revenue sources are in decline and more will have to come from local and state sources. However, new local and state sources will have to be generated since government funds have also been devastated by the 2008-09 Great Recession.

Enhanced Volunteerism is one way to fill funding gaps. Cash strapped organizations have also been devastated by the 2008-09 Great Recession. Highly qualified community volunteers could be recruited to help with tasks that were formally filled by paid employees. The model of community-wide paint and fix-up efforts is a good starting point. Every community can benefit from harnessing community pride for painting the homes of frail, low income citizens or cleaning up untended public and commercial areas. Habit for Humanity has become one of the largest homebuilders in the world by relying on the backs of volunteers for home construction.

Various charitable and government funders will need to innovate new ways of evaluating organizational requests for assistance. Fund utilization analyses and effectiveness measures will need to capture organizational performance in a way that helps decision makers direct limited funds to the organizations which can demonstrate the most impact in the community. In some cases, it may be necessary to merge organizations to gain greater impact for the dollar invested. Those decisions will be painful to make but must be done in a way that opens the discussions to all interest groups and allows free flow of information as various alternatives are considered.

Both the statewide housing organizations, Colorado Division of Housing and Colorado Housing Finance Authority are in a state of flux. They will have new leadership in 2009 and it is important that Larimer County governments and private organizations engage the new leadership in a problem solving dialogue about how to best address the new financing realities. Larimer County has taken a leadership role in the state affordable housing efforts for many years. Larimer County has pioneered models for affordable housing finance and for delivering cost effective supportive services. There are a variety of federal funds that could be used to support integrated housing and self-sufficiency efforts. Does the state need to rethink its Community Services Block Grant Program and can the state utilize more Community Development and Mineral Impact Funds for critical needs like worker housing and homeless housing linked with services?

In an era of reduced resources, it is a common reaction to limit activities in order to better serve limited objectives. However, community needs are multi-faceted and county-wide funders and intermediaries need to reach the right balance between providing support for a number of services that directly impact the well being of children and adults in the county and overly focusing on one or two critical needs. Often organizations have built their funding structure on a variety of blocks that form the pyramid of stability. If one of those blocks is removed, it can cause the structure to fail and the community loses a valuable service.

ACTION STEPS

Cost Estimate and Priority Scale

$	Little or no dollar outlay
$$	$1,000 to $100,000
$$$	$100,000 to $200,000
$$$$	$200,000 to $1,000,000
$$$$$	More than $1 million

Priority Scale	
H	High
M	Medium
L	Low

Guide to Abbreviations

Abbreviation	Name
LHA	Loveland Housing Authority
FCHA	Fort Collins Housing Authority
MG	Municipal Government
CG	County Government
CHFA	Colorado Housing Finance Authority
FP	Funding Partners
LCUW	Larimer County United Way
UC	University Connections
FC	Foundation Community
PPI	Potential Private Investors
DOH	Colorado Division of Housing
CARE	CARE Housing
N2N	Neighbor to Neighbor
RH 20/20	Road Home 20/20 Plan
LCDHS	Larimer County Department of Human Services
CCN	Catholic Charities Northern
LCMH	Larimer County Mental Health
FG	Foothills Gateway
NCAP	Northern Colorado Aids Project
CSH	Crossroads Safe House
LIHOP	Low Income Home Improvement Program

Housing Goal 1: Action Steps for Housing Choices

Provide a full range of housing choices in Larimer County. Special efforts should be directed to the housing needs of groups not easily served by the private market. Those groups include moderate and lower income families of various sizes, elderly households, and those with special challenges, new employees.

Item	Action	Priority	Time line	Players/Resources	COST
a.	Larimer county government agencies, affordable housing developers and financing experts should develop a local strategy for raising local capital for affordable housing developments	H		MGs, CG, FCHA ,LHA, FP, CARE, local lenders, CHFA, DOH,LCUW,UC,FP,PPI	$$$$$
b.	Larimer County affordable housing developers, in conjunction with financing entities, should produce 100 new rental units affordable to households below 50% AMI in three year period. Fort Collins, Loveland.	H	2009-2014	MGs, CG, FCHA,LHA,FP,CARE,N2N,local lenders, CHFA, DOH,FB, HUD	$$$$$
c.	Larimer County Housing Authorities and non-profit agencies providing housing assistance to very low income households<30% AMI should coordinate plans for increasing available rental assistance through Section 8 appropriations and other non-traditional sources of assistance including Rapid Rehousing Funds and HOME tenant based rental assistance	H	2009-2014	FCHA,LHA,CARE,N2N, RH20/20,CCN, LCMH, FG,NCAP, HUD, DOH,	$
d.	Larimer County Special Needs providers should continue to work with housing developers to expand the supply of transitional housing and accessible units. Production goal: at least 12 units annually	H	2009-2014	FCHA,LHA,CARE,N2N, RH20/20,CCN, LCMH, FG,NCAP,CSH, LCUW, local lenders, HUD, DOH,CHFA	$$$$

Item	Actions	Priority	Time Frame	Players/Resources	COST
g.	Larimer County agencies should maintain and expand the down-payment assistance programs operated by the City of Fort Collins and Loveland Housing Authority. **County wide.**	H	2009-2014	Mgs, CG, private lenders, Realtors, DOH, CHFA, HUD	$$$
h.	Larimer County Board of Realtors create/update a comprehensive homeownership information website that would inform both industry personnel and potential purchasers about all the programs and requirements to support purchase of homes in Larimer County.	M	2009-2014	Mgs, CG, private lenders, Realtors, DOH, CHFA, HUD	$$

Housing Goal 2: Action Steps for Housing Preservation

Promote the preservation and affordability of existing housing stock and older neighborhoods by improving the housing and upgrading neighborhood infrastructure and conditions.

Item	Actions	Priority	Time Frame	Players/Resources	COST
a.	Larimer County agencies should continue to support and operate the county LIHIP and seek new resources as available. **County-wide**	H	2009-2014	LHA, MGs ,CG. DOH ,local lenders, local builders	$$$$
b.	Larimer County agencies should examine the expansion of their housing preservation efforts by initiating an acquisition/rehab program that might include an initial emphasis on foreclosed and poorly maintained properties. IN addition to current sources of funding, the HUD 203K loan program may be a new tool. **County-wide**	M	2009-20014	LHA, MGs, CG. DOH, local lenders, local builders, FP,HUD	$$$
c.	Fort Collins and Loveland should create the necessary plans and regulatory framework to facilitate the inclusion of affordable housing in downtown redevelopment projects as a way of increasing the supply of housing for workers in the downtown businesses. **Fort Collins, Loveland.**	M	2009-2014	MGs, private developers, affordable developers, local lenders, FP	$$$$$
d.	Loveland should focus public investment for infrastructure and other public amenities in the downtown re-development area in way that makes downtown convenient and attractive to potential residents.	M	2009-2011	Loveland MG, private developers, affordable developers, local lenders, transportation agencies, dog lovers	$$$$$

Housing Goal 3: Action Steps for Partnerships

Create innovative partnerships between government and the private sector by creating ordinances, plans and policies that expand housing opportunities and support economic diversity.

Item	Action	Priority	Time line	Players/Resources	Cost
a.	The municipalities and County should continually review local development regulations and incentives to see if modifications would encourage more affordable housing development. A review should include consideration of higher densities, tax exempt financing sponsored by local governments, local cash donations and fee waivers	**H**	**2009-2014**	MGs, CG, local builders, local lenders, local Realtors, affordable housing developers	**$$$$**

Housing Goal 4: Action Steps for Community Support

Facilitate and support housing activities carried out by community groups and individuals.

Item	Actions	Priority	Time Frame	Players/Resources	COST
a.	Public and private agencies in Larimer County should continue to provide the excellent financial and political support for community groups creating new affordable housing and family stability opportunities. **Countywide**	**H**	**2009-2014**	CG, MGs, LCUW ,religious community, charitable foundations, individual donors, CSU,DOH, CHFA, HUD,	**$$$$**
b.	Government and private leaders in Larimer County should engage state and federal organizations in discussions to develop new strategies for distributing funding for local needs. **Countywide**	H	2009-2014	CG, MGs, LCUW, local affordable housing organizations, local lenders, local charitable foundations, DOH, CHFA, HUD,	$
c.	In order to overcome funding cutbacks and limitations, local affordable housing and human service organizations should examine ways to more fully utilize volunteers for higher lever work and more complex projects. A central agency should coordinate available volunteer positions with interested volunteers. **Countywide**	M	2009-2011	LCUW, affordable housing and human service agencies, charitable foundations, religious community, CSU, local service clubs, students and teachers	$