

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT FOR DISCUSSION

Regional Housing Needs Assessment

EXECUTIVE SUMMARY

The purpose of this item is to present findings and recommendations from the Regional Housing Needs Assessment (RHNA). Staff and consultants will provide information on the process of developing the RHNA; data on demographic trends, housing supply, market trends, and housing gaps; and recommendations. Staff will also share information about next steps, including the anticipated timeline to develop a Housing Action Plan, informed by RHNA findings and recommendations.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions do Councilmembers have regarding the data and findings presented?
2. What reactions do Councilmembers have to the recommendations?

BACKGROUND / DISCUSSION

Background

The Regional Housing Needs Assessment (RHNA) is a collaborative effort of the City of Fort Collins, Larimer County, and City of Loveland to meet the requirements of SB24-174 for jurisdictions to develop Housing Needs Assessments and Housing Action Plans. State statute requires jurisdictions to complete and submit a Housing Needs Assessment by December 31, 2026 and every six years thereafter.

The collaborating jurisdictions contracted with Root Policy Research to complete our RHNA. The RHNA includes sections on:

- Demographic Trends
- Economic Trends
- Housing Inventory
- Housing Market Trends
- Housing Problems and Displacement Risk

- Community Engagement Summary
- Resident Survey Analysis
- Current and Projected Housing Needs
- Barriers, Opportunities, and Recommendations

The full draft RHNA is included as Attachment 2.

Root Policy Research will also present the draft RHNA to Larimer County Commissioners on March 2 and to Loveland City Council on March 24. Input gathered during these presentations will be used to revise and finalize the RHNA.

Overview of Findings and Recommendations

The Executive Summary of the RHNA (included in Attachment 1) summarizes key findings and takeaways. Highlights from the Executive Summary, organized by section, include:

Demographic and Economic Trends

- Fort Collins' population is aging, which may impact future housing needs
- Homeownership rates have declined in the last 15 years, especially among households earning \$50,000 - \$100,000
- Job growth has outpaced housing production, although that trend is already reversing; housing production is expected to outpace job growth over the next 10 years

Housing Stock & Market Trends

- Most housing units in Fort Collins (53%) are single family detached homes, although this proportion has decreased since 2010 (57%); multifamily units have increased in the proportion of housing units in Fort Collins from 25% in 2010 to 28% in 2023
- Rent growth has plateaued over the past two years after seeing substantial increases over the preceding five years; stabilizing rents corresponds to an increasing vacancy rate (currently 5.2%)
- Home prices are about 10% – 15% higher in Larimer County than statewide averages and prices have shifted upward in recent years
- Between 2020 and 2025, Fort Collins saw a loss of homes priced in the \$200,000 - \$400,000 range and an increase of homes priced \$500,000 or more

Housing Affordability and Needs

- In Fort Collins, 58% of renters and 21% of homeowners are cost-burdened, meaning they're paying more than 30% of their gross income in housing costs
- The rental affordability gap (i.e., the number of units needed to meet the demand) is most pronounced for units at 50% AMI and below; around 6,300 units are needed in Fort Collins to fill this gap
- Over the next 10 years, Fort Collins needs to produce over 7,000 total units to meet catch-up and keep-up estimates

Community Perspectives

- Input was gathered through resident and employer surveys, resident focus groups, community meetings, and stakeholder interviews and focus groups.

- Among residents, affordability is a primary driver of housing choice
- Renters, single parents with children, people living in subsidized housing, and people who are precariously housed (e.g., living with friends and family but not on the lease) have higher rates of displacement
- Stakeholders identified gaps in housing supply for deeply affordable and smaller units, accessible senior housing, temporary housing, and smaller for-sale homes
- Employers' top priorities to best address the needs of their employees were a larger supply of affordable rental housing and more starter homes priced at \$300,000 or below

Regional Recommendations

- Continue regional collaboration and public-private partnerships
- Consider funding source options
- Allocate publicly owned land to affordable/mixed income development
- Preserve existing housing (serving low and moderate income households)
- Implement land use and zoning modifications (to unlock supply and improve housing diversity)
- Establish development incentives for affordable housing
- Assist and stabilize existing households through program support

Local Opportunities

The RHNA identifies potential actions, associated with each regional recommendation, for Fort Collins and other participating jurisdictions. Select local opportunities for Fort Collins, based on RHNA recommendations and work underway, are below. These local opportunities can be further explored and refined, and additional opportunities identified, through the Housing Action Plan process following the completion of the RHNA.

- Work with regional partners to achieve Prop 123 goals, keeping access to funding open to developers
- Cultivate public-private partnerships to meet housing development goals
- Continue to study and explore options for dedicated revenue sources
- Monitor funding gaps that cannot be filled through existing sources, particularly if federal funding priorities shift
- Continue development of a real estate strategy for City-owned property
- Identify and assess feasibility of implementing a preservation program for naturally occurring affordable housing
- Implement fast track development approval process for affordable housing; continue progress on development program updates (e.g., FC Clear implementation, customer navigation and support, etc.)
- Monitor the impact of recent land use and zoning updates and development incentives; refine as needed
- Identify additional incentives, particularly by working with market-rate and affordable developers
- Work with community partners and other jurisdictions to implement the Regional Homelessness Strategy

NEXT STEPS

The completed RHNA will be submitted to the State, in compliance with SB24-174, in late Spring 2026 (est. April/May). Data analyses, community engagement input, and recommendations from the RHNA will be used to develop our local Housing Action Plan (HAP), also a requirement of SB24-174. The HAP will also build on the vision and approach to housing outlined in the City's 2021 Housing Strategic Plan: *Everyone has healthy, stable housing they can afford.*

The HAP process is expected to begin in late Spring (est. April/May). Staff plan to use a series of workshops with staff and community partners to establish updated housing goals and develop strategies, informed by data collected, compiled, and analyzed for the RHNA. Staff anticipate the HAP will be brought to City Council for adoption in late 2026 (est. Oct./Nov.).

ATTACHMENTS

1. Draft Fort Collins Executive Summary
2. Draft Regional Housing Needs Assessment Report
3. Presentation