Arvada Chamber of Commerce

Arvada Housing Affordability Study

PREPARED FOR
Arvada Chamber of Commerce
University of Colorado, Denver

A PROPOSAL BY:
Mauricio Almenara
Soley Maria Bogadottir
Kiersten Harbour

Research Questions

- (Q1) Does Arvada have enough housing supply for community members making 60-120% of Area Median Income (AMI)?

- (Q2) If not, how can the Arvada Chamber of Commerce best communicate to the community that not only does this housing need exist, but also that it is beneficial to the entire community of Arvada to have a local workforce making 60-120 percent of AMI living in the community they work in?
Background

Arvada, Colorado
The City of Arvada is a home-rule municipality located around the Denver metropolitan area in Jefferson and Adams Counties. According to the most recent Census, 123,436 people currently reside within its boundaries, with 89.1 percent of the population being White. The average income in Arvada is $44,819 for one individual and $92,669 for a household. For comparison purposes, Denver currently holds 715,878 residents, with 72.2 percent of all residents being White. The Census showed that an individual is expected to earn, on average, $40,997 while a household is expected to earn $70,661.

Housing & Cost
The most recent Census has shown that 75.9 percent of the 46,938 households available are owner-occupied. In comparison, 50.4 percent of the 287,756 households in Denver are owner-occupied. According to the Denver Metro Realtor Association, the average value for a home in Arvada, Colorado is $649,000, and $400,000 for a Townhouse or Condo.

Methods
A mixed-methods approach was utilized to analyze and compare existing datasets (provided by Kami Welch, president of the Arvada Chamber of Commerce). The opinions of local experts were gathered through interviews to make our policy recommendations best suited for the community:

**INTERVIEWS & SURVEY**
- Panel Interview
  - Is there an affordability problem in Arvada? Explain.
  - How do you define affordable housing?
  - If there is one, whose responsibility is it, and what do you think is the best solution to fix it?
  - What do you think the community wants?
- Individual Interviews
- Ten-question survey among local Arvada realtors

**META ANALYSIS**
- Placer: Cell Phone Triangulation
  - Commuter demographics
- Lighcast: Community Indicators Map
  - Arvada demographics
- Denver Metro Area of Realtors Database
  - Home values
- Previous Housing Data Studies
Findings

- The Arvada Resident Data determines the averages across five zip codes: 80002, 80003, 80004, 80005, & 80007
- The Placer Commuter Data refers to 7 zip codes from which the highest number of employees commute: 80021, 80031, 80221, 80033, 80403, 80030, & 80401.

Median Household Income
Per Capita Income
Median Home Value

$500,000
$400,000
$300,000
$200,000
$100,000
$0

(1) Affordable Home Value:
(Income) x 2 = $116,826-$233,652
(Compared to the $447,880 Average)

(2) Arvada Residents:
60-120% AMI: $58,413-$116,826

Average Employee Commute Time:
18 minutes

Key Themes from the 2020 Arvada Housing Study

- **Three primary needs:**
  - Affordable rentals or rental assistance, particularly for those earning under $35,000
  - Starter homes under $300,000
  - "Missing Middle" housing options

- **Recommendations:**
  - Affordable housing committee
  - Development Incentives
  - Allocate publicly owned land (or acquire it) for affordable and mixed-income housing
  - Foreclosure/eviction prevention program
  - Linkage fees as a local funding source
  - Leverage existing resources to facilitate affordable housing development

- Arvada home values are almost double that of major commuter cities. Average income is similar, with commuter cities averaging a lower per capita income.

- Based on the median income for a family in Arvada, median housing prices in Sep 2022, 10 percent down payment and interest rates of 6.5 percent, the family would be spending close to 60 percent of their monthly income on housing.
Findings

**Question:** What do you think is a good solution for increasing affordable housing?

- Zoning changes allowing for more density
- Affordable housing units requirement in new multi-family construction
- Incentives or subsidies for developers
- Taxes (transfer tax or higher property tax) to support affordable housing
- City of Arvada owning housing and renting to local government employees
- Private businesses owning housing and renting to their employees
- Deed restrictions
- Housing stipends from employees/local government/local non-profits
- Less government overreach
- Charitable organizations accepting donations for tax write offs
- Something benefiting the private & public sector w/ small gov. influence
- Let the market be free!
- Making it easier for primary home buyers to compete with house flippers

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*Do you think there’s an affordability problem for housing in Arvada, especially for those within 60-120% AMI?*

83.3%

"Arvada is short 7,500 housing units for 60-120% of AMI"

- Kelly Dunkin, Community First Foundation
Findings

According to Director Ryan Stachelski from the Community and Economic Development for the City of Arvada, 87 percent of current Arvada homeowners live in houses that would be considered affordable today based on what they purchased their home, according to Jefferson County data.

Community Leaders Themes (Interviews and Panel):
- Eighty percent agree that affordability is a problem.
- Four out of five use the 30-33 percent of income definition for affordability while acknowledging this may not be realistic.
- Everyone agrees that zoning, in some way, is a hindrance to growth and adding more affordable units.
- Framing the issue and educating the public was another theme among respondents.

In-Commuters/ Employees Household Income
Recommendations

Before Implementing New Public Policy:
1. Hire an intergovernmental staff member to liaise with Arvada’s affordable housing office:
   a. Balance the wants and needs of current residents versus those who work in the community but can’t afford to live in Arvada.
   b. Work with neighboring communities to balance the economic prosperity of the area and population density.

2. Agree on how affordability in housing is defined:
   a. HUD: 33 percent of income.
   b. Lending guidelines: up to 50 percent of income.
   c. Deed restricted, subsidized only, or market rate?
   d. Monthly payments: based on price and interest rates

3. Continue to build upon the research provided.

Conclusion

Q1: Around 83.3 percent of realtors and 80 percent of interviewees and panelists agree there is an affordability problem due to a lack of supply.

Q2: Once the definition of affordability has been answered, a mix of an educational campaign that humanizes the problem and solid data to back it up will be needed.