



Sample Content for Development of a Regional Housing Needs Assessment Staff Report

Summary

The Denver Regional Council of Governments (DRCOG) embarked on regional housing work in recent years in response to member governments' request for assistance in tackling this matter on a regional level. The Denver Area Regional Housing Needs Assessment is its leadoff housing planning effort and will be followed by a strategy that builds off the foundation it provides. The Regional Housing Needs Assessment, which is included as Attachment #1, was reviewed and accepted by the DRCOG Board of Directors in October 2024 as a guide for future housing planning, strategy and action.

The Sustainable Affordable Housing Act, also known as SB24-174, was passed by the state legislature last year. While the law includes a number of provisions related to housing, one component is a requirement for local jurisdictions to conduct a housing needs assessment that conforms to methodologies developed by the Colorado Department of Local Affairs (DOLA) by December 31, 2026. However, local governments are exempt from the requirement to conduct a local housing needs assessment if they participate in a regional housing needs assessment that complies with DOLA's methodology. Reviewing the Regional Housing Needs Assessment (Attachment #1) at a public meeting of the governing body and submitting comments to DRCOG within a designated 60-day review period fulfills the law's participation requirements. While participation in the Regional Housing Needs Assessment is optional, doing so allows a jurisdiction to be in compliance with the housing needs assessment component of SB24-174. Participation in the Regional Housing Needs Assessment does not preclude local jurisdictions from later pursuing their own state-compliant local housing needs assessment if they see value in doing so.

After the review and comment period, DRCOG will submit the Regional Housing Needs Assessment along with the comments of each local government to DOLA, the state agency designated to review and accept housing needs assessments.

Background

The Denver region has experienced a 17 percent increase in population over the last decade, without a proportionate increase in housing production. Vacancy rates have hit historic lows and home prices have soared, with the median sale prices increasing 180% in the decade, far surpassing the 55% increase in incomes over the same period.

Home prices and rents are out of reach for median income earners, with over half of renters contributing a disproportionate amount of income towards housing costs.

Both residents and local governments in the Denver area face a variety of issues as a result of this housing environment. In response to these pressing housing challenges, DRCOG's Board of Directors initiated a housing needs assessment for its member governments in 2023. A housing needs assessment identifies the amount of housing needed in a community to meet the demands of current and future residents across all income levels. It uses data on demographic factors, housing stock characteristics, market trends, and forecasted population growth to understand the number of housing units an area will need to produce to meet current and future housing demand over a specified planning period. For the Denver Area Regional Housing Needs Assessment, the specified period is between 2023 and 2050.

A primary purpose of pursuing the housing needs assessment is to provide a data-driven foundation to inform housing strategy. Housing needs assessments offer a broad understanding of housing needs for people across the income spectrum and with different household characteristics, which allows for a more targeted and effective approach to meeting needs. Understanding how much housing the region needs, where it is needed, and at which price points, for both current and future populations, is necessary for policymakers to address overall housing supply and affordability challenges.

Legislative Context

In May 2024, the State of Colorado passed Senate Bill 24-174 (SB24-174), known as the "Sustainable Affordable Housing Assistance" law; see Attachments #2 & #3.

SB24-174 requires local governments to conduct a housing needs assessment, compliant with methodology and baseline components specified by DOLA, by December 31, 2026. However, local governments are exempt from the requirement to conduct a local housing needs assessment if they participate in a state-compliant regional housing needs assessment.

While the Denver Area Regional Housing Needs Assessment effort began before the May 2024 passage of SB24-174, the legislation allows a path for compliance for already-existing housing needs assessments. DRCOG followed the process outlined in the legislation and submitted the assessment to DOLA by the legislation's December 31, 2024 deadline. DOLA reviewed the assessment for compliance and issued notice in February 2025 that the assessment was conditionally approved for substantial compliance. The notice included specific guidance on modifications that would bring the assessment into full conformance, and DRCOG has completed those modifications. This allows local governments in the DRCOG region to use the Regional Housing



Needs Assessment in Attachment #1 for compliance with SB24-174 if they choose to participate.

Denver Area’s Regional Housing Needs Assessment

The development of the Denver Area Regional Housing Needs Assessment included two distinct endeavors. The first was an analysis of regional data to identify gaps in housing supply and affordability across income levels and household types. The second consisted of extensive engagement with stakeholders across various housing sectors to identify systemic barriers to developing housing. Throughout development of the Regional Housing Needs Assessment, DRCOG collaborated closely with local government officials, housing developers, community organizations, advocates, finance professionals, and economists.

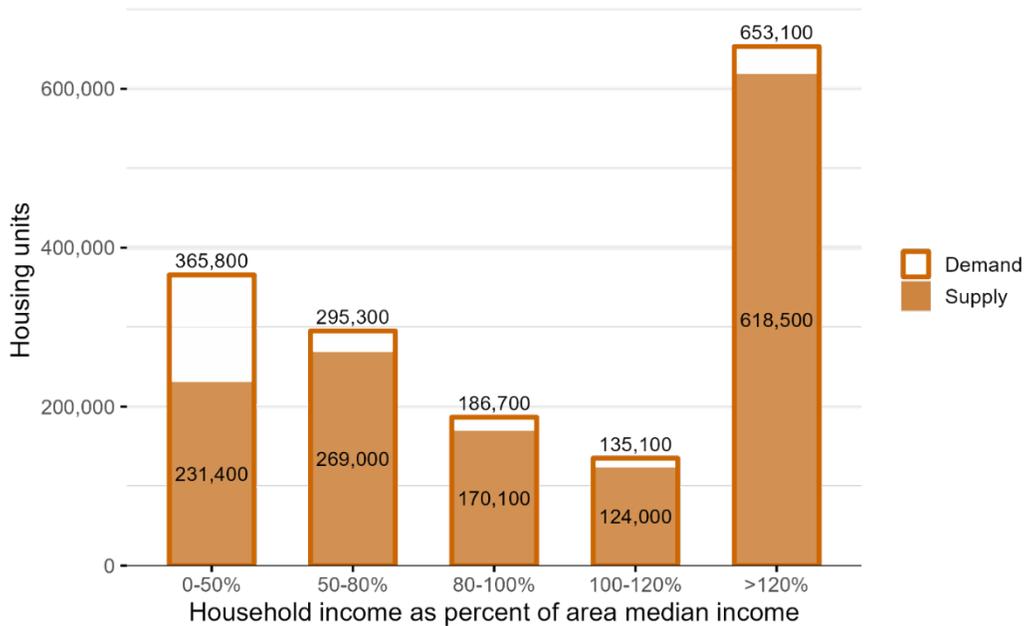
The analysis revealed the following:

- Despite periodic building booms, the region has not produced enough housing to keep pace with population and job growth.
- Housing supply is less than demand in every household income category. Low-income households (below 50% of Area Median Income) represent the greatest need for additional housing. See the “Regional Housing Need by Income” chart below.
- An aging population and smaller household trends will require more diverse housing types.
- Housing types and affordability are unevenly distributed across the region.
- In the Denver region, 500,000 housing units are needed to address current and future needs across the income spectrum by 2050.
- Of the 500,000 housing units, 223,000 units are needed over the 10-year period between 2023 and 2032. See the “Total Regional Housing Need” graph below.



Total Regional Housing Need





Regional Housing Need by Income

The orange outline of these bars represents the 10-year demand for housing by income level, while the shaded area presents the region's current supply of housing affordable to each income level. The gap in each bar represents the region's housing need.

The engagement efforts with local government staff, lending and investment institutions, developers, professional associations, state and regional agencies, consultants, infrastructure/utility providers, and advocacy organizations included discussions on increasing housing supply. The prime identified barriers to addressing housing need fall into five categories:

- Land use and zoning.
- Infrastructure.
- Development costs and market factors.
- Funding and finance.
- Community consensus and collective action.

A detailed description of the barriers can be found in the attached Regional Housing Needs Assessment.

Understanding Housing Need in our Community



The Regional Housing Needs Assessment calculated the housing need for the Denver region and then distributed the need to individual municipalities based on population, employment, transportation, and housing data. Housing markets are regional, and the methodology and data analysis reflect this. Understanding each municipality's housing needs is essential because housing policy is often developed and implemented at the local level of government. These numbers provide decision-makers with a better understanding of the scale and scope of the region's housing needs so they can make informed decisions about housing strategy in their community.

10-Year Housing Need in our Community

[Insert 10-Year Housing Need Chart]

How to insert the chart:

- Visit: https://drcog.shinyapps.io/denver_regional_housing_need/
- Click "Download PowerPoint"
- From the downloaded PowerPoint, copy and paste the 10-Year Need chart.

The chart above shows how many housing units are needed over the 10-year period from 2023 to 2032, and at what income levels those units are needed. The precise number is not as important as understanding the scale and scope of the need and developing a strategy proportionate to the need.

Cost Burdened Households in our Community

[Insert Housing Burdens Chart]

- From the downloaded PowerPoint, copy and paste the Housing Burdens chart.

This chart shows the proportion of rented homes in our community where households are spending 30%+ and 50%+ of their income on housing costs. It also shows how this proportion has changed between 2000 and 2022. Implementing a housing strategy that is proportionate to the housing need would provide relief to these households in our community.

Regional Housing Needs Assessment - Benefits of Participation

Participation in the Denver Area Regional Housing Needs Assessment is not compulsory. However, there are notable advantages to a local jurisdiction's choosing to participate:



- It exempts the local jurisdiction from the requirement to conduct and publish a state-compliant local housing needs assessment by the deadline of December 31, 2026, which would require significant staff time and likely the services of a consultant with expertise in the subject matter.
- It maintains flexibility for the local jurisdiction to still develop its own state-compliant housing needs assessment later. Future planning efforts at the local level can then utilize data from the local housing needs assessment, or other data sources, for their housing action plan.

Further, housing markets are regional. Choices about where to live are based on access to jobs, affordability, schools, amenities, childcare and other factors that often transcend jurisdictional boundaries. A regional housing needs assessment offers a shared analysis for an interjurisdictional issue. A regional approach fosters shared collaboration to address the scale and scope of housing needs and develop strategies that match the nature of housing demand.

Next Step

Comment Submittal

The following should be submitted to DRCOG between July 14, 2025 to September 12, 2025 by emailing the information to metrovision@drcog.org:

- **Meeting Information:** To show that there was a review and comment from the governing body at a public meeting during the defined 60-day review period, the local jurisdiction should provide the date, time and location of the public meeting at which the Regional Housing Needs Assessment was on the agenda.
- **Comments:** If the local jurisdiction has any comments on the Regional Housing Needs Assessment, they are to be submitted concurrent with the meeting information. If there are no comments, this too should be noted with the meeting information email.

Attachments

Included with the staff report are the following associated documents:

- Denver Area's [Regional Housing Needs Assessment](#)
- [SB24-174 Signed Act](#)
- [SB24-174 Summary](#)
- [Housing Needs Assessment Guide for Colorado Communities](#) (DOLA, Dec 2024)



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